

FastAccess Service). Once BellSouth establishes its price for DSL service, however, BellSouth shall not impose any additional charges for its wholesale or retail DSL service on consumers based on their choice of local voice service provider. Nothing herein shall prevent the Commission from investigating claims of anti-competitive or discriminatory pricing or practices, or violations of the Commission's Regulations for Competition in the Local Telecommunications Market. (3) The Order currently requires BellSouth to provide DSL over both the UNE-P and UNE loops. However, in light of the testimony of the facilities-based CLECs in this proceeding that they do not intend to have BellSouth provide DSL over their UNE loops, but intend to offer the consumers both voice and data services, the Commission is willing to clarify its Order. Accordingly, BellSouth is ordered to provide for a seamless transition without disconnection of consumers' voice and DSL service to the CLECs' voice and data services. BellSouth shall not require the disconnection of its wholesale or retail DSL service prior to the consumers' transition of voice and data service to that of the CLECs. BellSouth shall provide and the CLECs may provide the Commission a proposed performance measure that ensures a seamless transition of voice and data service occurs when an end-user changes voice and data service from BellSouth to a facilities-based CLEC that chooses to provide its own voice and data services to an end-user over a UNE loop no later than May 1, 2003. That measure will be included in the docket U-22252-C 6 month performance review. The filing of such proposal shall not delay implementation of the Order or suspend BellSouth's current obligation to provide DSL service over the UNE-P or to provide for the seamless transition, without disconnection, of a consumer's voice and DSL service to the CLE 's voice and data services. (4) Finally, Order R-26173 became effective on January 24, 2003. However, the Commission clarifies that BellSouth shall have until June 1, 2003, to fully implement the requirements of the Order. The motion was seconded by Commissioner Dixon, and unanimously adopted.

**IT IS THEREFORE ORDERED THAT:**

1. BellSouth is to continue to provide its wholesale and retail DSL service to customers who choose to switch voice services to a competitive local exchange carrier utilizing the Unbundled Network Element Platform. As stated in Order R-26173, this requirement likewise applies to CLEC voice customers who subsequently choose to receive BellSouth's wholesale or retail DSL service. Should BellSouth intend to offer its DSL service in the latter

scenario over a separate line/loop, it shall file a proposal for consideration by the Commission no later than May 1, 2003. Such alternative offering, if proposed, shall not discriminate against that class of voice customers. The filing of such proposal shall not delay implementation of the Order or suspend BellSouth's current obligation to provide DSL service over the UNE-P.

2. The Commission affirms that it does not regulate the rates or pricing of BellSouth's wholesale or retail DSL service and does not establish any pricing for BellSouth's DSL in Order R-26173. BellSouth continues to have the flexibility under this Order to establish the price for its DSL services and offer discounts off of the established DSL price to its customers who choose packaged service offerings. (Example: BellSouth Complete Choice and FastAccess Service). Once BellSouth establishes its price for DSL service, however, BellSouth shall not impose any additional charges for its wholesale or retail DSL service on consumers based on their choice of local voice service provider. Nothing herein shall prevent the Commission from investigating claims of anti-competitive or discriminatory pricing or practices, or violations of the Commission's Regulations for Competition in the Local Telecommunications Market.
3. The Order currently requires BellSouth to provide DSL over both the UNE-P and UNE loops. However, in light of the testimony of the facilities-based CLECs in this proceeding that they do not intend to have BellSouth provide DSL over their UNE loops, but intend to offer the consumers both voice and data services, the Commission is willing to clarify its Order. Accordingly, BellSouth is ordered to provide for a seamless transition without disconnection of consumers' voice and DSL service to the CLECs' voice and data services. BellSouth shall not require the disconnection of its wholesale or retail DSL service prior to the consumers' transition of voice and data service to that of the CLECs. BellSouth shall provide and the CLECs may provide the Commission a proposed performance measure that ensures a seamless transition of voice and data service occurs when an end-user changes voice and data service from BellSouth to a facilities-based CLEC that chooses to provide its own voice and data services to an end-user over a UNE loop no later than May 1, 2003. That measure will be included in the docket U-22252-C 6 month performance review. The filing of such proposal shall not delay implementation of the Order or suspend BellSouth's current obligation to provide DSL service over the UNE-P or to provide for the seamless transition, without disconnection, of a consumer's voice and DSL service to the CLECs' voice and data services.
4. Order R-26173 became effective on January 24, 2003. However, the Commission clarifies that BellSouth shall have until June 1, 2003, to fully implement the requirements of the Order.

BY ORDER OF THE COMMISSION  
BATON ROUGE, LOUISIANA

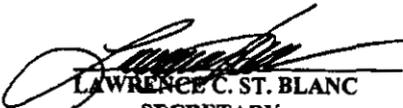
April 4, 2003

/S/ JACK "JAY" A. BLOSSMAN  
DISTRICT I  
CHAIRMAN JACK "JAY" A. BLOSSMAN

/S/ IRMA MUSE DIXON  
DISTRICT III  
COMMISSIONER IRMA MUSE DIXON

/S/ C. DALE SITTIG  
DISTRICT IV  
COMMISSIONER C. DALE SITTIG

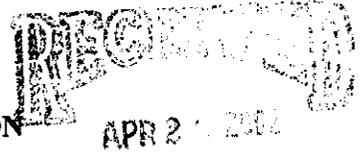
/S/ JAMES M. FIELD  
DISTRICT II  
COMMISSIONER JAMES M. FIELD

  
LAWRENCE C. ST. BLANC  
SECRETARY

/S/ FOSTER L. CAMPBELL  
DISTRICT V  
COMMISSIONER FOSTER L. CAMPBELL

EXHIBIT "7"

BEFORE THE  
GEORGIA PUBLIC SERVICE COMMISSION



GENERAL COUNSEL  
GEORGIA

In Re: )  
Complaint of MCImetro Access ) Docket No. \_\_\_\_\_  
Transmission Services, LLC and MCI )  
WorldCom Communications, Inc. Against )  
BellSouth Telecommunications, Inc. )

COMPLAINT

MCImetro Access Transmission Services, LLC and MCI WorldCom Communications, Inc. (collectively, "MCI"), pursuant to O.C.G.A. §§ 46-2-20(b), 46-2-21(b)(4) and 46-5-168 and Georgia Public Service Commission ("Commission") Rule 515-2-1, hereby bring this Complaint against BellSouth Telecommunications, Inc. ("BellSouth") for breach of their interconnection agreements with BellSouth and for violation of the Telecommunications and Competition Development Act of 1995 (the "Georgia Act"). The purpose of this Complaint is to address BellSouth's unlawful refusal to provide its digital subscriber line ("DSL") service, known as "FastAccess," to MCI local voice customers over the high frequency portion of their voice phone lines. BellSouth's policy is anticompetitive, discriminatory and illegal, and undermines Georgia consumers' ability to choose between local exchange carriers for voice service. MCI respectfully requests that the Commission order BellSouth to discontinue its unlawful policy of refusing to provide FastAccess service to MCI voice customers and to permit MCI to provide UNE-P voice service over the same lines BellSouth uses to provide FastAccess service. Accordingly, MCI shows the Commission as follows:

## PARTIES

1. MCImetro Access Transmission Service, LLC (“MCImetro”) is a Delaware company with its principal place of business at 500 Clinton Center Drive, Clinton, Mississippi 39056. MCImetro has a Certificate of Authority issued by the Commission that authorizes MCImetro to provide local exchange service and long distance service in Georgia. MCImetro is a “telecommunications carrier” and “local exchange carrier” under the Telecommunications Act of 1996 (the “Federal Act”).

2. MCI WorldCom Communications, Inc. (“MCI WorldCom”) is a Delaware company with its principal place of business at 500 Clinton Center Drive, Clinton, Mississippi 39056. MCI WorldCom has a Certificate of Authority issued by the Commission that authorizes MCI WorldCom to provide local exchange service and long distance service in Georgia. MCI WorldCom is a “telecommunications carrier” and “local exchange carrier” under the Federal Act.

3. BellSouth is a Georgia corporation, having offices at 675 West Peachtree Street, Atlanta, Georgia 30375. BellSouth is an incumbent local exchange carrier (“ILEC”), as defined in Section 251(h) of the Federal Act, and is a Tier 1 local exchange carrier as defined by O.C.G.A. § 46-5-162(10)(A).

## JURISDICTION

4. MCI and BellSouth are subject to the jurisdiction of the Commission with respect to the claims asserted in this Complaint.

5. The Commission has jurisdiction with respect to MCI’s claims under Article IV, Section I, Paragraph I of the Georgia Constitution (vesting the Commission with “such jurisdiction, powers, and duties as provided by law”); under O.C.G.A. § 46-2-21 (conferring

general jurisdiction over telephone companies operating in Georgia); and under O.C.G.A. § 46-5-168 (conferring jurisdiction under the Georgia Act).

6. The Commission also has jurisdiction under the Federal Act under 47 U.S.C. § 251(d)(3) (conferring authority to State commissions to enforce any regulation, order or policy that is consistent with the requirements of Section 251) with respect to MCI's claims.

### **BACKGROUND**

#### A. FCC Line Sharing and Line Splitting Orders

7. To promote competition and to provide customers with alternatives to ILECs, Congress has mandated that each ILEC must provide competitive carriers with access to its network elements on an unbundled basis. 47 U.S.C. § 251(c)(3). In 1999, the Federal Communications Commission ("FCC") amended its unbundling rules to promote competition in the provision of DSL services. *In re Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order in CC Docket No. 98-147, Fourth Report and Order in CC Docket No. 96-98 (rel. Dec. 9, 1999) ("Line Sharing Order"). DSL is a generic term that includes a family of digital services such as Asymmetric Digital Subscriber Line and High Bit Rate Digital Subscriber Line. DSL technology allows carriers to provide high speed internet access over the high frequency portion of a local loop while the low frequency portion of the loop can be used simultaneously to provide traditional voice service. The FCC ordered ILECs to provide access to the high frequency portion of the local loop as a distinct network element. *Id.* at ¶ 13. The Line Sharing order thus allows a competing carrier to provide DSL to a customer while the ILEC provides simultaneous voice service to the same customer. *Id.*

8. Because ILECs claimed the Line Sharing Order mandated that ILECs offer the high frequency portion of the loop as an unbundled network element only when the ILEC was providing voice service over the loop, BellSouth and other ILECs refused to allow competitive local exchange carriers ("CLECs") to self-provision or partner with a data carrier to provide voice and data service over a loop leased by the CLEC. The ILECs would provide, or allow competitors to provide, DSL service only to the ILEC's voice customers. Because this policy unjustifiably hindered competition, the FCC ordered ILECs such as BellSouth to change this policy. Specifically, the FCC stated that ILECs must "allow competing carriers to offer both voice and data service over a single unbundled loop." *In re Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order on Reconsideration in CC Docket No. 98-147, Fourth Report and Order on Reconsideration in CC Docket No. 96-98, Third Further Notice of Proposed Rulemaking in CC Docket No. 98-147, Sixth Further Notice of Proposed Rulemaking in CC Docket No. 96-98 (rel. Jan. 19, 2001) ("Line Splitting Order"). The FCC labeled the provision of voice and data service over a loop leased by the CLEC as "line splitting."

9. In the Line Splitting Order, the FCC also considered AT&T's request for reconsideration on the question of whether an ILEC must continue to provide DSL service once a CLEC wins the customer's voice business. Although the FCC concluded that the Line Sharing Order did not contain such a requirement, it did not address whether such a requirement might arise from another source, such as the Federal Act or state law. To the contrary, in addressing AT&T's request, the FCC stated that "[t]o the extent that AT&T believes that specific incumbent behavior constrains competition in a manner inconsistent with the Commission's line sharing

rules and/or the Act itself, we encourage AT&T to pursue enforcement action.” *Id.* at ¶ 26. This Complaint represents such an enforcement action contemplated by the FCC.

B. The Georgia Market for Voice and DSL Services

10. MCI is the only national provider of residential local exchange service in the United States. MCI won 1.5 million local residential customers through the end of 2001 and its goal is to reach 3 million residential customers nationally by the end of 2002.

11. MCI began providing local residential service in Georgia in May 2001 and since then has turned up service for tens of thousands of Georgia consumers. MCI recently announced the launch of “The Neighborhood built by MCI” in thirty-two states, including Georgia, and has plans to initiate service in the remaining states by early 2003. This new product provides Georgia consumers with packages of local, intraLATA and interLATA voice services, along with assortments of popular features. MCI also provides packages of local, intraLATA and interLATA voice services and features to small business customers in Georgia.

12. BellSouth remains the monopoly provider of local exchange services in its Georgia service territory. BellSouth recently has leveraged its monopoly in the local Georgia voice market to become the leading provider of DSL service to consumers in the state. Since the Line Sharing Order was released, all three national DSL providers – NorthPoint, Rhythms and COVAD – have filed for bankruptcy, and only COVAD has survived. Meanwhile, BellSouth and other regional Bell companies have accelerated their rollouts of DSL service. BellSouth ended the year 2000 with 215,500 DSL customers in its region and increased its total to 620,500 by the end of 2001. BellSouth has added another 108,000 customers in the first quarter of 2002, giving it a current total of approximately 729,000 DSL customers. BellSouth has stated publicly

that its goal is to serve 1.1 million DSL customers by the end of 2002. BellSouth increasingly is able to use, and does use, its position in the DSL market to block local voice competition.

13. As MCI's residential service launch in Georgia has progressed, it has encountered an increasing number of BellSouth voice customers who receive voice and FastAccess service over the same line. BellSouth's policy is that it will not provide FastAccess to a customer unless BellSouth also provides that customer's voice service. MCI's experience has been that when given the option of migrating to MCI for voice service and losing FastAccess, or staying with BellSouth for voice service and keeping their DSL service, customers decide to retain FastAccess. Not only do customers wish to keep the DSL service because of its functionality, they often are bound by long-term DSL contracts. BellSouth encourages customers to enter into long-term arrangements by offering a rebate on the modem used for FastAccess service. If the customer attempts to terminate service after a trial period and before the end of the contract term, the customer must pay back-end fees. By tying together BellSouth's voice and FastAccess products, BellSouth effectively seals off local voice competition for its growing FastAccess customer base.

14. MCI provides local service to Georgia residential and small business consumers by leasing UNE-P lines from BellSouth. To migrate a customer from BellSouth to MCI, MCI submits a local service request ("LSR"), which BellSouth is supposed to process and provision electronically. When MCI submits an LSR for a BellSouth voice customer who receives FastAccess service over the high frequency portion of his or her voice line, it is technically feasible for BellSouth to migrate the customer to MCI for UNE-P voice service. Indeed, BellSouth has had to change its systems to block LSRs for such customers from being provisioned, because without the change its systems would process LSRs for those customers.

BellSouth's policy of tying its FastAccess service to its local voice service has nothing to do with technical feasibility and everything to do with protecting and extending its monopoly in the Georgia voice market.

**COUNT ONE – BREACH OF INTERCONNECTION AGREEMENTS**

15. MCI incorporates paragraphs 1-14 of this Complaint as if fully set forth herein.

16. The interconnection agreements between MCImetro and BellSouth and between MCI WorldCom and BellSouth (the "Interconnection Agreements") were entered into effective November 12, 2001 and approved by the Commission by Orders dated December 14, 2001. In all material respects, the Interconnection Agreements are identical except that one is signed by MCImetro and the other is signed by MCI WorldCom.

17. Part A, Section 12.2 of both Interconnection Agreements provides that "BellSouth agrees that it shall provide to MCI on a nondiscriminatory basis unbundled Network Elements and auxiliary services as set forth in this Agreement . . . . BellSouth further agrees that these services, or their functional components, must contain all the same features, functions and capabilities and be provided at a level of quality at least equal to the level which it provides to itself, its Affiliates, and other telecommunications carriers."

18. Attachment 3, Section 2.1 of both Interconnection Agreements provides in pertinent part that "BellSouth shall offer Network elements to MCI on an unbundled basis at rates and on terms and conditions that are just, reasonable, and nondiscriminatory and in accordance with the terms and conditions of this Agreement. BellSouth shall provide MCI with unbundled Network Elements of at least the same level of quality as BellSouth provides itself, its Customers, subsidiaries, or Affiliates, or any third party."

19. BellSouth's refusal to provide FastAccess using the high frequency portion of a customer's voice line unless the customer uses BellSouth's voice service constitutes a breach of the Interconnection Agreements. BellSouth should be ordered to cease its illegal conduct at once and to permit MCI to provide voice service to Georgia consumers using the same UNE-P line used to provide BellSouth's FastAccess service.

### **COUNT TWO – VIOLATION OF GEORGIA ACT**

20. MCI incorporates paragraphs 1-19 of this Complaint as if fully set forth herein.

21. The Georgia Act prohibits BellSouth from engaging "in any anticompetitive act or practice including but not limited to price squeezing, price discrimination, predatory pricing, or tying arrangements, as such terms are commonly applied in antitrust law." O.C.G.A. § 46-5-169(4). BellSouth's refusal to provide FastAccess using the high frequency portion of a customer's voice line unless the customer uses BellSouth's voice service violates the Georgia Act. BellSouth should be ordered to cease its illegal conduct at once and to permit MCI to provide voice service to Georgia consumers using the same UNE-P line used to provide BellSouth's FastAccess service.

### **PRAYER FOR RELIEF**

WHEREFORE, for the foregoing reasons, MCI respectfully requests that the Commission:

- (1) Order BellSouth to discontinue its unlawful policy of refusing to provide FastAccess service to MCI voice customers over the high frequency portion of their voice lines;
- (2) Order BellSouth to permit MCI to provide UNE-P voice service over the same lines BellSouth uses to provide FastAccess service; and
- (3) Order such further relief as the Commission deems just and appropriate.

Respectfully submitted this 29<sup>th</sup> day of April, 2002.



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Attorneys for MCImetro Access Transmission  
Services, LLC and MCI WorldCom  
Communications, Inc.

**BEFORE THE  
GEORGIA PUBLIC SERVICE COMMISSION**

In Re: )  
Complaint of MCImetro Access ) Docket No. \_\_\_\_\_  
Transmission Services, LLC and MCI )  
WorldCom Communications, Inc. Against )  
BellSouth Telecommunications, Inc. )

**CERTIFICATE OF SERVICE**

This is to certify that I have served copies of the **COMPLAINT** upon the following parties of record by first class mail, this 29<sup>th</sup> day of April, 2002:

Bennett Ross, Esq. (hand delivery)  
BellSouth Telecommunications  
1025 Lenox Park Boulevard, Suite 6C01  
Atlanta, Georgia 30319-5309

Ms. Kristy R. Holley, Director  
Consumers' Utility Counsel Division  
47 Trinity Avenue, S.W., 4<sup>th</sup> Floor  
Atlanta, Georgia 30334

This 29<sup>th</sup> day of April, 2002.

  
\_\_\_\_\_  
Charles B. Jones, III

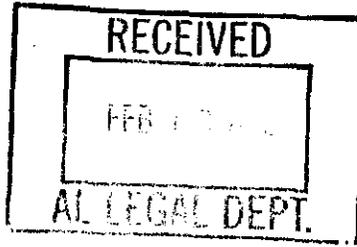


BALCH & BINGHAM LLP

Alabama • Mississippi • Washington, DC

Robin G. Laurie  
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EXHIBIT "8"



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February 7, 2003

SECRET  
Filed  
FEB 7 2003  
APSC

VIA HAND DELIVERY

Mr. Walter Thomas  
Secretary  
Alabama Public Service Commission  
RSA Union Building  
8th Floor  
100 N. Union Street  
Montgomery, Alabama 36104

Re: Petition for Arbitration of ITC^DeltaCom  
Communications, Inc. with BellSouth  
Telecommunications, Inc. Pursuant to the  
Telecommunications Act of 1996

Dear Mr. Thomas:

Enclosed herewith for filing on behalf of ITC^DeltaCom  
Communications, Inc. are the original and ten copies of the  
Petition for Arbitration of ITC^DeltaCom in the above-referenced  
matter.

~~Very truly yours,~~  
  
Robin G. Laurie

RGL/dpe  
Enclosures

128143.1

**BEFORE THE**  
**ALABAMA PUBLIC SERVICE COMMISSION**

**In Re:** )  
 )  
**Petition for Arbitration of ITC^DeltaCom** ) **Docket No.** \_\_\_\_\_  
**Communications, Inc. with BellSouth** )  
**Telecommunications, Inc. Pursuant to the** )  
**Telecommunications Act of 1996** )

SEC  
Filed  
FEB 11 2003  
APSC

**PETITION FOR ARBITRATION OF ITC^DELTA COM**

**A. INTRODUCTION**

1.

COMES NOW, ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom (hereinafter "ITC^DeltaCom") by its undersigned attorneys, pursuant to Section 252(b) of the Communications Act of 1934, as amended in 1996 (the "Act")<sup>1</sup> and hereby petitions the Alabama Public Service Commission ("Commission") to arbitrate certain unresolved issues in the interconnection negotiations between ITC^DeltaCom and BellSouth Telecommunications, Inc. ("BellSouth").

2.

ITC^DeltaCom requests that the Commission invoke its authority to conduct an evidentiary hearing concerning the issues identified herein and any other unresolved issues as the Commission may deem appropriate and that ITC^DeltaCom be granted the right to conduct discovery on BellSouth's positions in advance of such hearing.<sup>2</sup> In support of this Petition, and

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<sup>1</sup> See 47 U.S.C. § 252(b).

<sup>2</sup> ITC^DeltaCom requests that a schedule be established for the filing of testimony, exhibits, discovery requests, and responses thereto.

carriers but not ITC^DeltaCom.

BellSouth Position:

No. BellSouth is unable to agree to this proposal as there are circumstances (*e.g.*, collocation space not ready) which may delay provisioning and BellSouth cannot “hold” the facility.

35.

**Issue 24: Rate and Provision of Performance Data (Att. 2 – 9.1.4.15; 11.3.2.3.)**

Statement of the Issue:

What should be the rate for Performance Data that BellSouth provides to ITC^DeltaCom regarding customer line, traffic characteristics, and other information? Should BellSouth be required to provide Performance Data for customer line, traffic characteristics and Common (Shared) Transport?

ITC^DeltaCom Position:

The rates should be as specified in Attachment 11. The existing contract required such Performance Data.

BellSouth Position:

Unclear. BellSouth is reviewing this issue.

36.

**Issue 25: Provision of ADSL Where ITC^DeltaCom is the UNE-P local provider (Att. 2 – 8.4)**

Statement of the Issue:

Should BellSouth continue providing the end user ADSL service where ITC^DeltaCom provides UNE-P local service to that same end user on the same line?

ITC^DeltaCom Position:

Yes. BellSouth should not be permitted to tie local service to its ADSL service.

BellSouth Position:

No.

37.

**Issue 26: Local Switching – Line Cap & Other restrictions (Att. 2 – 9.1.3.2; 9.1.2)**

Statement of the Issues:

Should the Agreement include language that prevents BellSouth from imposing restrictions on ITC^DeltaCom's use of local switching? Should BellSouth provide local switching at market rates where it is not required to provide local switching as a UNE? What should be the market rate?

ITC^DeltaCom Position:

The existing agreement states that except as otherwise required, BellSouth will not impose restrictions on ITC^DeltaCom's use of local switching unless BellSouth can demonstrate harm to its network.

BellSouth Position:

No.

38.

**Issue 27: Treatment of Traffic associated with Unbundled Local Switching but using ITC^DeltaCom's CIC (Att. 2 – 9.1.7)**

Statement of the Issue: