

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of )  
 )  
July 3, 2001 Annual Access Charge Tariff Filings )  
 )  
BellSouth Telecommunications, Inc. ) Transmittal No. 592  
Tariff F.C.C. No. 1 )

**REPLY**

BellSouth Telecommunications, Inc. (“BellSouth”) hereby submits its Reply to AT&T Corp.’s (“AT&T”) Petition to Suspend and Investigate the above referenced transmittal.

1. On June 18, 2001, BellSouth, along with other local exchange carriers (“LEC”), filed its annual access tariff filing. Only one party, AT&T, filed a Petition to Suspend and Investigate (“Petition”) these tariffs, making numerous allegations about various LECs. The Petition, however, only raises one issue with regard to BellSouth's filing. AT&T incorrectly argues that BellSouth should only use a portion of the minutes of use associated with meet-point billing traffic in developing its Average Traffic Sensitive (“ATS”) rate. As shown below, the petitioners' claims, as they pertain to BellSouth, are without merit.

2. AT&T claims that BellSouth has failed to properly account for meet-point and other jointly-provided transport in calculating its average per-minute rates. AT&T claims that with meet-point billing the “end user’s location is not in the same territory as the LEC where the IXC’s point of presence (“POP”) is located.”<sup>1</sup> In that situation, AT&T states that several LECs may contribute to the provision of access service to the interexchange carrier (“IXC”). AT&T theorizes that because more than one LEC contributed to the access service then the minutes of

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<sup>1</sup> AT&T Petition at 20.

use should be divided between those LECs. AT&T argues that the Commission should require BellSouth to apply a factor, such as the NECA Tariff 4 billing percentages, to reduce its meet-point billing minutes.

3. All of the LECs, including BellSouth, used the same methodology to calculate ATS rates in last year's annual access tariff filings. AT&T raised this exact argument in its Petition to Suspend and Investigate those tariff filings.<sup>2</sup> BellSouth demonstrated then that it had properly accounted for meet-point billed circuits and the Commission rejected AT&T's argument and did not require any adjustment to the LECs' tariff filings for meet-point billing. Nothing has changed in the intervening year and the Commission should once again deny AT&T's Petition.

4. The transport component of the ATS rate is calculated by dividing proposed transport revenues by base period minutes of use. Section 61.3(e)(1)(B) of the Commission's rules clearly requires that meet-point billing minutes be included in that calculation, and Section 61.3(e)(2) reiterates that "all relevant revenues and minutes" should be included. In meet-point billing arrangements, one local exchange carrier provides switched transport from the central office to the meet-point, and the other carrier provides transport from the meet-point to the point of presence of the interexchange carrier. Each local exchange carrier bills its portion of the mileage component of switched transport, using the billing percentages in NECA Tariff 4. These billing percentages are used to adjust distance, not minutes, and they cannot be used to factor down minutes of use in the calculation of the ATS rate, as AT&T proposes. Regardless of whether a minute originates on one carrier's network and terminates on another carrier's network, a minute of use is insensitive to the distance traveled or the number of carriers involved in transporting the minute. If a minute travels one mile or 100 miles, a carrier has to build or lease a facility with

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<sup>2</sup> *In the Matter of 2000 Annual Access Tariff Filings*, Petition of AT&T, filed June 22, 2000 at 10-14.

the capacity to transport that minute across its network from the point of origination to the point of termination, either of which may be a meet-point location. Transport facilities are not constructed to handle only a fraction of the minutes as AT&T's logic suggests. Transport facilities are constructed to handle the total minutes traveling on a carrier's network. To make the adjustment AT&T proposes would understate the demand on BellSouth's network.

5. The demand quantities shown in BellSouth's calculation of the actual price index for each interoffice mileage rate element include the actual number of miles billed, which go no farther than the meet-point. This is the same way that the actual price index has been calculated in every previous annual access tariff filing. In developing the ATS rate, BellSouth included all of its transport revenues associated with entrance facilities, direct trunked transport and tandem switching (usage elements and trunk ports) necessary to route traffic to interexchange carriers, except for those revenues removed from price caps as a result of the approval of BellSouth's Special Access Pricing Flexibility Petition.<sup>3</sup> Those revenues must be divided by the total associated minutes of use, including full meet-point billing minutes, to accurately develop the proposed average traffic-sensitive rate.

6. Apart from the fact that BellSouth has properly accounted for meet-point billed minutes, the Commission should reject AT&T's argument as it relates to BellSouth because BellSouth has met the ATS floor of \$0.0055, as set forth in the *CALLS Order*.<sup>4</sup> BellSouth met the ATS floor in its Revised 2000 Annual Access Tariff, which became effective on August 11,

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<sup>3</sup> See BellSouth Telecommunications, Inc., Transmittal 592, filed June 18, 2001, Development of ATS LEC-Transport MOU, Appendix B, Workpaper TPT-1.

<sup>4</sup> *In the Matter of Access Charge Reform, et al.*, CC Docket No. 96-262, *Sixth Report and Order in CC Docket Nos. 96-262 and 94-1, Report and Order in CC Docket No. 99-249, Eleventh Report and Order in CC Docket 96-45*, 15 FCC Rcd 12962 (2000) ("CALLS Order").

2000.<sup>5</sup> Because BellSouth achieved the target rate in last year's annual tariff filing, BellSouth was not required to adjust its traffic sensitive rates in this filing. Accordingly, the ATS rate calculated by BellSouth will not have a negative impact on AT&T.

7. AT&T also argues that BellSouth failed to adequately document its development of the ATS rate, particularly the calculation of its meet-point minutes.<sup>6</sup> BellSouth provided proper documentation of its transport minutes in Appendix B, Workpaper TPT-1. BellSouth developed Workpaper TPT-1 to document the transport minutes it inputs into the TGT-1 form, which is a TRP form the Commission requires BellSouth to file in support of its 2001 Annual Access Tariff filing. With the exception of the pricing flexibility adjustment, this workpaper follows the same format as last year's Revised 2000 Annual Access Tariff filing.<sup>7</sup> Attached to this reply are two worksheets that provide supporting information as to how BellSouth determined its ATS LEC-Transport MOUs on Workpaper TPT-1.

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<sup>5</sup> *Public Notice, Protested Tariff Transmittals Actions Taken*, DA 00-1832, released August 10, 2000.

<sup>6</sup> *See* Petition at 22.

<sup>7</sup> *See In the Matter of Material to be Filed in Support of 2001 Annual Access Tariff Filing, Tariff Review Plans*, DA 01-1105, released April 30, 2001.

8. For the reasons discussed above, the Commission should deny AT&T petition to suspend and investigate BellSouth's Transmittal No. 592.

Respectfully submitted,

BELLSOUTH TELECOMMUNICAITONS, INC.

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Date: June 29, 2001

## **CERTIFICATE OF SERVICE**

I do hereby certify that I have this 29<sup>th</sup> day of June 2001 served the following parties to this action with a copy of the foregoing **REPLY** by electronic, hand delivery and/or by placing a true and correct copy of the same in the United States Mail, postage prepaid, addressed to the parties listed on the attached service list.

/s/ Lynn Barclay \_\_\_\_\_

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# **ATTACHMENT**

**2001 Annual Price Cap Filing**APPENDIX B  
WORKPAPER TPT-1**Development of ATS LEC-Transport MOU**

	<b>Meet-Point Billed MOU</b>	<b>Source</b>	<b>Subtotal</b>	<b>Amount</b>
1	Access Tandem MOU to ICO EOs	CABS BDT		3,662,901,598
2	Access Tandem MOU to EOs With No LS MOU	CABS BDT	4,283,281,800	
3	Cellular MOU Not Billed LS	CABS Statistical Usage Records	3,140,955,977	
4	CLEC MOU	r2 - r3		1,142,325,823
5	ICO Dedicated MOU	CABS BDT Analysis (See Workpaper ICO-1)		3,342,640,166
6	Total LEC-Transport MPB MOU	(r1 + r4 + r5)		8,147,867,587
	<b>TIC MOU</b>			
7	Transport Provided TIC MOU	RTE-1 [r1015 + r1021 + (r1024*.45)] c(A)		84,955,220,432
	<b>BellSouth Total LEC-Transport MOU</b>			
8	LEC-Transport MOU	r6 + r7		93,103,088,019
	<b>Pricing Flexibility Adjustment</b>			
9	Direct-Routed MOU at End Offices Meeting the Pricing Flexibility Phase 2 Trigger	CABS Statistical Usage Records		50,330,072,403
10	Base Period Transport Billed Revenue	CABS BDT	267,217,031	
11	Base Period Transport IOC Revenue For Facilities Where EO Gets Pricing Flex Relief But POP SWC Does Not	CABS BDT	1,725,612	
12	Cross-MSA Adjustment Percentage for Direct-Routed MOU	r11/r10	0.65%	
13	Pricing Flexibility LEC-Transport MOU Adjustment	r9 * (1-r12)		50,005,054,987
	<b>BellSouth ATS LEC-Transport MOU</b>			
14	ATS LEC-Transport MOU	r8 - r13		43,098,033,032

## 2001 Annual Filing

WORKPAPER ICO-1

**BellSouth - Independent Company (ICO) MOU Over Dedicated Switched Facilities**

<b>Line</b>	<b>Description</b>	<b>Source</b>	<b>Amount</b>
1	BellSouth Transport MOU (Does not include ICO MOU)	2000 CABS Stat Records	86,225,613,150
2	BellSouth Transport MOU with Zero Transport Mileage	Derived from 2000 CABS Billing Data	15,665,131,470
3	BellSouth Transport MOU Across Dedicated Facilities	Ln 1 - Ln 2	70,560,481,680
4	Voice Grade Equivalent Dedicated Switched Interoffice Facilities	2000 CABS Billing Data	21,983,038
5	MOU per VG-Equivalent Facility	Ln 3 / Ln 4	3,210
6	ICO Voice-Grade Equivalent Facilities	2000 CABS DATA	1,041,396
7	2000 ICO MOU Over Dedicated Switched Facilities	Ln 5 * Ln 6	3,342,640,166