

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

In the Matter of)
)
BellSouth Plan for)
Comparably Efficient Interconnection)
To Act As Sales Agent For)
Unaffiliated Alarm Monitoring)
Providers)

**BELLSOUTH’S COMPARABLY EFFICIENT INTERCONNECTION PLAN TO
ACT AS SALES AGENT FOR UNAFFILIATED ALARM MONITORING
SERVICE PROVIDERS**

BellSouth Corporation, for itself and its affiliated entities (BellSouth), hereby publishes this Comparably Efficient Interconnection (CEI) Plan to act as a sales agent for unaffiliated alarm monitoring service providers.

I. INTRODUCTION

A CEI plan is required when a Bell Operating Company (BOC) seeks to act as a sales agent for, or otherwise market, an enhanced service.¹ The Commission has also

¹ *Amendment of Sections 64.702 of the Commission’s Rules and Regulations (Third Computer Inquiry): and Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorizations Thereof, Communications Protocols under Section 64.702 of the Commission’s Rules and Regulations, 104 FCC 2d 958 (1986) (Phase I Order).* The Commission has eliminated its requirements that a BOC file and obtain approval of a CEI plan before engaging in the activity subject to the plan. Instead, a BOC now may engage in the covered activity upon the posting of a CEI plan on the BOC’s website and notifying the Commission of such posting. *Computer III Further Remand Proceedings: Bell Operating Company Provision of Enhanced Services; 1998 Biennial Review – Review of Computer III and ONA Safeguards and Requirements, CC Docket No. 95-20, 98-10, Report and Order. FCC 99-36 (rel. March 10, 1999) (“CEI*

established additional conditions for BOCs to act as a sales agent for unaffiliated alarm monitoring service providers.² This plan complies with the Commission's CEI requirements and the additional requirements established in the *Alarm Monitoring Order* and is also consistent with the Commission's Order approving Southwestern Bell's CEI Plan regarding its offering of a comparable security service.³

II. SERVICE DESCRIPTION

BellSouth plans to act as a sales agent for unaffiliated alarm monitoring service providers on a non-exclusive and non-discriminatory basis. BellSouth will provide services including sales of alarm monitoring service to residential customers, installation and maintenance of CPE, and end-user customer care and billing. Alarm monitoring services will be provided by entities not affiliated with BellSouth. Thus, BellSouth will not perform alarm monitoring services as defined in Section 275 of the Act. In addition, BellSouth will engage in the independent sales, installation and maintenance of customer premises equipment (CPE) under its own brand and/or other brand(s) either directly or through sales agency agreements with unaffiliated companies on behalf of BellSouth.

Plan Order"). This CEI plan was previously filed and was pending before the Commission when the Commission eliminated its filing and approval requirements. Among the modifications herein are those necessary to reflect the changed procedural context of this plan (*e.g.*, eliminating requests for Commission approval) and to incorporate clarifications that BellSouth previously has represented to the Alarm Industry Communications Committee in correspondence between counsel.

² *Implementation of Telecommunications Act of 1996: Telemessaging, Electronic Publishing, and Alarm Monitoring Services*, 12 FCC Rcd 3824 (1997) ("*Alarm Monitoring Order*").

³ *Southwestern Bell Telephone Company's Comparable Efficient Interconnection Plan for Security Service*, 12 FCC Rcd 6496 (1997) ("*Southwestern Bell Order*").

Alarm monitoring services are designed to detect many common types of intrusion and emergency situations, sound an audible alarm, and report the condition to an alarm monitoring service provider. The typical alarm monitoring scenario involves two phases:

Phase 1: The first phase is the transmission of a non-voice signal from the end-user customer's alarm system to an alarm monitoring center, indicating that an alarm condition exists. This message is transmitted over the public switched network or the public packet data network. BellSouth offers to provide the transport to the alarm monitoring center(s) for such messages pursuant to tariffed services in all of BellSouth's states.

Phase 2: After receiving the alarm signal, the unaffiliated monitoring service provider is responsible for situation assessment and taking appropriate action. The monitoring service providers may contact law enforcement agencies, fire departments, private security firms, and/or friends and neighbors as directed by the end-user customer.

Unaffiliated entities, not BellSouth, will perform these monitoring functions at the monitoring center(s) in both Phase 1 and Phase 2.

A. Agent Services

BellSouth will act as a sales agent on a non-exclusive, non-discriminatory basis for unaffiliated providers of alarm monitoring service. Potential customers will be given contracts which cover the provision of alarm monitoring service and the installation and maintenance of security system equipment (*i.e.* CPE) to be located at the customer's premises. The contracts will set out the obligations and liabilities associated with the monitoring service and the CPE. Except where an unaffiliated alarm monitoring provider

provides both monitoring service and associated CPE, and BellSouth's role is limited solely to that of a sales agent, customers will obtain BellSouth CPE (including maintenance) through a contract separate from the contract between the customer and the alarm monitoring provider for monitoring service. BellSouth will not in any way state or imply that it is providing alarm monitoring services to the customer. However, BellSouth will execute the contract as the agent for and on behalf of the alarm monitoring service provider.

B. Independent Sales of CPE, Pricing and Billing Services

The unaffiliated alarm monitoring service provider, and not BellSouth, will set the prices for monitoring services. BellSouth will set the prices for sales, installation and maintenance of CPE sold or marketed by BellSouth or its agents. BellSouth will not brand the monitoring service as a BellSouth service.

BellSouth will have the ability to perform end-user billing services on behalf of the alarm monitoring service provider. Except where an unaffiliated alarm monitoring provider provides both monitoring service and associated CPE, BellSouth will bill alarm monitoring services on a separate line item from any CPE or other charges (including maintenance). BellSouth will clearly identify the unaffiliated alarm monitoring service provider on all bills issued to end-user customers. BellSouth will collect customer payments, deduct charges for billing and collection services it provides, deduct any sales commission due, and remit the net balance to the alarm monitoring service provider based on negotiated prices.

C. Call Center Operation

At the time of sale,⁴ and upon customer request thereafter, BellSouth clearly and conspicuously will instruct customers how to call the alarm monitoring service provider in case of emergency or for service-related inquiries (such as update of emergency contact information, resolution of alarms or communication of personal health information), using a toll-free number (or numbers) selected by the provider. BellSouth may also maintain a call center for general customer inquiries (and may include such number on customer bills). BellSouth may handle inquiries relating to equipment or billing and collection services provided by BellSouth on behalf of the unaffiliated alarm monitoring service provider. However, BellSouth will refer any consumer inquiries concerning the provision of monitoring service directly to the independent provider of monitoring service. BellSouth will inform the consumer of the transfer, identify the alarm monitoring service provider by name, and BellSouth will have no further involvement in the resolution of the customer's inquiry. The subscribers to the alarm monitoring service will be able to contact the alarm provider directly at any time and the alarm provider may contact customers directly at any time.⁵

⁴ "At the time of sale" refers to the signing of the appropriate contract(s), rather than to the consumer's placing an order, which may occur by phone or mail. While the consumer will always be informed that monitoring is provided by independent entities before ordering, the full details of how to contact the monitoring provider will be provided by a representative in person at the time the appropriate contract(s) are signed and the installation takes place.

⁵ While BellSouth will not be involved in the resolution of customer inquiries concerning monitoring functions, BellSouth may track any customer complaints concerning inadequate customer service provided by alarm monitoring providers, and may take any reasonably necessary steps to remedy customer service problems.

D. Non-Exclusive Sales Agent Arrangements

BellSouth sales agency arrangements will be mutually non-exclusive and non-discriminatory. Specifically, BellSouth will have the ability to enter into sales agency arrangements with multiple alarm monitoring service providers and the alarm monitoring service providers will be free to enter agreements with other sales agents. BellSouth will consider acting as a sales agent for qualified service providers based upon standard business criteria, such as the provider's financial and business stability, industry expertise, professional reputation, size and scope of operations, geographic monitoring coverage, central alarm monitoring station certification, technical and operational performance, scalability, innovation leadership, existing and emerging service capabilities, and compensation arrangements. Additionally, BellSouth will make equally available to all qualified alarm monitoring service providers the terms and conditions of its sales agency arrangements.⁶

E. Compensation Arrangements

BellSouth's compensation as a sales agent for an unaffiliated alarm monitoring service provider will solely depend upon BellSouth's performance as a sales agent. Such compensation will not depend upon a provider's performance in offering the alarm monitoring service, nor will it be based upon the net revenues of an alarm monitoring service provider to which BellSouth furnishes sales agency services. BellSouth will not

⁶ The referenced standards fully comply with the *Alarm Monitoring Order*, 12 FCC Rcd at 3841.

have a financial stake in the commercial success of any alarm monitoring service provider.⁷

The exact terms of compensation will be the subject of commercial negotiations on an arm's length basis between BellSouth and its unaffiliated alarm monitoring service provider(s). They will probably be based on a flat rate, per customer, billed either on an upfront one-time basis or in the form of a monthly recurring charge, taking into account the level and associated cost of advertising, marketing, and customer care that BellSouth will incur on behalf of the agency relationship and the volume of new customers produced as a result of BellSouth's marketing efforts.

F. Context of Customer Contracts

BellSouth will not "own" the subscriber contracts for monitoring services that it procures, will not exercise direct or indirect control over such subscriber contracts, and will not at any time prior to the expiration of Section 275(a)(1) obtain a present or future interest in the subscriber contracts for alarm monitoring services.

III. COMPLIANCE WITH CEI PLAN REQUIREMENTS

BellSouth's CEI plan to act as a sales agent for unaffiliated alarm monitoring service providers is patterned after the Commission's *Southwestern Bell Order* approving Southwestern Bell's directly comparable CEI plan for security service. The following sections describe BellSouth's compliance with the CEI requirements in this CEI plan and is based upon the Commission's explanation of the CEI requirements in the *Southwestern Bell Order*.

⁷ The referenced standards fully comply with the *Alarm Monitoring Order*, 12 FCC Rcd at 3842.

A. Unbundling of Basic Services

The Commission requires a telecommunications carrier to unbundle and to associate with a specific rate element in the tariff the basic services and basic service functions that underlie the enhanced service offering provided or marketed by the carrier.⁸ The *Southwestern Bell Order* states that: “The basic services underlying the provision of alarm monitoring service by entities for whom the carrier acts as a sales agent or performs marketing will be available on an unbundled basis to all other unaffiliated alarm monitoring service providers and end user customers on an unbundled basis at the same rates, terms and conditions through state tariffs in all states served by the carrier.”⁹ Local exchange service is the primary underlying basic service that will be used in providing the alarm monitoring service for which BellSouth proposes to act as a sales agent. Local exchange service is available at tariffed rates in all nine states served by BellSouth. BellSouth’s local tariffs are available at <http://cpr.bst.bellsouth.com/index2.html>. Thus, the primary underlying service is available to all service providers and end user customers at tariffed rates. These services will continue to be available on an unbundled basis to all alarm monitoring service providers and end-user customers on an unbundled basis at the same rates, terms, and conditions through state tariffs.

B. Interface Functionality

The Commission requires a telecommunications carrier to make available standardized hardware and software interfaces that are able to support transmission,

⁸ *Phase I Order* at 1040.

⁹ *Southwestern Bell Order* at 6520.

switching, and signaling functions identical to those utilized in the enhanced service provided by the carrier or for which the carrier acts as a sales agent.¹⁰ Applied to the alarm monitoring relationship, the Commission stated in its *Southwestern Bell Order* that:

1) all alarm monitoring companies may connect their facilities to the carrier's network through existing standard line-side and trunk-side network interfaces; 2) no special interfaces, signaling, abbreviated dialing, or other unique capabilities will be provided by the carrier to any end user or alarm monitoring company; 3) in the event that special interfaces, signaling, abbreviated dialing, or other unique capabilities are provided by the carrier to alarm monitoring companies for which the carrier provides sales agency or marketing, the carrier will make such arrangements available to all other alarm monitoring service providers at the same time, in the same jurisdictions, and on the same terms and conditions; 4) and the carrier will provide advance notification to all alarm monitoring service providers of new interfaces as required by the Commission's network disclosure rules.¹¹

BellSouth will provide connection to its network for all unaffiliated alarm monitoring service providers for whom BellSouth acts as a sales agent or performs marketing, and for those whom BellSouth does not act as a sales agent or perform marketing, through existing standard line-side and trunk-side network interfaces which have already been made available to the public through BellSouth's standard network disclosure procedures. BellSouth will not provide special interfaces, signaling, abbreviated dialing, or other unique capabilities to end-users, or to other alarm monitoring service providers. If such access arrangements are to be made available in the future, they will be made available to all alarm monitoring service providers, regardless of whether BellSouth is their acting agent. BellSouth will provide advance notification to

¹⁰ *Phase I Order* at 1039.

¹¹ *Southwestern Bell Order* at 6521.

alarm monitoring service providers of new interfaces, and will disclose the new interfaces at the make/buy point.

C. Resale

The Commission requires telecommunications carriers providing enhanced service operations, or the entity for which it acts as sales agent or provides marketing, to take the basic services used in its enhanced service offerings at the carrier's unbundled tariffed rates.¹² When this requirement is applied to the alarm monitoring sales agent relationship, the Commission states that all alarm monitoring service providers for whom the carrier acts as sales agent or performs marketing will take the basic services underlying their alarm monitoring services at tariffed rates.¹³ BellSouth confirms that the alarm monitoring service providers for whom BellSouth will act as sales agent or performs marketing will obtain the basic services underlying their monitoring services at tariffed rates.

D. Technical Characteristics

The Commission requires a telecommunications carrier to provide basic services with technical characteristics that are equal to the technical characteristics of the basic services the carrier uses for its own enhanced services or the enhanced services for which it acts as sales agent or performs marketing.¹⁴ When this requirement is applied to the alarm monitoring sales agent relationship, the Commission states in its *Southwestern Bell Order* that the carrier will provide all alarm monitoring service providers with underlying

¹² *Phase I Order* at 1035-37, 1040, 1064-66.

¹³ *Southwestern Bell Order* at 6522.

¹⁴ *Phase I Order* at 1041.

basic local exchange services that have technical characteristics that are equal to the technical characteristics of those services provided to an alarm monitoring service provider for whom the carrier acts as a sales agent or performs marketing.¹⁵

BellSouth will provide interconnection between the alarm monitoring service provider for whom BellSouth acts as a sales agent or performs marketing and the underlying basic services through existing, published standard network interfaces. The facilities provided to alarm monitoring service providers for which BellSouth serves as a sales agent will be the same as those provided to unaffiliated service providers, and will fully comply with the Commission's regulations for technical equality. According to the current Commission requirements, BellSouth will file annual affidavits as evidence that proper procedure has been followed and that BellSouth personnel did not discriminate in the quality of service provided.

E. Installation, Maintenance and Repair

The Commission requires a telecommunications carrier to ensure that the installation, maintenance and repair of basic services and facilities offered to unaffiliated service providers through a CEI plan are equal to the installation, maintenance and repair of basic services the telecommunications carrier provides to its own enhanced service operations or the enhanced service operations of an entity on whose behalf a carrier is acting as a sales agent or performing marketing.¹⁶ Furthermore, the carrier must meet reporting and other criteria showing that they have met this requirement.¹⁷

¹⁵ *Southwestern Bell Order* at 6522-23.

¹⁶ *Phase I Order* at 1041.

¹⁷ *Id.*

When this principle is applied to the sales agent relationship, the Commission states in its *Southwestern Bell Order* that the periods for installation, maintenance, and repair of underlying basic services should be the same for all alarm monitoring service providers, regardless of whether BellSouth is their acting agent.¹⁸

BellSouth will provide installation, maintenance and repair services in a non-discriminatory manner. BellSouth's internal methods for installing, maintaining and repairing all of its basic services are sufficiently mechanized that discrimination against any given customer or type of customers is prevented.

F. End User Access

The Commission requires a telecommunications carrier whose end-users utilize the abbreviated dialing and signaling capabilities to activate or obtain access to the carrier's enhanced services to provide the same capabilities to all end-users that use the carrier's facilities.¹⁹ When this requirement is applied to the alarm monitoring sales agent relationship, the Commission states that all end-users accessing the alarm monitoring services for which the carrier acts as a sales agent or performs marketing will use the same tariffed services that end-users can use to access all other alarm monitoring service providers services. Additionally, the Commission states that no abbreviated dialing or signaling arrangements will be uniquely available to end users that are customers of alarm monitoring service providers for whom the carrier acts as a sales agent or performs marketing.²⁰

¹⁸ *Southwestern Bell Order* at 6523.

¹⁹ *Phase I Order* at 1041.

²⁰ *Southwestern Bell Order* at 6524.

BellSouth assures the Commission that all end-user customers will have access to the alarm monitoring services via the same tariffed services, regardless of whether BellSouth is the acting agent. No abbreviated dialing or signaling arrangements are uniquely associated with the alarm monitoring services for which BellSouth will act as a sales agent or perform marketing.

G. CEI Availability

The Commission requires a telecommunications carrier providing or offering CEI to make that CEI offering available and fully operational on the date that the carrier offers or begins to market the enhanced service to the public in a given jurisdiction. Additionally, the Commission requires the carrier to provide testing opportunities to prospective users of CEI facilities upon initiating service.²¹

BellSouth verifies that the underlying services used by alarm monitoring service providers and their end-users for whom BellSouth will act as a sales agent or perform marketing are currently offered under tariff in the BellSouth states. BellSouth will also make the underlying services available under the same terms and conditions to alarm monitoring service providers and their end-users who do not utilize BellSouth as their acting sales agent. In the event BellSouth develops any new services that are used by alarm monitoring providers for whom BellSouth is an agent or their end-user customers, BellSouth will make such services available for testing by other alarm monitoring providers upon such use.

²¹ *Phase I Order* at 1041; *CEI Plan Order* at ¶ 20.

H. Minimization of Costs

The Commission requires a telecommunications carrier who is providing or marketing enhanced services to provide other enhanced service providers with interconnection facilities that minimize transport costs.²² When this requirement is applied to the sales agent relationship, the Commission states that the interconnection to all facilities used to provide the underlying services supporting the alarm monitoring service offered by entities for whom the carrier acts as a sales agent or performs marketing should be available to all other alarm monitoring service providers at the same, rates, terms and conditions.²³

BellSouth confirms that interconnection to all facilities will be offered under tariff and will be made available at the same rates and on the same terms and conditions to all alarm monitoring service providers, regardless of whether BellSouth is the acting sales agent. BellSouth will work with the alarm monitoring service providers to develop and implement new techniques which will minimize transport costs as new serving arrangements become available. The unaffiliated alarm monitoring service providers for whom BellSouth acts as a sales agent or performs marketing will own and operate all alarm monitoring equipment on their own premises, not on BellSouth's premises.

I. Recipients of CEI

The Commission prohibits a telecommunications carrier from restricting the availability of the CEI offering it is providing or marketing to any particular class of

²² *Phase I Order* at 1041.

²³ *Southwestern Bell Order* at 6525-26.

customer or enhanced service competitor.²⁴ When this requirement is applied to the sales agent relationship, the Commission states that the underlying basic services used by alarm monitoring service providers for whom the carrier acts as a sales agent or performs marketing will not be limited to any class of customer or service provider and such services will be accessible by all users for any lawful purpose. Additionally, the Commission states that the carrier will make available to all alarm monitoring service providers, at the same time, in the same jurisdiction and on the same terms and conditions, any new arrangements made available to alarm monitoring service providers for whom the carrier acts as a sales agent or performs marketing.²⁵

BellSouth confirms that the availability of the underlying basic services used by alarm monitoring service providers for whom BellSouth acts as a sales agent or performs marketing will not be limited to any class of customer or service provider. All such services are available on a tariffed basis and will be accessible by all users for any lawful purpose. If any new arrangements are to be made available for alarm monitoring service providers for whom BellSouth acts as a sales agent or performs marketing, they will be made available to other alarm monitoring service providers at the same time, in the same jurisdictions, and on the same terms and conditions, and the Commission and the industry will be notified thereof.

²⁴ *Phase I Order* at 1041.

²⁵ *Southwestern Bell Order* at 6526-27.

IV. OTHER NONSTRUCTURAL SAFEGUARDS

A. Allocation of Joint and Common Costs

In the *Joint Cost Order*, the Commission adopted rules for the allocation of costs between regulated and nonregulated services provided by carriers subject to its jurisdiction.²⁶ In the *Phase II Order*, the Commission required as part of its CEI requirements that BOCs comply with these rules.²⁷

BellSouth confirms that BellSouth's cost allocation procedures for alarm monitoring services for which it acts as an agent or performs marketing will be consistent with the Cost Allocation Manual that it submitted to the Commission pursuant to the *Joint Cost Order*.

B. Nondiscrimination Reporting

BellSouth will continue to abide by the Commission's existing nondiscrimination reporting rules which require BOCs to file quarterly installation and maintenance and nondiscrimination reports. Basic services associated with alarm monitoring services will be aggregated with other BellSouth services offered pursuant to CEI plans, and a single report will be filed for all such services.

²⁶ *Separation of Costs and Regulated Telephone Service from Costs of Nonregulated Activities, Amendment of Part 31, the Uniform System of Accounts for Class A and Class B Telephone Companies to Provide for Nonregulated Activities and to Provide for Transactions Between Telephone Companies and their Affiliates*, 2 FCC Rcd 1298 (1987) (*Joint Cost Order*), partially modified on reconsideration, 2 FCC Rcd 6283 (1987).

²⁷ *Amendment to Sections 64.702 of the Commission's Rules and Regulations (Third Computer Inquiry); and Policy and Rules Concerning Rates for Competitive Common Phase II Carrier Service and Facilities Authorizations Thereof; Communications Protocols under Sections 64.702 of the Commission's Rules and Regulations*, 2 FCC Rcd 3072, 3082 (1987) (*Phase II Order*).

C. Disclosure of Network Information

BellSouth confirms that interconnection between alarm monitoring service providers for whom BellSouth acts as a sales agent or performs marketing and the underlying basic services these alarm monitoring service providers use will be achieved through existing, published network interfaces. If BellSouth changes any existing network interfaces specifications or uses new interface specifications for basic underlying services, it will comply with the Commission's network disclosure rules.²⁸

D. Customer Proprietary Network Information

BellSouth will comply with Section 222 of the Communications Act and the Commission's rules regarding the use of CPNI, as they may be modified from time to time.²⁹ Additionally, BellSouth will comply with the prohibition in Section 275(d) of the Act, as the Commission interpreted.³⁰

²⁸ See 47 C.F.R. §§ 51.325-.355.

²⁹ *Implementation of the Telecommunications Act of 1996: Telecommunications Carriers' Use of Customer Proprietary Network Information and Other Customer Information*, CC Docket 96-115, Second Report and Order and Further Notice of Proposed Rulemaking, FCC 98-27 (released February 26, 1998) (*CPNI Order*), reconsideration announced, FCC 99-223 (adopted Aug. 16, 1999); *CPNI Order vacated sub nom. U.S. West v. FCC*, No. 98-9518 (10th Cir., decided Aug. 18, 1999 (issuance of mandate pending).

³⁰ 47 U.S.C. § 275(d) states that a LEC "may not record or use in any fashion the occurrence or contents of calls received by providers of alarm monitoring services for the purposes of marketing such services on behalf of such local exchange carrier, or any other entity."

V. **CONCLUSION**

BellSouth's CEI Plan is in compliance with the Commission's CEI requirements and with the requirements of the Commission in the *Alarm Monitoring Order* and the *Southwestern Bell Order*.