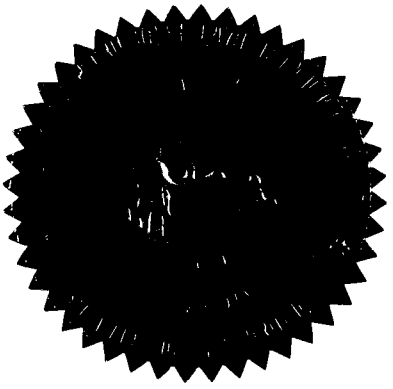
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

In the Matter of

COMPLAINT OF FLORIDA COMPETITIVE CARRIERS ASSOCIATION AGAINST BELLSOUTH TELECOMMUNICATIONS, INC. REGARDING BELLSOUTH'S PRACTICE OF REFUSING TO PROVIDE FASTACCESS INTERNET SERVICE TO CUSTOMERS WHO RECEIVE VOICE SERVICE FROM A COMPETITIVE VOICE PROVIDER, AND REQUEST FOR EXPEDITED RELIEF.
_____/



ELECTRONIC VERSIONS OF THIS TRANSCRIPT ARE
A CONVENIENCE COPY ONLY AND ARE NOT
THE OFFICIAL TRANSCRIPT OF THE HEARING,
THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

VOLUME 3

Pages 376 Through 563

PROCEEDINGS: HEARING

BEFORE: CHAIRMAN LILA A. JABER
COMMISSIONER J. TERRY DEASON
COMMISSIONER BRAULIO L. BAEZ
COMMISSIONER RUDOLPH "RUDY" BRADLEY
COMMISSIONER CHARLES M. DAVIDSON

DATE: Tuesday, July 22, 2003

DOCUMENT NUMBER-DATE
07042 AUG-4 8
FPSC-COMMISSION CLERK

TIME:	Commenced at 9:10 a.m. Concluded at 12:15 p.m.
PLACE:	Betty Easley Conference Center Room 148 4075 Esplanade Way Tallahassee, Florida
REPORTED BY:	TRICIA DeMARTE, RPR LINDA BOLES, RPR Office of Hearing Reporter Services FPSC Division of Commission Clerk and Administrative Services (850) 413-6736
APPEARANCES:	(As heretofore noted.)

I N D E X

WITNESSES

NAME:	PAGE NO.
W. KEITH MILNER	
Direct Examination by Ms. White	380
Prefiled Direct Testimony Inserted	384
Prefiled Rebuttal Testimony Inserted	394
Cross Examination by Ms. O'Roark	408
Cross Examination by Ms. Christensen	421
ERIC FOGLE	
Direct Examination by Ms. Mays	451
Prefiled Direct Testimony Inserted	454
Prefiled Rebuttal Testimony Inserted	462
Cross Examination by Mr. O'Roark	472
Cross Examination by Ms. Kaufman	485
Cross Examination by Ms. Christensen	501
Redirect Examination by Ms. Mays	514
BILL SMITH	
Direct Examination by Mr. Lackey	517
Prefiled Direct Testimony Inserted	520
Prefiled Rebuttal Testimony Inserted	529
Cross Examination by Ms. Christensen	537
CERTIFICATE OF REPORTERS	563

EXHIBITS

NUMBER:		ID.	ADMTD.
19	WKM-1, WKM-2, and WKM-3	383	449
20	Final Draft/06-11-01 and 05/30/03 Letter to the Louisiana Commission	420	449
21	(Confidential)BellSouth's Response to MCI's Georgia Discovery	421	449
22	EF-1 and EF-2	452	516
23	07/11/03 Carrier Notification	487	516
24	(Late-Filed)Cable Modem Presence in BellSouth Territory	513	517
25	(Confidential)EF-2	516	516

PROCEEDINGS

(Transcript follows in sequence from Volume 2.)

COMMISSIONER DEASON: Call the hearing to order. The Chairman will be joining us shortly, but she has indicated her desire for us to go ahead and begin. And with that, I think that the next scheduled witness is Mr. Milner.

Mr. Milner, you've been sworn; is that correct?

MR. MILNER: Yes, I have.

COMMISSIONER DEASON: Okay. Are there any preliminary matters we need to discuss before we get into the next witness, staff?

MS. CHRISTENSEN: Not that I'm aware of.

COMMISSIONER DEASON: Parties, anything we need to discuss at this point?

MS. MAYS: I just wanted to let the Commissioners know we've left a copy of the revised JAR-2 up on the Commissioners' desk that was admitted yesterday.

COMMISSIONER DEASON: Very well. Thank you.

Mr. Milner, you were sworn yesterday; correct?

MR. MILNER: Yes, sir, I was.

COMMISSIONER DEASON: Okay.

W. KEITH MILNER

was called as a witness on behalf of BellSouth Telecommunications, Inc. and, having been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MS. WHITE:

Q Mr. Milner, could you please state your name and address for the record.

A Yes. My name is W. Keith Milner. My business address is 675 West Peachtree Street, Atlanta, Georgia.

Q By whom are you employed and in what capacity?

A I'm employed by BellSouth Telecommunications, Incorporated, as assistant vice president, interconnection operations.

Q Have you caused to be prefiled in this case direct testimony consisting of ten pages?

A Yes.

Q Do you have any changes to that testimony?

A No.

Q If I were to ask you the questions that are contained in that testimony today, would your answers be the same?

A Yes, they would.

MS. WHITE: I would ask that Mr. Milner's direct testimony be admitted into the record as though read from the stand.

COMMISSIONER DEASON: Without objection, it shall be so admitted.

BY MS. WHITE:

Q And you had no exhibits attached to your direct

testimony; is that correct?

A Yes, that's correct.

Q Did you also cause to be filed prefiled rebuttal testimony consisting of 11 pages?

A Yes.

Q Do you have any changes to that testimony?

A No.

Q If I were to ask you the questions contained in your rebuttal testimony today, would your answers be the same?

A Yes, they would.

MS. WHITE: I would ask that Mr. Milner's rebuttal testimony be entered into the record as though read from the stand.

COMMISSIONER DEASON: Without objection --

BY MS. WHITE:

Q And, Mr. Milner, you had three exhibits attached to your rebuttal testimony, WKM-1, 2, and 3; is that correct?

A Yes.

Q Did you have any changes to those exhibits?

A No.

MS. WHITE: I would ask that the rebuttal exhibits to Mr. Milner's testimony be numbered as the next exhibit in the record.

CHAIRMAN JABER: WKM-1 through 3 are given Hearing Exhibit 19.

(Exhibit 19 marked for identification.)

BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF W. KEITH MILNER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

NOVEMBER 26, 2002

Q. PLEASE STATE YOUR NAME, YOUR BUSINESS ADDRESS, AND YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH").

A. My name is W. Keith Milner. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am Assistant Vice President - Interconnection Operations for BellSouth Telecommunications, Inc. ("BellSouth"). I have served in my current role since February 1996 and have been involved with the management of certain issues related to local interconnection and unbundling.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. My career in the telecommunications industry spans over 32 years and includes responsibilities in the areas of network planning, engineering, training, administration, and operations. I have held positions of responsibility with a local exchange telephone company, a long distance company, and a research and development company. I have extensive experience in all phases of telecommunications network planning,

deployment, and operations in both the domestic and international arenas.

I graduated from Fayetteville Technical Institute in Fayetteville, North Carolina, in 1970, with an Associate of Applied Science in Business Administration degree. I graduated from Georgia State University in 1992 with a Master of Business Administration degree.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE ANY STATE PUBLIC SERVICE COMMISSION, AND IF SO, BRIEFLY DESCRIBE THE SUBJECT OF YOUR TESTIMONY?

A. Yes, I have testified before the state Public Service Commissions in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, and South Carolina, the Tennessee Regulatory Authority, and the North Carolina Utilities Commission on the technical capabilities of the switching and facilities network, introduction of new service offerings, expanded calling areas, unbundling, and network interconnection.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?

A. My testimony will address portions of Issues 2 and Issue 4 of the complaint filed by Florida Competitive Carriers Association ("FCCA") with the Florida Public Service Commission on June 12, 2002. Specifically, I will discuss operational issues associated with providing BellSouth's FastAccess® Internet access service to customers who receive voice

service from an Alternative Local Exchange Carrier ("ALEC").

Issue 2): What are BellSouth's practices regarding the provisioning of its FastAccess Internet service to:

a) a FastAccess customer who migrates from BellSouth to a competitive voice provider; and

b) to all other ALEC customers.

Issue 4): Should the Commission order that BellSouth may not disconnect the FastAccess Internet service of an end user who migrates his voice service to an alternative voice provider?

Q. PLEASE DESCRIBE BELLSOUTH'S DIGITAL SUBSCRIBER LINE ("DSL") OFFERINGS.

A. BellSouth has both a federally tariffed and regulated wholesale DSL transport service and a non-regulated retail DSL-based Internet access service, referred to as FastAccess®. BellSouth offers its federally tariffed wholesale DSL transport service through BellSouth's Special Access FCC Tariff No. 1. BellSouth's federally tariffed wholesale DSL service is a data transport service specifically designed to be a network component for Internet Service Providers ("ISPs") and carriers to package as part of an enhanced service offering to the ISPs' or carriers' end-users. BellSouth's tariffed wholesale DSL service is not available to end users as a stand-alone service. Instead, an ISP would purchase wholesale DSL service

from BellSouth as a component of the ISP's provision of Internet service to the end user. All wholesale DSL virtual circuits must terminate on an ISP, ALEC, interexchange carrier ("IXC") or network service provider ("NSP") customer designated Asynchronous Transfer Mode ("ATM") circuit within the Local Transport Access Area ("LATA"). (ISPs, ALECs, IXCs, and NSPs will hereinafter be collectively referred to as "wholesale DSL customers"). In addition to the terminating ATM circuit, the wholesale DSL customer must provide its own help desk, installation services, access to the Internet, and all necessary customer premises equipment for its end-users. As do other ISPs, BellSouth uses the tariffed wholesale service as a component of BellSouth's retail FastAccess® Internet access service.

Requiring BellSouth to provide its FastAccess® service in the context of either a stand-alone unbundled loop or as part of the UNE-P would require that BellSouth (rather than the ALEC) provide the terminating ATM circuit as well as the help desk, installation services, access to the Internet, and all necessary customer premises equipment for the ALECs' end-user customers. For example, because BellSouth would no longer have a direct relationship with the end user for that end user's voice services, BellSouth would have to develop an alternate method of billing the end user, such as credit card billing, to which some end users would doubtless object.

Q. WOULD PROBLEMS ARISE IF BELLSOUTH PROCESSED FASTACCESS® ORDERS BY A FACILITIES-BASED ALEC?

A. Yes. Processing FastAccess® orders from an end user who is provided voice services by a facilities-based ALEC would be inefficient and, therefore, costly. Assume, for example, that an end user who is served by an ALEC over an unbundled loop orders BellSouth's FastAccess® service. The ALEC serving that customer has purchased a UNE loop from BellSouth, and BellSouth cannot use the high frequency spectrum of that loop to provide the DSL component of FastAccess® to the end user without the ALEC's permission. If this situation were adopted, BellSouth would have to ask the end user to identify the ALEC that is providing the end user's voice service, contact that ALEC, and determine whether that ALEC will allow BellSouth to provide its FastAccess® service over the UNE loop the ALEC has purchased from BellSouth and, if so, on what terms and conditions. All of this would have to take place before BellSouth even began provisioning the order. This would be administratively and operationally burdensome.

This problem is exacerbated if the end user orders DSL-based Internet access service from an ISP unaffiliated with BellSouth. In that case, the ISP would order wholesale DSL service from BellSouth to the end user's address. BellSouth would have to search its records, determine that the end user is not a BellSouth voice service customer, determine which ALEC serves the end user, contact that ALEC, and determine whether that ALEC will allow BellSouth to provide its wholesale DSL service over the unbundled loop (or the so-called Unbundled Network Element Platform or "UNE-P") the ALEC has purchased from BellSouth and, if so, on what

terms and conditions. Again, all of this would have to take place before BellSouth even began provisioning the order. This would be administratively and operationally burdensome.

Q. WAS BELLSOUTH'S WHOLESALE DSL OFFERING DESIGNED TO BE PROVISIONED ALONG WITH BELLSOUTH'S VOICE SERVICES?

A. Yes. BellSouth's tariffed wholesale DSL offering was designed and established, and rates were set, based on the assumption that it would be provisioned in conjunction with BellSouth's voice services. BellSouth has the right to use the High Frequency Portion of the Loop ("HFPL") when it provides such voice service. ALECs argue that they should not be denied the data capability of a loop when the ALEC provides local service using either a stand-alone unbundled loop or UNE-P. Whether the ALEC purchases a stand-alone unbundled loop or UNE-P, the ALEC has access to the entire loop, including the HFPL, and the ALEC may provide data services to its customer using that part of the spectrum. BellSouth does not have authority to use the HFPL of loops acquired by an ALEC, whether the ALEC acquired such as a stand-alone unbundled loop or as part of the UNE-P.

Q. IN PROVISIONING BELLSOUTH'S FASTACCESS® SERVICE, WHAT PROBLEMS ARISE WHEN THE VOICE SERVICE IS NOT PROVIDED BY BELLSOUTH?

A. When BellSouth does not provide the voice service (that is, when the end user is served via a stand-alone unbundled loop or via UNE-P), BellSouth has no right to access the HFPL or to allow anyone other than the owner of the loop such access. Currently BellSouth does not have any means to determine if any one of the hundreds of ALECs in the BellSouth region has granted authorization for BellSouth, or another ALEC, to access the HFPL for any given loop. Given the extremely large quantity of potentially affected loops, it would be a massive undertaking (in time, money, and resources) for BellSouth to develop such a system. This would be administratively and operationally burdensome. Additionally, BellSouth would be forced to negotiate prices with these ALECs for access to the HFPL to provide a service that BellSouth does not wish to provide, absent some provision requiring all ALECs to provide BellSouth with access to the affected spectrum without cost.

BellSouth's wholesale DSL service was developed solely for use with BellSouth voice customers. When the provisioning flows, methods, and procedures were developed, the assumption was made that since all customers of BellSouth's wholesale DSL service or its FastAccess® service would be BellSouth voice customers, it would be most efficient to use the "telephone number" as the driver for provisioning, maintenance, billing and record-keeping purposes. Accordingly, all of BellSouth's systems (and the hundreds of supporting sub-systems) were developed using the telephone number as the identifier. When an ALEC acquires a stand-alone unbundled loop or the UNE-P, the ALEC now becomes the

voice provider, and accordingly there no longer is a working BellSouth telephone number in some of BellSouth's systems. For example, if the ALEC acquires a stand-alone unbundled loop and attaches such loop to the ALEC's own switch, any assigned telephone number is in the ALEC's switch rather than in BellSouth's switch. If BellSouth were required to provide either its wholesale DSL service or its FastAccess® service to end-users without BellSouth telephone numbers, BellSouth's provisioning systems (and also the ordering, billing, repair, and maintenance systems) would have to be totally revamped. It would take a very large, complex, and detailed internal system change to convert BellSouth's wholesale DSL service or FastAccess® service into offerings available to ALECs. Such a system change would require a massive amount of expensive and time consuming "re-writes" to all of the systems and related sub-systems, and would require a very large amount of resources. This would be administratively and operationally burdensome.

Q. HOW DOES BELLSOUTH DETERMINE IF A LOOP CAN ACCOMMODATE DSL SERVICE?

A. First, let me point out that not every loop satisfies the technical requirements necessary to provide DSL service. Prior to provisioning either its wholesale DSL service or retail FastAccess® service over a given loop, BellSouth must determine whether that loop will accommodate the intended DSL service. In order to make this determination, BellSouth has developed a database that stores loop information for associated working

telephone numbers.

Q. DOES THIS DATABASE INCLUDE LOOP INFORMATION FOR FACILITIES-BASED ALECS' TELEPHONE NUMBERS?

A. No. When an ALEC provides dial tone from its own switch using a stand-alone unbundled loop, the ALEC (rather than the end user) is BellSouth's customer of record for that unbundled loop, and the ALEC (rather than BellSouth) assigns a telephone number to the end user. BellSouth's database, therefore, does not include loop information for facilities-based ALECs' telephone numbers, and BellSouth cannot use its database to readily determine whether a given loop is DSL compatible.

Furthermore, BellSouth cannot utilize mechanized maintenance and trouble isolation systems on such stand-alone unbundled loops purchased by ALECs. First, BellSouth's systems are based upon telephone numbers, and the telephone numbers of ALECs are not included in the relevant BellSouth databases. Second, the switch itself effectuates many of the mechanized systems, and if a BellSouth switch does not provide the dial tone, the mechanized maintenance and trouble isolation features are not available. These systems are critical in maintaining the quality of DSL services.

Q. IS BELLSOUTH'S PROVISIONING OF ITS WHOLESALE DSL SERVICE AND FASTACCESS® SERVICE CONSISTENT WITH FCC

REQUIREMENTS?

A. Yes. BellSouth provides its wholesale DSL service and FastAccess® service to customers who elect to migrate their voice service to an ALEC if the ALEC resells BellSouth's voice service. Not providing wholesale DSL service or FastAccess® on an unbundled loop or on a UNE-P that an ALEC has purchased from BellSouth in order to provide voice service to the ALEC's end user customer is consistent with the FCC's requirements that when an ALEC purchases an unbundled loop or the UNE-P, the ALEC owns all the features, functions, and capabilities of that loop. Accordingly, BellSouth does not have access to HPFL on unbundled loops or on the UNE-P for purposes of continuing to provide wholesale DSL service or FastAccess® service. However, BellSouth does continue to have access to the HFPL on a resold line, the telephone number remains in BellSouth's systems, and therefore, the operational issues described herein do not come into play.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

BELLSOUTH TELECOMMUNICATIONS, INC.

REBUTTAL TESTIMONY OF W. KEITH MILNER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

DECEMBER 23, 2002

Q. STATE YOUR NAME, YOUR BUSINESS ADDRESS, AND YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH").

A. My name is W. Keith Milner. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am Assistant Vice President - Interconnection Operations for BellSouth. I have served in my present role since February 1996.

Q. ARE YOU THE SAME W. KEITH MILNER WHO PREVIOUSLY FILED DIRECT TESTIMONY IN THIS DOCKET?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I respond to the direct testimony of Mr. Joseph Gillan, filed on behalf of the Florida Competitive Carriers Association ("FCCA"), which includes Alternative Local Exchange Carriers ("ALECs"). In particular, I respond to

Mr. Gillan's claims about the alleged lack of alternatives for FCCA members in providing voice customers with a Digital Subscriber Line ("DSL") service.

Q. DO FCCA MEMBERS CURRENTLY HAVE THE CAPABILITY TO PROVIDE DSL SERVICE TO CUSTOMERS?

A. Yes. Contrary to the efforts of Mr. Gillan to portray BellSouth as anticompetitive while complaining that FCCA members have no practical alternatives to provide DSL service to its customers, the fact is that all of the elements that FCCA members need to provide DSL service are already available either as unbundled network elements ("UNEs") or as elements that FCCA members can and should provide for themselves. FCCA members are in no way foreclosed from providing their own DSL service; moreover, apparently some FCCA members do provide some type of DSL service. Exhibit WKM-1. To the extent that FCCA members do not provide DSL service in Florida, this is a business decision made by individual members.

WKM-1 shows that FCCA members AT&T Communications of the Southern States, Inc., BTI Corporation, Mpower Communications Corp., Network Telephone Corporation, Nuvox Communications, Inc., and MCI WorldCom provide some type of DSL service according to their respective Internet websites.

Other FCCA members, such as ITC^DeltaCom Communications, Inc. ("DeltaCom"), currently provide Broadband services using DS1 technology. DeltaCom is able to provide a high-speed Broadband technology to its customers today, and, if DeltaCom or any other ALEC desired to provide DSL service to its customers, the ability to do so is available, despite any implication otherwise by Mr. Gillan.

Q. DOES BELLSOUTH OFFER UNEs THAT WOULD ENABLE FCCA MEMBERS TO PROVIDE THEIR OWN DSL SERVICE TO CONSUMERS RECEIVING THEIR VOICE SERVICE?

A. Yes. Any FCCA member may acquire unbundled elements from BellSouth in order to create and market its own DSL services. Collocation of Digital Subscriber Line Access Multiplexers ("DSLAMs") in BellSouth's central offices allows an ALEC to provide its data services to those voice customers served entirely by copper loops (that is, customers who are not served by Digital Loop Carrier ("DLC")). For those voice customers who are served by DLC, there are at least two ways FCCA members can provide high-speed data service to those customers. One option would be for the FCCA member to perform an electronic Loop Make-Up and locate an available copper loop from the demarcation point (end user's Network Interface Device ("NID")) all the way to the FCCA member's collocation arrangement in the central office. Then, the FCCA member would "reserve" the copper loop and issue an order for that copper loop and the customer's service would be moved from the DLC to the copper loop.

Another option for the FCCA member would be to do what BellSouth does for itself. The FCCA member could collocate its DSLAM at the BellSouth Remote Terminal ("RT") site. To transport the data from the end user to the RT site, the FCCA member could either purchase the existing copper sub-loop from the demarcation point between the network and the end user and the RT or purchase an additional copper sub-loop, both of which BellSouth offers as UNEs. To transport the data from the RT site to the FCCA member's collocation arrangement at the central office, the FCCA member could purchase unbundled sub-loop feeder. Various forms of unbundled sub-loop feeder are available such as DS-1, DS-3, and OC-3. Alternatively, the FCCA member could provide its own equivalent of loop feeder from its collocation arrangement to the RT. Therefore, once the FCCA member collocates its DSLAM at the RT site, all of the capabilities needed to provide voice and data service to serve an end user that is served by BellSouth DLC facilities are available to the FCCA member.

Q. ON PAGE 9 OF HIS TESTIMONY, MR. GILLAN IMPLIES THAT CUSTOMERS DO ALL THE WORK TO MAKE FASTACCESS® OPERATIONAL. WHAT IS INVOLVED IN BELLSOUTH PROVISIONING DSL, EVEN WITH A SELF-INSTALL?

A. Provisioning FastAccess® DSL service is more involved than plugging-in the Asymmetrical Digital Subscriber Line ("ADSL") modem, loading software, and installing a low-pass filter in a telephone outlet as in the case of a self-install.

BellSouth's provisioning of FastAccess® DSL service involves many mechanized processes and systems. The service order causes the SWITCH (not to be confused with a switching system) and Loop Facility Assignment Control System ("LFACS") assignment systems to assign a spare DSLAM port that adds ADSL capability (DSLAM port) to the existing Plain Old Telephone Service ("POTS") line. The service order assignments instruct the central office technicians and/or field technicians to physically wire/cross-connect the ADSL facility into the POTS loop. (The ADSL service will not work if the central office and/or field cross connects have not been done.) The completion of this step delivers the DSLAM capability to the end-user. However, DSL service is not provisioned until the DSLAM equipment/port is activated for the service. The service order mechanically notifies the Network Management System ("NMS") which DSLAM equipment and port was assigned. The NMS completes the provisioning process by creating a path referred to as the Private Virtual Circuit ("PVC") through the DSL network into the Asynchronous Transfer Mode ("ATM") network and then forward to the Internet Service Provider ("ISP"). Of course, the ISP must also activate its facilities to make the ADSL service work.

Q. CAN THE FCCA MEMBER COLLOCATE ITS EQUIPMENT WITHIN BELLSOUTH'S RTs?

A. Yes. If sufficient space exists within a DLC RT, BellSouth will allow the FCCA member to collocate its DSLAM in the RT, regardless of whether

BellSouth has installed its own DSLAM at that RT. If sufficient space does not exist within the DLC and BellSouth has installed its own DSLAM at the DLC RT location, then BellSouth will make good-faith efforts to augment the space at that DLC RT, such that the FCCA member can install its own DLSAM at that DLC RT. In the very unlikely event that BellSouth could not accommodate collocation at the particular RT where BellSouth has a DSLAM, BellSouth will unbundle the BellSouth packet switched network at that RT in accordance with FCC requirements. If sufficient space does not exist within the DLC RT and BellSouth has not installed its own DSLAM at that DLC RT location, then BellSouth will file a collocation waiver request with this Commission for that DLC RT site.

Q. IS INSTALLING DSL EQUIPMENT "PROHIBITIVELY EXPENSIVE IF NOT IMPOSSIBLE" FOR THE FCCA, AS MR. GILLAN SUGGESTS ON PAGE 11 OF HIS TESTIMONY?

A. No. The FCCA members and BellSouth face the same business risks relative to deployment of infrastructure necessary to provide DSL services to customers. The technology became available to both parties at the same time, and at that time, BellSouth had no inherent advantage in provisioning DSL services. However, BellSouth made a conscious business decision, and took on the corresponding risk, to offer DSL service to its customers, and BellSouth immediately began investing capital dollars in Florida to deploy the necessary equipment. Because the FCCA members have not provided BellSouth with responses to its

discovery requests, BellSouth is not clear on what decisions specific FCCA members have made relative to DSL deployment; however, the FCCA members certainly had the ability to make similar deployment decisions. Now the FCCA comes to this Commission requesting that the rules be changed to afford its members all of the benefit of providing DSL service, with none of the investment and related risks.

When BellSouth provides its own DSL service where DLC is deployed, BellSouth must locate DSLAM equipment at the DLC RT location to access the copper sub-loop to the end user. If FCCA members desire to provide DSL service where DLC is deployed, the FCCA member should likewise collocate its DSLAM equipment at the DLC RT location. This will allow the FCCA member to provide the high speed data service in the same manner as does BellSouth.

It is remarkable that while Mr. Gillan states, "Entrants must either attempt to duplicate BellSouth's DSL-footprint (which would be prohibitively expensive if not impossible) or forego competing for customers desiring such services," to offer its own DSL service, he does not offer one shred of evidence to support the statement. For example, there are no market analyses, financial projections, capital expense reports, or any other documents attached to Mr. Gillan's testimony from which any conclusions can be drawn about the cost required for FCCA members to provide DSL service to its voice customers.

Q. HAVE YOU ATTEMPTED TO DETERMINE WHETHER IT WOULD BE COST PROHIBITIVE FOR INDIVIDUAL FCCA MEMBERS TO DEPLOY THEIR OWN DSLAMS IN ORDER TO OFFER DSL SERVICE?

A. Yes. Even though Mr. Gillan has not provided any facts to support his claim about the "prohibitively expensive" costs allegedly required for an FCCA member to offer DSL service of its own, I have examined such costs using a business case provided by an ALEC in a recent arbitration in Kentucky. Starting with this business case, and by making appropriate cost adjustments, it is clear to me that it would not be cost prohibitive for any ALEC to deploy its own DSLAMs in offering DSL service.

Q. PLEASE PROVIDE THE DETAILS OF THIS BUSINESS CASE TO WHICH YOU REFERRED EARLIER.

A. This business case was developed by an ALEC in Kentucky, ostensibly to illustrate the costs involved in deploying DSLAMs. Because the DSLAM costs that the Kentucky ALEC assumed were significantly inflated, I requested list price information from several DSLAM suppliers for equipment that would be needed to serve 250 customers out of a given central office, which is the same assumption as was used by the Kentucky ALEC in its business case. Attached to my testimony, as Exhibit WKM-2, is a copy of correspondence from three suppliers providing the list prices for such equipment. I obtained price information for DSLAM equipment that transmits data in Ethernet protocol, as the ALEC assumed in its

business case, and for DSLAM equipment that transmits data in ATM protocol, as does BellSouth for itself.

Q. WHAT IS THE EFFECT ON THE "BOTTOM LINE" ON THE BUSINESS CASE RESULTING FROM THE USE OF LOWER, MORE REALISTIC DSLAM EQUIPMENT COSTS?

A. The business case shows a significant Internal Rate of Return. Internal Rate of Return is the discount rate, which equates the present value of a project's expected cash inflows to the present value of the project's expected costs. Thus, Internal Rate of Return is the expected rate of return for the project. Using the DSLAM costs per the list price information set forth in Exhibit WKM-2 and taking the Kentucky ALEC's other cost inputs at face value, the Internal Rate of Return would be 46.2% for the Copper Mountain solution (Page 1 of Exhibit WKM-3). Likewise, for the Alcatel solution, the Internal Rate of Return would be 34.9% (Page 2 of Exhibit WKM-3). Finally, the use of the new style Net to Net DSLAM line card yields an Internal Rate of Return of 25.5% (Page 3 of Exhibit WKM-3). These are healthy rates of return and, in my opinion, are sufficient for ALECs to successfully enter the DSL market rather than simply relying upon DSL service from BellSouth.

Exhibit WKM-3 attached to my testimony sets forth the information presented in the Kentucky ALEC's analysis, with the only changes being the revised DSLAM cost information I obtained for the Copper Mountain

solution (Pages 1 and 2 of Exhibit WKM-2), the Alcatel solution (Pages 3 and 4 of Exhibit WKM-2) and the Net to Net solution (Page 5 of Exhibit WKM-2).

Q. WHAT OTHER FACTORS WOULD FURTHER IMPROVE THE CALCULATED FINANCIAL RESULTS?

A. I used list price for the DSLAM equipment because I am unaware of what discount from list price the manufacturer actually extends to the FCCA or to any other ALEC. Thus, any discount that the FCCA actually receives would improve Cash Operating Margin on a dollar for dollar basis. Let me be clear, the prices I used to adjust the Kentucky ALEC's business case are manufacturers' list prices; they are not the prices BellSouth does or would pay for such equipment. BellSouth is often able to negotiate volume or other discounts with its suppliers, and I would expect the FCCA to have the ability to do likewise. However, I have not attributed any such discounts to the cost information set forth herein.

Q. WHAT WOULD YOU CONCLUDE FROM THE RESULTS OF THE ABOVE MENTIONED BUSINESS CASE?

A. Assuming the costs for the Kentucky ALEC are comparable for FCCA members and assuming the use of accurate DSLAM cost information, it is clear that FCCA members would earn a sufficient return on investment that would allow FCCA members to successfully compete in the DSL

market using their own equipment.

Q. ARE THERE OTHER ALTERNATIVES AVAILABLE TO FCCA MEMBERS TO PROVIDE DSL SERVICE TO CUSTOMERS?

A. Yes. Should FCCA members own and operate their own DSLAMs, another alternative for FCCA members would be to enter into a Line Splitting arrangement with another ALEC by which this ALEC would provide the DSL service to the FCCA member's voice customers. Given these options, Mr. Gillan's claim that FCCA members have no competitive alternative to BellSouth's DSL service ring hollow. The FCCA members have viable options to provide DSL service to their voice customers but have simply elected, as a business matter, not to pursue them.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

BY MS. WHITE:

Q Mr. Milner, would you please give your summary for the Commission.

A Yes. Good morning. My direct and rebuttal testimony addresses the operational issues raised by the Petitioners' demand that BellSouth provide either BellSouth's wholesale digital subscriber line service or its retail FastAccess Internet access service to the Petitioners' voice customers. Specifically, I discuss operational issues in the context where an ALEC is the provider of traditional voice services to a given customer using either an unbundled loop attached to the ALEC switch or where the ALEC provides these voice services via the so-called platform of unbundled network elements, or UNE-P.

First, requiring BellSouth to provide its FastAccess service in the context of either a stand-alone unbundled loop or as part of the UNE-P would require that BellSouth rather than the ALEC provide the terminating asychronous terminating -- or asychronous transfer mode circuit, that is, the data circuit, as well as the help desk, installation services, access to the Internet, and all of the necessary customer premises equipment for the ALEC's end user customers. BellSouth believes this would be administratively and operationally problematic in instances where BellSouth is not the voice provider.

Second, processing FastAccess orders from an end user

served by a facility-based ALEC would be inefficient and therefore more costly. Assume, for example, that an end user is served by an ALEC over an unbundled loop and that that customer orders BellSouth's FastAccess service. Because the ALEC serving that customer has purchased the unbundled loop from BellSouth, BellSouth cannot without the ALEC's permission use the high frequency spectrum of that loop to provide the DSL component of FastAccess. As a result, were the Petitioners' position adopted, BellSouth would have to determine the ALEC that's providing the voice service, determine whether that ALEC will allow BellSouth to provide its FastAccess service over the unbundled loop, and if so, on what terms and conditions. And all of this would have to be completed before BellSouth could even begin provisioning that order.

Third, BellSouth's tariffed wholesale DSL offers were designed and established and rates were set based on the assumption that it would be provisioned in conjunction with BellSouth's voice services. As a result, all of BellSouth's systems, the provisioning flows, the methods and procedures for repair and the like were developed based on that assumption. Were BellSouth required to provide its wholesale DSL service or FastAccess service to ALECs' voice customers, BellSouth's systems would have to be modified, new provisioning flows developed, and new methods and procedures implemented.

In my rebuttal testimony I respond to portions of the

direct testimony of Mr. Joseph Gillan. I disagree with Mr. Gillan's claims about the alleged lack of alternatives for the Petitioners in providing their own voice customers with DSL service. In my belief, all of the elements that the Petitioners need to provide DSL service are already available or -- either as unbundled network elements or as elements that the Petitioners can and should provide for themselves. The Petitioners are in no way foreclosed from providing their own DSL services but have simply elected not to do so for their own business reasons.

Finally, in my rebuttal testimony I provide a financial analysis demonstrating that Petitioners could efficiently use their own equipment in competing successfully in the DSL market if they were so inclined. Thank you. That concludes this summary.

CHAIRMAN JABER: Thank you, Mr. Milner.

MS. WHITE: Mr. Milner is available for cross.

CHAIRMAN JABER: Thank you.

Mr. Melson.

MR. MELSON: Mr. O'Roark.

MR. O'ROARK: Good morning, Madam Chair.

CHAIRMAN JABER: Good morning.

MR. O'ROARK: I'm D. O'Roark representing MCI. To start off, we'd like to pass out some exhibits we'd like to discuss with the witness.

CHAIRMAN JABER: Okay. I need you to bring the microphone right up to you.

MR. O'ROARK: Thank you. For the information of the Commissioners and the parties, we are handing out exhibits that we will be using with both Mr. Milner and Mr. Fogle. Some of those exhibits have been placed in a red folder because they are confidential.

CHAIRMAN JABER: Okay. Thank you.

CROSS EXAMINATION

BY MR. O'ROARK:

Q Mr. Milner, do you have the exhibits in front of you?

A Yes, I do. Thank you.

Q Mr. Milner, BellSouth began offering FastAccess in Florida in August 1998; is that correct?

A Yes, that's right.

Q And then in the 2000 time frame, CLECs began providing UNE-P to consumers in Florida; is that right?

A Sounds about right, yes.

Q And at the time that CLECs began offering UNE-P service in Florida, BellSouth provisioned its FastAccess service over UNE-P loops; correct?

A In a few instances, yes.

Q Let me ask you to open that red folder and pull out the document that is about 20 pages long and has a chart in it.

A Yes, I've got it.

Q And, Mr. Milner, this document has been identified by BellSouth as confidential, and I gather that's because it provides consumer-specific information. Do you see that?

A Yes, sir.

Q I'm not going to be asking you about that. My questions are going to focus really on the timing of BellSouth's provision of DSL over UNE-P. This chart was prepared by BellSouth in response to discovery requests by MCI initially in Georgia and now also in Florida; is that right?

A That's my understanding, yes.

Q And the chart provides information on the 718 CLEC UNE-P customers to whom BellSouth provided DSL or FastAccess service region-wide mostly in 2000 and early 2001; is that right?

A Yes.

Q Let me ask you to take a look at two of the columns in the middle, the one is headed "ADSL SED." Do you see that column?

A Give me just a moment.

Q These are not the best copies, but --

A Yes, I see it.

Q I am guessing that SED stands for service effective date; is that right?

A I believe that's right, yes.

Q And so ADSL SED means the date that BellSouth's ADSL

service was installed and effective?

A Yes.

Q And then the next column over has abbreviations that mean ADSL in before or after UNE. Do you see that?

A Yes, I can read that.

Q And what that -- what the information in that column is telling us is whether BellSouth's ADSL service was installed before the customer got UNE-P or after the customer got UNE-P; is that right?

A Yes, sir.

Q So, for example, if we go to the second row in the ADSL SED column, we see the date February 7, 2000. Do you see that?

A Yes.

Q So that's when the DSL service was installed; correct?

A Yes.

Q And then in the next column we see that the DSL service was actually put in after the customer had already gotten UNE-P.

A That's correct.

Q So what this tells us is that as of February 7th, 2000, the customer was receiving DSL over a UNE-P line.

A That's right, yes.

Q And then hopefully you've got a tab on your exhibit.

Do you see that?

A I do, yes.

Q And that designates the seventh page of the exhibit, and I'd like you to turn to that, please.

A Okay. I'm there.

Q And then under the ADSL SED column I'd like you to go five up from the bottom, and you see there the date October 28th, 1999?

A I see that.

Q So that's when the DSL service was installed and effective?

A Correct.

Q And we see that the UNE-P service was put in at the same time that the DSL service was put in?

A Yes, that's what it says here.

Q So that in that instance, going back to October 1999, there was a customer that had CLEC-provided UNE-P voice on the same line as the BellSouth DSL service?

A Yes.

Q And just in flipping through this chart, Mr. Milner, we can see that in some instances the DSL was put in before the customer had the UNE-P service, and in other cases the customer got the UNE-P afterward.

A Yes. Or in some cases it was provided at that same time, yes. So, I mean, those are the three possibilities.

Q Let me ask you now to turn to the nonconfidential document headed, "Final Draft/06-11-01."

A Okay. I've got that.

Q And this was the final draft of a letter that BellSouth sent out to the UNE-P CLECs that were -- whose customers were receiving DSL over the UNE-P lines?

A Yes.

Q And as the draft suggests, this letter was sent in June of 2001?

A Correct.

Q The letter states that BellSouth had just recently discovered that its DSL service was being provided over BellSouth DSL lines?

A That's what it says, yes.

Q So for one and a half years, BellSouth provided DSL service over UNE-P lines; is that correct?

A On some small number that might have been correct. Generally not. I mean, most of these -- if you look back at the instances, you know, you see a wide range of service effective dates, but, yes, there probably are some that old.

Q The installation days -- or the period over which BellSouth provided DSL over UNE-P spanned about a year and a half, didn't it?

A Yes.

Q Now, BellSouth in this letter gives the CLECs notice

of its intention to inform the effective ISPs, including BellSouth itself, that BellSouth would be discontinuing DSL service on the affected lines?

A Yeah, that was the gist of this letter, was to say, here's the problem we've uncovered, here's what we planned to do about it, and we're giving you notice of what our intent is.

Q And the only way for the CLEC to avoid that result was for the CLEC to convert the UNE-P line to the resale line?

A Yes, that's what's explained in the third paragraph there.

Q And then after the letter was sent, BellSouth added edits to its systems that caused customers' FastAccess to be terminated if they migrated to a UNE-P carrier for voice service?

A Yes, that was the effect.

Q Now, some of the costs involved in implementing the FastAccess over UNE-P solution that CLECs are requesting in this case would simply involve undoing the edits that BellSouth had put in to prevent that migration; correct?

A That's one of the costs. That's certainly not the extent of the costs.

Q Well, and a lot of the other costs stem from the fact that BellSouth designed its systems in the first place on the assumption that BellSouth and not CLECs would be providing the underlying voice service for these FastAccess customers.

A That part is right, yes. When we designed the service, the anticipation was that the voice provider would be BellSouth rather than the CLEC. What work is required to properly process orders in cases where BellSouth is required to provide its DSL service over UNE-P were the subject of yesterday's discussion with Mr. Bradbury, and as both Mr. Fogle and I've said, that was going to take some time and money and people and it has. It's been a rather lengthy process. So I don't want the Commission to be left with the impression that just simply reinserting one edit made all those back office problems go away. They did not. The edit was put in to make sure that those orders would not somehow get through the system. The real work though was developing all those back office processes to handle those orders when they came in for DSL over UNE-P.

Q Were you here yesterday, Mr. Milner, for the discussion of the April 4, 2003 Louisiana Public Service Commission order requiring BellSouth to provide its DSL service over UNE-P lines for new and existing DSL customers?

A Yes, I was here.

Q And you're aware that the order gave BellSouth until June 1st, 2003 to implement those requirements?

A Yes.

Q And so the work that you were just describing in your previous answer has been done in Louisiana, has it not?

A No. There are largely manual processes in Louisiana to handle the order, and the part I was talking about were mechanized processes to take human intervention out of that provisioning process. And that work will not be done until early in 2004.

Q Let me ask you to take a look at the other nonconfidential document in the stack that you were provided. It is a letter dated May 30th, 2003 from Debbie Canale of BellSouth to the Louisiana Public Service Commission.

A Yeah, I have that here.

Q Have you seen that before?

A It's been a while. If you'll give me a moment just to skim over it.

Q Certainly.

A Okay. I've skimmed it.

Q And, Mr. Milner, can you identify this as the letter that BellSouth sent to the Louisiana Commission?

A Yes, sir.

Q And in this letter, Mr. Milner, BellSouth informed the Commission that it is in line -- on target for implementing DSL over UNE-P for customers that are -- already have the DSL service and are migrating to a CLEC for UNE-P; is that right?

A Well, yes. I mean, basically this letter is assuring the Commission we're going to do what you told us to do. It's also saying -- you know, laying out the complexities of the

software changes that have to be closely coordinated to make sure that things happen.

Q And that's on the second page --

A Correct.

Q -- that's dealing with the second scenario where you've got a customer that's already got UNE-P and wants to order FastAccess or another BellSouth wholesale DSL service; correct?

A That's right, yes.

Q Let's talk about the first scenario for just a minute more. The Louisiana order came out April 4th, and BellSouth was able to implement at least the manual solution for the migrating -- the customers migrating to UNE-P within a couple of months of that; correct?

A Yes.

Q And as I believe you told us, BellSouth will have implemented the electronic solution for the migrating customers early next year, I believe in February 2004; is that correct?

A At earliest, but in that general time frame, yes.

Q And then as you, I think, pointed out, BellSouth needed a little bit more time to implement the order with respect to customers that already had the BellSouth DSL service and that wanted to then order FastAccess --

A Yes.

Q -- correct?

A Uh-huh.

Q And in the letter it's talking about another 15 days until June 15th; correct?

A Until June 15. I'll pick out just a couple of words; I'll try not to do this out of context. But the third paragraph on the second page, if you look at the -- well, let me back up to the second line, and I'll just read that whole line. "Despite diligent effort, and because of unanticipated problems, BellSouth will be unable to complete certain alterations to our systems until June 14." That's not meant to say that those are all of the alterations that have to be made to fully mechanize this process, but that part was just talking about what it would take at minimum to be able to handle these orders even with some manual work being done.

Q Has BellSouth completed the work that is described in the second page of this letter?

A To my knowledge, yes. Perhaps Mr. Fogle is a better person to ask of that. He's closer to the actual software development and loading part than I am, but my understanding is that, yes, we did that part. The rest is being staged over the next, you know, few quarters and that work goes on. But it had -- we predicted it would be sizable, and it's turned out that that was correct.

Q When will the project be completely finished for this second scenario with the existing FastAccess -- existing UNE-P

customer that wants FastAccess?

A Well, all of the software upgrades we anticipate will be done early in 2004. So some affect both, you know, existing and converting customers, but anyway, all of those things will be completed at earliest in February, perhaps a little bit longer than that.

Q And by that point the system will be completely electronic in both scenarios?

A Yes, for the state of Louisiana. As Mr. Bradbury pointed out yesterday, the way these systems are composed, that you have some common software, and then you drop down to elements of the software that are unique to a particular state. I think he referred to them as state level tables. What we've done to effect these changes are to change those things that are Louisiana-specific such that we're processing orders in a certain way for Louisiana customers that we believe comports with what the Louisiana Commission ordered us to do.

Q Mr. Milner, we learned in the 271 cases, as I recall, that BellSouth's OSS is regional; is that right?

A That is right. And I'm pleased that Mr. Bradbury, who used to say opposite that, now believes that our systems are regional. I support that view. However, using the same general systems for order entry in all nine states, to enter orders, that is, our so-called LENS and TAG systems, doesn't fix all the back office systems that were the subject of all

the work we're doing. So, yes, our systems are regional, but each of them or some of them have a state flavor in that there's a requirement in one state that's not present in another, and the systems have to recognize those differences and treat orders differently in some cases.

Q Are the systems that BellSouth uses for its FastAccess customers also regional?

A Well, our intent is for all our systems to be regional. And, yes, except to the extent that states have imposed requirements that mean orders have to be processed differently in one state than another, then the processes are identical. Where states have ordered otherwise, then we have to make adjustments to certain parts of those systems to make sure that we process the orders correctly.

Q Mr. Milner, if the Florida Commission required you to do the same things that the Louisiana Commission required BellSouth to do, wouldn't many of the changes that you've made in Louisiana -- wouldn't you be able to carry over many of the changes that you made in Louisiana to Florida?

A Yes. If the Commission were to order precisely what the Louisiana Commission did, then some of the work we've already done would be useful. There would still be other state level tables that we'd have to look at and make changes to. So not all of the work is directly transferrable, some would be. There would be some new work.

MR. O'ROARK: Thank you, Mr. Milner. No further questions.

Oh, do I need to identify my exhibits now or shall we wait until --

CHAIRMAN JABER: If you want them identified.

MR. O'ROARK: Thank you. I would like to identify the two nonconfidential documents, that is, the document headed "Final Draft/06-11-01," and the May 30th, 2003 letter as Exhibit 20, please.

CHAIRMAN JABER: So both of these can be considered a composite exhibit? You're all right with that?

MR. O'ROARK: Yes, Madam Chair.

CHAIRMAN JABER: Okay. Then hearing Exhibit 20 is identified for the document titled, "Final Draft/06-11-01" and the May 30th, 2003 letter to the Louisiana Commission.

(Exhibit 20 marked for identification.)

MR. O'ROARK: And, Madam Chair, we'd like to mark as Exhibit 21 the confidential chart.

CHAIRMAN JABER: Without revealing any of the confidential information, Mr. -- it's O'Roark; right?

MR. O'ROARK: Yes.

CHAIRMAN JABER: Can you give me a title so that it's easy to refer to in the record? Confidential exhibit will not be sufficient. Can we call them MCI's first interrogatories to Item Number 18?

MR. O'ROARK: How about BellSouth's response to MCI's Georgia discovery?

CHAIRMAN JABER: Okay. Exhibit 21 is a confidential exhibit and that will be BellSouth's response to Georgia discovery.

MR. O'ROARK: Thank you.

(Exhibit 21 marked for identification.)

CHAIRMAN JABER: And you were doing the cross-examination for all three of you; right?

MR. O'ROARK: I'm sorry?

CHAIRMAN JABER: You did the cross-examination for all three of you; correct?

MR. O'ROARK: Yes, Madam Chair.

CHAIRMAN JABER: Okay. Staff.

CROSS EXAMINATION

BY MS. CHRISTENSEN:

Q Good morning, Mr. Milner.

A Good morning.

Q Let me ask you, are you aware of any CLECs that have indicated that they would be willing to allow BellSouth to use the high frequency portion of the UNE-P loop at no charge to BellSouth?

A Yes, some have said that. And to them I've asked, do you represent all the ALECs that BellSouth does business with, and they've said no. So, yes, some have made that offer. By

number, more have not made that offer than have.

Q Let me refer you to your rebuttal testimony -- well, actually, I'm going to be talking about several different documents, some rebuttal testimony and some interrogatory responses. And in your rebuttal testimony at Page 2, Lines 13 through 16, it states that BellSouth has 9,622 remote terminals in Florida, and 5,946 do not have the capability to provide FastAccess service. And then in BellSouth's response to FCCA's Interrogatory Number 11, it states that BellSouth has 9,281 remote terminals, and in response to AT&T's Interrogatory Number 5, it states that the number of remote terminals as of June 30th, 2003 is 8,962. The response further states that the decrease has resulted from BellSouth retiring remote terminals and correcting erroneous entries into the remote terminal database.

Can you tell us, what is the current correct number of remote terminals that BellSouth has in place in Florida today?

A To my knowledge, it's that last number that you quoted.

CHAIRMAN JABER: Which is what?

THE WITNESS: 8,000-some number.

BY MS. CHRISTENSEN:

Q 8,962, does that --

A I don't have that in front of me, but, yes.

Q Of the number of remote terminals that you just mentioned, how many of these remote terminals have -- sites have space to accommodate a CLEC DSLAM?

A Well, I don't know, and I can't know until the CLEC told me exactly what size DSLAM they wanted to install in one of my remote terminals. You know, that's sort of like saying, is there room in your living room for an extra couch. Well, it depends on how big that couch is, maybe it will fit and maybe it won't. So, you know, we can guess at, you know, what DSLAM a CLEC might choose to use and figure it on that basis, but absent a specific request, I can't give you a specific answer.

Q Well, let's assume for this question that we're talking about the smallest-sized DSLAM that's available. How many of those remote terminals could accommodate the smallest-sized DSLAM?

A I don't have a precise answer.

Q Do you have an approximation?

A No, ma'am.

Q Okay. On Page 6, Lines 1 through 11 of your rebuttal testimony -- do you have that in front of you?

A Yes.

Q Okay. It states that BellSouth will make a good faith effort to augment the space of the digital loop carrier remote terminal?

A Yes.

Q Would the CLEC be responsible for paying for actions taken by BellSouth to augment that space?

A No. Let me explain why. Let me say not directly. BellSouth views remote terminal collocation in exactly the same way it views central office collocation. The FCC's rules do not require us to make building expansions to our central offices solely to accommodate collocation. The FCC does require us to consider an ALEC's space needs if we're contemplating building an expansion, and we extend that rationale to our remote terminals. So there are cases where we need to expand our remote terminals for our own needs. We have more equipment than we can fit in there right now, and where we contemplate expanding, that is, replacing the metal box with a larger one, then we try to get ALEC input as to what they might want to install in those and consider their needs as well. So when we expand our cabinets, we don't directly recover that cost from an ALEC.

Where we begin to recover the cost from any expansion is at the time that an ALEC places a request for collocation in the remote terminal, but there's no special charge for expansion. In other words, they're paying a prorated cost of operating that remote terminal, that is, the cabinet and the power and that sort of thing.

Q Well, let me ask you this. Assume for the sake of argument that the remote terminal cannot accommodate a CLEC

DSLAM at this time and BellSouth has not reached the point where it needs to expand for its own facilities.

A Right.

Q What would be associated with the BellSouth -- or for the CLEC if they wanted to have a DSLAM in that location? What would be the associated cost with that?

A Well, again, with precision I can't tell you. Let me generally what would happen in that case. Let's say that an ALEC wants to collocate equipment in a remote terminal and there just physically is not room. BellSouth made a policy decision that in cases where it had its own DSLAM there, it would do whatever was necessary to expand the capacity of that remote terminal such that there was room. We'd either replace that cabinet, we'd put another cabinet beside the first one. We'd do whatever we had to.

And the reason we got to that point was we did not want to trigger the requirements of the FCC's formula that said if you've got your DSLAM and they can't put theirs in there, then you've got to unbundle your DSLAM. We made the policy decision. We don't want to do that; therefore, we'll do whatever it takes to make room for the ALEC in that remote terminal, including expanding that cabinet. We did not -- you know, we said we're not going to try to recover that cost directly except through the normal collocation rates that the Commission has already set. So that's what would play out.

If you said, I want to collocate my DSLAM, I looked and there's not room, and I've got a DSLAM there, believe me, BellSouth is going to do whatever is within its power to make room for you because what we don't want to do is trigger the requirement that I have to unbundle my DSLAM to you.

Q If a local voice service customer of BellSouth wished to switch his local voice service to a CLEC who would provide local voice service through a UNE-P arrangement with BellSouth, would it be technologically possible for BellSouth to continue to provide FastAccess using the existing DSLAM located in the remote terminal?

A Yes, technically that's possible. You know, that's not the only consideration, obviously. There are other considerations of what the law says about what our requirements are, but technically that's possible.

Q Okay. And on Page 7, Lines 4 -- Page 7, Lines 4 through 7 of your direct testimony --

A Okay.

Q -- it states that BellSouth does not have any means to determine if any one of the hundreds of ALECs in the BellSouth region has granted authorization for BellSouth or another CLEC to access the high frequency portion of the loop. And in referring to Page 16 of Mr. Ruscilli's --

A I'm sorry to interrupt you, but my page numbers are apparently not matching up with yours. I'm on Page 7 of my

direct or rebuttal did you say?

Q Direct testimony.

A That's the answer right there. Thank you. Okay. I'm with you now. I'm sorry.

Q You have that?

A Yes, I do.

Q Okay. And you see the lines that we're referring to that talk about BellSouth and -- does not have the means to determine if any one of hundreds of CLECs, or ALECs in this case, in the BellSouth region has granted authorization for BellSouth for another ALEC to --

A Yes.

Q Okay. And I want to refer you -- my associate has passed out a table from Mr. Ruscilli's direct testimony.

A All right.

Q Page 16 of his testimony and that's a chart. Can you tell me how many ALECs are using UNE-P or were facility-based with respect to the September 2002 data?

A I'm sorry, did you say September 2002?

Q Correct. The bottom chart.

A Yeah, I see it. There were -- facility-based there were 53 in the state of Florida.

Q Can you tell me how that number correlates to the hundreds of ALECs in the BellSouth region that you addressed in your direct testimony?

A Sure, easily. There are a number of CLECs, or ALECs, rather, that don't do business in Florida who are in BellSouth's nine-state region. Conversely, there are ALECs that operate here that don't operate other places.

Q Do you know how many of those there are that actually only serve outside of Florida?

A No, not with precision. No.

Q Mr. Milner, my understanding that BellSouth in implementing the FDN order, its preferred method is that it be allowed to provide FastAccess over a second wire line to the home; is that correct?

A Yes, for what we believe are very good reasons. Yes.

Q And it would be correct to say that most homes have two pairs of wires deployed to the house?

A Many houses do, yes.

Q Would that be a percentage greater, like 80 percent of the homes have two pairs of wires already deployed to them?

A Again, without -- I can't answer with precision. It depends on when the house itself was built. The more recently built, the more likely that there are at least two pairs, often more than that, that are extended at least inside the house and often to the house. When I was a kid, if you had one line, that was pretty good, but recently BellSouth installs sometimes four, six, eight pairs to a house.

Q Okay. So you would agree that for most newer

customers there's a second wire pair available for service even if the customer is being served by a CLEC over UNE-P?

A Correct.

Q And if BellSouth were to provide a service over that second wire pair, isn't it correct that the second pair would be totally under BellSouth's control?

A Yes.

Q And let's assume that the --

A Well, I'm sorry. Maybe I answered too quickly. I think your question seemed to go if that second pair was being used to provide the stand-alone loop for some DSL service, would that loop be under BellSouth's control?

Q Correct.

A Yes.

Q Okay. And let's assume that a customer wants FastAccess but is receiving his voice service from a CLEC. Currently BellSouth would decline to provide him the FastAccess service; correct?

A Yes.

Q And let's assume for purposes of this question that the customer who is receiving the CLEC voice service has two wire lines to his home and BellSouth has the equipment available to provide FastAccess service to his home. Would you agree that there are no technical barriers to providing FastAccess to that customer?

A I'm sorry. Say your question one more time. It had a lot of parts to it.

Q Okay. Well, let's assume the customer has two lines, that you've already got DSLAMs located in the remote terminal, and you could have complete control of that second line. Would you agree that there's no technical reason that BellSouth could not provide FastAccess service over the second line?

A In that predicate, yes.

Q And now, let's assume that you can provide that same FastAccess service to the customer given all those scenarios, that they have two lines, there's remote equipment already, or there's DSLAM equipment already in the remote terminal, and the customer is willing to be billed by credit card, and let's assume further for the purposes of this question that BellSouth was authorized to recoup a reasonable cost for the second line. Wouldn't you agree that under this scenario FastAccess could be provided profitably as a stand-alone service?

A Well, you added the word "profitably" to that question, so I'm not sure if I'm qualified to answer that. From a technical standpoint though, yes, FastAccess service could be provided over that stand-alone loop. For other reasons that I am qualified to discuss, operationally that's a lot simpler in terms of provisioning, maintenance, and repair and so we prefer that method. Further, because it's on a separate loop, there don't arise these questions about the high

frequency portion of the voice line, so you avoid all that. So for all of those reasons and probably some more that don't come immediately to mind, that's why BellSouth believes that providing its DSL service over that separate loop is the right way to go.

Q And if you could deploy FastAccess service in the above manner, why wouldn't BellSouth as a matter of company policy want to deploy DSL service to as many homes as possible regardless of who is providing voice service?

A Well, again, I'll give you my personal answer. I'm not the company spokesman on this issue. Mr. Smith is and is far more qualified to talk about the long-term strategy that BellSouth has pursued and will pursue. But ultimately, from a technologist's viewpoint, I'll answer your question this way, that, in my view, DSL is an advanced service, not a basic service. The FCC at least has sort of carved that out and tried to create a different marketplace for broadband services than for voice services. It's put us in the same boat to compete with cable operators and satellite operators and whoever else wanted to build a network to provide broadband services. We've done that. We did it when this was not an issue.

I mean, we started down this road before this was even an issue. We were deploying DSLAMs; we were buying fiberoptic cables to hook those to our data networks. So we've

done all of that. So having built that network, we believe we have a right to enjoy either the success or the failure of that network.

And I've been in jobs where I planned the deployment of new services, and if the service went well, then I was a hero, and if the service went poorly, then I was a bum. And that's okay with me. But here's a situation where if the service goes well, then my shareholders who paid for all that equipment share the benefit with companies who did not take on that risk, did not make those investments.

On the other hand, if the service is a failure, then those companies stay away and don't help me defray the cost of those losers. So, you know, it was said to me once that in that world, you know, I get to win all the losers and lose all the winners. From a technologist's standpoint, that's not the way you build and operate networks. That's not the way you do financial analysis to decide whether you go or don't go on a given service. So from an engineer's viewpoint, that's why I think this is different from other things that the law does require us to provide.

Q Well, I guess you were saying that the FCC has treated it as a separate type of service; is that correct?

A That it's in a different market, yes. It's in a broadband market along with cable modem service and satellite service and the like.

Q But the way that you've designed it, it's an overlay service on the voice market; correct?

A We designed the provisioning flows and the maintenance flows as an overlay to our existing voice services, but there's very little interplay between our voice network and our data network in terms of the elements.

Q But you could have designed it as a completely stand-alone, separate service technologically?

A Yes, it is. I mean, from a technology standpoint they are separate services. In fact, there are these devices that we call splitters that send the voice traffic one way and that data traffic, that is, the DSL traffic, a different way, so it can handle them in different networks.

Q Right.

COMMISSIONER DEASON: I need to interrupt for just a moment, please.

THE WITNESS: Yes, sir.

COMMISSIONER DEASON: I listened carefully to your answer to a previous question. Before it escapes me, that's the reason I need to interrupt. I don't want to mischaracterize your testimony, but in your response I took it that it's your position that BellSouth has made the investment to provide FastAccess service, did the research, took the risk, deployed the facilities, and you think it's only appropriate that BellSouth investors enjoy the benefits of that. And I

just have to tell you now, I agree with that, you know, as a philosophical matter, but you also -- you went on to say, and it would be inappropriate to share the benefits with those that did not. That's what I want to explore with you for just a moment.

THE WITNESS: Okay.

COMMISSIONER DEASON: Share the benefits. That means that there are benefits -- additional -- I take that to mean that there are additional benefits that BellSouth could enjoy as well; i.e., there would be revenue to BellSouth that you would otherwise forego to help defray the cost of that investment, and that it probably -- when you say "additional benefits," that it would continue to be profitable to you, but that as a matter of philosophy, you are willing to forego profits because you want to forego the ability of your competitors to share in those profits. And I guess the essence of the question is, do we have a situation where you would be more profitable and maybe the CLEC as well would be more profitable but you don't want that situation? You want to be less profitable and make the CLECs less profitable and not provide a service to a customer who desires it.

THE WITNESS: No. The latter is certainly not what I intended. And if I used the word "additional," and apparently I did, I didn't mean anything -- I didn't place any special emphasis on that. What I was trying to get across was the

first part of what you -- you know, how you characterized what I said and that is precisely what I meant to say, and that is, we took on those risks, we did the homework, we built the network, and now we want to sell that network and make a reasonable profit.

I'm not saying that from a corporate view that we're willing to hurt ourselves in order to hurt ALECs in the process by foregoing certain revenue streams. That is not at all what I meant to say. The point I was getting across was the first one you laid out, and that is, you know, we did all that work and now we want to reap the profits. ALECs want to reap where they haven't sewn.

COMMISSIONER DEASON: I understand that Mr. Smith's testimony probably is a little bit more on point for this particular issue, and I plan to ask him the same question. Thank you.

THE WITNESS: Thank you, sir.

MS. CHRISTENSEN: Staff has no further questions.

CHAIRMAN JABER: Commissioners, do you have other questions?

Okay. Mr. Milner, I have one, and again, if Mr. Smith is the right person, tell me, but I mean it really from an operational standpoint.

THE WITNESS: Uh-huh.

CHAIRMAN JABER: Yesterday, Ms. Lichtenberg and the

ALECs in their opening statements made the offer that they would provide the high frequency portion of their loop at no cost to BellSouth as a solution to implementing the -- something similar to the Louisiana decision.

THE WITNESS: Yes.

CHAIRMAN JABER: Are there technical problems with doing that? Again, I'll focus the revenue issue to Mr. Smith, but assume that you accept that proposal or are required to accept that proposal, would there be technical issues associated with receiving the high frequency portion of the loop at no cost to BellSouth so that you are able to provide FastAccess service to the customer?

THE WITNESS: Without trying to be evasive, it depends.

CHAIRMAN JABER: Okay.

THE WITNESS: If WorldCom says, here and now, I give you the right to use the high frequency portion in any case where I'm the provider, that's fine. That by itself solves part of the operational problem. It doesn't make it go away until every other ALEC makes that same offer or until the Commission says, we have decided -- we the Commission have decided that ALECs will provide that access without cost.

It's where I have to change my process to put a decision point to figure out is this an ALEC that has or has not. I mean, you can sort of visualize that in processing the

order I'd get to a point that says, who is the voice provider, find out, now look again to see, does that voice provider, that is, the ALEC, provide BellSouth access to the high frequency portion.

CHAIRMAN JABER: What are the kinds of things you would need for us to say in a decision to accommodate your concern? I understand there are only the three or four, I've lost count, companies involved in this case, and obviously those are the ones that have made the representation that they're willing to provide that portion of the loop at no cost. So to the degree a decision could be caveated to acknowledge that position and offer with a requirement that BellSouth take that offer and provide FastAccess, what language might you need to send other carriers the same message?

THE WITNESS: What language would I -- well, and, you know, I'm not a lawyer, but --

CHAIRMAN JABER: Yeah, and I mean from an operational standpoint. I'm sorry. My question is really worded poorly. What operational conditions might we need to address in the order to make clear?

THE WITNESS: Well, I think the Louisiana Commission was fairly clear in that point that it was requiring all ALECs to provide that access and to do it free of charge. And the part that I am unclear how are you going to formulate that language is how you can extend a requirement beyond the parties

that are in this docket, that is, AT&T and the others.

CHAIRMAN JABER: Well, let's assume we can't.

THE WITNESS: But assuming you can, then --

CHAIRMAN JABER: No. Assume we cannot, assume we cannot.

THE WITNESS: Oh, that you cannot.

CHAIRMAN JABER: But what language might we be able to put in this decision to send a message to other carriers that are thinking about the same thing that, you know, here are the technical issues, you've got to overcome these for a similar decision here.

COMMISSIONER DAVIDSON: And I'll jump in. If you can't answer that clearly now, certainly give it your best shot, and then get back to us with whatever you think is language that is responsive to the Chair's question.

THE WITNESS: Well, thank you for that latitude. Without listing all the things, I believe you could say that you are requiring these parties to provide that access free of charge. For those that are not a party, you will not have your -- you know, you won't have DSL over UNE-P until you come to that arrangement or until you negotiate something that's mutually agreeable with BellSouth. So, you know, perhaps that's how you get at it, is to say here are the operational issues, and we're deciding -- you know, we're taking this party's position on this, and collectively, we think that these

things address those operational issues.

If you're not a party to this, if you're an ALEC who is not a party, then we're not imposing a requirement on BellSouth to provide its DSL service in the context of UNE-P until you and BellSouth agree on operational procedures that address, you know, order processing and spectrum sharing and maintenance and repair and, you know, the whole gamut.

CHAIRMAN JABER: Okay. The spectrum sharing is exactly the -- providing the high frequently portion at no cost.

THE WITNESS: Yes.

CHAIRMAN JABER: And you said -- the first one you said --

THE WITNESS: Well, order processing. To eliminate all the checking back and forth about, you know, do you have the authority to use the frequency or not.

CHAIRMAN JABER: Now, is it fair to say with regard to your concern, you know, that BellSouth has built the network, they've made the investment, and you want to share in the benefits, and I think you're absolutely right, you get blamed for the failure of something, would that sort of an arrangement go a long way in making the ALECs share in the cost and hopefully provide an incentive for the program's success? I mean, once they start providing some portion of the loop at no cost, it seems that there's an incentive for everything to

go well. Do you agree with that?

THE WITNESS: Not entirely, not entirely. And here's why. In any array of services there are different rates of contribution. Some are more profitable than others. Ultimately, I'm not sure that consumers necessarily benefit if the only owner of DSLAMs is BellSouth because that says ultimately the only choices you're going to have are DSLs -- is digital subscriber line service that operates over the choices of DSLAM or, you know, pick any other hardware device that BellSouth has chosen for itself.

I think what is better for consumers ultimately is for ALECs themselves to be exploring, you know, what networks do I want to own, what components will there be in those networks, and maybe I don't even use DSLAMs, maybe I use some sort of Ethernet protocol instead that ultimately delivers broadband service to a consumer at a better rate than what BellSouth can provide. That longer view in terms of competitive stance I think is better than taking one limited supply and saying this is the standard for broadband over wire line.

CHAIRMAN JABER: I don't philosophically disagree with you at all. I mean, that's the whole notion of facilities-based competition. But would you agree that at least in the short term this may provide some incentive for the ALECs to continue to invest and work together with BellSouth on

the success of DSL deployment?

THE WITNESS: Perhaps and perhaps not. And I hope this is not too long an answer. Unbundling and network sharing, in my view, was envisioned by Congress and then by the FCC as sort of steppingstones towards the day that ALECs had their own networks and competed head to head with BellSouth and with whoever, with each other with their own choices of platform and their own devices. So then the question gets to be, do the steppingstones stay in place too long such that you never get there? So perhaps what you just suggested would be a short-term solution; on the other hand, perhaps it won't. Perhaps it will forestall the day when ALECs are out looking for their own DSLAMs or DSLAM alternatives because they know there's always a ready supply at cost-based rates, let's say, from BellSouth.

CHAIRMAN JABER: Okay. You raised a good point with regard to our decision and putting all the right things in an order if we go down this road. Should we put a time period for the requirement that ALECs provide that high frequency portion of the loop at no cost? Should there be a cap on the time -- window of opportunity for them to take advantage of that, and then after that it's not available, and if so, what is that time period?

THE WITNESS: Well, that's a real good question, and I have to admit, I have not really thought down through that

decision process. First of all, I don't think you -- I don't believe that BellSouth should have this requirement in the first place. So your question really is, if we the Commission are going to do this, should we put a time limit on it, and then I'll say, obviously, yes, you should. In other words, create some hard trigger at the other end of this process that says, you know, enjoy the sunshine if you want to, but there will be a day where all of this is going to go away, and you ALECs better be ready with your own networks and your own, you know, arrows in your own quivers to be able to compete with. So, yes, that's preferable to just creating a requirement that doesn't go away.

Again, you know, my concern and I think the consumers' concern would be, have I not just forestalled those innovative things that ALECs might come up with for whatever that window of opportunity is.

CHAIRMAN JABER: Thank you, Mr. Milner. That's been very helpful to me. Before I ask for other questions, Ms. White and Mr. Melson, I don't know who's doing the brief on your side. Do you mind addressing my questions in your brief, please, whatever other information that is in the record you think is appropriate. I'd like to read more on this in your briefs.

Commissioner Baez, you had a question.

COMMISSIONER BAEZ: Yeah, I had a couple of

questions.

Mr. Milner, I need to understand -- I'm having trouble understanding what BellSouth's involvement in the provision of Internet -- of high-speed Internet service to an end user, what BellSouth's involvement is when FastAccess is not the service being provided.

THE WITNESS: Oh, okay. Well, let me -- I think I understand your question. Let me start. If you find that I'm on the wrong track, please stop me.

COMMISSIONER BAEZ: Maybe you're not the -- I don't know if I'm catching you outside of your --

THE WITNESS: No, I don't think so. Let me try it. If I'm just way off base, stop me. BellSouth actually has two services. One is its retail service that we label as FastAccess, and with that you get the transport piece; that is, you know, that gets the data from your PC in your study --

COMMISSIONER BAEZ: The pipe.

THE WITNESS: -- all the way to the -- the pipe -- to the Internet. And you get the Internet service itself; that is, you get to use our Web servers and all that for the Internet piece.

BellSouth has a wholesale offer through its FCC tariff just for the pipe, and we sell that to Internet service providers and network service providers, AOL, Earthlink, whoever comes to us and says, I will buy that pipe, and I'm

going to provide that service back to you. So that's the difference.

So we provide -- collectively that's DSL service, but one is our retail service, where we add the Internet piece, and the other part AOL would provide its own Internet piece and would use the wholesale part as the transport of that data from your house to their ingress port.

COMMISSIONER BAEZ: Now, how does the UNE-P voice provider figure into that equation?

THE WITNESS: Okay. Well, in that case the ALEC, the UNE-P provider has stepped into the shoes of BellSouth as the voice service provider. In our view of the world, BellSouth would have had that role all along; that is, you would have continued to have your voice service from BellSouth whether you chose FastAccess or whether you had chosen AOL broadband. AOL would have come to us, bought the pipe, but would have sold it to you directly. What we're talking about here is the situation where the ALEC steps into BellSouth's role as the voice provider.

COMMISSIONER BAEZ: Controlling the whole spectrum.

THE WITNESS: Exactly, exactly. And then that raises the question -- well, let me back up a pace. There was no issue when BellSouth was the voice provider because, you know, that part -- you know, the voice is running down here and the high-speed stuff was up here in a higher frequency, there was

not an issue. Now, the ALEC steps into BellSouth's shoes as the voice provider, and then it calls into question, now what are you going to do with the high frequency part, BellSouth, that you no longer have access to because you are not the voice provider? I'm the UNE-P provider, and one of the things that I bought in that platform was the loop, and by law I get all of the capabilities of the loop, the low frequency and the high frequency.

So that's what kicks off the question in the first place and that's what distinguishes it from resale, is that the ALEC has not stepped into the roles of BellSouth as the reseller and just reselling the voice service. If that were so, then the issue of the high frequency part doesn't come into play. Instead, the ALEC says, I've got the loop, I've got the port, I've got the signaling, I've got all of that stuff collectively, the UNE-P, and when I buy any of those things, I have exclusive right to all of the functionality that those things provide.

COMMISSIONER BAEZ: Let me stop you right there. There's -- obviously BellSouth's access to the high frequency portion of the loop is an issue, and how that is resolved can have any number of solutions, and we've discussed a few of them here. But is it -- I guess what I'm trying to understand is, is it -- does it continue to be an issue when FastAccess the retail service is not involved?

THE WITNESS: Yes.

COMMISSIONER BAEZ: Why is that?

THE WITNESS: Because now instead of FastAccess occupying that high frequency part of the spectrum, it's AOL broadband that occupies it, which is access via the wholesale part, you know, the transport part that BellSouth is providing to AOL out of its FCC tariff.

COMMISSIONER BAEZ: Okay. Stop right there. If the UNE loop belongs to the CLEC, wouldn't it be a relationship between AOL and the CLEC for that high frequency portion, and if that's the case, how is BellSouth's access to that high frequency portion still involved?

THE WITNESS: Well, first of all, BellSouth believes that it should be a relationship between the ALEC and the AOL in that regard. In other words, we ought to be able to step completely out of the picture. But what the ALECs are saying is, we don't want you out of the picture, we still want you to be the provider of that transport. We're saying fine. If we lost the voice service, then the relationship for the high-speed part should be between the ALEC and AOL.

COMMISSIONER BAEZ: Now, let me back up a second. That statement that you just made, we still want you to be the provider of that transport, is it the same thing as saying, we still want you to be making your retail service available and that the transport is necessarily involved as part of making

that retail service available?

THE WITNESS: No. In that context they're saying, we still want you to provide your wholesale service.

COMMISSIONER BAEZ: Again, I'm not -- that's the part that I'm not clear on, and I'm not sure that the CLEC parties have made that clear, and I don't know how we clear that part up for me going forward. You know, if you can make a note of that.

My understanding is that your involvement with access to the high frequency portion is only really an issue as long as you're being required to provide that service and in the instances where you will be providing the retail service. And now what you're telling me is that there's, in fact, two roles here that you claim to be being unfairly required. I mean, is that -- inartful English, but --

THE WITNESS: Yes, one or both. In other words, if we are not the voice provider, then our position is then there should not be a requirement that we be a DSL provider either at the wholesale level or at the retail level.

COMMISSIONER BAEZ: Well, okay. If the discussion that's been going on here that that resolution being that the CLECs are somehow either required or agree contractually to provide you back that access to the high frequency portion at no cost to you, whatever that means, does the wholesale part of the requirement go away? Does the issue with the wholesale

part of the requirement go away?

THE WITNESS: No. Let me try this. The wholesale customer for DSL service is not the ALEC. The customer for the wholesale service --

COMMISSIONER BAEZ: Is the ISP.

THE WITNESS: -- is the ISP. So the problem remains. See, what happens for FastAccess is that BellSouth buys goods from itself to create that service; that is, it buys that transport piece and adds the Internet piece to it. The AOL doesn't by the Internet piece, they buy the transport piece. But you've got it exactly right. The customer of the wholesale part is the ISP whether that's FastAccess or AOL or whoever. So that problem really doesn't go away.

COMMISSIONER BAEZ: How are your responsibilities different if you're required to still provide the wholesale access compared to what your responsibilities are if it is a true -- if there is a true, quote, ownership of the loop and responsibility for the loop on the part of the CLEC?

THE WITNESS: Good question. In that case if we had no obligation to be the wholesale provider, then someone else would be providing the DSLAMs, the data switches, all of that transport for themselves. They'd either negotiate with AOL or Earthlink or some other Internet service provider to provide that content, and together they'd have a nice day. And BellSouth would be over here selling to other customers and

trying to -- you know, in some cases selling them FastAccess service which would compete with the ALEC's choice of Internet service provider.

COMMISSIONER BAEZ: Okay. Thank you.

CHAIRMAN JABER: Commissioners, any other questions?

Okay. Redirect.

MS. WHITE: No redirect.

CHAIRMAN JABER: Mr. Milner, thank you for your testimony.

THE WITNESS: Thank you, Madam Chair.

(Witness excused.)

MS. WHITE: And BellSouth would move issue -- I mean, excuse me, Exhibit --

CHAIRMAN JABER: Exhibit 19.

MS. WHITE: Thank you very much.

CHAIRMAN JABER: Without objection, Exhibit 19 is admitted into the record.

(Exhibit 19 admitted into the record.)

CHAIRMAN JABER: Exhibits 20 and 21, Mr. O'Roark.

MR. O'ROARK: We'd move their admission as well.

CHAIRMAN JABER: Without objection, Exhibits 20 and 21 are admitted into the record.

(Exhibits 20 and 21 admitted into the record.)

MR. MELSON: Chairman Jaber, in an effort to clarify something Commissioner Baez asked, could I clarify the scope of

the complaint in this docket?

CHAIRMAN JABER: Commissioner Baez, that's certainly all right with me if you want to hear from Mr. Melson. I got the impression you wanted them to address it in the brief, but --

COMMISSIONER BAEZ: Well, the clarification is certainly appreciated. I don't want to create a situation where there's no --

MR. MELSON: No, sir, this is ten seconds.

COMMISSIONER BAEZ: If Ms. White and Ms. Mays don't have any objection, that's fine by me.

MS. WHITE: I trust Mr. Melson for the most part. I'm willing to give him a shot.

MR. MELSON: Thank you.

MR. O'ROARK: Figuratively.

MS. WHITE: Figuratively, yes.

(Laughter.)

MR. MELSON: The complaint in this case dealt only with the retail FastAccess service. The complaint did not deal with the wholesale service. Louisiana dealt with both issues in the same order, but all we have asked you to deal with here is the FastAccess.

COMMISSIONER BAEZ: Okay. Thank you.

MS. WHITE: And I agree with that.

CHAIRMAN JABER: Thank you. Okay. Let's call your

next witness, Ms. White.

MS. MAYS: BellSouth's next witness is Eric Fogle.

CHAIRMAN JABER: And, Ms. Mays, was Mr. Fogle here yesterday when we swore in witnesses?

MS. MAYS: Yes, he was. He's been sworn in.

ERIC FOGLE

was called as a witness on behalf of BellSouth Telecommunications, Inc. and, having been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MS. MAYS:

Q Mr. Fogle, if you could give the Commission your name, business address, and position, please.

A My name is Eric Fogle. I work at 675 West Peachtree Street in Atlanta, Georgia, and I'm the director of the wholesale broadband marketing organization at BellSouth.

Q And did you cause to be prefiled in this proceeding eight pages of direct testimony?

A Yes, I did.

Q Did you also cause to be prefiled eight pages of rebuttal testimony?

A Yes, I did.

Q And did you have two exhibits with your rebuttal testimony?

A Yes.

MS. MAYS: Madam Chair, if we could have those two exhibits as the next number.

CHAIRMAN JABER: Sure. It looks like it's EF-1 and EF-2 --

MS. MAYS: Yes, Madam Chair.

CHAIRMAN JABER: -- are identified as Composite Hearing Exhibit 22.

(Exhibit 22 marked for identification.)

BY MS. MAYS:

Q Mr. Fogle, do you have some changes to your testimony?

A Yes, I do. I'd like to make a couple of changes to both my direct and my rebuttal testimony. On my direct testimony on Page 2, Line 22, change the word "would" to "may," and the word "all" to "many."

On Page 4, Line 21, change the word "will" to "may."

And on Page 6, Line 16, change the word "would" to "may."

Q With those changes, Mr. Fogle, if I were to ask you the questions in your direct testimony, would your answer be the same?

A Yes.

MS. MAYS: Madam Chair, if we could have the direct testimony entered into the record at this time.

CHAIRMAN JABER: Sure. The prefiled direct testimony

of Eric Fogle shall be inserted into the record as though read.
BY MS. MAYS:
Q Could you also give us the changes to your rebuttal testimony?
A Yes. There are two changes to my rebuttal testimony. On Page 7, Line 20, insert the words "some of" between "reflects" and "BellSouth."
And on Page 7, Line 21, insert after the word "costs" the following sentence -- or the following additional words, "although there may be additional costs as well."
Q And with those changes, Mr. Fogle, if I were to ask you the questions in your rebuttal, would your answers be the same?
A Yes, they would.
MS. MAYS: Madam Chair, if we could have the rebuttal entered into the record.
CHAIRMAN JABER: Sure. The prefiled rebuttal testimony of Eric Fogle shall be inserted into the record as though read.
And, Ms. Mays, I really appreciate you all did this. Thank you.

BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF ERIC FOGLE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

NOVEMBER 26, 2002

Q. PLEASE STATE YOUR NAME, YOUR BUSINESS ADDRESS, AND YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH").

A. My name is Eric Fogle. I am employed by BellSouth Telecommunications, Inc. ("BST"). My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am the Director of Wholesale Broadband Marketing. In this position, I am responsible for, among other things, the creation, oversight and implementation of marketing for BST's wholesale digital subscriber line ("DSL") products. I have held this position since August of 2000. I have almost five years of service at BellSouth with experience in new product development, project management, and business development. I have a Masters degree in Business Administration from Emory University and a Masters of Science degree in Electrical Engineering from the University of Missouri.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony responds to Issues 5, 6a, and 6b set forth in the November 12, 2002 Order establishing Procedure in this docket.

ISSUE 5: Should the Commission order BellSouth to provide its FastAccess Internet service, where feasible, to any ALEC end user that requests it?

Q. WHAT IS BELLSOUTH'S POLICY ON THIS ISSUE?

A. The Commission should not order BellSouth to provide its BellSouth®FastAccess® Internet service ("FastAccess") to any ALEC end user that requests it, for several reasons. First of all, there are numerous technical and operational hurdles that BellSouth would need to overcome in order to provide FastAccess to any ALEC's end user. Further, the level of customer service that the end user receives may be compromised, there will be issues associated with provisioning, and there will be billing issues associated with offering FastAccess to ALEC end users.

Q. DESCRIBE THE TECHNICAL AND OPERATIONAL HURDLES THAT WOULD BE INVOLVED.

A. BellSouth ~~would~~ may have to change ~~all~~ many of its internal systems to qualify and recognize a potential or current DSL customer by a means other than the telephone number. The reasoning behind this is as follows: When BellSouth built its DSL facilities and the corresponding systems, we used a telephone number

as a means to identify and service customers. This was because, as an overlay service (as stated in the FCC tariff), DSL would have to be associated with an existing telephone line facility, and in turn, a telephone number. Currently, all of BellSouth's systems qualify and provision an end user based on their telephone number. Changing this process would be burdensome from a time and financial perspective as the change would involve intensive systems work and substantial man-hours.

Another technical challenge for facility-based ALECs would involve connecting the ALEC loop to the BellSouth equipment to allow the DSL signal to ride on the ALEC loop. While this can be done, the process would lengthen the provisioning cycle and make the service offering more expensive.

Third, it is simply not feasible, in the sense that feasible is synonymous with "reasonable", "practicable" and "realistic", to require BellSouth to provide FastAccess service to any ALEC end user. In order to make the required changes to BellSouth's systems and technology to provide FastAccess to any ALEC end user, the resulting work effort and financial resources required to achieve this are neither "reasonable", "practicable" nor realistic.

Q. WOULD THE END USER'S LEVEL OF CUSTOMER SERVICE BE COMPROMISED IF BELLSOUTH IS FORCED TO PROVIDE FASTACCESS TO ANY ALEC END USER?

A. Yes. First, confusion would result because the end user will not know who to call for customer service. Currently, FastAccess customers typically call BellSouth directly. However, the FastAccess customer service group would no longer be able to help in the same capacity if BellSouth were forced to provide FastAccess to any ALEC end user, as all of the pertinent customer and loop information would not be available. The customer service representatives would not have visibility into all the problems that may be compromising the DSL service. Another issue that would come up involves end user confusion because of unreliable qualification systems. Because BellSouth does not have access to the ALEC end user telephone numbers, issues would arise regarding qualification. A line may initially show as qualified but upon further investigation would not be qualified due to issues with the loop that are outside of BellSouth's realm of knowledge and out of BellSouth's control. This is true for both facilities based and UNE-P customers. The initial provisioning of the FastAccess service will also take substantially longer.

Q. PLEASE DESCRIBE THE PROVISIONING ISSUES INVOLVED IN COMPLYING WITH THE FCCA'S REQUEST.

A. In addition to issues associated with qualification, there will be issues associated with provisioning. Additional equipment ~~will~~ may have to be installed in order to connect the BellSouth DSLAM to the ALEC loop. This could add days to the current provisioning process. There will also be longer maintenance and repair intervals. The FastAccess team would have to work with the ALEC repair team to diagnose problems that were not directly related to the Internet service. This is

due to the fact that when an ALEC owns the voice, BellSouth no longer has access to the MLT (mechanized loop test) to troubleshoot the voice loop. Having two parties involved with the troubleshooting process will add time and complexity. The end user will suffer as a result of these delays.

Q. WHAT BILLING ISSUES WOULD BE ASSOCIATED WITH OFFERING FASTACCESS TO ALEC END USERS?

A. Right now, most FastAccess customers are billed for their FastAccess service through the telephone bill they receive from BellSouth. ALEC customers, however, would not receive a BellSouth bill and would have to be billed for FastAccess via credit card. This may not be a problem for some end users, but there would undoubtedly be end users who either did not have a credit card or did not want to be billed via credit card. These end users would not be able to receive or continue to receive FastAccess service.

Finally, although Mr. Ruscilli will more fully address the policy issues in this case, from a business perspective it would be fundamentally unfair to penalize BellSouth and reward the ALECs by mandating BellSouth to provide FastAccess to any ALEC end user. ALECs have had the opportunity to develop and offer the same type of facilities-based broadband service that BellSouth offers. Just as BellSouth made decisions about where to focus its efforts, ALECs could have made similar business decisions as to whether or not they wanted to invest in broadband and launch new services. Once launched, these companies also had options as to how they wanted to expand this service. Some, who deployed

wisely and in a conservative manner were successful. Others chose not to invest at all in DSL deployment, or if they did, they did not invest wisely. BellSouth's competitive advantage resulted from seeing an opportunity, and investing in that opportunity wisely. BellSouth should not be punished for making wise business decisions that others could have made but chose otherwise.

ISSUE 6a: If the Commission orders that BellSouth may not disconnect its FastAccess internet service where a customer migrates his voice service to an ALEC and wishes to retain his BellSouth FastAccess service, what changes to the rates, terms, and condition of his service, if any may BellSouth make?

Q. WHAT IS BELLSOUTH'S POLICY ON THIS ISSUE?

A. BellSouth would have to make several modifications to the rates, terms, and conditions of a FastAccess end user's service in this instance. First, a splitter ~~would~~ may need to be added between the BellSouth DSLAM and the ALEC loop in order for the FastAccess service to be continued to be provided on the ALEC loop. This would be necessary to send the DSL signal on the line to the BellSouth DSLAM and the voice signal on the line to the ALEC's switch. The ALEC would need to be responsible for providing this splitter. Second, the billing method for the FastAccess service would potentially need to change. As mentioned earlier, when a BellSouth voice customer migrates his voice service to an ALEC, the phone number is taken out of some of BellSouth's systems, and that voice customer no longer receives a BellSouth bill. The only way that BellSouth can continue to collect funds from the end user for FastAccess is

through credit card billing. If the end user does not have a credit card or refuses to provide valid credit card information, BellSouth cannot provide FastAccess service to that end user. A third item that would need to change is the process BellSouth uses to provide maintenance on the FastAccess service. In a UNE loop situation, the ALEC has all the capabilities to conduct MLT (mechanized loop test) testing on the loop. The ALEC would need to provide BellSouth access to these MLT capabilities on the ALEC voice switch in order for troubleshooting to occur when there is a problem with the FastAccess service. This access would need to occur in a very short timeline in order to continue a high quality of customer service.

ISSUE 6b: If the Commission orders BellSouth to provide its FastAccess service to any ALEC end user that requests it, where feasible, then what rates, terms, and conditions should apply?

Q. WHAT IS BELLSOUTH'S POLICY ON THIS ISSUE?

A. BellSouth is currently not equipped to provide its FastAccess service on a facility other than its own. This is because all qualification and provisioning flows and methods are based on the BellSouth provided end user telephone number. BellSouth does not have telephone number information for some ALEC customers. Therefore, many qualification and provisioning methods would have to be changed, such as the systems work to our qualification and provisioning systems mentioned earlier. End users would need to be qualified for DSL based on some means other than a BellSouth provided telephone number, such as

circuit ID. In addition, because BellSouth does not own or have access to the features and functionality of the loop, wiring issues would exist that were not there before. Wiring procedures would need to be developed in order to connect the BellSouth DSLAM to the ALEC loop. More manual processes would need to take place to ensure that the proper wiring and splitters were added to connect the ALEC loop to the BellSouth DSLAM. This would change the provisioning flow. Service intervals would also change for end users of FastAccess over an ALEC line. The wiring issues mentioned above would not only change, but also extend the provisioning timeline. It would take the end user longer to get their FastAccess service running properly. Because BellSouth does not have ready access to maintenance and testing facilities (the ALEC owns these in a UNE loop arrangement), and cannot easily access customer records because of a lack of a telephone number, service intervals after installation would increase substantially as well. All of these factors would lead to a higher cost of providing the FastAccess over an ALEC line, and in turn, would lead to higher rates for the end-users.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

471221

BELLSOUTH TELECOMMUNICATIONS, INC.

REBUTTAL TESTIMONY OF ERIC FOGLE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

DECEMBER 23, 2002

Q. PLEASE STATE YOUR NAME, YOUR BUSINESS ADDRESS, AND YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH").

A. My name is Eric Fogle. I am employed by BellSouth Telecommunications, Inc. ("BST"). My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am the Director of Wholesale Broadband Marketing.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THE PROCEEDING?

A. Yes, I filed direct testimony on November 26, 2002.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. My rebuttal testimony responds to the direct testimony of Mr. Joseph Gillan filed on behalf of the Florida Competitive Carriers Association (FCCA); specifically, I respond to Mr. Gillan's testimony concerning Issues 6a and 6b. Issue 6a relates to changes to the rates, terms, and conditions of BellSouth's FastAccess service if the Commission orders BellSouth to continue to provide its FastAccess service to customers that seek to migrate voice service.

Issue 6b relates to changes to the rates, terms, and conditions of BellSouth's FastAccess service if the Commission orders BellSouth to provide FastAccess service to any ALEC end user that requests it. Notwithstanding that BellSouth has a fundamental disagreement with the Commission's jurisdiction to entertain the FCCA's requests, my testimony will focus on changes to rates, terms, and conditions rather than on the bad policy that would be created if the Commission granted such relief.

Issue 6(a): If the Commission orders that BellSouth may not disconnect its FastAccess Internet service, where a customer migrates his voice service to an ALEC and wishes to retain his BellSouth FastAccess service, what changes to the rates, terms, and conditions of his service, if any, may BellSouth make?

Q. IS THERE ANY DISAGREEMENT IN THIS PROCEEDING THAT WE ARE DEALING WITH AN UNREGULATED SERVICE?

A. I do not believe there is. Despite the fact that Mr. Gillan's testimony presents an overly simplistic view, this is one area upon which we apparently agree. Specifically, Mr. Gillan's testimony clearly refers to "FastAccess service." Thus, his testimony and the issues in this proceeding relate solely to BellSouth's "FastAccess Internet Service;" in other words, this proceeding is expressly limited to BellSouth's retail unregulated high-speed Internet access offering known as FastAccess, and Mr. Gillan does not contend otherwise.

Q. IF THE COMMISSION ORDERED THE RELIEF SOUGHT BY FCCA, MR. GILLAN SUGGESTS THAT BELLSOUTH SHOULD NOT BE PERMITTED TO MAKE ANY CHANGES TO AN END USER CUSTOMER'S NETWORK SERVING

ARRANGEMENT. IS THIS RESTRICTION REALISTIC?

A. No. In order to provide FastAccess service when an end user customer changes voice providers, the most efficient and practical method to continue to provide such service is through standalone FastAccess service. The end user experiences minimal changes in his or her FastAccess service, which will be provided on a BellSouth owned and maintained loop. The end user's voice service will be provided on a separate loop. There must be a "change" in the end user's network serving arrangement, in the sense that the end user will no longer receive voice and FastAccess service over the same loop.

Q. WHY DOES BELLSOUTH INTEND TO PROVIDE FASTACCESS ON A LOOP?

A. As a preliminary matter, providing both UNE services and FastAccess services on a UNE loop would be a violation of FCC Tariff #1, since the UNE loop is not an in-service, Telephone Company [i.e. BellSouth] provided exchange line facility. In addition, there are operational reasons for not providing both services on the same loop. Significantly, BellSouth would not be able to provide appropriate service and support to the end user of the FastAccess service. Our records are maintained by the subscriber's telephone number. If the customer is an ALEC customer, we do not have the subscriber's telephone number in our system. If the customer has a problem with his or her FastAccess service and calls BellSouth for service, we would not be able to find the appropriate customer information if the service was provided over the line the ALEC owns. While this sounds like an issue that could be resolved, we have been keeping track of customers by telephone number for a very long time, and all of our systems are set up that way. To change the system would be a very difficult, expensive and time-consuming problem. It is simply easier for the customer, and

for BellSouth to provide the FastAccess service, if it has to be provided at all, over a separate facility. Because BellSouth would own the loop over which standalone FastAccess is provided, it still has the telephone number and related information in its systems. Moreover, because BellSouth can and does provision UNE loops and UNE-P loops, it does not need to change existing methods and procedures of provisioning such facilities. In the case of end users that do not have two lines into their premises, a second line (loop) would be deployed; however, there would be no change to the FastAccess service. Thus, these operational issues are best addressed by BellSouth providing a single solution for all types of ALEC serving arrangements when FastAccess is provided over a standalone loop.

Q. MR. GILLAN SUGGESTS THAT NO CHANGES – INCLUDING INSTALLING NEW LOOP FACILITIES – SHOULD BE PERMITTED. HE ALSO SUGGESTS THAT THE SAME UNE-P LOOP/PORT COMBINATION SHOULD BE USED TO PROVIDE VOICE SERVICE AND THAT ONLY A NEW BILLING ARRANGEMENT IS NEEDED. DO YOU AGREE?

A. I do not. I have explained the problem in my previous answer. Mr. Gillan obviously has no understanding of how our systems work in this regard. If he would just stop and think about the confusion that would result when a FastAccess customer called to report a problem, only to be told that BellSouth had no record of the customer existing based the customer's telephone number, he ought to appreciate the problem with his position. I guess his answer would be that BellSouth ought to be required to totally revamp its systems so that it can provide its wholly unregulated service to his ALEC clients so that his ALEC clients wouldn't be required to actually spend their money and resources to provide services to their clients. That doesn't strike me as a "competitive" approach to the provision of local telephone

service. Likewise, Mr. Gillan ignores that the ALEC owns all features and functionalities of the UNE loop or UNE-P and that BellSouth has no authority to maintain its service without ALEC agreement on the unbundled network elements. What happens if the ALEC customer wants FastAccess, but the ALEC decides that it won't make the spectrum available to BellSouth, or, even more likely, that it would like to charge BellSouth the proverbial arm and a leg for access to the spectrum to provide an unregulated service to the ALEC's subscriber that BellSouth doesn't want to provide in the first instance.

Q. WOULD STANDALONE FASTACCESS SERVICE BE "SEAMLESS" AS CONTEMPLATED BY THIS COMMISSION?

A. Yes. Mr. Gillan disregards that this Commission recognized that even with a "seamless" transition a momentary disruption of FastAccess and voice services could occur. BellSouth's provision of standalone FastAccess would not disrupt the broadband service and would only momentarily change the voice service at such time as the voice service is switched to the UNE loop or UNE-P loop. This momentary disruption would occur anyway as anytime a voice service is switched to a UNE loop or a UNE-P loop there is a temporary disruption of service. To illustrate the process, I have attached as Exhibit EF-1 a synopsis of the items that have been agreed upon between BellSouth and FDN to comply with the terms of this Commission order in Docket No. 010098-TP. There are additional issues the parties have not agreed upon.

Q. WILL FASTACCESS CONTINUE TO BE PROVIDED IF THERE ARE NOT SUFFICIENT FACILITIES AVAILABLE TO SWITCH VOICE SERVICE TO A UNE-LOOP OR A UNE-P LOOP?

A. No, however BellSouth anticipates that facilities will not be available less than five percent of the time. Moreover, the terms and conditions of BellSouth's FastAccess service clearly state that BellSouth's ability to provide service is contingent upon available facilities.

Q. MR. GILLAN ACKNOWLEDGES THAT "A NEW BILLING ARRANGEMENT WITH THE CUSTOMER FOR ITS FASTACCESS SERVICE" WOULD NEED TO BE ESTABLISHED (P.14). DO YOU AGREE?

A. Yes. As I explained in my direct testimony, BellSouth bills most FastAccess customer through the telephone bill they receive. In order to continue to provide FastAccess, BellSouth would need to be able to bill FastAccess customers by credit card, which is consistent with the manner in which BellSouth currently bills FastAccess customers served over resold voice lines and is consistent with the manner in which other Internet Service Providers bill customers for broadband services today.

Issue 6(b): If the Commission orders BellSouth to provide its FastAccess service to any ALEC end user that requests it, where feasible, then what rates, terms and conditions should apply?

Q. MR. GILLAN SUGGESTS THAT BELLSOUTH SHOULD BE REQUIRED TO PROVIDE FASTACCESS TO ANY ALEC END USER (SERVED BY UNE-P) UNDER THE SAME TERMS, CONDITIONS, AND PRICES." HOW DO YOU RESPOND?

A. Mr. Gillan's suggestion would require BellSouth – and BellSouth alone – to provide a service planned and implemented as an overlay service – to any and all ALEC end user customers

without exception. Mr. Gillan's suggestion excuses ALECs from any responsibility to develop broadband service of their own. This is hardly competition in any sense of the word. Mr. Gillan's suggestion also would impose on BellSouth an obligation to pass on discounts that are offered only to customers that elect certain bundles of services. To be required to pass on such discounts reverses the current trend and business model of bundling – a trend that MCI for example is aggressively touting through offerings such as the Neighborhood plan. Mr. Gillan's position would not only impose an additional obligation on BellSouth to provide an unregulated information service, he also suggests that discounts that apply to bundled offerings should be extended to ALECs end users in direct contravention of the terms and conditions of the bundled offerings. This Commission should forcefully reject such a position.

Q. HOW DOES MR. GILLAN'S POSITION ADDRESS THE COSTS BELLSOUTH WOULD INCUR TO COMPLY WITH SUCH AN ORDER?

A. Mr. Gillan completely ignores the costs that BellSouth would incur to comply with such an order. While BellSouth has only preliminary cost estimates at this time, when BellSouth estimated the costs that would be involved to provide FastAccess service over a UNE loop or over a UNE-P loop the range was several million dollars for UNE-P customers and tens of millions of dollars for UNE loop customers. Attached as Exhibit EF-2 is a chart that reflects some of BellSouth's estimates of the costs and time required to provide FastAccess service over a although there may be additional costs as well UNE loop or over a UNE-P loop. In addition to the operational issues and tariff violation I have previously outlined, the preliminary cost estimates also support BellSouth providing FastAccess (when required to do so) on a standalone basis. BellSouth incurs costs on a standalone basis also, which BellSouth estimates to be a minimum of $150 per standalone

loop. BellSouth anticipates that incurring such costs on an individual standalone basis is more cost effective than spending the millions of dollars that would otherwise be required to provide FastAccess over existing UNE loops or UNE-P loops.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

BY MS. MAYS:

Q If you could give your summary, Mr. Fogle, at this time.

A Good morning. My testimony responds to three issues in this case. The first issue I address is Issue Number 5 which is: Should this Commission order BellSouth to provide FastAccess, where feasible, to any CLEC end user that requests it? BellSouth witnesses Mr. Smith and Dr. Taylor will also address this issue.

I also address both Issue 6A and 6B. Issue 6A focuses on changes to the rates, terms, and conditions to FastAccess if the Commission orders BellSouth not to disconnect the service when a customer migrates.

Issue 6B is similar in that it focusses on the rates, terms, and conditions of FastAccess; however, the difference is that 6B addresses any CLEC voice customer, not just a customer that is migrating voice service from BellSouth to a CLEC.

I will start with Issue 5, and I will briefly outline why this Commission should not order BellSouth to provide FastAccess to any CLEC end user that requests it. There are technical and operational hurdles associated with requiring BellSouth to provide FastAccess to any CLEC end user. BellSouth would need to make changes to its internal systems. BellSouth would also need to make network changes when providing FastAccess to an end user of a CLEC UNE-L provider.

And BellSouth would have to spend time and resources to make such changes.

In addition, customer confusion and provisioning issues could result from imposing this requirement on BellSouth. Stated simply, it would take money, time, and resources to make FastAccess service available to any CLEC end user that requests this service, and the CLECs have not offered to compensate BellSouth for the associated administrative and operational burdens.

In addition, granting the relief requested by MCI, AT&T, AIN, and DeltaCom is fundamentally unfair. All of these CLECs could have chosen to develop an offer, the same facilities-based service BellSouth offers. They chose not to do so, and BellSouth should not be required to supply broadband service when the CLECs have chosen to limit their options to supply this service to themselves.

Turning briefly to Issue 6A and 6B. Mr. Ruscilli has already outlined how ordering specific rates, terms, and conditions pertaining to BellSouth's FastAccess results in regulation of an unregulated product. I also acknowledge that since the time my testimony was filed, this Commission has already addressed these issues in part with connection of the FDN arbitration.

From a business perspective, BellSouth must be given the freedom to make changes to the rates, terms, and conditions

of its FastAccess service on business realities. BellSouth's proposed solution for complying with the Commission orders that require the continued provision of FastAccess service or which requires BellSouth to provide FastAccess to any end user is to have the freedom to provide stand-alone FastAccess service, meaning that the end users would not receive voice and FastAccess service over the same loop.

There are two reasons for this. First, this allows BellSouth to use existing processes for both FastAccess service and the UNE service, and second, BellSouth's high-level cost estimates of this decision makes more sense. This is because the estimated costs of providing a stand-alone FastAccess service are lower than the total costs associated with modifying BellSouth's entire systems. Thank you. That concludes my summary.

CHAIRMAN JABER: Thank you, Mr. Fogle.

MS. MAYS: The witness is available.

CHAIRMAN JABER: Mr. O'Roark.

CROSS EXAMINATION

BY MR. O'ROARK:

Q Good morning, Mr. Fogle. I'm D. O'Roark with MCI. I have just a few questions for you this morning.

A Certainly.

Q You have in front of you a red folder. Let me ask you -- to your right there. Let me ask you, if you could, to

pull out the one-page document that you will recognize as your supplemental EF-2. Do you have that in front of you?

A Yes, I do.

Q This exhibit is one that you created; is that right?

A Yes, it is.

Q And it provides preliminary cost and time estimates of providing BellSouth DSL over UNE-L and UNE-P?

A Yes, it does.

Q The estimates were prepared assuming that the changes would be made throughout the BellSouth region; is that correct?

A Yes. At the time this was put together, we were making the assumption that the orders on a state-by-state basis would be somewhat similar and that would allow us to make changes regionally to our systems.

Q And BellSouth considers the cost and time frame information in the two columns to the far right to be confidential; is that right?

A Cost and time frames in both those columns and the columns in the middle are confidential, yes.

Q And I'm not going to ask you any questions that will cause you to divulge that information, and I ask that you not do so.

A Okay.

Q For purposes of my questions, Mr. Fogle, I'd like to focus on the right-hand side of the chart and that side deals

exclusively with UNE-P; is that correct?

A That is correct.

Q Starting with the first item, qualification preorder, that deals with the process of determining whether a loop can be provisioned as DSL; is that right?

A That's correct. It's the comprehensive set of procedures and policies and systems that involve with determining whether an end user can receive DSL service from a BellSouth facility.

Q And the amount and the time frame that you provide there are your estimate of how much it would cost to be able to make those changes in your system and how long it would take?

A That's correct.

Q And if I understood Mr. Milner correctly, BellSouth has completed the first phase of making these changes in Louisiana; is that right?

A Yes. I'd like to actually add to and clarify what we have completed in Louisiana and what we still have left to do because there's actually a considerable amount of work left to do that could be done. We have in Louisiana complied with the order as we complied with the order in Florida, but it's important to understand that in our qualification system, we have a system called loop -- LQS, loop qualification system, and in order to comply with the Louisiana order, we did not have the ability in that system to determine which CLECs in

Louisiana had adopted the language for the DSL over UNE-P in Louisiana or not. Many, many of them have not, about nine of the CLECs have adopted the language.

What that means is the majority of the UNE-P lines we still do not have permission to provide our DSL services or FastAccess over those UNE-P lines, and the LQS does not have the systematic capability to be able to determine which CLECs have been giving us permission and which ones have not. That's the complex functionality that's being scoped out even as we speak by engineers to determine how long and when that can possibly be done. Our original estimates were around February; it may actually be a little longer than that.

So to comply with the Louisiana order, what we did was we simply allowed all UNE-P lines, if they qualified for DSL under other means, to be acceptable for -- accept orders for those DSL services. What that means is if the CLEC has not given us permission, there's actually a downstream work group who manually removes those orders and then rejects them back to the ISP. It's a very manual process, and it's very uncomfortable in terms of how much energy, time we have to do, but we are complying with the order.

Now, what that also means, unfortunately, is an end user will go to an ISP or to even FastAccess who's with a CLEC who's not giving us permission and at that point they will think they can get DSL service even though the CLEC has not

signed the interconnection agreement, and then we'll subsequently get rejected. And there's a number of other issues that fall out of, you know, the limitations that we've not been able to implement from a systematic perspective yet.

Q And BellSouth plans to address each of those issues in Louisiana as it implements the order; correct?

A Yes. We're in the process and trying to implement several of those. We have not figured out solutions to all of them yet. We are still in the process of scoping out how much time and cost it will actually do and then actually development involved. It is not anywhere near complete.

Q Once it's been completed in Louisiana, BellSouth would be able to take a lot of that work and apply it here in Florida; correct?

A Some of the work is potentially -- can be applied to Florida. There are some unique differences. In Louisiana, it talks about both FastAccess and the wholesale DSL service as we were talking about before. Here, we're only talking about FastAccess. So now we're talking about an edit that does a differentiation between whether it's BellSouth's FastAccess service or not BellSouth's FastAccess service. So it's a new edit. It's a new way to consider this. So, again, because the orders are very much different, we have different policies and procedures that will have to be followed, and the systems will have to mirror that.

You know, in addition, we already have an FDN order here. As many folks know, FDN uses UNE loop. It's being done over a separate stand-alone loop. It's a completely different process. So we already have existing history and processes now. So we potentially now have two processes that we may have to follow in Florida. So there's a number of complicating things that are going to have to be figured out from a systems perspective to figure out how to accommodate the various wishes of the CLECs and to comply with the orders as they come out.

Q The next thing you show, Mr. Fogle, is ordering with miscellaneous edits needing to be removed from SOCS. Do you see that?

A Yes.

Q Have those edits been removed?

A Some of them have been removed, others have been put in place. As -- you know, various states have ruled one way or the other that the edits have to stay in place in certain states. They have to be removed or changed in other states. And so what's happening is the SOCS edits are now instead of being a single edit that's region-wide that we thought we could change, we're now having to make modifications on a state-by-state basis depending on the outcomes of the various procedures.

In other cases, again, there are lots of CLECs who have not adopted the language and do not want us to have access

to the high frequency portion of the loop, so the edits have to stay in place for those CLECs. So it's kind of a more complicated picture as time goes by.

Q BellSouth was able to do that in Louisiana; correct?

A We are accepting orders for DSL over UNE-P and then handling those manually and having service reps and technicians go in and check contract language, make sure we're allowed to process the order, and then processing it or rejecting it manually depending on the outcome. That is being done. It's an expensive, time-consuming process, but we're doing that to comply with the order.

Q Well, let me make sure I understood that answer because I was asking about the edits that need to be removed from SOCS. Has that been done in Louisiana?

A Their edits in Louisiana have been changed in SOCS.

Q So that's done?

A This particular edit that we were talking about, just a blanket removal of the edits in SOCS we have not done, no.

Q Whatever needed to be done under this ordering item has been done in Louisiana; is that right?

A We have done what we need to do to comply with the order. We will change the SOCS edits when the LQS system changes also. Once other systems come on-line, we'll have to make additional changes to those edits to accommodate those new systems. So we're kind of half way there I guess is the

easiest way to put it.

Q Mr. Milner talked about the system becoming electronic in the February 2004 time frame. At that point this second item will have been completed?

A Once we finish the work with an LQS, we will at that point be able to complete the work in SOCS to coincide with it. So, yes, it would be completed about that same time.

Q February 2004 or thereabouts?

A Our current estimates are that it may be as late as March.

Q The next items are provisioning and maintenance, and there are some training that you show as being necessary there; is that right?

A Yes, that's correct.

Q And that's been done in Louisiana, I take it?

A We have communicated to the service reps in Louisiana how to specifically comply with the order, so, yeah.

Q And those same instructions could be given to service reps here in Florida; right?

A They have not -- they've been given -- a different set of instructions have been given to the service reps in Florida because the orders are different. We have different rules to comply, so we'd have to provide new rules, have to enter new orders so that the service reps would be in compliance with those.

Q It would be similar instructions, though; right?

A It could be similar depending on the outcome of the order.

Q The next thing you show is billing. Is BellSouth doing credit card billing in Louisiana now for its FastAccess service?

A In Louisiana the Commission agreed that we could use credit card billing, and so we exclusively use credit card billing to handle this process in Louisiana.

Q So that issue has been addressed in Louisiana?

A In Louisiana it has, yes.

Q And you could do it here in Florida, too; correct?

A In Florida with the existing FDN ruling, one of the nuances is that if the end user refuses to use their credit card, we're required to find some other method to bill the customer, and so that creates an additional billing obligation and cost on BellSouth to some find some alternative method to do that. In Louisiana they said you had to use a credit card or you could not have the service. So, you know, again, the rules are slightly different as the orders are slightly different, and so it requires completely different processes as a handle.

Q Let's talk about the last set of issues you got --

CHAIRMAN JABER: Mr. O'Roark, may I interrupt you here for a minute?

What are some of the billing methods that you've discovered in lieu of credit card billing?

THE WITNESS: We're using manual accounts. It's service reps basically going and determining what the bill should be and issuing a manual bill. It's no different than what you or I might be able to do, just to sit down and type out an invoice and send it to somebody. It's a manual process, but it's an approach that we can do.

CHAIRMAN JABER: So the customer receives just a separate bill in the mail?

THE WITNESS: Yeah, separate bill in the mail.

CHAIRMAN JABER: Is that the only other method you've used?

THE WITNESS: It's the only method we have that we think is reasonably efficient to accomplish this for now. The concern is most times manual billing is done for services that are typically much higher in revenue on a monthly basis where it makes sense because of the customer care and it's the size of the customer to do a separate manual bill. In other words, the service can afford the costs of doing that. FastAccess by no means is a service that has that much monthly revenue where you can spend five, six bucks a month or even more. I'm not exactly sure what the costs are to bill, just for the process of rendering a bill.

CHAIRMAN JABER: Thank you.

BY MR. O'ROARK:

Q Mr. Fogle, if the Florida Commission ordered credit card billing, would that solve this problem?

A It would remove the obligation to do manual billing, yes.

Q The last set of issues -- or the second to last, I should say, are labeled "legal," and you've got a figure there for negotiating spectrum issues with CLECs. Do you see that?

A Yes.

Q And without getting into proprietary information, that's roughly a third of the cost that you've got here?

A (Nodding head affirmatively.)

Q You're aware that BellSouth has entered into amended interconnection agreements in Louisiana?

A Yes, we have.

Q And reaching the same agreements in Florida would largely be a question of changing Louisiana to Florida and making a couple of other changes; is that right?

A We have an agreement -- we've had CLECs adopt the agreements in both Florida and Louisiana. We've also had CLECs who don't agree with the language and have asked us to change the language or wanted us to renegotiate different steps of the process or make modifications. So, again, even though we may have an order saying we have to do this service, the method may be requested different since we have to take all of these

services and turn them into an interconnection agreement. That's subject to negotiation, subject to arbitration, and subject to all kinds of various issues. And we have already had CLECs who have language that they have asked us to modify or change the processes and the capabilities. So we have had a handful adopt in Florida. By all means, there's many more left to go.

Q There's also a line item for the tariff being changed. In fact, I think we heard testimony yesterday, I'm not sure if you were here for it, that to date at least BellSouth has not changed its federal tariff. Were you here for that?

A That is correct. We have not changed the federal tariff.

Q So you haven't had to expend any resources on that at least up to this point?

A We haven't had to expend any resources in changing the tariff, but we've expended considerable resources trying to figure out whether we should or should not do that, what is the impact in Florida. It's a little simpler right now because the current order allows us to use a separate facility which is owned and controlled by BellSouth so there's no tariff violation. In Louisiana it's not -- we are in the same facility. It is a tariff violation. So, you know, I'm not a lawyer, but I know there's a lot of discussion around, you

know, whether or not someone could make -- reach a complaint or lodge a complaint against us for doing that. It's something we're obviously spending some time thinking about, and it's a concern, but we've not changed the actual tariff.

Q And the existing order in Florida you're talking about is the FDN that just deals with UNE loops?

A That is correct. We have one process in Florida for serving customers because there's a Supra order and the FDN order, and we've implemented the same process to accommodate both.

Q The last item you show here is an amount and a time for a cost study. Did you-all do a cost study for Louisiana?

A We did not do a cost study, no.

Q So that turned out not to be necessary?

A We've at this point not done that. We focussed our energies on complying with the order as opposed to assessing the costs.

Q Okay. And what we've asked for here, that the CLECs in this case is not UNE loops but a UNE-P solution; correct?

A That's my understanding, yes.

MR. O'ROARK: Thank you, Mr. Fogle. No further questions.

MS. KAUFMAN: Madam Chair?

CHAIRMAN JABER: Ms. Kaufman.

MS. KAUFMAN: You're looking the other way, but with

your indulgence, we have divided up the questions for Mr. Fogle if that's all right.

CHAIRMAN JABER: Go right ahead.

MS. KAUFMAN: Thank you.

CROSS EXAMINATION

BY MS. KAUFMAN:

Q Good morning, Mr. Fogle. We've heard some discussion in your direct testimony or in your rebuttal, you talk about the issue of keeping track of which ALECs have granted access to the high frequency portion of the loops and which have not; correct?

A That's correct.

Q And would you agree with me that not all carriers in the state of Florida or region-wide have the same interconnection agreements with BellSouth; correct?

A I would agree. There's probably variation between interconnection agreements. That's just the nature of negotiation.

Q And some interconnection agreements may provide for a particular service a rate for one carrier and not for others; correct?

A I'm by no means an expert on it, but I would guess that's probably very possible.

Q And BellSouth, I'm assuming, has a way to keep track of and note whether a particular interconnection agreement

encompasses a particular service or rate; correct?

A You are correct. There are in some systems the ability for different terms and pieces of interconnection agreements to be -- you know, basically you can check in a system to see if a CLEC has agreed to that or has that language available. The concern we have and where the cost comes in is integrating that into a different area of the business.

You heard Ms. Lichtenberg talk about how there's different families within MCI. Within BellSouth there's very similar types of things. What we're talking about here is taking that interconnection services contract database and integrating that back up into our broadband ordering and qualification systems. And that's the part that's complicated. They have never been tied together before, and now we're asking us to tie them together for the purposes of, you know, facilitating, you know, literally hundreds and thousands of orders. And that's a very complicated procedure to do, and that's where the complication comes. It's not that it doesn't exist within BellSouth, it just doesn't exist in the systems where it needs to exist in order to be able to efficiently process orders and that's the concern we have.

MS. KAUFMAN: I have an exhibit that I'd like to distribute, Chairman.

MR. O'ROARK: Madam Chair, while that's being handed out, perhaps we can mark the confidential exhibit that we had

introduced, just to keep them in the proper order.

CHAIRMAN JABER: Now, remind me which one that was.

MR. O'ROARK: This is the supplement to EF-2, and I believe we're up to 23.

CHAIRMAN JABER: Well, if it's a supplement to EF-2, can't we just make it part of the previously identified exhibit if there's no objection to that?

MS. MAYS: No objection, Madam Chair. I'm suspecting that it's already in the record.

MR. O'ROARK: That would be fine, Madam Chair.

CHAIRMAN JABER: Okay. Well, we'll just make note for the record that the Exhibit 22 will include a supplement to Exhibit EF-2; is that sufficient?

Why don't we do this? We don't have to do anything with regard to the exhibit. Would you compare exhibits and find out if it's already in the record? If not, give me a short title, and we'll identify it separately if we need to.

MR. O'ROARK: Yes, Madam Chair, we'll do that.

CHAIRMAN JABER: All right. And with that, Ms. Kaufman, you want this identified?

MS. KAUFMAN: Yes, ma'am, July 11th carrier notification.

CHAIRMAN JABER: Exhibit 23 will be the July 11th hearing (sic) notification.

(Exhibit 23 marked for identification.)

BY MS. KAUFMAN:

Q Do you have that in front of you, Mr. Fogle?

A Yes, I do.

Q And you would agree, wouldn't you, that this is a July 11, 2003 notice that you sent to CLECs advising them of certain services that would be available through their interconnection agreement, the services appearing in the chart in the middle of the page?

A That appears to be what this document is except from, I think, a gentleman named Jerry Hendrix.

Q You know Mr. Hendrix, don't you?

A I do know Jerry, yes.

Q And if you'd look down to the second block under the chart, it states, doesn't it, that before these items will be available to a CLEC, they would have to amend their interconnection agreement; correct?

A Where are you seeing that?

Q Underneath the large chart that appears in the center. It says, "Your company's interconnection agreement must be amended before these new USOCs, highlighted above, may be ordered."

A Yes, I see that.

Q So in this situation, before a CLEC would be able to order one of these, they would need to amend their interconnection agreement; correct?

A That's what this says, yes.

Q And, again, you would have a way to track whether or not they had amended their interconnection agreement?

A I'm assuming there would be some way to track, whether there's an amendment or it's been changed. Obviously the use of new USOCs and creation of new USOCs creates a method because those will be put, you know, into a database in the system. I think it's important to recognize though that the existence of these in a wholesale interconnection services system or contract database doesn't by any means mean that that system capability has been translated over to the broadband systems. There are a number of systems that we use that are not connected to these systems and don't have the software developed to link them together. So whether they're here or not, it wouldn't necessarily mean that they would come across to the broadband systems.

Q Do you contemplate that if the Commission agrees with the CLECs and grants a relief they're requesting, that it will require an amendment to a CLEC's interconnection agreement?

A I'm sorry. I didn't understand the question.

Q Do you contemplate that if the CLEC's request is granted in this proceeding, that before it will be available the CLEC will do an amendment to their interconnection agreement?

A I would assume that, you know, if they rule on

something that's not within the existing interconnection agreements, that an amendment would have to be necessary.

Q And would that -- would not that amendment to the interconnection agreement be tracked in the same way that any other amendments to an interconnection agreement are tracked?

A They would be tracked. And, again, there would be no connection back to the broadband systems to let the broadband systems know that the interconnection agreement had been signed until we build that connection, and that's to what's part of what's so complex about this particular service in this particular arrangement. So we would have it in one side of the company where, yes, we would know that the interconnection agreement has been signed, but the order processing side of BellSouth that's handling the broadband orders would not have any knowledge -- the systems would not be talking to each other until we build the capability for those systems to talk to each other.

I mean, systems knowledge -- and within BellSouth it's incredibly complex. There's a tremendous amount of systems that we have to look at, verify, and change. You know, I know listening to Mr. Bradbury yesterday, he talked about systems that we use for ordering. And the systems he mentioned that were specifically asked from a retail-oriented perspective were all wholesale systems that we offer for our other ISPs. The retail service desk, the service reps don't use those

systems directly. So there are systems that Mr. Bradbury is not even aware of that we might have to modify and change that would at that point make it possible for us to be able to process orders or talk to end users about whether or not their service will qualify for DSL.

Q I think we've heard, Mr. Fogle, that there's already an amendment available to Louisiana CLECs; correct? So in that situation, you're contemplating an amendment to the Louisiana CLEC agreements for CLECs that want to take advantage of this capability?

A Yes. There's an amendment to the CLEC agreements in Louisiana that's available for them to be able to get DSL over UNE-P. Most CLECs have not adopted it yet.

Q I understand. But you're going to have to figure out how to track those amendments in Louisiana, are you not?

A We are currently tracking them manually, and we're handling the ordering processing manually. We have handled a couple of hundred orders in Louisiana of this arrangement. We've nowhere done near the thousands per day that would be necessary just to be able to make -- to modify and handle on a more region-wide or, you know, even a multiple-state basis, but we are handling it manually today to comply with the order.

Q And I think you discussed with Mr. O'Roark that you will be handling everything electronically after the beginning of the year? February 2004 is the date we have heard.

A Well, I'm actually working with those implementation teams right now, and we have engineers and developers who are looking at the contracts database who understand the qualification systems and are trying to figure out how to connect the two so the loop qualification system understands how to talk to the contract database. They have not determined a solution to that yet. And we're assuming that we can determine a solution and program and try to develop it by the first part of next year. That's an assumption just based on our general knowledge of the complexity, and having, you know, done hard things before, we'll try to do hard things again. We're going to try to comply, and we obviously need to be able to operationally as much possible be as operationally smooth and efficient as possible and that just takes time.

Q I just have --

COMMISSIONER DEASON: Let me ask a question at this point. You indicated that so far there had been 200 orders in Louisiana and that you certainly anticipate the volume to grow. Your analysis is based upon an assumption as to what the volume of ordering will be. Is that confidential, that number?

THE WITNESS: The volume of ordering?

COMMISSIONER DEASON: The ordering volume.

THE WITNESS: I don't know. We made some general assessments about how much we thought this would be over time. We don't think there's enough volume in this particular

instance because of the small overlap between BellSouth's DSL customers and UNE-P customers. There's not a very high overlap, and so we don't think the demands are going to offset the tremendous costs associated with that. That's why we're, from a business perspective, not creating a stand-alone product.

COMMISSIONER DEASON: Well, I guess this is part of my problem. Either there must be a large demand just to indicate why it's going to cost so much to change your systems and do it manually or else if there's not much demand, you can do it manually without a great cost, so which is it?

THE WITNESS: Well, in terms of complying with the order, we are doing it manually because the demand is so low. We don't want to obviously go through while we're appealing these orders and make millions of dollars systems changes than if on appeal or because of a different ruling at a commission we now have to make all those same system changes again or a different set of system changes then we've expended millions of dollars. Whereas, what we would prefer to do is spend thousands of dollars hiring people to handle this manually, so we can comply with the order. So that's what we're doing today for the low volumes.

Now, as -- if volumes increase, which there's no indication that they necessarily will, but if they increase, then it's obviously to comply. We'll try to find the most

cost-effective way to do it, and the systems changes may be cheaper than the manual processes at some point.

COMMISSIONER DEASON: Well, let me ask you this then. Here again, not to divulge any confidential information, but the numbers that are shown on the confidential exhibit, they must assume that there's going to be a certain volume to justify mechanizing these systems or else you wouldn't incur these costs, you would just do it manually. If it's not confidential, what is the volumes that these cost estimates are based upon?

THE WITNESS: These cost estimates are based on us integrating the functionality into our mainstream broadband systems. It's kind of irrespective of the volume. It just says, if we have to automate this, and we put the question to the team, if we had to automate this, just don't understand the business decision, let's not think about that yet, but if we had to, what would the cost be? So that's what they created. This is the cost to automate these processes.

I will tell you, it's uncertain quite honestly whether or not, you know, the volume will materialize. I mean, some of these parties here have many alternatives to our DSL service. And what we're becoming is the DSL service of last resort. And, you know, when we go through and looked at -- you know, we actually did some research over the last few weeks looking at MCI's Web site where they have their high-speed --

their Neighborhood high-speed service and looked to see all the places that they have it available in Florida, just to see what they're telling their end users who go to the Web site, and we got "yes" responses back out of our sample out of 156 different central offices in Florida. That's way different than the 18 we heard yesterday. So, you know, when we looked at their Web site, they're telling end users that they have the ability in, you know, almost over 70 percent of central offices they have some sort of DSL or broadband service. So my question is, is if MCI determines that, they would prefer to do it themselves as opposed to using our last resort process. We may never get any volume on this.

COMMISSIONER DEASON: Okay. Well, you've answered my question. So these cost estimates on this confidential exhibit, those costs would be incurred only if volumes increase and you make the assessment that it's cost-effective to expend these moneys because the volumes are such that it is no longer feasible or cost-effective to do it manually?

THE WITNESS: That's a trigger we deal with most new services when we roll them out, is we typically also now that we have such very tight time frames to comply, we have to do it manually at first than if we justify systems improvements based on, you know, does it cost less to do the system improvement or the manual approach. Either way there's costs.

CHAIRMAN JABER: Ms. Kaufman.

BY MS. KAUFMAN:

Q Mr. Fogle, I think you mention in your summary and we've also heard some other witnesses discuss the fact that Bell wants to reap the rewards of its investment in DSL; correct?

A Yes.

Q Okay. You would agree with me, wouldn't you, that when local competition began in Florida, essentially Bell had 100 percent of all the voice customers?

A I don't know, but I would assume it's probably close to 100 percent.

Q Somewhere close?

A Yeah.

Q Thank you. And you would also agree that Bell had what I think we've called the last mile to every single customer's house?

A There is a last mile facility. It's one of multiple facilities that's available to the end user's home. You know --

(Interruption.)

MS. KAUFMAN: Uh-oh.

CHAIRMAN JABER: Could you repeat your question?

MS. KAUFMAN: I thought someone was sending a signal.

CHAIRMAN JABER: No, that's only when Commissioner Baez speaks.

(Laughter.)

BY MS. KAUFMAN:

Q Mr. Fogle, my question was, isn't it true that at the time we were embarking on our local competition quest, that essentially in BellSouth's territory it had the last mile to every single subscriber?

A There is a copper facility that was --

MS. KAUFMAN: I'm sorry. Chairman, if you would ask the witness just to answer "yes" or "no," we could probably move along.

CHAIRMAN JABER: So asked. Start with a "yes" or "no." You will be able to elaborate --

THE WITNESS: Okay. Thank you.

CHAIRMAN JABER: -- and your attorney will have an opportunity for redirect, but it helps us, too, frankly. If you get as concise in your answer as possible, it's a great help.

THE WITNESS: Sure. I'm trying to be as concise. I just think these issues are very complex. I'm trying to hopefully explain them as much as possible.

BY MS. KAUFMAN:

Q Do you need me to ask it again?

A No, I'm comfortable with the question at this point. Yes. BellSouth had voice facilities to the end users they were serving. Similarly, cable TV had cable facilities, and I also

know those voice facilities are available to ALECs and others with UNEs. There's line sharing; there's line splitting. There's lots of options for access to that last mile facility that does not include BellSouth's DSLAM and BellSouth's Internet access service that the ALECs and CLECs can take advantage of.

There's new emerging competition from satellite, from fixed wireless broadband. Even the power companies are looking at using their connection into the home for services. So there's just tremendous options out there that are available to everybody. They've been there all along to everybody. And so BellSouth made an investment to upgrade its plant, you know, from 1998 through now, made millions of dollars of investments, and now we want to share that? No. We made it just like anybody else could have made it. So, you know, we need to have, you know, the freedom to make millions of dollars of investments when it's an open marketplace for doing that and then have the return on those investments.

Q I'm sure I wasn't clear on my question, Mr. Fogle. We're talking about voice service here.

A Uh-huh.

Q Okay. And cable doesn't provide voice service, does it, for the most part?

A They do today.

Q It's a very small percentage of the service provided

by cable TV; correct?

A I don't know the actual numbers of how many people they provide voice service to.

Q So back to the last mile to the home. As I think we've agreed, Bell had that last mile to provide voice to every single customer in its service territory at the beginning of the local competition quest?

A To provide voice service over the public-switched telephone network, yes, I would agree that they had the last mile, but they were not the only facility provider out there for service -- for supporting broadband as it evolved.

Q For voice, Mr. Fogle?

A For voice, yes.

Q Thank you. And, again, on this line of sharing investment, you would agree with me, would you not, that when BellSouth sells FastAccess to a customer, an end user, a retail customer, that customer is BellSouth's customer; correct?

A Yes, I would agree.

Q And the revenue stream that that customer sends to BellSouth every month, no portion of that, not even a single cent is sent to the CLEC; correct?

A When it's a BellSouth voice customer and a BellSouth FastAccess customer? I mean, a customer has both services with BellSouth or --

Q Well, let me try and make it clear.

A Okay.

Q In this circumstance where either way, I think we've agreed the FastAccess customer is a BellSouth customer; correct?

A That's correct.

Q And that end use customer provides revenue to BellSouth, and none of that revenue is provided to the CLEC; correct?

A That is correct. None of the revenue, also none of the costs associated with that, and BellSouth makes its decisions not on revenue but on contribution. And when we have additional costs --

CHAIRMAN JABER: Mr. Fogle.

THE WITNESS: Yes.

CHAIRMAN JABER: Her question was very specific, and this is the last time I'll remind you.

THE WITNESS: Okay. Thank you.

BY MS. KAUFMAN:

Q Okay. Again, one more time. When a FastAccess customer sends its revenue stream or pays its bill to BellSouth, BellSouth doesn't turn over one nickle of that revenue stream to the CLEC, does it?

A To this date there's no interconnection agreements that require us to pay. That's correct. So we do not today.

Q So they don't send any of that revenue to a CLEC;

correct?

A That is correct.

MS. KAUFMAN: Thank you. That's all I have.

CHAIRMAN JABER: Staff.

CROSS EXAMINATION

BY MS. CHRISTENSEN:

Q Mr. Fogle, can you explain, what are the components of the wholesale DSL portion of the FastAccess service?

A The two services that Mr. Milner was talking about, there's the wholesale transport service that's tariffed in the FCC essentially is the local loop facility and the DSLAM functionality, the DSL functionality and the equipment in the network and also the ATM connectivity through AT&T's core network, they're all together packaged as the wholesale DSL service. That service is then purchased by the ISPs which would include the Earthlink and AOL that were mentioned earlier but also FastAccess and incorporated into an Internet access service.

Q Okay. So the wholesale service is more than just the high frequency portion of the loop, it's including the equipment that's located in the remote terminal and the DSLAMs and the splitters, et cetera?

A Yes, it's considerably more than just the high frequency portion of the loop. Yes.

Q You were given -- let me ask you, hypothetically, if

BellSouth had only two options, which one would BellSouth -- you were given this question, and you answered it in an interrogatory response, that if BellSouth only had two of the following options, which one would BellSouth chose, to lose a voice customer and disconnect the FastAccess or lose the voice customer and continue to provide the FastAccess at its current retail price. You responded that BellSouth would prefer to lose the voice customer and to disconnect the FastAccess; is that correct?

A I believe so, yes. There's a number of interrogatories in this case, so I apologize if I don't remember them all specifically.

Q But that answer -- you recall giving that answer?

A Yes, I do.

Q And in response to another interrogatory question which was, if BellSouth's policy is not designed to keep voice customers from switching to another provider, why does BellSouth refuse to provide paying customers with FastAccess, you responded to that question, whether a customer is paying for FastAccess is not the issue. Any revenue, good will, or other potential return associated with providing customers that pay for FastAccess but that are not BellSouth's voice or resale customers is less than BellSouth anticipates it can achieve by focussing its resources into other products and services; is that correct?

A Yes, that sounds familiar. Yes.

Q Okay. Would you agree that those two responses kind of lead the inference that truthfully BellSouth's policy regarding the distribution of FastAccess in part is at least designed to retain the voice customers?

COMMISSIONER DAVIDSON: Staff, I don't understand that question.

MS. CHRISTENSEN: I'll repeat the question.

COMMISSIONER DAVIDSON: If you could clarify also. I heard the question, I didn't understand the question.

MS. CHRISTENSEN: Well, I'll try and repeat it and clarify it in the process.

BY MS. CHRISTENSEN:

Q Wouldn't you agree that given those two responses and in the context of those two responses that it could be reasonably inferred that BellSouth's policy is designed in large part to -- policy regarding FastAccess is designed in large part to retain the voice customers?

A I would disagree that it's in large part to retain the voice customers. I think we are -- obviously we've created a bundle of services and features that we'd like to maintain that provides us some advantages in the marketplace that may translate to the voice services. And specifically for broadband, quite honestly, our biggest competitor is cable service, cable modem service, and we're trying to focus all of

our energies on, you know, fighting in the marketplace with our biggest competitors.

And when we have to take development resources, product and services resources and pull away from focussing on our biggest competitor and comply with regulatory, you know, mandates, that reduces our ability to be competitive. And so that's, in my mind, and what our team focuses on the most is, this distracts us from being competitive in the true market space, which is broadband, and competing against cable modem who is today, you know, winning two-to-one versus DSL. And that's where we want to put our resources.

COMMISSIONER DEASON: But doesn't your policy have the effect of potentially driving customers away from using the telephone network for their high-speed Internet access and looking at cable or some other alternative?

THE WITNESS: It does -- the policy has the effect of potentially causing someone to make a completely different choice for their broadband service. There's lots of those choices out there. And what we're looking at is we need to -- in order to be competitive with cable for the thousands of orders that we're trying to get in this marketplace as this service -- overall broadband services is going so fast, we're trying to streamline our systems and reduce our costs so we can, you know, do this effectively. If there's an upcoming price war between us and cable, we want to be as cost-effective

as possible. You know, these kinds of complications add cost to our services that we can't support, and that's where, you know, we need to be able to be as competitive as possible. So, you know, through the narrow substantive customers --

COMMISSIONER DEASON: I'm sorry. The costs that you just referred to, are those the costs that were on this confidential one-page confidential exhibit?

THE WITNESS: Those are some of the costs, yes. There's costs we didn't include simply that the people who have been working -- there's a lot of employees of BellSouth who have been working on trying to solve these issues that are not listed under those costs, but those are some of the high-level cost estimates that we've looked at to date.

COMMISSIONER DEASON: And you've indicated that these costs would not be incurred unless the volumes reach a level that it would be cost-effective to make these improvements.

THE WITNESS: Yeah. We're actually incurring other costs that are not on that sheet to handle them manually today.

COMMISSIONER DEASON: Answer my question, sir.

THE WITNESS: Okay. Sorry. I apologize. I thought I did, but I apologize. I'll try to do better.

COMMISSIONER DEASON: Is it true that you have already testified that these costs on this one-page confidential exhibit would not be incurred unless the volumes of the order were such that it would be cost-effective to incur

this level of cost? Is that your testimony?

THE WITNESS: Yes.

COMMISSIONER DEASON: All right. So if it reaches that level of ordering, to justify it you would be receiving a great deal of additional revenue because of the number of orders that you perhaps would be losing to cable if you did not incur these costs; is that correct?

THE WITNESS: That's possible.

COMMISSIONER DEASON: Okay.

CHAIRMAN JABER: Commissioner Baez.

COMMISSIONER BAEZ: From a -- well, I don't know what kind of perspective you would call it. You seem to be getting all the choice questions, so I'm going to ask you another question where you have to make a choice. All things being equal, would you rather compete against a cable modem type service or a DSL service? Straight up.

THE WITNESS: I have to -- to tell you the truth, I don't know. I think -- I mean, we, BellSouth, went into this marketplace thinking it was going to be competitive, and I think we're willing to on all comers, you know, DSL, cable, you name it. If someone wants to put a facility out there, we'll compete with them. So, I mean, it would be very difficult to say whether one technology is better than the other or one provider has got a better operations process or a neater bundle or a better package. I think, you know, we're looking for the

opportunity just to go head to head and compete.

COMMISSIONER BAEZ: Would you agree that intuitively if you've got a level playing field, for instance, in terms of technology, if you're competing with similar technologies, that that eliminates one -- that it could possibly play to other strengths that a company would have? If you're not worried about making your technology better versus another technology, that you -- it allows one to focus on the product quality in other respects?

THE WITNESS: It can help. You have less universal things to pay attention to, but even within DSL, if you look at the variations between the functionalities the different DSLAM vendors have, it's tremendous. And so what BellSouth may choose to implement versus some other facility-based provider --

COMMISSIONER BAEZ: So DSL is not all the same. All DSL are not created equal.

THE WITNESS: No. By all means it's not. It's not like it's a panacea. If it was all just DSL folks, we could all sit around and just market different pitches of the same type of underlying structure. There's a tremendous amount of engineering complexity that could be incorporated into lots of unique service offerings.

COMMISSIONER BAEZ: Okay. Thank you.

CHAIRMAN JABER: Staff.

BY MS. CHRISTENSEN:

Q In Florida are you actually going head to head with any cable companies in specific neighborhoods?

A All throughout Florida, as a matter of fact. I think there were some studies that Mr. Ruscilli cited that were a couple of years old about cable overlap between cable and DSL. I've actually done some research over the last six weeks where we went through and looked and did -- essentially went to the cable companies' Web sites where they put your name and address in and will tell you whether or not you can get cable modem service. And we saw cable modem service in hundreds and hundreds of central offices comprising over 98 percent of the access lines that we have so -- that have cable modem service available. So we're seeing today almost 100 percent are ubiquitous overlap between cable modem service and DSL in Florida.

Q But that's cable modem service instead of the actual broadband service, correct, not just cable?

A That's the actual broadband service, that's correct.

Q You had also mentioned earlier the WiFi and satellite. Can an end use customer actually get WiFi in Florida?

A There are, I think, some providers who are starting to do WiFi in Florida.

Q For residential customers?

A I don't know, to tell you the truth. I mean, I think I've even seen press releases recently on some of the larger carriers offering WiFi solutions.

Q And also for the residential end use customers, can you get the satellite in Florida?

A Yes, you definitely can get satellite.

Q And how much -- do you know what the percentage is of where that is or anything about that market?

A Satellite technology, interestingly enough, I happen to be a user of satellite broadband service. It's basically -- and they even pitch it as --

CHAIRMAN JABER: Where? Where are you a user of satellite technology?

THE WITNESS: I live in a place that does not have DSL available, so -- and that's how they actually pitch their services. If you don't have DSL or cable, then they're the alternative. You know, from a technology perspective, it works just about as well as a DSL. They just have not developed the operational improvements or have the scale volume yet with customers to get the price points that's in the reach for most folks. They -- I would liken them that the satellite looks a lot like DSL did back in 1998, but in three or four years, they'll be a very formidable opponent.

BY MS. CHRISTENSEN:

Q Okay. So they're just emerging?

A Yeah.

Q Okay. Let me take you back to that document that you were discussing earlier, the confidential document. I'm not going to discuss any of the confidential numbers, I just want to get a clarification. If you're looking down under the ordering paragraph, you look across, it says you would need to do some -- miscellaneous edits needed to be removed from SOCS. Can you explain what those miscellaneous edits are?

A The miscellaneous edits that we have in SOCS -- SOCS is the service order creation system, and essentially it mediates between the broadband ordering systems and all the downstream ordering systems that are within BellSouth. And what it does is it essentially does USOC checks, and it says -- you know, it looks at, is the DSL USOC compatible with the UNE-P USOC? And what we said a while back is that, no, the DSL USOC is not compatible with the UNE-P USOC because the two services shouldn't be sold together because we didn't have interconnection agreements that allowed us to do that.

So now what we have to do is we have to modify that. Instead of saying yes or no, we now have to say it depends. And now SOCS has to now call out to other systems to determine if the DSL service and the UNE-P service can be on the same facility or not, and those are the edits that are being modified today.

Q Okay. Now, in response to my earlier question

regarding going head to head with cable in certain areas, do you have any studies or any actual number type data to say which central offices and what cable modem service? Do you have any of that, like, hard number type data that you could provide to the Commission?

A I can provide some summary of that today, but I would be happy to follow up with the detail of the study that we did. Just to give an overview of how we approached it, what we did is we took customers and went and sampled the data -- the Web sites, the publicly available Web sites of cable companies to see where they say they have cable modem service and where they don't.

Just to give you -- of the 200 central offices in Florida we looked at, we got positive responses back in 167 central offices. That's approximately 83 percent. If you look at just the access line penetration of those 167 offices, out of the 200, it's 98 percent of the total access lines in BellSouth's territory. Of course, cable modem came back and said, yes, we can provide a broadband service to you. It's even more impressive if you compare that and sample BellSouth's FastAccess customers of whether or not they have a cable modem alternative, and we got 99.3 percent of our FastAccess customer have a cable modem alternative. So that essentially says cable companies did like we did. They went out and invested, built the technology, and we have almost 100 percent ubiquitous

overlap. It's amazing how we're going head to head in just every marketplace.

CHAIRMAN JABER: Without getting into the policy discussion and the BellSouth business decision not to provide FastAccess under the situation that the ALECs have requested, would you just agree that your numbers related to FastAccess would be higher if your business decision and policy was different related to FastAccess?

THE WITNESS: I would agree. There's probably a small subset of customers who would choose FastAccess over the alternatives.

BY MS. CHRISTENSEN:

Q Okay. And when you were saying you checked a need to the central offices, do you -- I'm not clear on -- did you just check with one address or multiple addresses? I'm not quite sure how you checked the address.

A We actually ran 16,000 addresses across our nine-state region. I don't know the number for Florida, but I can get a very Florida-specific sample of the number of lines that we checked on a per central office basis. We have gone through the process of actually trying to get down to the neighborhood level down at the remote terminals and down to see how granular we can become in terms of determining the level of competition. So for us, it's important from a marketing perspective because they're our main competitor, so we're doing

that work. You know, it's also good to understand where your competitors are.

Q Okay. Well, we'd appreciate that if we could get that as a late-filed exhibit.

CHAIRMAN JABER: Late-filed? Sure. Late-filed Exhibit 24. Ms. Christensen, you want to give me a short title, please.

MS. CHRISTENSEN: I guess cable modem presence in BellSouth territory or we can do cable modem presence, if that would be shorter.

THE WITNESS: And we can make that specific to Florida, also.

CHAIRMAN JABER: Yes. In BellSouth-Florida territory. And you understand what the request is.

THE WITNESS: Yes, I do.

CHAIRMAN JABER: Is that something you think you can provide in the next ten days, 14 days? How much time?

THE WITNESS: Give us 14.

CHAIRMAN JABER: Two weeks, due in two weeks from today.

THE WITNESS: Thank you.

(Late-Filed Exhibit 24 identified.)

BY MS. CHRISTENSEN:

Q And let me go back to a point you had discussed earlier. You were discussing keeping track of which CLECs have

given BellSouth access to the high frequency portion of the loop.

In Florida is it correct to say that would involve about 53 companies?

A I've heard that number said. I really don't know, to tell you the truth, how many CLECs there are.

MS. CHRISTENSEN: Okay. No further questions.

CHAIRMAN JABER: Commissioners, do you have any questions of this witness? Okay. Redirect, Ms. Mays?

MS. MAYS: Just a couple of questions.

CHAIRMAN JABER: Go ahead.

REDIRECT EXAMINATION

BY MS. MAYS:

Q Mr. Fogle, Mr. O'Roark asked you about the FDN order and whether it applied just to UNE loops. Do you recall that line of questioning?

A Yes, I do.

Q Is there a process today in Florida for UNE-P loops to utilize FastAccess for migrating customers?

A We're using the same process to comply with the FDN and the Supra interconnection agreements. It's a stand-alone FastAccess process where we use a separate facility. In fact, we've got a number of CLECs who have adopted the language and one in particular who's even started ordering services. They're a UNE-P provider, they're ordering on the separate

facility and seem to be quite happy with it. We have not heard any complaints. They've adopted it and moved forward.

Q Have any of the CLECs who are complaining here today asked to utilize this process?

A I believe some of them have adopted it. I'm not sure on that, to tell you the truth.

Q That would be MCI, AIN, AT&T and DeltaCom?

A Yeah. I think AT&T has adopted. A couple of the others have adopted it. I believe we've communicated the process, but I don't know that -- I don't believe any orders have been accepted from any of them following the process we've outlined for doing the, for the process -- doing the separate facility.

MS. MAYS: I don't have any other redirect. Thank you.

CHAIRMAN JABER: Thank you, Ms. Mays. Thank you for your testimony.

THE WITNESS: Thank you.

CHAIRMAN JABER: We've got Exhibit 21. No, I'm sorry. Exhibit 22 -- Ms. Mays, did you and Mr. O'Roark decide what to do with the one-page confidential exhibit?

MS. MAYS: Yes. If we could have a separate number for confidential version of EF-2. We believe the one that's in the record was the public version, so.

CHAIRMAN JABER: I see. All right. Give me a short

title, please.

MS. MAYS: Confidential EF-2 .

CHAIRMAN JABER: Okay. Exhibit 25 will be the confidential Exhibit EF-2.

(Exhibit 25 marked for identification.)

CHAIRMAN JABER: And, BellSouth, you had Exhibit 22, which is the public version, EF-2 and EF-1. Without objection, that's admitted into the record. Exhibit 23, AT&T, without objection admitted into the record. And Exhibit 25, without objection admitted into the record.

(Exhibits 22, 23 and 25 admitted into the record.)

CHAIRMAN JABER: Commissioners, we have one more witness left. I say we keep plugging. Okay? Call your --

MS. CHRISTENSEN: Commissioner, excuse me. Could I ask for one clarification? I know we had marked for identification hearing Exhibit 24. Do we need to go ahead and admit that now?

CHAIRMAN JABER: I think with late-filed exhibits we do not do that because there's an opportunity to --

MS. CHRISTENSEN: Object.

CHAIRMAN JABER: -- object. So it's my understanding we don't admit it into the record just yet and you make note of it in the recommendation. If we need to do something different in the recommendation, just let us know.

MS. CHRISTENSEN: Okay. Thank you.

CHAIRMAN JABER: Is that consistent with everybody's recollection? Yeah.

We'll take sort of a five-minute informal break as the witness comes up to the stand and as we prepare for the last bit of testimony.

(Recess taken.)

CHAIRMAN JABER: Let's go ahead and get back on the record.

Ms. Christensen clarified for me that the late-filed exhibit should be admitted into the record with an acknowledgment that that's subject to objection, so Late-filed Exhibit 24 will be admitted into the record.

(Late-Filed Exhibit 24 admitted into the record.)

CHAIRMAN JABER: And, Mr. Lackey, is this your witness?

MR. LACKEY: Yes. BellSouth calls Mr. Bill Smith to the stand.

BILL SMITH

was called as a witness on behalf of BellSouth Telecommunications, Inc., and, having been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. LACKEY:

Q Mr. Smith, you were sworn yesterday; is that correct?

A Yes, I was.

Q Would you state your name and address for the record?

A My name is Bill Smith. I'm employed at 675 West Peachtree Street, Atlanta, Georgia.

Q And did you cause to be prefiled in this proceeding nine pages of direct testimony in question and answer form?

A Yes, I did.

Q And did you also cause to be filed in this proceeding six pages of rebuttal testimony?

A Yes, I did.

Q And do you have changes or corrections to that direct and rebuttal testimony?

A Yes, I do.

MR. LACKEY: Madam Chair, we have handed out an errata sheet. We'll be happy to go through the changes on the record, if you would like.

CHAIRMAN JABER: Did you give this to the court reporter, Mr. Lackey? I think that's sufficient unless, Commissioners, you have -- we all have this errata sheet; correct? Okay. Let's move forward. It's enough that you've given it to the court reporter.

BY MR. LACKEY:

Q Mr. Smith, with the changes that were made on the errata sheet that was handed out, if I were to ask you the questions in your direct and rebuttal testimony today, would your answers be the same?

A They would.

Q Do you have any exhibits attached to your testimony?

A I do not.

MR. LACKEY: Madam Chair, I'd like to ask that Mr. Smith's direct and rebuttal testimony be included in the record as given orally from the stand.

CHAIRMAN JABER: The prefiled rebuttal testimony of Bill Smith shall be inserted into the record as though read.

MR. LACKEY: And his direct testimony as well.

CHAIRMAN JABER: And his direct testimony as well. Thank you.

BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF BILL SMITH

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

NOVEMBER 26, 2002

Q. PLEASE STATE YOUR NAME, YOUR OCCUPATION, AND YOUR BUSINESS ADDRESS.

A. My name is Bill Smith. I am the Chief Product Development and Technology Officer for BellSouth. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND EXPERIENCE.

A. I have been employed by BellSouth since 1979 and have been involved in BellSouth's advanced technology efforts for more than 15 years. In my past positions, I have been responsible for BellSouth's Internet, Entertainment, and long distance operations as well as being an active participant in the development of national and international telecommunications standards. In my current position, I am responsible for setting the technology direction of BellSouth's core infrastructure to take advantage of synergies between product and technology development. My department includes broadband and Internet services, network

and information technology, internet protocol (IP) applications, strategy and product innovation as well as BellSouth Entertainment, Inc.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony explains BellSouth's deployment of broadband services in Florida in order to assist the Florida Public Service Commission in considering Issue 5 – Should the Commission order BellSouth to provide its FastAccess Internet service, where feasible, to any Alternate Local Exchange Carrier ("ALEC" end user that requests it? Specifically, I will: (1) provide an overview of the investment that BellSouth has expended in the past five years in developing its own broadband and high speed Internet access products; and (2) explain how BellSouth should be able to take advantage of this investment in competing in Florida.

Q. PLEASE EXPLAIN THE BROADBAND SERVICES OFFERED BY BELLSOUTH IN FLORIDA.

A. BellSouth offers broadband service in Florida using Digital Subscriber Line ("DSL") technology. BellSouth's DSL offerings include a federally regulated and federally tariffed wholesale transport service that is offered through BellSouth's Special Access FCC Tariff No. 1. This tariffed DSL service is designed for use by Internet Service Providers ("ISPs"), such as AOL, MSN, DirectTV, and BellSouth's own ISP operations. BellSouth also offers an enhanced high-speed DSL-based Internet access service, referred to as BellSouth® FastAccess®

Internet Service ("FastAccess"). FastAccess is BellSouth's retail DSL Internet access offering that uses the regulated wholesale DSL transport service as a component and includes other applications like email and newsgroups.

Q. WHEN DID BELLSOUTH BEGIN DEVELOPING ITS DSL PRODUCT OFFERINGS?

A. BellSouth began investing in DSL in Florida in the late 1990s. BellSouth sought to capitalize on the growing interest in the Internet; to respond to requests from its current dial customers for higher speed Internet access; and to compete with the high-speed cable modem products that were already available in the marketplace. Before offering its DSL services, BellSouth had no DSL related equipment deployed nor had BellSouth invested any substantial amounts of time or dollars in DSL operations. As a result, when BellSouth began investing the resources necessary to support its DSL product offerings, BellSouth was in precisely the same position as every other DSL provider seeking to enter the broadband marketplace. BellSouth has since analyzed carefully the marketplace and made considerable investments in targeted markets, which has resulted in more than 70% of households in BellSouth's nine-state region being capable of receiving DSL service. BellSouth saw a business opportunity and then capitalized on this opportunity by making wise, prudent capital investments to offer DSL service as a competitive alternative in the broadband market. Other ALECs could have made similar investments had they been so inclined.

Q. PLEASE OUTLINE THE INVESTMENTS BELLSOUTH HAS MADE IN FLORIDA TO SUPPORT ITS DSL OFFERINGS.

A. To date, BellSouth has invested over $393 million in Florida to support its DSL offerings. This investment includes the cost of upgrading BellSouth's backhaul network and deploying DSL capability in over 190 BellSouth central offices and 3,578 BellSouth remote terminals.

Q. HOW HAS BELLSOUTH SELECTED THE LOCATIONS WHERE TO INVEST IN ORDER TO OFFER DSL SERVICE IN FLORIDA?

A. BellSouth's DSL investments have been made only after careful study of the demand for high-speed Internet access at a neighborhood-by-neighborhood level, and through subsequent prudent deployment decisions. Through a carefully targeted deployment program, BellSouth has selected what it believes are the best locations to locate its own central office and remote terminal Digital Subscriber Line Access Multiplexers ("DSLAMs"). This efficient use of capital has been critical to the competitive nature of BellSouth's DSL service and has allowed BellSouth to deploy DSL service throughout the State, including in many rural areas in Florida.

Q. DO BELLSOUTH'S INVESTMENTS IN DSL GIVE IT AN UNFAIR ADVANTAGE IN COMPETING IN THE VOICE MARKET?

A. No. While BellSouth may enjoy an advantage in the voice market by being able to package its voice service with FastAccess (as well as other services such as wireless), there is nothing unfair about BellSouth's doing so.

First, BellSouth's DSL investments were made in a prudent and cautious manner, after much analysis. While other providers may have invested substantial amounts of money in DSL deployment, they were more concerned about gaining the largest coverage footprint and did not focus on getting the most return on investment by deploying in areas with the customers most likely to purchase DSL. By only investing in areas where BellSouth believed it could successfully market DSL service as a compliment to its existing voice service and thereby realize a favorable return on its investment, BellSouth was able to increase deployment and investment in later years as its DSL offerings became more popular. Of course, BellSouth assumed all the risk associated with such investments.

Second, BellSouth's DSL investments allow BellSouth to offer a package of products and services in order to meet a customer's total telecommunications needs. The ability to offer such a package is essential for BellSouth to compete successfully against those, such as cable providers, that also offer a full suite of telecommunications products and services, including local service, long distance, and Internet access.

Q. WOULD REQUIRING BELLSOUTH TO CONTINUE TO PROVIDE FAST ACCESS WHEN AN END-USER SWITCHES VOICE TO AN ALEC USING UNES HAVE AN AFFECT ON BELLSOUTH"S INVESTMENT IN DSL?

A. Yes. Such a requirement would have a negative affect on BellSouth's investments. There are serious problems associated with the Commission's granting the relief sought by FCCA, which are described in the Direct Testimony of Keith Milner, John Ruscilli, and Eric Fogle. In addition to these problems, however, requiring BellSouth to provide DSL service to any ALEC voice customer would not allow BellSouth to take full advantage of its DSL investments by jeopardizing BellSouth's capacity to maximize the return on those investments and by hampering BellSouth's ability to compete effectively in the marketplace. If BellSouth were not permitted to take full advantage of its DSL investments, BellSouth would have little incentive to make such investments in the future.

Granting the FCCA's request would adversely affect BellSouth's ability to continue to deploy DSL technology throughout the State. If BellSouth is required to continue to provide FastAccess service to Florida ALEC voice customers served via UNE-P, BellSouth will incur additional costs. These additional costs would either have to be passed on to BellSouth's FastAccess customers or borne by BellSouth's shareholders. In either case, imposing such costs upon BellSouth would hamper BellSouth's ability to compete successfully in the broadband market and would threaten BellSouth's ability to continue to deploy DSL throughout the State.

recovered through CLEC contributions,

Furthermore, the FCCA's request, if granted by the Commission would require BellSouth to overhaul its DSL service by providing DSL on a stand-alone basis when the service was designed as an overlay to an existing exchange facility. Stand-alone broadband is costly and risky, as evidenced by the fact that three

stand-alone DSL providers – Rhythms, Northpoint, and Covad – have gone bankrupt, with only Covad emerging intact.

BellSouth has determined that the additional operational costs associated with providing stand-alone DSL service along with its reduced profitability makes this option extremely unattractive. What is so incongruous about this issue is that the FCCA is now asking the Commission to force BellSouth to provide a highly competitive service in circumstances that BellSouth views as not being in its best economic interests and under which ALECs have had only marginal success. In effect, this Commission would be mandating that BellSouth become the advanced services provider of last resort. Such a concept is completely inconsistent with a competitive broadband market and BellSouth's efforts to compete in that market.

Q. IN ITS COMPLAINT, FCCA ALLEGES THAT BELLSOUTH'S DSL POLICY MAKES "CONSUMERS . . . RELUCTANT TO CHANGE VOICE CARRIERS." DO YOU AGREE?

A. No. As reflected in the Direct Testimony of John Ruscilli, CLECs are serving more than 1.3 million access lines in Florida, which represents approximately 18.4% of the total access lines in the State. As a result, customer choice is alive and well in Florida, without regard to BellSouth's policy on DSL.

Furthermore, to the extent customers are "reluctant," ALEC business decisions, and not BellSouth's DSL policy, are likely to blame. BellSouth's DSL policy is to provide DSL service on any BellSouth provided exchange line facility,

regardless of whether the voice service on that line is being provided by BellSouth or by an ALEC engaged in resale. BellSouth's policy is consistent with the manner in which BellSouth's DSL offerings were designed and tariffed, which is as an overlay service to an existing exchange line. Any ALEC that wants to resell BellSouth's voice service to a customer can provide that service on the same line used by BellSouth to provide FastAccess. Thus, consumers that want BellSouth FastAccess service can choose any reseller as a provider of voice service. Any ALEC that chooses as a business decision not to resell BellSouth's voice service forecloses the possibility of obtaining FastAccess.

Any ALEC that provides voice service to customers using loops leased from BellSouth also can provide customers with the ALEC's own DSL service. Thus, consumers that want DSL service can choose as their voice provider any ALEC offering its own DSL service.

ALECs that provide voice service to customers using loops leased from BellSouth also can provide their customers with DSL service by entering into a line splitting arrangement with another DSL provider. Thus, consumers that want DSL service could choose any ALEC that offers a DSL service via a line splitting arrangement.

In short, while blaming BellSouth for customers' "reluctance", ALECs conveniently disregard that there are a variety of methods that are available to provide DSL service. Because ALECs have made a series of business decisions to not utilize these methods, ALECs should not be heard to complain about the consequences of those decisions.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

BELLSOUTH TELECOMMUNICATIONS, INC.

REBUTTAL TESTIMONY OF BILL SMITH

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

DECEMBER 23, 2002

Q. PLEASE STATE YOUR NAME, YOUR OCCUPATION, AND YOUR BUSINESS ADDRESS.

A. My name is Bill Smith. I am the Chief Product Development and Technology Officer for BellSouth. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

A. Yes. I filed direct testimony on November 26, 2002.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My testimony responds to the contention made by Mr. Joseph Gillan in his direct testimony filed on behalf of the Florida Competitive Carriers Association ("FCCA") that BellSouth's policies concerning its FastAccess service are contrary to the national policy goal of increased broadband penetration. (p. 9). My testimony focuses on the negative implication that would result from a Florida

Public Service Commission mandate upon BellSouth to offer its FastAccess service to any ALEC end user that requests such service.

Q. MR. GILLAN REFERS TO THE RESPONSIBILITY OF THE FCC AND STATE COMMISSION TO "ENCOURAGE THE DEPLOYMENT OF ADVANCED SERVICES." (P. 9). WOULD AN ORDER THAT BELLSOUTH PROVIDE FASTACCESS SERVICE TO ANY ALEC END USER ENCOURAGE SUCH DEPLOYMENT?

A. Absolutely not. To the contrary, 190 of BellSouth's 198 central offices are currently capable of providing FastAccess service. The flip side of this is that ~~8~~ 7 BellSouth central offices in Florida do not presently have the capability to provide FastAccess service. More significantly, there are ~~9,622~~ 8,962 BellSouth remote terminals in Florida, of which ~~3,676~~ 3,945 presently have the capability to provide FastAccess service, meaning that ~~5,946~~ 5,017 remote terminals do not have such capability. As I have testified on direct and as set forth herein, any order that would require BellSouth to make its FastAccess service available to any end user customers may negatively impact BellSouth's desire to make future BellSouth investments in advanced services in the central offices and remote terminals in Florida without FastAccess capability. BellSouth agrees with the sentiment expressed by former AT&T Chairman Michael Armstrong, when he observed "[n]o company will invest billions of dollars to become a facilities-based . . . provider" if other companies "[that] have not invested a penny of capital nor taken an ounce or risk can come along and get a free ride on the investments and risks of others." *See* C. Michael Armstrong, *Telecom and Cable TV: Shared*

Prospects for the Communications Future, delivered to the Washington Metropolitan Cable Club (Nov. 2, 1998).

Q. MR. GILLAN REFERS TO A "HOBSON'S CHOICE ON CONSUMERS." DOES THE RELIEF REQUESTED BY THE FCCA IMPOSE A "HOBSON'S CHOICE" ON BELLSOUTH?

A. It does. If BellSouth were required to offer FastAccess to end users of alternate voice providers, we would forced against our own business judgment to make substantial investment and incur costs which we are entitled to recover. We would have to recover these costs either through 1) ALEC contributions, or 2) higher rates for ~~ISP customers~~ FastAccess customers, or 3) from BellSouth's shareholders. ~~Both of~~ These options ~~would~~ could result in a higher end user price, and in turn, make FastAccess less competitive with cable modem services. Cable modem providers already dominate the broadband market, and a higher FastAccess price would drive even more end users and even ISPs to cable. Furthermore, imposing these kind of unwarranted obligations on BellSouth would discourage our investing in new and enhanced services to make better broadband-based products. Our view would be why make these investments if this Commission, or any other regulatory body, could essentially make us give the fruit of our inventiveness and our willingness to invest our money in research and development to our competitors, who would not be required to take any of the risks associated with failed efforts, which always occur when you are trying to develop new products.

Regulatory decisions that discourage our investment and development of these unregulated products will have two clear impacts that this Commission ought to be concerned with. First, we have deployed this new technology in the most urban areas where there is the highest concentration of early adopters capable of supporting the high costs of initial capital investments, expecting to expand our offerings as the technology became more accepted and cost effective Stifling further investment will obviously impact the areas that we have not already reached, and these are generally the more rural areas. Second, any delay in making further broadband investments because of unfair regulatory requirements imposed on an unregulated service will impair our ability to compete against largely unregulated cable modem providers. While it seems that the latter point would suggest that we would continue to make these investments in order to maintain our competitive position with regard to the cable modem competitors, the fact of the matter is that BellSouth has only a finite amount of resources to invest and it cannot be expected to make investments to provide unregulated services to its ALEC competitors who could well invest their own capital to provide these services if they truly wanted to serve their own customers. Again, it isn't competition when a regulatory agency forces BellSouth to fund the development of an investment in an unregulated service so that the service can then be provided to its ALEC competitors.

Finally, it should go without saying today that capital is not unlimited; thus, requiring BellSouth to comply with costly regulatory requirements means that capital that may have been spend elsewhere must be diverted into making an unregulated product available to customers of ALECs. Put simply, if BellSouth

were not permitted to take full advantage of its broadband investments and if we were not permitted to invest in other areas we considered important to our business, then BellSouth has less incentive to make such investments in the future.

Q. HAD BELLSOUTH BEEN REQUIRED TO OFFER THESE SERVICES TO END USERS OF ALEC OWNED VOICE LINES, WOULD THEY STILL HAVE INVESTED IN THIS TECHNOLOGY?

A: That is difficult to answer, nonetheless consistent with what I have said above, BellSouth would not have made as substantial an investment in broadband technology if we were the only ones required to invest and all other providers were allowed to reap the benefits of the BellSouth investment. It is a basic financial principle that when a company takes on additional risk, it does so with the hopes of getting increased return as well. If BellSouth knew that other providers would share in the return but not the risk, then BellSouth would have chosen to minimize its risk and not have deployed FastAccess to the scale that it has done so today.

Q. IF THE COMMISSION ALLOWS BELLSOUTH TO BENEFIT FROM ITS INVESTMENTS, WOULD THE EFFECT BE TO CREATE A BARRIER TO COMPETITION AS MR. GILLAN CONTENDS (P. 11)?

A. No. If the Commission sends the message that the companies willing to make investments into new services will enjoy the benefit of their investment, the result

will encourage carriers to fully seek out new and innovative technologies rather than delay the introduction of any such products. BellSouth's position, rather than that advanced by Mr. Gillan, is the one that would ultimately encourage broadband deployment consistent with federal and state goals.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

BY MR. LACKEY:

Q Mr. Smith, do you have a summary of your testimony?

A I do.

Q Could you please give it?

A Yes. Thank you.

Good morning. My direct testimony provides an overview of the investment that BellSouth has expended in Florida in developing its broadband and high-speed Internet access products. My direct testimony also explains how BellSouth should be able to take advantage of this investment in competing in Florida.

As I discuss in my testimony, BellSouth offers broadband services in Florida using digital subscriber line or DSL technology. We began investing in this technology in the late 1990s. To date BellSouth has invested approximately $393 million in Florida to support its DSL offerings. We've spent considerable sums in deploying the equipment in our central offices and remote terminals in the state as necessary to offer DSL.

When we began investing in the equipment necessary to offer DSL services in Florida, BellSouth was in exactly the same position as every other DSL provider seeking to enter the broadband market. We saw a business opportunity and devoted substantial resources to take advantage of this opportunity. BellSouth carefully studied the demand for Internet services

and efficiently invested our shareholders' capital to offer DSL services throughout the state. Other providers could have done likewise.

In my testimony I explain the advantage that BellSouth enjoys in the voice market by being able to package voice service with DSL service as well as other services such as wireless. However, there's nothing unfair about this advantage since we have assumed all the risk associated with our DSL investments.

BellSouth's DSL investments allow us to offer a package of products and services in order to meet a customer's total communications needs, which is essential to our ability to compete. BellSouth should be able to maximize its return on these investments, which we cannot do if we are required to provide DSL service to CLEC voice customers.

My testimony also refutes the allegation that BellSouth's DSL technology -- DSL policy undermines consumers' ability to choose other voice providers. CLECs have various options in providing broadband services to their voice customers. These options include reselling BellSouth voice service, offering their own DSL service or teaming with another DSL provider via line splitting arrangement. Thank you. That concludes my summary.

MR. LACKEY: Tender the witness.

CHAIRMAN JABER: Thank you. Mr. Melson?

MR. MELSON: No questions.

CHAIRMAN JABER: Ms. Kaufman?

MS. KAUFMAN: We have no questions.

CHAIRMAN JABER: Okay. Staff?

MS. CHRISTENSEN: We have a few questions.

CROSS EXAMINATION

BY MS. CHRISTENSEN:

Q Referring to Page 4, Lines 12 through 20 in your direct testimony.

A Yes.

Q Okay. You discuss how BellSouth selected the locations where it would invest in order to offer DSL service in Florida.

Did BellSouth undergo a thorough study to determine which neighborhoods would be targeted for DSL?

A Yes, we did. We actually developed what we call a propensity to buy model that used a great deal of market research to try and determine where the best locations to deploy would be. It included a number of things: External market research showing consumers that have PCs in their homes, those that already had dial-up Internet access, and a variety of other factors that we determined to indicate a high propensity to buy broadband service.

Q And what criteria did you use to determine the best locations to locate your central offices and remote terminal

DSLAMs?

A Well, again, it was based on the propensity to buy model. And a number of the inputs into that propensity to buy model were median income, number of households with PCs, number of households with Internet access service, and a variety of other factors that were market indicators of the locations where people would want to buy broadband service.

Q Does BellSouth only invest in areas where it believes it can successfully market DSL services as a compliment to its existing voice service in order to realize a favorable return on its investment?

A Could you repeat the question?

Q Certainly. Does BellSouth only invest in areas where it believes it can successfully market DSL service as a compliment to its existing voice service in order to realize a favorable return on its investment?

A Okay. I think I understand. I wouldn't say we only invest in an area where it's a compliment to a service, but that is a key factor in making those deployment decisions.

As we did the business case for DSL deployment, we looked at the overall impact that it would have on our customer base. I think we heard yesterday that a number of our DSL customers are, in fact, our high value customers. So we looked at DSL as a complimentary offering to those high value customers, and that is one of the factors. There are other

factors, of course, particularly, for example, in business areas where a business demand alone would justify DSL deployment.

Q Okay. Looking at your direct testimony on Page 5, Lines 10 through 12, in your direct testimony you actually use the phrase, "By only investing in areas where BellSouth believed it could successfully market DSL service as a compliment to its existing voice service and thereby realize a favorable return on investment, BellSouth was able to increase deployment and investment in later years as its DSL offerings became more popular." So is that a change in your testimony?

A No. I'm sorry. What -- the "complimentary" word was what was actually kind of hanging me up on the question you asked before.

Our service was designed from the very beginning to be sold in conjunction with voice service. So in that sense, if you look at selling it as a compliment, then the answer is, yes, we, we always intended that we would sell DSL as an adjunct offer to our voice services. And so in no instance did we ever deploy DSL where we thought we would sell nothing but DSL service without voice services at all.

Q Okay. Did BellSouth receive requests from its current dial-up customers for higher speed Internet access?

A Did we receive?

Q Uh-huh. Had you received requests from people that

were using the dial-up services over the BellSouth lines requesting ADSL or faster access service?

A Do you mean did we receive it early on and that's what caused us to deploy?

Q Yes. Was that part of it?

A No. We actually started deploying and developing DSL back in the mid to late '90s before people really understood what it was for. In fact, DSL technology has been around since the late '80s when it was originally thought it might be a replacement for cable TV services. In the mid '90s we saw an opportunity to actually use it for higher speed Internet access. And, in fact, in the early days some of us that were on the technology side of the company were kind of pushing the service, and our marketing counterparts originally weren't sure that there would be a demand. But obviously as time developed, the Internet developed, then it became clear that the service was going to have a significant demand for access to the Internet. And so we developed it long before we got requests from customers for the service.

Q Okay. So let me ask, is this a change in your testimony, from your direct testimony, I think Page 3, Lines 8 through 12 -- or, I'm sorry, 8 through 11, where you said, "BellSouth began investing in DSL in Florida in the late 1990s. BellSouth sought to capitalize on the growing interest in the Internet; to respond to requests from its current dial

customers for higher speed Internet access; and to compete with the high-speed cable modem products that were already available in the marketplace"? Is it a change or am I misunderstanding?

A I think we're getting hung up on some words, and perhaps maybe I need to listen more carefully.

Q Okay.

A We started developing the technology before we got requests. This says that we started investing in Florida as a result of requests from customers. That's true. But we had been developing the technology before we started getting requests from customers.

Q Okay. So in anticipating that people would want, what, higher speed access to the Internet, you went ahead and developed the product, but you didn't begin to deploy the product until you started getting customer inquiries?

A Demand. Yes.

Q Okay. And why do you believe that customers desire DSL service in your opinion?

A Well, there are a variety of things. There are a number of applications for broadband access to the Internet for heavy Internet users, there are a number of things that you can do that are educational and entertaining. I think anyone that's used dial-up access and changes finds it to be a different experience. But I think more importantly one of the reasons why we believe customers choose our DSL service is that

we've worked so hard to make it a very good service. We've been a J.D. Power award winner. To the line of questioning earlier, many companies use the same technology, but we've consistently scored extremely high in the J.D. Power service awards as compared to other companies using exactly the same technology because we've invested an incredible amount of time and energy to produce a good experience for our customers, to make the service reliable, easy to install and provide a good outcome for them.

Q Let me get you to clarify. When a customer switches from dial-up to DSL, you had previously explained in your testimony that it was a different experience. Would you say that it's a better experience overall from dial-up, DSL from dial-up?

A In my personal opinion, yes, I think it's a better experience.

Q And would you also agree that FastAccess service primarily, is primarily used by residential customers?

A Primarily in terms of overall numbers, yes. However, we do have a pretty significant number of business customers for FastAccess service.

Q Are those small or large business customers?

A It can be a variety of both. It can be small businesses that just want Internet access to one location or it can be large businesses that may have employees working from

home.

Q Do you have separate tracking for residential customers versus business customers?

A Tracking in terms of the numbers of customers?

Q Well, do you have different speeds, I guess, you offer to residential versus business customers?

A Right now we have introduced some new speeds, but I think we do offer the same speeds to both.

Q Okay. In your direct testimony at Page 5, Lines 5 through 14 it states that BellSouth -- let me let you get there. Are you there?

A Yes.

Q Okay. It states that BellSouth was prudent and cautious in deploying DSL. It further states that other providers did not focus on getting the most return on investment.

Did BellSouth target specific neighborhoods where it believed a number of residents would request DSL so that it could obtain the most return on its investment?

A Yes, we did.

Q And from the time a customer -- from the time a customer requests BellSouth's FastAccess service, how long on average does it take before the customer is able to use the service if the customer chooses self-install?

A We typically are able to do self-install in three

days now.

Q And how long is the time frame if he chooses to have a technician install the service?

A It depends on what our load is for the appointment intervals, but typically we can set up an appointment within seven days or so for an actual field visit.

Q Is there a specific initial cost associated with the installation process and the equipment to start up FastAccess?

A Yes. There are a variety of investments required both for infrastructure in our network as well as sending a technician out to do the installation, if that's required. And even if we don't have to send a technician to the customer location, quite often we may have to dispatch a technician to the remote terminal site to do some wiring of the equipment. And then finally there's the cost of the modem, which quite often we do a promotion which includes cost of a modem for a customer if they sign up for our service.

Q And what's the cost to the customer for that initial start-up?

A I'm sorry. I can't tell you exactly what the, the installation cost is. It varies from free promotions that we may be doing for certain periods of time if you commit to stay with us for at least a year. I think in the case that there's no promotion under, underway it's approximately $150.

Q Okay. Is that with a year commitment or without?

A Without.

Q Without? Okay. So $150 would be probably the most that anyone would pay for the installation process?

A I think that's approximately correct.

Q And does that include if the technician comes out and installs it or is that an additional cost?

A It typically includes if the technician has to come out and install.

Q Okay. So it might be a little bit less if it was self-installed?

A Well, it might be. Again, we run several promotions and it varies by time. So it can change depending on what promotion we have in effect.

Q Okay. And is there any cost to disconnect the FastAccess service to the customer?

A Not to my knowledge.

Q Okay. Is there any termination liabilities for a residential customer if they, if they sign a one-year contract to disconnection early?

A Yes. We ask them that they return the modem that we've provided if it's a part of the promotion.

Q Any other fees or penalties?

A No.

Q Okay. If you know, do you think that the time frames you gave for the self-install and the -- you said for

self-install it was possibly three days before they could use that service. If you know, would those time frames be similar if the customer requests DSL from other providers, if you know?

A I honestly don't know. I think our installation intervals based on what I read in external data are some of the best in the industry. We have worked extensively to streamline the processes. In fact, one of the reasons why the interval is actually three days is it typically takes that long to ship the modem to the customer. So I think that we are pretty much best in class associated with DSL intervals, but I can't say for sure.

MS. CHRISTENSEN: Okay. Staff has no further questions.

CHAIRMAN JABER: Commissioners, do you have any questions of this witness? Commissioner Deason.

COMMISSIONER DEASON: I have just a few.

CHAIRMAN JABER: Go right ahead.

COMMISSIONER DEASON: Mr. Smith, I've got a hypothetical analogy which is probably totally off point and probably absurd and oversimplified. So with those up-front indicating, then I'm going to throw it out to you and I want your reaction to it. Okay?

THE WITNESS: I'll do my best.

COMMISSIONER DEASON: There's a gentleman, he's in the market for a fast car with a top of the line stereo. He's

got the money, he's willing to pay, he wants it badly. He goes to the, to the stereo shop, he tells the salesman he wants a fast car with a really good stereo, and the salesman says, sure, let's go in and let's pick out a stereo that we can install. So they pick out the stereo and they agree on the price. And they say, all right, where's your car? We'll install it. And the gentleman says, I don't have a car. I want to get a car and a stereo. And the stereo shop says, I don't sell cars, but there's a car dealership right across the street. Go see them, buy your car, come over here, we'll install the stereo that you picked out.

The gentleman crosses the street, goes over, talks to the salesmen, says, I want to buy a fast car. He shows him his fast cars, he picks out one, but there's a stereo already in the car. And he says, well, I don't want that stereo. I want this stereo across the street. He says, sorry, I'm not going to sell you the car because I market this and package it as a, as a deal, and if I have to take that stereo out, it increases my cost. And besides, the stereo dealership across the street, he could have invested in a car dealership. But I've made the investment in a car dealership and I only sell my cars with the stereos. And besides, stereos are a high profit margin item.

So he goes back across the street, says, they won't sell me a car unless I buy their stereo. So either I have to buy their stereo and their car or else I have to buy an MP3

player from you and ride the bus. So do you see any similarities with that example and what we're dealing with here?

THE WITNESS: I don't see a great deal, but I think I understand where you're, where you're going. And I believe that chances are the car dealer would, in fact, remove the stereo, but it would be done at a charge, at a higher price. So I don't think that car dealer would go in and remove the stereo, go to the extra cost of doing that, and say but you can have that at exactly the same price, because there's a lot of overhead associated with that.

I would use, if I may, a similar analogy. Let's say that General Motors develops a unique technology. They spend years of research and development to develop this technology and it turns out that that cost, that technology costs $1,000 a car but it causes a lot more people to want to buy their car. They've developed it to differentiate their product from Ford. I don't think that they would then turn and give Ford that technology for $1,000 when Ford didn't invest any of the research and development, didn't do anything to put the, bring the product to market, didn't take any of the risk, yet Ford would still want to reap the rewards of a successful product in the market. And I think that's what this is really all about. We --

COMMISSIONER DEASON: That's the interesting thing.

The GM example, they've invested in something that they wouldn't probably want to share with Ford. But if they had this technology and they could sell just hypothetically a million units by selling it strictly in their cars or they could license that to Ford, and GM, by doing that, GM shows that, well, they may only sell 950,000 units of their own, but Ford is going to sell an additional 300,000 units because of this and so we're going to sell more of this as a whole, the pie gets bigger and our profit is going to be greater, wouldn't they do that?

THE WITNESS: If that was, in fact, the case, they would. And if that was the case here with us, we would. But our analysis does not indicate that we would be better off. In fact, our analysis would indicate that our shareholders would be detrimentally impacted here because they've taken all the, the investment, they've taken all the risk, and there's very little upside for them. So it may grow the market small, in a very small manner, but the fact of the matter is we believe that, that overall our customers would suffer. So we're kind of -- it's a less -- our shareholders would suffer. So it's kind of the lesser of two evils from our point of view.

COMMISSIONER DEASON: So you've made the, the study, the analysis that indicates that BellSouth as a financial entity would be worse off by selling DSL on a stand-alone basis to customers who do not receive your voice service?

THE WITNESS: I've done that analysis myself using, shall we say, back-of-the-envelope numbers, and that's a conclusion that I've come to. Yes.

COMMISSIONER DEASON: Well, with all due respect, I mean, I -- BellSouth, I think that they probably before making such a major policy decision would incur more than back-of-the-envelope calculations. Has such a study been done?

THE WITNESS: I think that we have done those kind of studies. I have not personally been through all of them, but I think we've done that sort of analysis.

COMMISSIONER DEASON: Well, then would that -- then if that analysis has been done, does it indicate that the marginal costs incurred are greater than the marginal revenues derived?

THE WITNESS: You, you have to look at the overall margin for our customer relationship. We've, we've talked a lot yesterday and today about revenue, but, as you know, revenue is not what makes a business profitable. It's not what allows us to return earnings to our shareholders. It's about margin.

And so if you look at our overall customer relationships, our best customers are the ones that typically want DSL. Those are the ones, as we heard yesterday, that are quite often buying our packages, our CompleteChoice service, our long distance services. So those customers in total, if we

lose those customers and all we have is DSL, we are definitely at a, at a worst position.

COMMISSIONER DEASON: Then what you just said to me, and correct me if I'm wrong, what I've interpreted you just to have said is that you're using your position in DSL to leverage your position over a voice service to get the high-end voice service to make sure they stay on your network. Is that anticompetitive?

THE WITNESS: What I think I said is we use DSL as a differentiator in our product. And I don't know -- if you believe that we have to make DSL available for our high value customers, it's an unregulated service, what happens next? Do we -- if we have bundles with Cingular as an example, another unregulated service, if that turns out to be a very effective product for us, are we going to have a proceeding in here later where people ask you to make us make Cingular products available?

We're in a competitive marketplace. When, when these companies were spending their money loaning their executives $400 million and buying other companies, we were using our money to invest in the State of Florida to the tune of $393 million. We did that to differentiate ourselves in a very competitive marketplace. If we have to make that available to others, you've put us in a no-win situation.

If we had invested in DSL and it had flopped, I doubt

seriously that any of these people would be here wanting to help pick up the tab on our failed investment. They had none of the risk associated with that investment. We've worked to develop the technology, to develop J.D. Power award winning service levels at great effort and great expense, and we did that to differentiate ourselves in a competitive market. That's what we're supposed to do. But now other people want to have access and all the benefits to the work we've done when they have neither invested a dime nor lifted a finger to make the product successful.

COMMISSIONER DEASON: Is it your testimony that it is unprofitable to provide DSL service on a stand-alone basis or is it your testimony that doing it on a DS -- on a stand-alone basis reduces your profitability from high-end full service customers?

THE WITNESS: It is, it is less profitable to provide on a stand-alone basis. If we were to provide DSL on a stand-alone basis, my request would be that we do it at a different price just like cable companies do.

If you order a cable modem as a part of a video package, you'll typically get that, that cable modem service for $40 a month or so. However, if you call Comcast or Time Warner and say all I want is your cable modem service, I don't want any of your video services, you'll pay probably $65 to $69 a month for that stand-alone service.

So if we offer the service on a stand-alone basis, and honestly I'm prepared to do that, but it wouldn't be at the price we do today, just like cable companies don't offer cable modem service at the same price.

COMMISSIONER DEASON: Have you had any discussions -- and I don't want you to divulge any confidentiality, so that's not the nature of the question. Have you engaged in any discussions with these parties or other CLECs on trying to just reach an agreement as to what you would be willing to provide stand-alone DSL service to compliment their service? Has there been any discussions about that?

THE WITNESS: Not to my knowledge, not specifically with these companies.

COMMISSIONER DEASON: Have you ever communicated to them that you were willing to engage in such discussions?

THE WITNESS: Not to my knowledge.

COMMISSIONER DEASON: Do you think that there is a price at which you would be willing to offer that would enhance your profitability but would also enhance the profitability of the CLECs, that there could be a range of prices out there that would be to your mutual, both of your mutual benefit?

THE WITNESS: There is definitely a price at which we would be willing to offer the service. My concern is whether it would be a price that, that the other parties in this case would find acceptable. Because I believe that price is in the

range, just as I said with the cable company example, I think that price is in the $60 to $69 range on a stand-alone basis. And so, you know, I think we could make that work, but I think that there's a likelihood that they would find that unacceptable. However, I'm certainly willing to pursue that.

CHAIRMAN JABER: Commissioner Baez.

COMMISSIONER BAEZ: There's been a lot of discussion, Mr. Smith, about, and it's part of your testimony as well, about risk and profitability, and I think you got into a nice conversation, a very enlightening conversation with Commissioner Deason.

And I guess I'm trying to understand when, when you speak of risk and when you speak of profitability, are we speaking, are we speaking about voice and Internet together when we speak about risk and the risk that the company takes as opposed to the risks that the CLECs don't take? Are we talking about those two together or are we talking about Internet service alone?

THE WITNESS: I think risk is one -- is something that we have to judge in the terms of our shareholders. So in that sense I think it's, it's everything together.

COMMISSIONER BAEZ: But is there -- and I guess as part of your analysis, is there ever a breakdown or an allocation of risk to discrete, to discrete units? I mean, you can say here is our exposure on voice, here is our exposure on

Internet, and then make some sense out of the two in the aggregate, fine. But, I mean, is there --

THE WITNESS: I think I can answer that. As we make business cases on where to spend capital -- and obviously capital has never been tighter than it is today. In my 24 years I've never seen it as tight, so our hurdle for business cases is higher than it's ever been. The risk factor is one of the things that goes into that equation. So obviously in a high-risk investment we expect a higher return than we do on a low-risk investment. Does that answer your question?

COMMISSIONER BAEZ: Well, I guess I'm trying to get, I'm trying to get a better understanding of when, when you say in defense of your policy decision to, that the risk, that the risk of offering stand-alone, stand-alone DSL service or FastAccess service in this case is, is greater or that it, or that it, or that that offering doesn't adequately address the risks involved, are you speaking from a stand-alone, in a stand-alone sense or are you speaking in the aggregate, as part of an aggregate? I'll tell you why I'm asking the question and maybe it'll help clarify not just in your mind but in mine as well.

THE WITNESS: Thank you.

COMMISSIONER BAEZ: It would seem to me that if you have -- when, when you consider risk, you take into account the universe over which that risk is going to be spread. And in my

mind the universe over which -- if we're talking about a stand-alone risk attributed to DSL service or to the FastAccess product, the risk involved in offering the FastAccess product is, is defrayed by a greater universe if it's offered as a stand-alone product. There are more numbers available. Now -- and to me that's intuitive.

Now if that's not the same kind of analysis that you're talking about, if, in fact, you're talking about an aggregate risk where the offering of FastAccess service is tied to, and I don't mean tied in a legal sense or I don't mean to give it any legal import, but in association with voice service, then that's, that's a different matter altogether. And I'm trying to understand what you mean when you mean, when you say that.

THE WITNESS: Right. I understand. And thanks for that clarification. That's very, that's very helpful. We do look at it in the aggregate sense, not just on a product-by-product basis. So we have to look at -- you know, the way I try and explain to my folks in the coaching that I give my folks is ultimately our success is determined on any investment we make is what is the net impact on our shareholders? So doing well on one product and having a detrimental impact to some other part of the business is not what we're trying to achieve. We're trying to achieve an aggregate, a good outcome here. And that's one of the

challenges with DSL. And one of the things that has not -- I'm sorry.

COMMISSIONER BAEZ: I just wondered, I'm sorry to interrupt you, but your response somehow runs counter to, to any claim -- and I go back to a number that, a figure that you used in responding to Commissioner Deason's question of $393 million; is that, is that right?

THE WITNESS: Correct.

COMMISSIONER BAEZ: Now that, that number, what does that correspond to? It certainly doesn't correspond to a voice side or an aggregate number, does it? That is precisely the number that I'm assuming you all invested in, in DSL type research and services.

THE WITNESS: Correct. Right. That, that is the number we invested in DSL equipment. But in order to determine whether to make that investment or not, we did not just look at DSL revenues alone. We looked at the impact on the larger business and the fact that, you know, this is a way to differentiate ourselves in a competitive marketplace through bundles, we felt it would help us with our long distance penetration and other things. So we look at the revenue impact on a more broadly base, but the $393 million was explicit to DSL.

COMMISSIONER BAEZ: So then at no point, and just so that I can get it clear in my mind, at no point, and forgive me

for being simplistic about it, is there, is there a, a process or an analysis to say, well, the, quote, price tag for this service is $393 million, to take your example, and what, how quickly are we going to make this bundle back, how quickly are we going to be able to recoup this particular bundle of investment? Notwithstanding the fact that it may be, it may come from several sources as a result of these, these associated services that you describe or the synergies that you described, but is there that kind of, is there that kind of investment, analysis, forgive me, for that discrete investment?

THE WITNESS: There absolutely is. And, and that's the part of our business planning process that we go through. In fact, we're going through that same process now for, for 2004 capital investments. So each person that has a proposal, and I have several in my business units, we come to the table and say here's what we're requesting that we, or proposing that we invest in capital, here's the associated expense and revenue that we think the overall corporate impact would be, and that's how we judge which projects get funded.

COMMISSIONER BAEZ: Is it, is it common to go into that room, as you say, with a, with a, for example, again a $393 million price tag and say, you know, here's the costs and here's the revenues, and, oh, by the way, Jeff, over in, over in, you know, laundry services, we're going to need a little bit of contribution from you, too, you know, I'm using your

performance and your numbers to also justify my success or justify my existence?

THE WITNESS: I think --

COMMISSIONER BAEZ: Is that fair to say?

THE WITNESS: I think generally, if I understand the, the hypothetical, I think the answer is yes. I think any business that serves a variety of products to customers has to look at the overall customer impact, not just individual product by product.

COMMISSIONER BAEZ: But would it, but would it be proper or would it be common for, and I guess as a unit, for instance, for you to appropriate synergies that have an impact on the performance of other units as part of, as part of your unit's justification? And by unit, I mean, you know, whatever this discrete investment, is it common, is it common to appropriate performance or possible synergies in order to make the business case for, for a particular investment?

THE WITNESS: Yeah. That's not uncommon at all.

COMMISSIONER BAEZ: Okay.

THE WITNESS: Again, if you look at it from the overall shareholder perspective, that's what we're ultimately trying to produce. So in my opinion it's mismanagement or irresponsible if you look at a result that has impacts beyond what you're considering, then you're not making the decision appropriately in that regard. So, you know, there are a

variety of things that we look at that way.

Churn is an example. One of the things that hasn't come up here today as people talk about how retentive DSL is and the barrier it presents to competitors, there's a fact, I think, that's very relevant there.

Industry churn for DSL and broadband in general is in the three to five percent per month range. Now we haven't disclosed what our number is exactly, but let's say for sake of discussion we're in that range and we're at the average, which is four percent. That says that four percent of our customers per month leave and go to cable modem or satellite or some other service or back to dial. That says that 48 percent of our customers on an annual basis leave us today. So if a service is so much of a barrier and so retentive that it inhibits competition, it's strange to me that I'm doing everything in my power to deal with what is basically half of my customers leaving me every day.

Those are the kinds of things that we put into our business cases to say if I could spend some money, some additional capital to reduce my churn rate, for example, would I be willing to do it? And then we would base the analysis based on the revenue, capital and expense impact.

CHAIRMAN JABER: Commissioners, any other questions? Redirect?

MR. LACKEY: No redirect.

CHAIRMAN JABER: Thank you, Mr. Lackey. And there were no exhibits?

MR. LACKEY: There were no exhibits.

CHAIRMAN JABER: Thank you, Mr. Smith, for your testimony.

Staff, I see nothing else that needs to be done today except perhaps announcing when your, when the briefs are due, when the staff's recommendation is due.

MS. CHRISTENSEN: Currently briefs are due August 19th, 2003, and the recommendation is currently scheduled to go to the November 4th agenda.

CHAIRMAN JABER: Okay. Sounds good.

Parties, before we adjourn for the day, is there anything that needs to come before this Commission?

Okay. I want to thank all the parties for clearly talking to their witnesses. It was a very efficient hearing, and I appreciate everyone's hard work.

I have one request, and I think the Commissioners would join in this request. We've asked a lot of questions and I think all parties made offers through testimony and some concessions through testimony. My usual request is appropriate here. It seems like there's an opportunity for additional dialogue. And, Ms. White, you and Mr. Melson and Mr. O'Roark and Ms. Kaufman know each other really well. I would hope that you'd get together and follow up on what was said in the

hearing. Because maybe by the time this comes to agenda, it's in the form of approving an agreement as opposed to deciding individual issues.

Commissioners, with no other thing being said, this hearing is adjourned. Thank you.

(Hearing concluded at 12:15 p.m.)

- - - - -

STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

WE, JANE FAUROT, RPR, LINDA BOLES, RPR, and TRICIA DeMARTE, RPR, Official Commission Reporters, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that we stenographically reported the said proceedings; that the same has been transcribed under our direct supervision; and that this transcript constitutes a true transcription of our notes of said proceedings.

WE FURTHER CERTIFY that we are not a relative, employee, attorney, or counsel of any of the parties, nor are we a relative or employee of any of the parties' attorneys or counsel connected with the action, nor are we financially interested in the action.

DATED THIS 4th DAY OF AUGUST, 2003.

Linda Boles

LINDA BOLES, RPR
Official Commission Reporter
(850) 413-6734

Tricia DeMarte

TRICIA DeMARTE, RPR
Official Commission Reporter
(850) 413-6736

Jane Faurot

JANE FAUROT, RPR, CHIEF
Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. and Request for Expedited Relief

Docket No. 020507-TP

Filed: December 9, 2002

/

ITC^DeltaCom Communications, Inc.'s Responses to BellSouth Telecommunications, Inc.'s Interrogatories And Production of Document Requests

INTERROGATORIES

1. For each Interrogatory, identify the person or persons providing information in response thereto.

RECEIVED
DEC 1 0 2002
U.S. MAIL-REG. RELATIONS
TALLAHASSEE, FL

ITC^DELTACOM'S RESPONSE:

See the person identified in each interrogatory.

2. Do you contend that the Florida Public Service Commission has jurisdiction over Broadband Services?

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom objects to BellSouth's definition of "Broadband Services." There is also a false premise embedded in the question of jurisdiction to regulate Broadband Services. This proceeding is intended to address the anticompetitive behavior of BellSouth in leveraging its provision of FastAccess in conjunction with its provision of voice service to inhibit competition in the voice services market. The proceeding is not intended to create comprehensive regulation of FastAccess. Notwithstanding, ITC^DeltaCom contends the FPSC has jurisdiction over intrastate telecommunications services. In the context of this proceeding, ITC^DeltaCom contends that the FPSC has jurisdiction over the broadband transport that is accomplished through the use of regulated telecommunications facilities but not the underlying internet service unless that internet service is bundled with regulated services and provided over regulated facilities.

Response provided by: Nanette Edwards, Esq.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 1
COMPANY/ WITNESS: Staff / Stip #1
DATE: July 24, 2003

3. If the answer to Interrogatory No. 2 is in the affirmative, please cite all statutes, rules, regulations, orders, or other legal authority that support your contention.

ITC^DELTACOM'S RESPONSE:

The FPSC has jurisdiction over anticompetitive behavior pursuant to Sections 364.01(4) and 364.051(5), Florida Statutes. ITC^DeltaCom further objects to the extent that this question seeks information that is protected on the basis of attorney work product.

Response provided by: Nanette Edwards, Esq.

4. Do you contend that the Florida Public Service Commission has jurisdiction over Cable Modem service?

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom objects to this interrogatory on the basis that the provision of cable modem service is not relevant to any issue identified in this proceeding nor reasonably calculated to lead to the discovery of any admissible evidence in this proceeding. Notwithstanding its objection and without waiver, a cable modem is customer premises equipment over which the FPSC does not have jurisdiction. It is ITC^DeltaCom's understanding that internet access that is provided through the use of cable television plant is not within the jurisdiction of the FPSC because the underlying facilities and services are not regulated telecommunications facilities. In the context of this proceeding, ITC^DeltaCom contends that the FPSC has jurisdiction over the broadband transport that is accomplished through the use of regulated telecommunications facilities but not the underlying internet service unless that internet service is bundled with regulated services and provided over regulated facilities.

Response provided by: Nanette Edwards, Esq.

5. If the answer to Interrogatory No. 4 is in the affirmative, please cite all statutes, rules, regulations, orders, or other legal authority that support your contention.

ITC^DELTACOM'S RESPONSE:

See Response to Interrogatory No. 3. ITC^DeltaCom further objects to the extent that this question seeks information that protected on the basis of attorney work product.

Response provided by: Nanette Edwards, Esq.

6. Please state whether ITC"DeltaCom provides Broadband Service and/or DSL service to customers in Florida.

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom does not provide "DSL" services; ITCD does not provide cable modem service; and ITC^DeltaCom does not provide wireless broadband. ITC^DeltaCom does provide internet service via a TDM/T1 access service.

Response provided by: Elisha Kusen

7. If the answer to Interrogatory No. 6 is in the affirmative, please:

i. Describe with particularity the nature of the Broadband Service and/or DSL service ITC^DeltaCom is providing in Florida, including a description of the protocols used (e.g., ADSL, IDSL, Cable Modem, etc.) as well as all applicable rates, terms, and conditions of such service;

ITC^DELTACOM'S RESPONSE:

See response to 6 above. ITC^DeltaCom objects to providing the rates, terms and conditions of the internet service it provides via a T-1 on the basis that such information is not relevant to any issue identified in this proceeding and not reasonably calculated to lead to the discovery of any admissible evidence. ITC^DeltaCom further objects that on the basis that such information is privileged as a trade secret.

ii. State the total number of customers to whom ITC^DeltaCom is providing Broadband Service and/or DSL service in Florida, including stating the total number of residential and business customers being provided such service;

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom again objects to BellSouth's definition of "Broadband Service". Notwithstanding its objection, ITC^DeltaCom has 0 residential customers that use a T-1. ITC^DeltaCom does know how many of its T1 customers also have internet service. ITC^DeltaCom does not maintain its records in this fashion.

Response provided by: Elisha Kusen

iii. Describe with particularity the nature of the technology used to provide the Broadband Service and/or DSL service; including, but not limited to, the number of customers served by the particular technology (e.g., if xDSL based the number of customers served by IDSL, the number of customers served by ADSL, etc.);

ITC^DELTACOM'S RESPONSE:

See Response to Interrogatories 7(i) and (ii.)

Response provided by: Elisha Kusen

iv. State whether ITC^DeltaCom utilized its own broadband equipment or purchased broadband connectivity from another provider;

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom objects to this interrogatory on the basis that "connectivity" is unclear, vague and ambiguous. Further, BellSouth does not define the term "connectivety" in the context of this interrogatory. Notwithstanding its objection and without waiver, based on the context of the question, ITC^DeltaCom leases the T-1 local access loop from the ILEC. All other equipment and service is provided by ITC^DeltaCom.

Response provided by: Elisha Kusen

v. If ITC^DeltaCom purchased connectivity from another provider, state the provider from whom the connectivity was purchased and describe with particularity the nature of the broadband service ITC^DeltaCom is purchasing in Florida, including, but not limited to a description of the protocols (e.g., ADSL, IDSL, DOCSIS) used, the rates, terms and conditions of the service, the number of circuits purchased specifying the location of the circuits by central office, remote terminal, or other location, and specifying the number of potential or qualified business and residential lines available from the provider specifying the location of the potential or qualified business lines by central office, remote terminal or other location

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom objects to this interrogatory on the basis that "connectivity" is unclear, vague and ambiguous. As noted in response to interrogatory 7 (i) ITC^DeltaCom provides broadband transport through the use of TDM/T1. ITC^DeltaCom does not use any of the protocols used as examples in the interrogatory. The rates terms and conditions under which ITCD obtains a T1 are set forth in the tariffs of each of the ILECs in Florida or in the interconnection agreements under which ITCD obtains unbundled network elements. These documents are a matter of public record and are available to BellSouth from the Florida Public Service Commission. The number of T1 circuits purchased and

their location is not relevant to any issue in this proceeding. BellSouth does not define a "qualified customer", hence ITCD can not state whether there are any qualified customers whether business or residential in those areas where ITCD provides T1 service.

Response provided by: Elisha Kusen

8. If the answer to Interrogatory No. 6 is in the negative, please:

i. Describe with particularity all reasons, whether technical, financial, or otherwise, why ITC^DeltaCom does not provide its own Broadband Service and/or DSL Service to customers in Florida; and

ITC^DELTACOM'S RESPONSE:

Not applicable.

ii. Identify all documents referring or relating to ITC^DeltaCom's decision not to provide its own Broadband Service and/or DSL service to customers in Florida.

ITC^DELTACOM'S RESPONSE:

Not applicable.

9. Please state whether ITC^DeltaCom provides Broadband Service and/or DSL service to customers in states other than Florida.

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom objects on the grounds that what ITC^DeltaCom provides in other states is not relevant to any issue identified in this proceeding and not reasonably calculated to lead to the discovery of admissible evidence. Notwithstanding its objection, ITC^DeltaCom provides a TDM/T-1 based services in other BellSouth states.

10. If the answer to Interrogatories No. 9 is in the affirmative, please:

i. Identify those states in which ITC^DeltaCom provides Broadband Service and or DSL service;

ITC^DeltaCom Response:

ITCD provides TDM/T1 based service in each of the other BellSouth states.

ii. Describe with particularity the nature of the Broadband Service and/or DSL service ITC^DeltaCom is providing in each such state, including a description of the protocols used (e.g., ADSL, IDSL, Cable Modem, etc.) as well as all applicable rates, terms and conditions of such service; and

ITC^DeltaCom Response:

As noted in response to interrogatory 7 (v) ITC^DeltaCom provides broadband transport through the use of TDM/T1. ITC^DeltaCom does not use any of the any of the protocols listed in the example. ITC^DeltaCom objects to providing the rates, terms and conditions of the internet service it provides via a T-1 on the basis that such information is not relevant to any issue identified in this proceeding and not reasonably calculated to lead to the discovery of any admissible evidence. ITC^DeltaCom further objects that such information is privileged as a trade secret.

iii. State the total number of customers to whom ITC^DeltaCom is providing Broadband Service and/or DSL service in each such state, including stating the total number of residential and business customers being provided service.

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom objects to providing the number and type of customers of its TDM/T1 service in other states on the grounds that it is not relevant nor reasonably calculated to lead to the discovery of admissible evidence.

11. If ITC^DeltaCom provides Broadband Service and/or DSL service, will ITC^DeltaCom provide such service to an end user customer irrespective of whether that customer also purchases telecommunications service from ITC^DeltaCom (i.e., does ITC^DeltaCom provide a stand-alone Broadband Service and/or DSL service)?

ITC^DELTACOM'S RESPONSE:

As noted previously, ITC^DeltaCom does offer a T-1 based internet service. This service is provided on a stand alone basis. ITCD does not provide any DSL service.

Response provided by: Elisha Kusen

12. If the answer to Interrogatory No. 11 is in the affirmative, please:

i. Describe with particularity the nature of the stand-alone Broadband Service and/or DSL service ITC^DeltaCom is providing, including identifying the states in which such service is provided and including a description of the protocols used (e.g., ADSL, IDSL, Cable Modem, etc.) as well as all applicable rates, terms and conditions;

ITC^DELTACOM'S RESPONSE:

See ITCD response to Interrogatory 10(ii).

Response provided by: Elisha Kusen

ii. State the total number of customers to whom ITC^DeltaCom is providing the stand-alone Broadband Service and/or DSL service, including stating the total number of residential and business customers being provided such service in each state; and

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom does not track this information and can not obtain this information without a special study. ITC^DeltaCom objects on the grounds that it would be unduly burdensome to research every business account to determine whether that account only had internet service.

Response provided by: Elisha Kusen

iii. Identify all documents referring or relating to the stand-alone Broadband Service and/or DSL service ITC^DeltaCom is providing.

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom objects on the grounds that this information is not relevant to any issue identified in this proceeding nor reasonably calculated to lead to the discovery of any admissible evidence. The breadth and nonspecificity of this request makes responding to such request burdensome and oppressive. ITC^DeltaCom further objects on the basis that this information is privileged as a trade secret.

Response provided by: Nanette Edwards

13. If the answer to Interrogatory No. 11 is in the negative, please:

i. Describe with particularity the reasons, whether technical, financial or otherwise, why ITC^DeltaCom does not provide its own Broadband

Service and/or DSL service to customers of other voice providers in Florida;

ITC^DeltaCom Response:

Not applicable.

ii. Identify the equipment providers and/or venders with whom you have had discussions concerning the potential purchase of equipment capable of providing DSL services;

ITC^DeltaCom Response:

Not applicable.

iii. State the date when discussions with equipment providers and/or venders took place;

ITC^DeltaCom Response:

Not applicable.

iv. Describe with particularity the nature of any such discussion and/or agreement; including, but not limited to applicable rates, price quotes, terms and conditions for the purchase of equipment capable of providing DSL services;

ITC^DeltaCom Response:

Not applicable.

v. Identify all documents referring or relating to ITC^DeltaCom's decision not to provide its own Broadband Service and/or DSL service to customers of other voice providers in Florida as well as all documents referring or relating to discussions between you and equipment vendors and/or providers.

ITC^DELTACOM'S RESPONSE:

Not applicable.

14. Identify each market in which ITC^DeltaCom is providing DSL service and state the number of customers in each such market to whom the service is being provided, including stating the total number of residential and business customers being provided such service.

ITC^DELTACOM'S RESPONSE:

ITCM objects to this interrogatory on the basis that the term "market" is vague and ambiguous. BellSouth has not defined the term for purposes of this question. ITCD further objects on the basis that the number of customers to its internet service is not relevant to any issue in this proceeding. Notwithstanding, see response to Interrogatory 7(ii).

Response provided by: Elisha Kusen

15. Describe with particularity ITC^DeltaCom's DSL network; including, but not limited to, identifying the location of that network and describing the specific equipment that comprises that network, identifying the vendor and/or provider of the DSL equipment, the number, manufacturer, and size of DSLAMs installed in that network by central office, remote terminal or other location, as well as the total number of collocation sites in which ITC^DeltaCom has collocated its facilities with facilities of BellSouth.

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom does not have a DSL network.

Response provided by: Elisha Kusen

16. Has ITC^DeltaCom at any time entered into any agreement or held any discussions with any Cable Modem service provider regarding a joint offering or package of services involving ITC^DeltaCom's voice service and the Cable Modem service provider's Broadband Service.

ITC^DELTACOM'S RESPONSE:

No.

Response provided by: Elisha Kusen

17. If the answer to Interrogatory No. 16 is in the affirmative, please:

i. Identify the Cable Modem service provider with whom you have had such an agreement or discussions;

ITC^DeltaCom Response:

Not applicable.

ii. State the date when such agreement was executed or such discussions took place;

ITC^DeltaCom Response:

Not applicable.

iii. Describe with particularity the nature of such an agreement or discussions, including applicable rates, terms, and conditions for a joint offering or package of services involving ITC^DeltaCom's voice service and the Cable Modem service provider's Broadband Service; and

ITC^DeltaCom Response: Note applicable

iv. Identify all documents referring or relating to such an agreement or discussions.

ITC^DELTACOM'S RESPONSE:

Not applicable.

18. If the answer to Interrogatory No. 16 is in the negative, please describe with particularity all reasons, whether technical, financial, or otherwise, why ITC^DeltaCom has decided not to enter into an agreement or discussions with a Cable Modem service provider concerning a joint offering or package of services involving ITC^DeltaCom's voice service and the Cable Modem service provider's Broadband Service.

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom objects to this interrogatory on the grounds that it is not relevant to any issue identified in this proceeding nor reasonably calculated to lead to the discovery of any admissible evidence.

Response provided by: Nanette Edwards

19. Has ITC^DeltaCom at any time entered into an agreement or held any discussions with any DSL service provider and/or wholesale DSL network provider regarding (a) a joint offering or package of services involving ITC^DeltaCom's voice service and the DSL service providers' Broadband Service, including, but not limited to, engaging in line splitting; and/or (b) purchasing a wholesale broadband package for the purpose of creating a retail broadband service offering?

ITC^DELTACOM'S RESPONSE:

(a). ITC^DeltaCom has had discussions with BellSouth regarding an agent relationship. Those discussions were held in the 1999 or 2000 time frame. ITC^DeltaCom also has had discussions with Earthlink regarding DSL, but has not executed an agreement.

(b) Yes, ITC^DeltaCom has an agreement with BellSouth.

Response provided by Elisha Kusen.

20. If the answer to Interrogatory No. 19 is in the affirmative, please:

i. Identify the DSL service provider with whom ITC^DeltaCom has had such an agreement or discussions;

ITC^DELTACOM'S RESPONSE:

BellSouth and Earthlink.

Response provided by: Elisha Kusen

ii. State the date when such an agreement was executed or such discussions took place;

ITC^DELTACOM'S RESPONSE:

Regarding BellSouth, BellSouth has all documents and records relating to such discussion. Regarding Earthlink, the discussions regarding DSL took place around June – July 2002.

Response provided by: Elisha Kusen

iii. Describe with particularity the nature of such an agreement or discussions, including applicable rates, terms, and conditions for (a) a joint offering or package of services involving ITC^DeltaCom's voice service and the DSL service provider's Broadband Service and/or (b) a wholesale offering or wholesale broadband package.

ITC^DELTACOM'S RESPONSE:

Regarding Bellsouth, BellSouth has the agreement between ITC^DeltaCom and BellSouth. Regarding Earthlink, no agreement for DSL was executed. ITC^DeltaCom objects that any discussions with Earthlink are not relevant to any issue identified in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. ITCD further objects on the basis that the information sought by the interrogatory is privileged as a trade secret.

Response provided by: Elisha Kusen

iv. Identify all documents referring or relating to such an agreement or discussions.

ITC^DELTACOM'S RESPONSE:

See BellSouth/ITC^DeltaCom agreement already in the possession of BellSouth.

Response provided by: Elisha Kusen

21. If the answer to Interrogatory No. 19 is in the negative, please describe with particularity all reasons, whether technical, financial, or otherwise, why (a) ITC^DeltaCom has not entered into an agreement or discussions with any DSL service provider concerning a joint offering or package of services involving the ITC^DeltaCom member's voice service and the DSL service provider's Broadband Service, including, but not limited to, engaging in line splitting; and/or (b) ITC^DeltaCom has not entered into an agreement or discussions with any wholesale DSL service providers.

ITC^DELTACOM'S RESPONSE:

Not applicable.

22. If you currently provide Broadband Service, do you have any objection to the Public Service Commission in those states in which you provide such service from requiring you to provide Broadband Service to an end user customer irrespective of whether that customer also purchases telecommunications service from you (i.e., requiring you to provide a stand-alone Broadband Service)? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom objects that this interrogatory is not relevant to whether BellSouth is illegally tying its DSL product to its regulated voice produce in an effort to stop local competition and whether Bellsouth is preventing customer choice. Notwithstanding this objection, see ITC^DeltaCom response to Interrogatory 11.

Response provided by: Elisha Kusen

23. If you currently provide DSL Service, do you have any objection to the Public Service Commission in those states in which you provide such service from requiring you to provide DSL Service over the unbundled loops purchased by any and all other ALECs operating in those states? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

ITC^DELTACOM'S RESPONSE:

Not applicable.

24. Do you have any objection to BellSouth, or any ALEC, utilizing free of charge the high frequency portion of unbundled loops purchased by you to (a) provision DSL Service to your end user customers; and (b) access the unbundled loop to perform testing, repair, maintenance, and/or troubleshooting? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

ITC^DELTACOM'S RESPONSE:

(a) ITC^DeltaCom has already offered to allow BellSouth to use free of charge the high frequency portion of the unbundled loops used to provide local service for BellSouth to continue to provide DSL service to the end user. BellSouth refused the offer stating it was their policy to not continue DSL on a UNE-P loop.

(b) As long as BellSouth notifies us of their intent to perform testing, repair, maintenance and/or troubleshooting that might impair the voice service such that we can inform our customer, ITC^DeltaCom has no objection. The Parties currently have language in the interconnection agreement regarding such notice. [see Attachment 2 page x.]

Response provided by: Elisha Kusen

25. Do you have any objection to BellSouth, or any ALEC, taking whatever steps are necessary in order to provision its DSL Service over unbundled loops purchased by you to provision DSL Service to your end user customers? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom objects to this Interrogatory on the basis that "whatever steps" is vague and ambiguous. ITC^DeltaCom cannot answer this Interrogatory without additional information.

Response provided by: Elisha Kusen

26. What rates, terms and conditions, if any, do you contend should apply when BellSouth, or any ALEC, uses the high frequency portion of an unbundled loop purchased by you to provide DSL Service to your end user customers?

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom believes that there should be no charge solely for the use of the high frequency portion of the unbundled loop to the extent that no expenses are incurred in enabling the use of high frequency spectrum. To the extent that there are any identified costs incurred by ITCD to enable such use these costs should be recovered.

Response provided by: Elisha Kusen

27. If BellSouth, or any ALEC, were to use the high frequency portions of an unbundled loop purchased by you for the purpose of providing DSL Service, would you request compensation for such use of the high frequency portion of that loop?

ITC^DELTACOM'S RESPONSE:

See response to Interrogatory 26.

28. If the answer to Interrogatory No. 27 is in the affirmative, state the amount of compensation you would charge and describe with particularity how this charge was calculated.

ITC^DELTACOM'S RESPONSE:

See response to Interrogatory 26.

29. Do you contend that any state or federal laws, rules, or regulations are violated when BellSouth does not provide FastAccess service to carriers that offer DSL service (as contrasted to carriers that do NOT offer DSL service)? If the answer to the foregoing Interrogatory is in the affirmative, state all facts and identify all documents that support this contention.

ITC^DELTACOM'S RESPONSE:

ITC^DeltaCom objects to this interrogatory on the basis that the information sought is irrelevant to any issue identified in this proceeding and not reasonably calculated to lead to the discovery of any admissible in this proceeding. Notwithstanding this objection and without waiver, this proceeding is intended to address the anticompetitive behavior of BellSouth in leveraging its provision of FastAccess in conjunction with its provision of voice service to inhibit competition in the voice services market. This proceeding is not intended to

address the provision of FastAccess to any other carrier regardless of whether such carrier provides its own DSL service.

Response provided by Nanette Edwards.

Respectfully submitted,

FLOYD R. SELF, ESQ.
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 1876
Tallahassee, FL 32302-1876
(850) 222-0720

Nanette S. Edwards, Esq.
ITC^DeltaCom
4092 South Memorial Parkway
Huntsville, AL 35802-4343

Attorneys for ITC^DeltaCom Communications, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Hand Delivery and/or U.S. Mail this 9th day of December, 2002.

Patricia Christensen, Esq.*
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Meredith E. Mays
c/o Nancy H. Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, FL 32301

Vicki Kaufman, Esq.
Joseph A. McGlothlin, Esq.
Florida Competitive Carriers Association
117 S. Gadsden Street
Tallahassee, FL 32301

Michael Gross, Esq.
Florida Cable Telecommunications Association, Inc.
246 E. 6th Avenue, Suite 100
Tallahassee, FL 32303

Floyd R. Self

77C

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. and Request for Expedited Relief

Docket No. 020507-TP

Served: January 10, 2003

/

ITC^DeltaCom Communications, Inc.'s Supplemental Response to BellSouth Telecommunications, Inc.'s Interrogatories And Production of Document Requests

INTERROGATORIES

7. If the answer to Interrogatory No. 6 is in the affirmative, please:

ii. State the total number of customers to whom ITC^DeltaCom is providing Broadband Service and/or DSL service in Florida, including stating the total number of residential and business customers being provided such service;

ITC^DELTACOM'S SUPPLEMENTAL RESPONSE:

ITC^DeltaCom objects that providing the number of its customers is not relevant and is a trade secret. Notwithstanding its objections, ITC^DeltaCom has the following supplemental information part of which is confidential and which is being produced subject to a protective agreement:

[redacted]

RECEIVED
JAN 13 2003
U.S. MAIL REC. RELATIONS

Response provided by: David Freytag

18. If the answer to Interrogatory No. 16 is in the negative, please describe with particularity all reasons, whether technical, financial, or otherwise, why ITC^DeltaCom has decided not to enter into an agreement or discussions with a Cable Modem service provider concerning a joint offering or package of services involving ITC^DeltaCom's voice service and the Cable Modem service provider's Broadband Service.

ITC^DELTACOM'S SUPPLEMENTAL RESPONSE:

ITC^DeltaCom objects to this interrogatory on the grounds that it is not relevant to any issue identified in this proceeding nor reasonably calculated to lead to the discovery of any admissible evidence. Notwithstanding its objections, ITC^DeltaCom has the following supplemental information part of which is confidential and which is being produced subject to a protective agreement:

ITC^DeltaCom has not made a decision to enter or not enter into an agreement or discussions with a Cable Modem provider. The reason ITC^DeltaCom has approached BellSouth several times regarding "line sharing" and not a Cable Modem Provider is because the majority of customers that have DSL are using BellSouth and for those customers that do have Internet through a Cable Modem Provider, ITC^DeltaCom can provide local service to those customers and those customers can still enjoy receiving Internet service from the Cable Modem Provider. ITC^DeltaCom's complaint is that BellSouth disconnects the DSL service altogether when the customer chooses ITC^DeltaCom for local service and ITC^DeltaCom uses UNE-P to provide

local service to that small business and/or residential customer. The Cable Modem Provider does not disconnect its Internet service to the customer simply because the customer chose ITC^DeltaCom as its local provider. ITC^DeltaCom does not run into the BellSouth "tying" arrangement for business customers with 8 lines or more because ITC^DeltaCom can offer a T-1 based service to those mid-size business customers.

In summary, ITC^DeltaCom wants "reverse" line sharing. BellSouth can use the high frequency portion of the loop at no charge (or a charge equivalent to whatever BellSouth assesses DSL providers), and ITC^DeltaCom will provide the local service to the residential or small business customer if the customer so chooses.

Response provided by: David Freytag

20. If the answer to Interrogatory No. 19 is in the affirmative, please:

    i. Identify the DSL service provider with whom ITC^DeltaCom has had such an agreement or discussions;

    ii. State the date when such an agreement was executed or such discussions took place;

    iii. Describe with particularity the nature of such an agreement or discussions, including applicable rates, terms, and conditions for (a) a joint offering or package of services involving ITC^DeltaCom's voice service and the DSL service provider's Broadband Service and/or (b) a wholesale offering or wholesale broadband package.

ITC^DELTACOM'S SUPPLEMENTAL RESPONSE:

ITC^DeltaCom objects that any discussions with Earthlink are not relevant to any issue identified in this proceeding nor is this request reasonably calculated to lead to the discovery of admissible evidence. ITC^DeltaCom further objects on the basis that the information sought by the interrogatory is privileged as a trade secret. Notwithstanding its objections, ITC^DeltaCom has the following supplemental information part of which is confidential and which is being produced subject to a protective agreement:

[redacted]

Response provided by: David James and David Freytag

iv. Identify all documents referring or relating to such an agreement or discussions.

ITC^DELTACOM'S SUPPLEMENTAL RESPONSE:

See response to iii above.

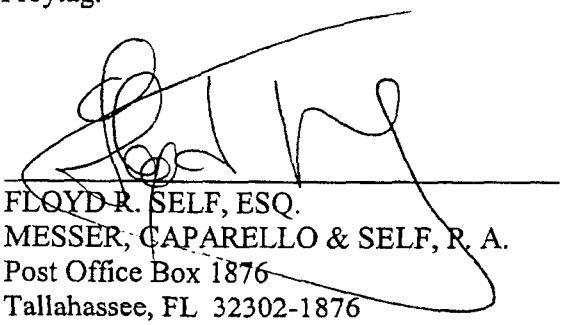
29. Do you contend that any state or federal laws, rules, or regulations are violated when BellSouth does not provide FastAccess service to carriers that offer DSL service (as contrasted to carriers that do NOT offer DSL service)? If the answer to the foregoing Interrogatory is in the affirmative, state all facts and identify all documents that support this contention.

ITC^DELTACOM'S SUPPLEMENTAL RESPONSE:

ITC^DeltaCom objects to this interrogatory on the basis that the information sought is irrelevant to any issue identified in this proceeding and not reasonably calculated to lead to the discovery of any admissible evidence in this proceeding. Notwithstanding this objection and without waiver, this proceeding is intended to address the anticompetitive behavior of BellSouth in leveraging its provision of FastAccess in conjunction with its provision of voice service to inhibit competition in the voice services market. This proceeding is not intended to address the provision of FastAccess to any other carrier regardless of whether such carrier provides its own DSL service. However, ITC^DeltaCom contends that BellSouth's practice of denying retail customer's access to DSL when that customer also chooses ITC^DeltaCom as their local provider is a violation of antitrust laws.

Response provided by David Freytag.

Respectfully submitted,



FLOYD R. SELF, ESQ.
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 1876
Tallahassee, FL 32302-1876
(850) 222-0720

Nanette S. Edwards, Esq.
ITC^DeltaCom
4092 South Memorial Parkway
Huntsville, AL 35802-4343

Attorneys for ITC^DeltaCom Communications, Inc.

CERTIFICATE OF SERVICE

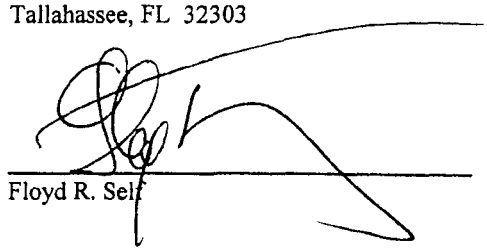
I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Hand Delivery and/or U.S. Mail this 10th day of January, 2003.

Patricia Christensen, Esq.*
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Meredith E. Mays
c/o Nancy H. Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, FL 32301

Vicki Kaufman, Esq.
Joseph A. McGlothlin, Esq.
Florida Competitive Carriers Association
117 S. Gadsden Street
Tallahassee, FL 32301

Michael Gross, Esq.
Florida Cable Telecommunications Association, Inc.
246 E. 6th Avenue, Suite 100
Tallahassee, FL 32303



Floyd R. Self

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Complaint of Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's practice of refusing to provide FastAccess Internet Service to customers who receive voice service from a competitive voice provider and request for expedited relief	)	Docket No. 020507-TL Filed: May 29, 2003

ITC^DELTACOM COMMUNICATIONS, INC.'S RESPONSES AND OBJECTIONS TO BELLSOUTH TELECOMMUNICATIONS, INC.'S SECOND SET OF INTERROGATORIES AND SECOND REQUEST FOR PRODUCTION OF DOCUMENTS

ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom (hereinafter "DeltaCom"), pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.280, 1.340, and 1.350, Florida Rules of Civil Procedure, hereby submit the following Responses to BellSouth Telecommunications, Inc.'s Second Set of Interrogatories and Second Request for Production of Documents to ITC^DeltaCom Communications, Inc.

General Objections

1. DeltaCom objects to BellSouth's Second Set of Interrogatories and Second Request for Production of Documents to the extent that they are overly broad, unduly burdensome, oppressive, not permitted by applicable discovery rules, and would require DeltaCom to disclose information which is privileged.

2. DeltaCom has interpreted BellSouth's discovery requests to apply to DeltaCom's regulated local operations in Florida and will limit its Responses accordingly. To the extent that any discovery request is intended to apply to matters other than Florida intrastate local service operations

subject to the jurisdiction of the Commission, DeltaCom objects to such discovery request as irrelevant, overly broad, unduly burdensome, and oppressive.

3. DeltaCom objects to each and every discovery request and instruction to the extent that such discovery request or instruction calls for information which is exempt from discovery by virtue of the attorney-client privilege, work product privilege or other applicable privilege.

4. DeltaCom objects to each and every discovery request insofar as the discovery request is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these discovery requests. Any Responses provided by DeltaCom in response to BellSouth's discovery requests will be provided subject to, and without waiver of, the foregoing objection.

5. DeltaCom objects to each and every discovery request insofar as the discovery request is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action.

6. DeltaCom objects to BellSouth's general instructions, definitions or specific discovery requests insofar as they seek to impose obligations on DeltaCom which exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

7. DeltaCom objects to providing information to the extent that such information is already in the public record before the Florida Public Service Commission.

8. DeltaCom objects to each and every discovery request, general instruction, or definition insofar as it is unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. DeltaCom objects to each and every discovery request to the extent that the information requested constitutes "trade secrets" which are privileged pursuant to Section 90.506, Florida Statutes. To the extent that BellSouth's discovery requests seek proprietary confidential business information which is not the subject of the "trade secrets" privilege, DeltaCom will make such information available to counsel for BellSouth pursuant to an appropriate Protective Agreement, subject to any other general or specific objections contained herein.

10. DeltaCom has employees located in many different locations in Florida and in other states. In the course of its business, DeltaCom creates countless documents that are not subject to Florida Public Service Commission or FCC retention of records requirements. These documents are kept in numerous locations and are frequently moved from site to site as employees change jobs or as the business is reorganized. Accordingly, when responding DeltaCom will provide all of the information obtained by DeltaCom after a reasonable and diligent search conducted in connection with this discovery request. DeltaCom will comply with BellSouth's discovery requests that a search be conducted of those files that are reasonably expected to contain the requested information. To the extent that the discovery request purports to require more, DeltaCom objects on the grounds that compliance would impose an undue burden or expense.

11. DeltaCom objects to the definition of "DeltaCom" to the extent that such definition seeks to impose an obligation on ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definition is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. Without waiver of its general objection, and subject to other general and specific objections, Answers will be provided on behalf of ITC^DeltaCom Communications, Inc.,

d/b/a ITC^DeltaCom which is the ALEC entity certificated to provide regulated local telecommunications services in Florida and which is a party to this docket. All references to "DeltaCom" in responding to BellSouth's discovery requests should be taken to mean ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom.

12. DeltaCom objects to the definitions of "you" and "your" to the extent that such definitions seek to impose an obligation on ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definition is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. Without waiver of its general objection, and subject to other general and specific objections, Answers will be provided on behalf of ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom which is the ALEC entity certificated to provide local regulated telecommunications services in Florida and which is a party to this docket. All references to "DeltaCom" in responding to BellSouth's discovery requests should be taken to mean ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom.

INTERROGATORIES

INTERROGATORY NO. 1: **For each Interrogatory, identify the person or persons providing information in response thereto.**

ITC^DELTACOM'S RESPONSE: Subject to, and without waiving its general objections, DeltaCom states that Elisha Kusen provided the substantive responses to each interrogatory, with undersigned counsel providing all legal objections.

INTERROGATORY NO. 2: **If a DeltaCom customer that currently receives local voice service, long distance voice service, and voice mail service through DeltaCom chooses to**

switch its local voice service to BellSouth or some other carrier, can the customer keep DeltaCom's voice mail service? If the answer is negative, please explain why DeltaCom will not continue to provide the customer voice mail service.

ITC^DELTACOM'S RESPONSE: Subject to, and without waiving its general objections, DeltaCom states that if a DeltaCom local voice customer switches to another local voice carrier, the customer may retain the voice mail service. DeltaCom notes that this request raises a different question than the local and DSL services at issue in this docket which involve making the high frequency spectrum available to a CLEC customer for provision or continuation of DSL service by BellSouth on a shared local loop where the CLEC provides the local voice service.

INTERROGATORY NO. 3: **For the purposes of this interrogatory, please assume that DeltaCom has a customer, which customer has subscribed to a DeltaCom consumer product offering that provides unlimited long distance calling. If the DeltaCom customer chooses to switch local voice service to BellSouth or some other carrier, can the DeltaCom customer continue to receive unlimited long distance service from DeltaCom? Please explain with particularity the reasons for your answer, including stating all facts and identifying all documents that support your answer.**

ITC^DELTACOM'S RESPONSE: Subject to, and without waiving its general objections, DeltaCom states that the customer cannot continue to receive unlimited long distance because DeltaCom does not have such a stand alone offering.

REQUESTS FOR PRODUCTION OF DOCUMENTS

REQUEST NO. 1: Please product all documents that are identified in or that otherwise support the answers provided in response to BellSouth's Second Set of Interrogatories service May 9, 2003.

ITC^DELTACOM'S RESPONSE: Subject to, and without waiving its general objections, ITC^DeltaCom states that the only documents that may be responsive to this request are the DeltaCom tariffs on file with the Florida Public Service Commission and which are a matter of public record and available to BellSouth.

Respectfully submitted,

FLOYD R. SELF, ESQ.
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 1876
Tallahassee, FL 32302-1876
(850) 222-0720

Nanette S. Edwards, Esq.
ITC^DeltaCom
4092 South Memorial Parkway
Huntsville, AL 35802-4343

Attorneys for ITC^DeltaCom Communications, Inc.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Complaint of Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's practice of refusing to provide FastAccess Internet Service to customers who receive voice service from a competitive voice provider and request for expedited relief	)	Docket No. 020507-TL Filed: July 15, 2003

ITC^DELTACOM COMMUNICATIONS, INC.'S RESPONSES AND OBJECTIONS TO BELLSOUTH TELECOMMUNICATIONS, INC.'S THIRD SET OF INTERROGATORIES – REDACTED VERSION

ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom (hereinafter "DeltaCom"), pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.280, 1.340, and 1.350, Florida Rules of Civil Procedure, hereby submit the following Responses to BellSouth Telecommunications, Inc.'s Third Set of Interrogatories to ITC^DeltaCom Communications, Inc.

General Objections

1. DeltaCom objects to BellSouth's Third Set of Interrogatories to the extent that they are overly broad, unduly burdensome, oppressive, not permitted by applicable discovery rules, and would require DeltaCom to disclose information which is privileged.

2. DeltaCom has interpreted BellSouth's discovery requests to apply to DeltaCom's regulated local operations in Florida and will limit its Responses accordingly. To the extent that any discovery request is intended to apply to matters other than Florida intrastate local service operations subject to the jurisdiction of the Commission, DeltaCom objects to such discovery request as irrelevant, overly broad, unduly burdensome, and oppressive.

3. DeltaCom objects to each and every discovery request and instruction to the extent that such discovery request or instruction calls for information which is exempt from

discovery by virtue of the attorney-client privilege, work product privilege or other applicable privilege.

4. DeltaCom objects to each and every discovery request insofar as the discovery request is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these discovery requests. Any Responses provided by DeltaCom in response to BellSouth's discovery requests will be provided subject to, and without waiver of, the foregoing objection.

5. DeltaCom objects to each and every discovery request insofar as the discovery request is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action.

6. DeltaCom objects to BellSouth's general instructions, definitions or specific discovery requests insofar as they seek to impose obligations on DeltaCom which exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

7. DeltaCom objects to providing information to the extent that such information is already in the public record before the Florida Public Service Commission.

8. DeltaCom objects to each and every discovery request, general instruction, or definition insofar as it is unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. DeltaCom objects to each and every discovery request to the extent that the information requested constitutes "trade secrets" which are privileged pursuant to Section 90.506, Florida Statutes. To the extent that BellSouth's discovery requests seek proprietary confidential business information which is not the subject of the "trade secrets" privilege,

DeltaCom will make such information available to counsel for BellSouth pursuant to an appropriate Protective Agreement, subject to any other general or specific objections contained herein.

10. DeltaCom has employees located in many different locations in Florida and in other states. In the course of its business, DeltaCom creates countless documents that are not subject to Florida Public Service Commission or FCC retention of records requirements. These documents are kept in numerous locations and are frequently moved from site to site as employees change jobs or as the business is reorganized. Accordingly, when responding DeltaCom will provide all of the information obtained by DeltaCom after a reasonable and diligent search conducted in connection with this discovery request. DeltaCom will comply with BellSouth's discovery requests that a search be conducted of those files that are reasonably expected to contain the requested information. To the extent that the discovery request purports to require more, DeltaCom objects on the grounds that compliance would impose an undue burden or expense.

11. DeltaCom objects to the definition of "DeltaCom" to the extent that such definition seeks to impose an obligation on ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definition is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. Without waiver of its general objection, and subject to other general and specific objections, Answers will be provided on behalf of ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom which is the ALEC entity certificated to provide regulated local telecommunications services in Florida and which is a

party to this docket. All references to "DeltaCom" in responding to BellSouth's discovery requests should be taken to mean ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom.

12. DeltaCom objects to the definitions of "you" and "your" to the extent that such definitions seek to impose an obligation on ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definition is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules. Without waiver of its general objection, and subject to other general and specific objections, Answers will be provided on behalf of ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom which is the ALEC entity certificated to provide local regulated telecommunications services in Florida and which is a party to this docket. All references to "DeltaCom" in responding to BellSouth's discovery requests should be taken to mean ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom.

INTERROGATORIES

INTERROGATORY NO. 4: As of December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available) please state:

a. The total number of lines that DeltaCom provides using UNE-P loops leased from BellSouth in Florida, designated by Florida deaveraged UNE rate zones 1, 2, and 3;

b. The total number of lines that DeltaCom provides using unbundled loops (without switching) leased from BellSouth in Florida, designated by Florida deaveraged UNE rate zones 1, 2, and 3;

c. The total number of lines that DeltaCom provides using resold BellSouth lines in Florida, designated by Florida deaveraged UNE rate zones 1, 2, and 3;

d. The total number of lines that DeltaCom provides in Florida using exclusively its own facilities, designated by Florida deaveraged UNE rate zones 1, 2, and 3.

DELTACOM'S RESPONSE: Subject to, and without waiving its General Objections, DeltaCom states in response to this question, including the subparts:

DeltaCom does not track number of lines by zone.

[redacted]

Response provided by: James Pearsall, Sr., Manager Industry Relations

INTERROGATORY NO. 5: From the time period January 2000 to present, state the total number of customers that refused to migrate voice service to DeltaCom because he or she had FastAccess service with BellSouth.

ITC^DELTACOM'S RESPONSE: Subject to, and without waiving its General Objections, DeltaCom states in response to this question: Based on a survey of Sales personnel, DeltaCom estimates that approximately 30% of the sales contacts do not select DeltaCom local service due to the consumer's inability to utilize BellSouth's FastAccess service in conjunction with DeltaCom local voice service.

Further, complaints have been lodged against DeltaCom as a result of not being able to provide voice service to a customer who also has ADSL service provided through BellSouth. Not only does DeltaCom have to deal with this anticompetitive issue but DeltaCom gets the bad press

for it as well. DeltaCom recommends that BellSouth and the Florida Staff contact the Florida Consumer Services Division for a list of all consumer complaints concerning BellSouth's anti-competitive practice of turning off DSL when the customer has a CLEC for UNE-P voice service. However, an example of one such Florida PSC complaint is attached as Attachment B.

Response provided by: Randy Tucker, Vice President–Account Services; Nanette Edwards, Director–Regulatory

INTERROGATORY NO. 6 : If DeltaCom does not know the number of customers that did not migrate to DeltaCom because he or she had FastAccess service with BellSouth, state with particularity why not.

ITC^DELTACOM'S RESPONSE: Not applicable.

INTERROGATORY NO. 7 : If DeltaCom provided a number to 5 above, please explain with particularity the training that DeltaCom performed to enable its customer service representative to track the numbers of customers that did not migrate to DeltaCom.

ITC^DELTACOM'S RESPONSE: Subject to, and without waiving its General Objections, DeltaCom states in response to this question: DeltaCom's customer service representatives did not provide the response to Question 5. DeltaCom employs a salaried sales force to interact with prospective customers. The response to Question 5 was gathered through the company's Sales and Marketing channels, as those are the people who are having the interaction with prospective customers.

Response provided by: Randy Tucker, Vice President–Account Services

INTERROGATORY NO. 8 : **If DeltaCom did not train its customer service representatives to track the numbers of customer that did not migrate to DeltaCom because such customer had FastAccess service with BellSouth describe with particularity why not.**

ITC^DELTACOM'S RESPONSE: Subject to, and without waiving its General Objections, DeltaCom states in response to this question: DeltaCom's customer service representatives are employed to respond to the needs of its existing customers for their billing and other service needs. The customer service representatives do not operate as a sales channel. However, should we institute training and begin tracking the information requested above from calls made into our Customer Care Center, we will forward such information to the Plaintiff's counsel in the class action antitrust suit filed in Federal District Court for the Southern District of Florida, Miami Division regarding the tying of BellSouth's ADSL service to its local service: *Richard Levine v. BellSouth Telecommunications, Inc.*, Civil case number 03-29274-CIV-GOLD, and supplement this discovery request.

Response provided by: Randy Tucker, Vice President–Account Services and Nanette Edwards, Director–Regulatory

INTERROGATORY NO. 9 : **Referring to DeltaCom's response to BellSouth's FCCA Interrogatory No. 15, state whether DeltaCom has set any firm dates to install its own DSL equipment and deploy a DSL network in BellSouth territory. If so, please provide the dates and associated central office or remote terminal locations. If not, please explain with particularity why not.**

ITC^DELTACOM'S RESPONSE: Subject to, and without waiving its General Objections, DeltaCom states in response to this question: DeltaCom has not set a firm date to install its own DSL equipment and deploy a DSL network in BellSouth central offices or remote terminal locations. There are several reasons for not deploying DSLAMs. First, our sales organizations sell throughout the BellSouth territory and not to just select end offices. With over 600 BellSouth end offices and the large number of other ILECs in Florida, installing DeltaCom equipment in the DSLAMs would be cost prohibitive.

The experience of Covad and those other data CLECs that did unsuccessfully try to deploy equipment ubiquitously at the ILEC DSLAMs should be enough indication of the risks that CLECs take in making these investments. Given the current equipment costs, the ILEC rates, and the other ILEC service problems inherent in such deployments, DeltaCom is not willing to take those risks in the existing uncertain regulatory and financial environment.

It is DeltaCom's position that consumers should be able to choose to receive local voice service from DeltaCom and DSL service from Bellsouth on the same line. DeltaCom has offered to provide the high frequency portion to BellSouth at no charge.

Response provided by: Steve Brownworth, Director–Engineering and Planning

INTERROGATORY NO. 10 : State whether DeltaCom has ever resold a BellSouth voice line over which the end user customer receives FastAccess service from BellSouth.

ITC^DELTACOM'S RESPONSE: Subject to, and without waiving its General Objections, DeltaCom states in response to this question: Yes. See Attachment A to this Response, which is a letter from BellSouth to Tom Mullis dated June 25, 2001.

Response provided by: Mary Conquest, Inter-Company Program Manager

Respectfully submitted,

FLOYD R. SELF, ESQ.
MESSER, CAPARELLO & SELF, P. A.
Post Office Box 1876
Tallahassee, FL 32302-1876
(850) 222-0720

Nanette S. Edwards, Esq.
ITC^DeltaCom
4092 South Memorial Parkway
Huntsville, AL 35802-4343

Attorneys for ITC^DeltaCom Communications, Inc.

Docket No. 020507-TL
Attachment A to DeltaCom's Response to
BellSouth Interrogatory No. 10

June 25, 2001

Tom Mullins
DeltaCom Inc.,
700 Blvd South, Suite 101, Huntville, AL, 35802

RE: BellSouth Tariffed Digital Subscriber Line ("DSL") Service on Unbundled Network Element – Platform ("UNE-P") Loops

Dear Tom,

BellSouth has recently discovered that, as a result of a recent failure of a systems edit, BellSouth is currently providing its tariffed Asymmetrical Digital Subscriber Line ("ADSL") service to certain Internet Service Provider ("ISP") customers on one or more UNE-P loops purchased by your company. (A list of the affected telephone numbers is attached hereto.)

Since your company owns all features and functionalities of unbundled loops purchased from BellSouth, BellSouth does not have access to the high frequency spectrum on those loops for purposes of providing tariffed ADSL to its ISP customers. BellSouth thus intends to notify the affected ISPs, within twenty (20) days of the date of this letter, that it will be discontinuing tariffed DSL service on the affected lines. (The affected ISPs include BellSouth® Internet Services.)

To the extent your company desires to have ISPs continue to provide tariffed DSL on the affected lines, those lines could be converted to resold lines. On a resold line, BellSouth would continue to have access to the high frequency spectrum, as your company is only purchasing the low frequency spectrum in a resold situation. Unless we hear to the contrary within twenty (20) days of the date of this letter, the DSL will be disconnected.

Very truly yours,

Gregory R. Follensbee

Attachment

#252061

HAND DELIVERY
DATE 12/5/02
4:30

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing To Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider and Request for Expedited Relief.

Docket No. 020507-TP

/

FLORIDA COMPETITIVE CARRIERS ASSOCIATION'S RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST SET OF INTERROGATORIES (NOS. 1 – 32)

The Florida Competitive Carriers Association (FCCA), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.340 and 1.280(b), Florida Rules of Civil Procedure, hereby provides the following Responses to BellSouth Telecommunications, Inc.'s First Set of Interrogatories (Nos. 1 – 32).[1] In providing these responses, the FCCA does not waive and incorporates herein all of its objections, filed on November 15, 2002, to BellSouth's First Set of Interrogatories.

INTERROGATORIES

INTERROGATORY NO. 1: For each Interrogatory, identify the person or persons providing information in response thereto.

RESPONSE: The responses to Interrogatory Nos. 2 and 4 were provided by Mark Long. The responses to Interrogatory Nos. 30 – 32 were provided by Joseph P. Gillan.

INTERROGATORY NO. 2: Please provide a full listing of all FCCA individual member companies, including the legal name and any trade names or "doing business as" names of each individual member company.

RESPONSE: The FCCA has objected to this interrogatory. Notwithstanding its objection, and without waiving it, the FCCA provides the following list of its members:

RECEIVED
DEC 0 5 2002
DIRECTOR-REG. RELATIONS
TALLAHASSEE, FL

Access Integrated Networks, Inc.

AT&T Communications of the Southern States, Inc.

BTI Corporation

[1] BellSouth's interrogatories were misnumbered. To avoid confusion, the FCCA has used BellSouth's numbering.

e.spire Communications, Inc.

ICG Telecom Group

ITC^Deltacom

KMC Telecom

MCI WorldCom

Mpower Communications Corp.

Network Telephone Corporation

NuVox Communications, Inc.

Supra Telecom

Z-Tel Communications, Inc.

INTERROGATORY NO. 4: Please list the names, titles, and business addresses of the officers, directors, and management employees of FCCA. State also whether each officer, director, and management employee is affiliated with an individual member company of FCCA; if so, provide the title and name of the individual member company.

RESPONSE: The FCCA has objected to this interrogatory. Notwithstanding its objection, and without waiving it, the FCCA provides the following list of its officers and directors:

Mark Long
Executive Director, FCCA

2710 Neuchatel Drive
Tallahassee, FL 32303

Brian Sulmonetti
President, FCCA

MCI WorldCom
8 Concourse Parkway, #3200
Atlanta, GA 30328

Joseph P. Gillan
Secretary, FCCA

3 Oceans West Blvd, Unit 6B8
Daytona Beach Shores, FL 32118

Claudia DaVant
Director, FCCA

AT&T
101 N. Monroe Street, Suite 700
Tallahassee, FL 32301

John D. McLaughlin
Vice-Director, FCCA

KMC Telecom
3025 Breckenridge Boulevard, Suite 170
Duluth, GA 30096

INTERROGATORY NO. 30: With respect to the statement in the Complaint that an objective of this Commission is to "protect consumers in their ability to access a full array of market options – whether that option is basic telecommunications service, broad band service, long distance service, or whatever combination of these and/or other services a particular consumer selects to serve his or her own unique needs" do you contend that seeking to regulate only BellSouth's provision of FastAccess accomplishes this goal? If the answer to the foregoing Interrogatory is in the affirmative, state all facts and identify all documents that support his contention.

RESPONSE: This question contains a false premise with which the FCCA cannot agree. The FCCA does not seek to "regulate" FastAccess but rather to prohibit BellSouth from leveraging its monopoly power by tying the provisioning of FastAccess to BellSouth's voice service. As the incumbent provider, only BellSouth is in a position to thwart market forces and hamper consumer choice.

INTERROGATORY NO. 31: With respect to statement in the Complaint that "the Commission should ensure that its policy decision is applicable to all competitive providers" is it your contention that any company that provides both telecommunications service and Broadband service should be required to provide Broadband service when a customer changes voice providers? If the answer to the foregoing Interrogatory is in the negative, state all facts and identify all documents that support this contention.

RESPONSE: As the issues in this docket make clear, the focus of this case is BellSouth's behavior. The FCCA is unaware of any other provider engaging in the anticompetitive conduct that BellSouth is engaged in.

INTERROGATORY NO. 32: With respect to the allegations in Paragraph 12 of the Complaint, do you contend that the Commission's role is solely focused on the behavior that incumbent local providers and that ALECs do not engage in behavior "that hampers the development of a competitive market"? If the answer to the foregoing Interrogatory is in the affirmative, state all facts and identify all documents that support this contention.

State also whether you contend that the market for Broadband services is competitive; if not, state all facts and identify all documents that support this contention.

RESPONSE: The focus of this docket is the behavior of BellSouth and the anticompetitive effects of such behavior on consumer choice. As the incumbent monopoly in its service territory, BellSouth is uniquely positioned to affect the marketplace. Because ALECs have a very small market share in comparison to BellSouth, they have no ability, or any incentive, to engage in behavior that hampers the development of a competitive market.

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for the Florida Competitive
Carriers Association

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Responses to BellSouth Telecommunications, Inc.'s First Set of Interrogatories (Nos. 1–32) have been furnished by (*) hand delivery, (**) electronic mail, or by U. S. Mail this 5th day of December 2002, to the following:

(*) (**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(*) (**) Nancy White
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) Floyd R. Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32301

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, Alabama 35802

Vicki Gordon Kaufman

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing To Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider and Request for Expedited Relief.

Docket No. 020507-TP

/

FLORIDA COMPETITIVE CARRIERS ASSOCIATION'S RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S SECOND SET OF INTERROGATORIES (NOS. 33 - 36)

The Florida Competitive Carriers Association (FCCA), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provides the following Responses to BellSouth Telecommunications, Inc.'s Second Set of Interrogatories (Nos. 33 - 36). In providing these responses, the FCCA does not waive and incorporates herein all of its objections, filed on December 16, 2002, to BellSouth's Second Set of Interrogatories.

INTERROGATORIES

INTERROGATORY NO. 33: For each Interrogatory, identify the person or persons providing information in response thereto.

RESPONSE: Joseph P. Gillan provided the responses to Interrogatory Nos. 34-36.

INTERROGATORY NO. 34: With respect to the statements in paragraph 4 in the Complaint that "[c]onsumers are reluctant to change voice carriers, when, as a consequence of exercising their right to choose a particular voice provider, they lose the ability to receive DSL service. Consumers are understandably reluctant to change from BellSouth when informed that they will lose their DSL service" state all facts and identify all documents that support these contentions.

RESPONSE: It is simply common sense and human nature, that once a service has been installed, consumers are reluctant to disconnect that service. As Mr. Gillan explains in his direct testimony, most FastAccess subscribers have a vested interest in the service because the majority of them have undertaken work to install the service. They will be reluctant to disconnect the service after that effort. In addition, BellSouth has a very large and pervasive DSL footprint not to mention a very high profile marketing campaign, as well as special deals and discounts for consumers who take FastAccess service. This is a huge barrier for voice providers to overcome if a customer will lose

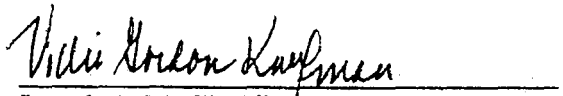
FastAccess simply because the customer prefers a different voice provider. The Commission recognized that customers would be reluctant to switch voice providers if they could no longer receive FastAccess. See, for instance, the April 23, 2002 transcript of the Commission's discussion in the FDN/BellSouth arbitration.

INTERROGATORY NO. 35: With respect to the pre-filed direct testimony of Joseph Gillan, please describe with particularity what Mr. Gillan's reference to "network facilities" (p. 3, lines 1 – 2) means. Is it FCCA's contention that BellSouth is providing an ALEC "the network facilities" when an ALEC serves a former BellSouth end user via an unbundled loop and an ALEC switch? State all facts and identify all documents that support your response.

RESPONSE: Yes. The term "network facilities" referred to in the sentence refers to UNE loops, either provided individually or in combination with local switching (i.e., UNE-P).

INTERROGATORY NO. 36: With respect to the pre-filed direct testimony of Joseph Gillan, please describe with particularity all "problems" that you contend are "created by BellSouth's refusal to provide FastAccess to customers choosing alternative voice provides." (p. 7, lines 17 – 18). State all facts and identify all documents that support your response.

RESPONSE: The "problems" referred to are the inability of consumers to exercise their prerogative to select the voice provider they prefer and the effect that will have on local voice competition. In addition to Mr. Gillan's direct testimony, see his rebuttal testimony filed on December 23, 2002.



Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for the Florida Competitive
Carriers Association

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Responses to BellSouth Telecommunications, Inc.'s First Set of Interrogatories (Nos. 1–32) have been furnished by (*) hand delivery, (**) electronic mail, or by U. S. Mail this 26th day of December 2002, to the following:

(*) (**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(*) (**) Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) Floyd R. Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32301

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, Alabama 35802

Vicki Gordon Kaufman

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing To Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider and Request for Expedited Relief.

Docket No. 020507-TP

HAND DELIVERY
DATE 1/15/03
TIME 4:20 PM

THE FLORIDA COMPETITIVE CARRIERS ASSOCIATION'S RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S THIRD SET OF INTERROGATORIES (NOS. 37 - 67)

The Florida Competitive Carriers Association (FCCA), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provides the following Responses to BellSouth Telecommunications, Inc.'s Third Set of Interrogatories (Nos. 37 - 67). In providing these responses, the FCCA does not waive and incorporates herein all of its objections, filed on January 6, 2003, to BellSouth's Third Set of Interrogatories.

INTERROGATORIES

INTERROGATORY NO. 37: For each Interrogatory, identify the person or persons providing information in response thereto.

RESPONSE:

Interrogatory Nos. 38, 39, 40, 63, 64, 66, 67.	Vicki Gordon Kaufman
Interrogatory Nos. 39, 41-56.	Jay Bradbury
Interrogatory Nos. 57-62, 65.	Sherry Lichtenberg

INTERROGATORY NO. 38: State whether rebuttal witnesses Bradbury and Lichtenberg are testifying in their capacity as employees of AT&T Corp. (AT&T) and WorldCom, Inc. respectively. If FCCA claims that either or both of them are not testifying in their capacity as employees of their respective employers, please identify the basis upon which they are testifying, and identify any written or oral agreements related to their providing testimony in this proceeding, including any arrangements regarding compensation for their time or expenses incurred in providing this testimony.

RESPONSE: As stated on page 4, lines 4-8 of Mr. Bradbury's rebuttal testimony and on page 1, lines 20-21 of Ms. Lichtenberg's rebuttal testimony, Mr. Bradbury and Ms. Lichtenberg are testifying as experts on behalf of the FCCA. They have orally agreed to do so and are testifying based on their years of experience in the telecommunications industry and

RECEIVED
JAN 15 2003
DIRECTOR-REG. RELATIONS

their personal knowledge of BellSouth's systems. Neither is receiving compensation from the FCCA; their respective companies will reimburse them for their expenses.

INTERROGATORY NO. 39: At page 7 of his rebuttal testimony, Mr. Bradbury states, in pertinent part, that "...ALECs have no problem providing BellSouth the permission necessary for BellSouth to serve its existing FA Service Customers or future FA Service Customers who are served by ALEC UNE-P or UNE-L arrangements." With regard to this statement, please state whether Mr. Bradbury has actually spoken to or communicated with any ALECs to ascertain the truth or accuracy of this statement and if he claims he has, please:

i. Identify the ALECs with which he spoke or communicated regarding this matter, and state whether said ALECs specifically authorized Mr. Bradbury to make this representation.

ii. Identify the person with whom he spoke or communicated.

iii. Provide the date on which the communication occurred.

iv. Provide a detailed description of what was said or communicated.

RESPONSE: The FCCA has objected to this question on the basis of the work product and attorney client privileges. Without waiving these objections, the FCCA responds that Mr. Bradbuy has not spoken directly with any particular ALEC regarding this statement in the context of this case, though Mr. Bradbury has had occasion to discuss BellSouth's FastAccess policy with ALECs through his participation in a number of forums, including, for example, the Change Control Process (CCP), the Flow Through Task Force (FTTF) and the Florida Telecommunications Competitive Topics Forum. Mr. Bradbury's testimony represents the FCCA position regarding the issues in the Complaint established before his testimony was prepared.

INTERROGATORY NO. 40: State whether the ALECs, if any, that authorized Mr. Bradbury to make this representation discussed the issue of whether the high frequency portion of the loop would be made available to BellSouth at no charge to BellSouth. If this issue was discussed or otherwise touched upon in any way, please provide, in detail, the substance of the discussion.

RESPONSE: The FCCA has objected to this question on the basis of the work product and attorney client privileges. Without waiving these objections, the FCCA states see response to Interrogatory No. 39.

INTERROGATORY NO. 41: If Mr. Bradbury has not in fact discussed this matter with all of the ALECs in Florida, or even all of the ALECs that are members of FCCA, will AT&T agree to make the high frequency portion of any UNE-P or UNE-L purchased from BellSouth available at no charge for BellSouth's use in providing FastAccess® service to BellSouth's FastAccess® service customers in the event that the Florida Public

Service Commission orders BellSouth to provide FastAccess® service over such facilities.

RESPONSE: The FCCA has objected to this interrogatory. Without waiving its objections, the FCCA states that should, if as a result of the FCCA Complaint, the Florida Public Service Commission order BellSouth to provide FastAccess service over the high frequency portion of ALEC UNE-P or UNE-L purchased from BellSouth, AT&T, consistent with the position of the FCCA in this proceeding, does not intend to charge BellSouth for that access.

INTERROGATORY NO. 42: If the answer to Interrogatory 41 is anything other than an unqualified affirmative answer with regard to AT&T, does AT&T intend to charge BellSouth for the use of such spectrum and if so, at what rate?

RESPONSE: The FCCA has objected to this interrogatory. Without waiving its objections, the FCCA states that this questions is not applicable given the response to Interrogatory No. 41 above.

INTERROGATORY NO. 43: Does Mr. Bradbury claim to be a witness qualified by education, training or experience to give an expert opinion on economic matters?

RESPONSE: Mr. Bradbury is qualified by education, training and experience to opine upon all of the matters discussed in his rebuttal testimony submitted in this docket.

INTERROGATORY NO. 44: If the answer to Interrogatory 43 is anything other than an unqualified negative answer, please provide detailed information about why Mr. Bradbury believes he should be so qualified and identify every proceeding Mr. Bradbury is aware of where he has been qualified as a witness who could give expert testimony on economic matters.

RESPONSE: Mr. Bradbury's educational and professional background is summarized on pages 1-3 of his rebuttal testimony submitted in this docket. Additional information on Mr. Bradbury's education, employment and training is attached hereto. Further, since 1997, Mr. Bradbury has provided testimony, similar in scope to that presented in this docket, multiple times in each of the nine states in the BellSouth region, including testimony before the Florida Public Service Commission in various dockets related to section 271 matters and arbitrations. The forums in which Mr. Bradbury has provided such testimony is a matter of public record.

INTERROGATORY NO. 45: Does Mr. Bradbury dispute that "BellSouth's wholesale DSL service was developed solely for use with BellSouth voice customers?" If so, please provide a detailed explanation of the facts upon which Mr. Bradbury relies in reaching such a conclusion.

RESPONSE: The FCCA has objected to this interrogatory. Without waiving its objections, the FCCA states that Mr. Bradbury can neither dispute nor confirm BellSouth's claim

concerning its wholesale DSL service. However, there is nothing in the DSL or Operations Support System technology available to BellSouth that requires this limitation.

INTERROGATORY NO. 46: Does Mr. Bradbury dispute that "When the provisioning flows, methods, and procedures were developed, the assumption was made that since all customers of BellSouth's wholesale DSL service or its FastAccess® service would be BellSouth voice customers, it would be most efficient to use the "telephone number" as the driver for provisioning, maintenance, billing and record-keeping purposes?" If so, please provide a detailed explanation of the facts upon which Mr. Bradbury relies in reaching such a conclusion.

RESPONSE: The FCCA has objected to this interrogatory. Without waiving its objections, the FCCA states that Mr. Bradbury can neither dispute nor confirm BellSouth's claims concerning the assumptions it made when developing its wholesale DSL Service or its FastAccess® service. However, there is nothing in the DSL or Operations Support System technology available to BellSouth that requires such a limitation.

Further, BellSouth's witnesses point out in their description of BellSouth's tariffed wholesale DSL service (see, for example, the direct testimony of W. Keith Milner, page 3, line 16 – page 4, line 7) that it (1) is not available to end users as a stand-alone service, (2) is a data transport service specifically designed as a network component for Internet Service Providers ("ISPs") and carriers to package as a part of an enhanced, and (3) requires the termination of all wholesale DSL virtual circuits on an ISP, ALEC, IXC, or NSP designated ATM circuit. What this means is that the wholesale DSL product is not identified by a working telephone number but rather by a circuit number. Thus, BellSouth's existing systems used in the provisioning, maintenance, billing and record keeping of DSL must be able to function in the absence of a working telephone number for identification purposes.

INTERROGATORY NO. 47: Does Mr. Bradbury dispute that "Accordingly, all of BellSouth's systems (and the hundreds of supporting sub-systems) were developed using the telephone number as the identifier?" If so, please provide a detailed explanation of the facts upon which Mr. Bradbury relies in reaching such a conclusion.

RESPONSE: The FCCA has objected to this interrogatory. Without waiving its objections, the FCCA states that Mr. Bradbury can neither dispute nor confirm BellSouth's claim concerning the use of the telephone number as the identifier. However, there is nothing in the DSL or Operations Support System technology available to BellSouth that requires such a limitation. As noted in the FCCA response to Interrogatory No. 46, the wholesale DSL identifier is not a working telephone number.

INTERROGATORY NO. 48: Does Mr. Bradbury dispute that "When an ALEC acquires a stand-alone unbundled loop or the UNE-P, the ALEC now becomes the voice provider, and accordingly there no longer is a working BellSouth telephone number in some of

BellSouth's systems?" If so, please provide a detailed explanation of the facts upon which Mr. Bradbury relies in reaching such a conclusion.

RESPONSE: The FCCA has objected to this interrogatory. Without waiving its objections, the FCCA states that Mr. Bradbury does dispute the statement above. Specifically, in the case of UNE-P, there is a working telephone number present in all of the same BellSouth systems as if the customer were still receiving either BellSouth retail service or ALEC resale service.

INTERROGATORY NO. 49: Does Mr. Bradbury dispute that "if the ALEC acquires a stand-alone unbundled loop and attaches such a loop to the ALEC's own switch, any assigned telephone number is in the ALEC's switch rather than in BellSouth's switch?" Is so, please provide a detailed explanation of the facts upon which Mr. Bradbury relies in reaching such a conclusion.

RESPONSE: The FCCA has objected to this interrogatory. Without waiving its objections, the FCCA states no. However, this does not necessarily mean that the telephone number, service address, billing address and other customer profile information contained within BellSouth Internet Services databases has been altered, deleted or rendered useless.

INTERROGATORY NO. 50: Please provide a detailed description of the last time that Mr. Bradbury personally participated, either directly, or even by simply observing, (1) BellSouth taking an order for FastAccess® service, (2) BellSouth provisioning FastAccess® service, and (3) where the service was already provisioned, BellSouth repairing or maintaining FastAccess® service.

RESPONSE: (1) Mr. Bradbury has used BellSouth's on-line FastAccess ® ordering process as recently as December 2002.
(2) (3) Mr. Bradbury has neither participated in nor observed the processes in (2) or (3).

INTERROGATORY NO. 51: Please provide a detailed statement of the facts upon which Mr. Bradbury relies if he claims that he has more experience, more understanding or has more knowledge of the operation of BellSouth's provisioning systems (and also the ordering, billing, repair, and maintenance systems), than Mr. Milner, such that Mr. Bradbury's opinion regarding whether it would take a very large, complex, and detailed internal system change to convert BellSouth's wholesale DSL service or FastAccess® service into offerings available to ALECs, is more accurate than Mr. Milner's opinion.

RESPONSE: The FCCA has objected to this interrogatory. Without waiving its objections, the FCCA states that BellSouth's interrogatory is based upon a proposition or requirement that is not contained within FCCA's Complaint or the identified issues. Specifically, BellSouth's interrogatory encompasses a requirement "to convert BellSouth's wholesale DSL service or FastAccess® service into offerings available to ALECs." Neither the FCCA Complaint nor the identified issues contain such a requirement. The issues at hand are the provisioning of FastAccess ® service to existing end users already purchasing the service and end users desiring to purchase BellSouth FastAccess ®

service in areas in which it is otherwise available. ALECs do not purchase FastAccess ®, offer FastAccess® to their customers, or receive any financial return when BellSouth provides FastAccess ® to such customers.

The facts supporting Mr. Bradbury's position are included in his rebuttal testimony at page 12, line 1 through page 14, line 8 and at page 16, lines 11-21.

INTERROGATORY NO. 52: For the purpose of this interrogatory, please assume that Customer A is a local customer of AT&T, and that AT&T provides Customer A's local service using UNE-P. Assume further that the Florida Public Service Commission has ordered BellSouth to provide Customer A with FastAccess® service, which is being provided over the high frequency portion of the loop that AT&T is using in providing local service to Customer A. Finally, assume that Customer A now has a problem with his or her FastAccess® service.

i. Where should Customer A call to report a problem with the FastAccess® service, AT&T or BellSouth?

ii. If Customer A calls BellSouth, should Customer A call the appropriate business office number for BellSouth, the appropriate repair office or the appropriate Help Desk and technical support personnel? If the answer is to call some other place, please state where Customers A should call regarding problems with his or her FastAccess® service.

iii. If Customer A calls either the BellSouth business office, or the BellSouth repair center, or the BellSouth Help Desk, based on Mr. Bradbury's extensive knowledge of BellSouth's systems, is Customer A going to be asked to provide Customer A's telephone number?

iv. If the responding BellSouth representative puts Customer A's telephone number in to the system currently available to the BellSouth representative, what is going to happen?

v. Based on the existing systems that BellSouth's representatives are using, could the BellSouth representative put the service address into the system the representative uses, and if he or she did, what would the system, as it is currently arranged, tell the BellSouth representative?

vi. Is it FCCA's position that end user subscribers generally know their circuit numbers? If the answer is negative, how does Mr. Bradbury propose that BellSouth use Customer A's circuit number to address Customer A's FastAccess® service problem.

vii. If Mr. Bradbury claims that he does not know the answers to all of the foregoing subparts of this interrogatory, please state in detail the facts upon which he relies to assert, or to imply, that BellSouth can use service

addresses or circuit numbers to address FastAccess® service problems where the ALEC is providing Customer A's voice service.

RESPONSE: i. As is indicated on page 26 of 31 of Exhibit No.__ (JMB-2), Customer A (BellSouth's FastAccess ® customer) should first attempt to "solve your problem yourself by checking the BellSouth online assistance. Then if Customer A still needs assistance with BellSouth's FastAccess ® service "BellSouth's Help Desk and Technical Support personnel are available 24 hours a day, seven days a week." The following contact number is provided for BellSouth Technical Support – 1-888-321-2375, Option 1, 2, 3 for home service, or 2, 2, 2 for business service.

ii. See i. above.

iii. Yes.

iv. Using the assumptions in this item (FastAccess ® over UNE-P), the BellSouth Internet Service Account User Information, including, but not limited to, user identification and service address will be returned to the BellSouth representative, unless BellSouth has taken deliberate (and unnecessary) action to prevent the information from displaying.

v. Yes, the same BellSouth Internet Service Account User Information discussed in iv. above, can be retrieved by BellSouth's representative at the Technical Support number listed in i. above using the service address. In addition that same representative is also capable of obtaining the information discussed in iv., above, starting from the customer's BellSouth Internet Service user identification (fictitious example – JMB6925@bellsouth.net).

vi. This question is not applicable to the assumptions BellSouth has established for this item.

vii. Not applicable.

INTERROGATORY NO. 53: Mr. Bradbury asserts that "Mr. Milner's and Mr. Folge's (sic) claims that development work is required in order to qualify loops for DSL in the absence of a telephone number are inaccurate." Is it Mr. Bradbury's position that when a potential FastAccess® service customer who is presently receiving voice service from an ALEC, calls a BellSouth business office to inquire about FastAccess® service, that the responding service representative using the system presently available to such representatives can qualify the loop that the calling customer is using without any systems changes? If the answer to the foregoing is affirmative, please provide a detailed explanation of the steps that Mr. Bradbury contends that the responding service representative can take to qualify the loop.

RESPONSE: The instructions on BellSouth's FastAccess ® web site to customers who have only address information is to "contact our representative" to determine if DSL can be provided. Exhibit No.___, JMB-2, pages 16, 19, and 25 indicate that the responding service representative has some method by which he or she can satisfy the customer's request. Whether that method is a system currently available directly to the responding service representative or involves the representative forwarding the request to another BellSouth employee is not indicated.

BellSouth has developed and deployed two systems that perform on-line and mechanized DSL loop qualification for ALECs/DLECs (LENS and TAG) it could make available to its employees if it so desired. See Bradbury Rebuttal Testimony, page 13, lines 15-21 and Exhibit No.___, JMB-5.

INTERROGATORY NO. 54: On page 13 and 14 of his testimony, Mr. Bradbury claims "...systems necessary to perform these functions already exist and are available to BellSouth. BellSouth need only train the appropriate personnel on the use of these systems that it has already developed." With regard to this statement"

i. Does Mr. Bradbury know how many people would have to be trained in order to insure that BellSouth's representatives that could receive calls regarding FastAccess® service would be trained to perform the functions to which Mr. Bradbury refers?

ii. Does Mr. Bradbury know what such training would cost and how long it would take? If so, please provide a detailed explanation of Mr. Bradbury's estimate of the cost and the time such training would take.

RESPONSE: i. No.

ii. No. However, utilization of the existing LENS and or TAG systems would reduce any training costs as the systems are in service and the materials necessary to conduct training in their use already exist.

INTERROGATORY NO. 55: Referring to page 10 and the following pages of Mr. Bradbury testimony, if a customer has voice service from the ALEC, and BellSouth has no billing relationship with the customer, does Mr. Bradbury, or the FCCA, object to BellSouth requiring customers to pay for FastAccess® service by credit card? If the answer is anything other than an unqualified negative, please provide a detailed explanation for such answer.

RESPONSE: No.

INTERROGATORY NO. 56: Referring to page 11 of Mr. Bradbury's testimony, beginning at line 8, where Mr. Bradbury states "BellSouth also has the capability to produce bills for customers that do not have working BellSouth telephone numbers," if

the Florid Public Service Commission orders BellSouth to provide FastAccess® service to customers of ALECs, does Mr. Bradbury or the FCCA object to BellSouth charging such customers for the cost of providing such bills to customers that do not have working BellSouth telephone numbers? If the answer is anything other than an unqualified negative, please provide a detailed explanation for the answer.

RESPONSE: Yes. The FCCA position is that no changes in the terms and conditions for FastAccess ® service should occur if the relief it seeks is granted. BellSouth's cost for billing its FastAccess ® customers is included it its calculation of the rates it determines to charge for its services. Both direct billing by BellSouth and credit card billing are available to BellSouth's FastAccess ® customers today. Should BellSouth elect to continue providing both options to its customers, no changes in the rates for FastAccess ® service is justified.

INTERROGATORY NO. 57: At page 2 of her testimony, Ms. Lichtenberg states that MCI "...has encountered a large number of BellSouth customers who receive voice and FastAccss service over the same line. While many of these customers want to migrate to MCI in order to take advantage of the Neighborhood "all distance" voice package, BellSouth's policy of forcing customers to stay with BellSouth for voice service in order to keep their DSL service effectively precludes these consumers from selecting alternative local voice providers." With regard to this statement, please:

i. State whether MCI and Ms. Lichtenberg are claiming that the 5,233 rejects that Ms. Lichtenberg reports on page 3 or her testimony were rejects solely because the customer had FastAccess® service and would not change because of the policy Ms. Lichtenberg is complaining about.

ii. If the answer to the foregoing is affirmative, please state how Ms. Lichtenberg made the determination and identify any documents that support his claim.

iii. If any of the rejections referred to above were for reasons other than the policy Ms. Lichtenberg is complaining about, please identify the actual number of BellSouth customers in Florida that MCI has contacted who wanted to migrate to MCI's local service, but refused to do so because of BellSouth's policy that Ms. Lichtenberg is complaining about.

iv. Please provide the name and telephone number of 20 of these customers. (Since these customers presumably remained customers of BellSouth because of the policy Ms. Lichtenberg complains about, there should be no proprietary MCI information involved in providing just 20 such names and telephone numbers so that BellSouth can verify the accuracy of Ms. Lichtenberg's claims.)

RESPONSE: The FCCA has objected to this interrogatory. Without waiving that objection, the FCCA responds as follows to the subparts of this interrogatory:

i. As a preliminary matter, the FCCA notes that Ms. Lichtenberg's Rebuttal Testimony will be corrected to reflect that there were 5,938 rejects between January 1, 2002 and December 12, 2002. These rejects related to 5,131 telephone numbers, which means that approximately 807 of the rejects involved subsequent attempts to migrate these customers. Subsequent migration attempts may have occurred because the customer's CSR was not updated with the correct DSL status on a timely basis by BellSouth; in such cases, the customer could be migrated because he or she no longer had BellSouth DSL service. Each of the 5,938 rejects in question was received from BellSouth with a reject message indicating that the customer could not migrate because he or she had DSL service on his or her account. Two hundred sixty of the customers involved subsequently became MCI local customers, but some or all of these customers in fact may not have been receiving BellSouth DSL service and initially may have been rejected in error.

ii. MCI received reject messages for each of these transactions. For electronic reject notices, MCI received the G9861 code, meaning "ADSL not allowed with this service." MCI also received a few manual rejection notifications, with one of the following codes:

1000 CLR ACCT HAS ADSL. ND TO CONTACT SVC PROVIDER.
1000 3400-ADSL ON ACCOUNT UNABLE TO PORT REQUESTED NUMBER
1000 2805-USOC NOT COMPATIBLE - USOC: ADSL
1000 ADSL MUST BE RMVD BEFORE CONV ALLWD GPT-ATL
1000 MUST REMOVE ADSL BEFORE SWITCHING
1000 ADSL WILL HAVE TO BE REMOVED PLEASE CONTACT ENDUSER
1000 3400-ADSL ON ACCOUNT UNABLE TO PORT REQUESTED NUMBER

BellSouth should have each of these rejection notifications since it provided them to MCI. A list of the 5,938 rejects is being provided herewith subject to the Protective Agreement between the parties.

iii. According to the reject messages provided by BellSouth, in all 5,938 cases BellSouth rejected the order because the customer had DSL. As noted in response to subpart i, in some instances BellSouth's reject notices may have been in error. Further, it should be noted that this number understates the impact of BellSouth's policy, because it does not include customers who did not order MCI's local service because they learned of BellSouth's policy before an order was placed. MCI does not track the number of these lost sales.

iv. The requested information is provided herewith subject to the Confidentiality Agreement between the parties.

INTERROGATORY NO. 58: In her testimony, Ms. Lichtenberg provides the number of potential MCI customers who had BellSouth FastAccess® service who supposedly refused to move to MCI's local service because of the BellSouth policy Ms. Lichtenberg is complaining about. For the same period that Ms. Lichtenberg reports upon, how many BellSouth customers with FastAccess® service did in fact move to WorldCom Inc.'s local service in Florida?

RESPONSE: The FCCA has objected to this interrogatory. Without waiving that objection, the FCCA states that with respect to the 5,938 rejects received from BellSouth for Florida customers from January 1, 2002 to December 12, 2002, 260 of the customers involved subsequently became MCI local customers. Again, some or all of these customers in fact may not have been receiving BellSouth DSL service and initially may have been rejected in error.

INTERROGATORY NO. 59: At page 3, lines 18 –20, of the rebuttal testimony of Sherry Lichtenberg, she refers to 5,233 rejects "because the customer had FastAccess service." State the total number of Purchase Order Numbers (PONs) submitted to BellSouth in Florida over the same timeframe referred to in the rebuttal testimony.

RESPONSE: CONFIDENTIAL [redacted]

INTERROGATORY NO. 60: Describe with particularity all facts and identify all documents that relate to the statement of Ms. Sherry Lichtenberg "BellSouth has acknowledged that in early 2001 it provisioned DSL service to 718 UNE-P customers."

RESPONSE: The FCCA has objected to this interrogatory. Without waiving its objections, the FCCA states that BellSouth provided the information upon which the FCCA relies in BellSouth's initial and supplemental responses to MCI's First Interrogatory No. 18 and First Document Request No. 1 in Georgia Docket No. 11901-U.

INTERROGATORY NO. 61: How many WorldCom, Inc. local service customers in Florida have some sort of broadband service, that provides the same or similar functions to BellSouth's FastAccess® service, and what percentage of WorldCom Inc.'s total local customers in Florida does this comprise?

RESPONSE: The FCCA has objected to this interrogatory. Without waiving its objections, the FCCA states that the MCI group that provides local service to Florida consumers does not sell DSL or broadband service to its customers, either by itself or in conjunction with any other MCI group or other company. MCI lacks knowledge as to whether its customers receive DSL or broadband service by other means.

INTERROGATORY NO. 62: On page 4 of her testimony, in speaking about providing FastAccess® service via resale, Ms. Lichtenberg states that "BellSouth should not be allowed to dictate ALECs' business plans by preventing them from using the UNE-P service delivery method (or the delivery method of their choice) authorized by this Commission for a given segment of BellSouth's retail customer base." Does Ms. Lichtenberg concede that she is requesting the Florida Public Service Commission to dictate BellSouth's business plan for its unregulated FastAccess® service? Is the answer is other than an unqualified affirmative, please provide a detailed explanation of Ms. Lichtenberg's basis for distinguishing between what she claims BellSouth should not be allowed to do, and what the ALECs want the Florida Public Service Commission to do regarding BellSouth's FastAccess® service business plan.

RESPONSE: The FCCA is requesting the Commission to require BellSouth to change its DSL policy, but only as it relates to BellSouth's provision of wholesale local voice service to ALECs. The Commission is charged with opening the Florida voice market to local competition, and thus it is entirely appropriate that the Commission should prevent BellSouth from using its inherited local voice monopoly to engage in anticompetitive practices that would serve to impair local voice competition.

INTERROGATORY NO. 63: At page 6 of her rebuttal testimony, Ms. Lichtenberg states, in pertinent part, that ALECs are willing to permit BellSouth to provide its DSL service over UNE loops at no cost to BellSouth. With regard to this statement, please state whether Ms. Lichtenberg has actually spoken to or communicated with any ALECs to ascertain the truth or accuracy of this statement and if she claims she has, please:

i. Identify the ALECs with which she spoke or communicated regarding this matter, and state whether said ALECs specifically authorized Ms. Lichtenberg to make this representation.

ii. Identify the person with whom she spoke or communicated.

iii. Provide the date on which the communication occurred.

iv. Provide a detailed description of what was said or communicated.

RESPONSE: The FCCA has objected to this interrogatory on the basis of the work product and attorney client privileges. Without waiving these objections, the FCCA responds that Ms. Lichtenberg has not spoken directly with any particular ALEC regarding this statement in the context of this case. Ms. Lichtenberg's testimony represents the FCCA position regarding the issues in the Complaint established before her testimony was prepared.

INTERROGATORY NO. 64: State whether the ALECs, if any, that authorized Ms. Lichtenberg to make this representation discussed the issue of whether the high frequency portion of the loop would be made available to BellSouth at no charge to BellSouth, as

Ms. Lichtenberg suggests at page 6 of her testimony. If this issue was discussed or otherwise touched upon in any way, please provide, in detail the substance of the discussion.

RESPONSE: The FCCA has objected to this interrogatory on the basis of the work product and attorney client privileges. Without waiving these objections, the FCCA states see response to Interrogatory No. 63.

INTERROGATORY NO. 65: If Ms. Lichtenberg has not in fact discussed this matter with all of the ALECs in Florida, or even all of the ALECs that are members of FCCA, will WorldCom, Inc. agree to make the high frequency portion of any UNE-P or UNE-L purchased from BellSouth available at no charge for BellSouth's use in providing FA Service to BellSouth's FA customers in the event that the Florida Public Service Commission orders BellSouth to provide FA service over such facilities?

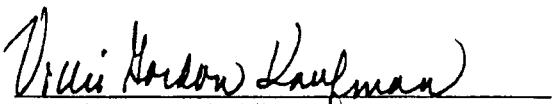
RESPONSE: The FCCA has objected to this interrogatory. Without waiving these objections, the FCCA states that Ms. Lichtenberg's testimony deals with UNE-P only. MCI agrees to make the high frequency portion of any UNE-P loop purchased from BellSouth available at no charge for BellSouth's use in provisioning FastAccess service to BellSouth customers.

INTERROGATORY NO. 66: Referring to the rebuttal testimony of Mr. Joseph Gillan, page 18, lines 6 –7, describe with particularity whether any FCCA members have explored partner[ing] with competing DSL providers." Also, describe with particularity when "partner[ing] with competing DSL provides . . . ma[kes] sense." State all facts and identify all documents that support your response.

RESPONSE: The FCCA has objected to this interrogatory.

INTERROGATORY NO. 67: Referring to the rebuttal testimony of Jay Bradbury, page 8, lines 9 – 11, is it AT&T's practice to provide discounts available when customers elect bundled service offerings generally available when the customer no longer purchases the entire bundle? State all facts and identify all documents that support your response.

RESPONSE: The FCCA has objected to this interrogatory.



Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for the Florida Competitive
Carriers Association

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Responses to BellSouth Telecommunications, Inc.'s Third Set of Interrogatories (Nos. 37 - 67) have been furnished by (*) hand delivery, (**) electronic mail, or U. S. Mail this 15th day of January 2003, to the following:

(*) (**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(*) (**) Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) Floyd R. Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32301

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, Alabama 35802

Vicki Gordon Kaufman

JAY M. BRADBURY

Education:

The Citadel 1966
B.A. History

The University of South Carolina 1969
Additional undergraduate courses to qualify for Masters Program
- Marketing
- Commercial and Central Banking

North Carolina State University 1971-1972
Graduate Courses in Masters of Economics Program
- Incremental Employment Theory
- Management Policy and Decision Making
- Price Theory
- Production Prices
- Industrial Management
- Social Science Consequences of Management Practices

Employment:

1966-1970	US Air Force Intelligence Officer (continued in Reserve Program until retirement as a Lt. Colonel in 1994)
1970-1984	Southern Bell (various positions as described in testimony)
1984-	AT&T (various positions as described in testimony)

Training:

Air Force / Reserve Career

Air Intelligence Officer Course
Squadron Officer School
Air Command and Staff College
Symposium on Strategic Intelligence

Telecommunications Career

Communications Workshop
Programmed Training for Outward Toll
Interpersonal Managing Skills
Traffic Service Position System (TSPS) Traffic Engineering
TSPS Facilities Management
Network Management

TSPS Facilities Management Advanced
Managing the Problem Solving Process
TSPS Operator Initial Training
TSPS A Facilities Primer
Number 5 ACD Facilities Planning and Administration
Technical Planning Concepts
Basic Engineering Economics
Management Potential Appraisal
Sales Assessment Process
Fortran Programming
Second Level Equipment Engineering
TSPS Current Developments
Toll Alternatives Studies Program
Advanced Engineering Economics
Integrated Facilities and Force Administration
UNIX Programming
Shell Command Language
3B2 System Administration, Installation and Maintenance
Leading From Within: The Power of Self-Leadership
Basic Telecommunications Principles for Network Engineering
Leading Performance Improvement Teams
Process Quality Management and Improvement
Negotiating Understanding
Rutgers University Advanced Management Program
University of Houston Executive Seminar
An Introduction to Cellular Communications
AT&T Policy Planning and Policy
Management and Analysis of Exchange Carrier Pricing
Building Leadership Teams
Basic Negotiating Skills
Advanced Negotiating Skills
Project Management Estimating and Risk
Project Management Scope, Scheduling and Cost
Quality for Project Management
Managing Projects in Organizations
Project Management Contracting and Negotiation Skills
Project Management Simulation

Other

State of North Carolina Real Estate Broker's License Certification Course

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing To Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider and Request for Expedited Relief.

Docket No. 020507-TP

/

THE FLORIDA COMPETITIVE CARRIERS ASSOCIATION'S SUPPLEMENTAL RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S THIRD SET OF INTERROGATORIES (NOS. 58, 62)

The Florida Competitive Carriers Association (FCCA), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provides the following Supplemental Responses to BellSouth Telecommunications, Inc.'s Third Set of Interrogatories (Nos. 58, 62). In providing these responses, the FCCA does not waive and incorporates herein all of its objections, filed on January 6, 2003, to BellSouth's Third Set of Interrogatories.

INTERROGATORIES

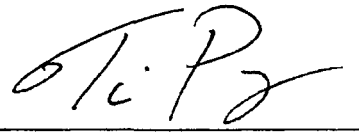
INTERROGATORY NO. 58: In her testimony, Ms. Lichtenberg provides the number of potential MCI customers who had BellSouth FastAccess® service who supposedly refused to move to MCI's local service because of the BellSouth policy Ms. Lichtenberg is complaining about. For the same period that Ms. Lichtenberg reports upon, how many BellSouth customers with FastAccess® service did in fact move to WorldCom Inc.'s local service in Florida?

SUPPLEMENTAL RESPONSE: The FCCA has objected to this interrogatory. Without waiving that objection, the FCCA states that MCI does not track and therefore does not know the number of customers who may have dropped their FastAccess® service prior to the initial submission of an order on their behalf for MCI's voice service. With respect to the 5,938 rejects received from BellSouth for Florida customers from January 1, 2002 to December 12, 2002, 260 of the customers involved subsequently became MCI local customers. Again, some or all of these customers in fact may not have been receiving BellSouth DSL service and initially may have been rejected in error.

INTERROGATORY NO. 62: On page 4 of her testimony, in speaking about providing FastAccess® service via resale, Ms. Lichtenberg states that "BellSouth should not be allowed to dictate ALECs' business plans by preventing them from using the UNE-P

service delivery method (or the delivery method of their choice) authorized by this Commission for a given segment of BellSouth's retail customer base." Does Ms. Lichtenberg concede that she is requesting the Florida Public Service Commission to dictate BellSouth's business plan for its unregulated FastAccess® service? Is the answer is other than an unqualified affirmative, please provide a detailed explanation of Ms. Lichtenberg's basis for distinguishing between what she claims BellSouth should not be allowed to do, and what the ALECs want the Florida Public Service Commission to do regarding BellSouth's FastAccess® service business plan.

SUPPLEMENTAL RESPONSE: No, the FCCA is not asking the Commission to dictate BellSouth's business plans. The FCCA is simply requesting that the Commission prohibit BellSouth from engaging in certain, specified anticompetitive activity. BellSouth is otherwise free to pursue its business plans as it sees fit. The FCCA is requesting the Commission to require BellSouth to change its DSL policy, but only as it relates to BellSouth's provision of wholesale local voice service to ALECs. The Commission is charged with opening the Florida voice market to local competition, and thus it is entirely appropriate that the Commission should prevent BellSouth from using its DSL policy in a manner that would serve to impair local voice competition.



Joseph A. McGlothlin
Vicki Gordon Kaufman
Timothy J. Perry
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for the Florida Competitive
Carriers Association

CERTIFICATE OF SERVICE

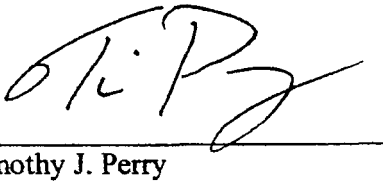
I HEREBY CERTIFY that a true and correct copy of the foregoing Supplemental Responses to BellSouth Telecommunications, Inc.'s Third Set of Interrogatories (Nos. 58, 62) have been furnished by (*) hand delivery, (**) electronic mail, or U. S. Mail this 21st day of January 2003, to the following:

(*) (**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(*) (**) Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) Floyd R. Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32301

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, Alabama 35802



Timothy J. Perry

103

HAND DELIVERY
DATE 1-24-03
TIME 8 am
delivered after 5 pm 1-23-03

RECEIVED
JAN 24 2003
DIRECTOR-REG. RELATIONS
TALLAHASSEE, FL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. and Request for Expedited Relief

Docket No. 020507-TP

/

FLORIDA COMPETITIVE CARRIERS ASSOCIATION'S RESPONSE TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FOURTH REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 9 - 12)

The Florida Competitive Carriers Association (FCCA), pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.280(b) and 1.350, Florida Rules of Civil Procedure, hereby provides the following Responses to BellSouth Telecommunications, Inc.'s Fourth Request for Production of Documents (Nos. 9 - 12) to Florida Competitive Carriers Association. In providing these responses, FCCA does not waive any of the objections made to BellSouth's Fourth Request for Production that FCCA filed on January 13, 2003.

REQUEST FOR PRODUCTION

REQUEST FOR PRODUCTION NO. 9: Produce all documents identified, referred to, or otherwise described in FCCA's Responses to BellSouth's Fourth Interrogatories.

RESPONSE: The FCCA has objected to this request. Without waiving its objections, a spreadsheet reflecting the Pensacola PONs discussed in response to Interrogatory No. 70 is produced herewith subject to the parties' Protective Agreement.

REQUEST FOR PRODUCTION NO. 10: Produce all documents that relate to the fixed broadband service offered by FCCA member MCI WorldCom in Pensacola, Florida and Tallahassee, Florida.

RESPONSE: The FCCA has objected to this request.

REQUEST FOR PRODUCTION NO. 11: Produce all documents that relate to any other DSL service offered by FCCA member MCI WorldCom in Florida, whether identified in response to an interrogatory or not.

RESPONSE: The FCCA has objected to this request.

REQUEST FOR PRODUCTION NO. 12: Produce all training materials provided to MCI customer service representatives relating to FastAccess service (as referred to in the rebuttal testimony of Sherry Lichtenberg, pp. 3 – 4); including but not limited to training materials that relate to MCI customer service representatives "ask[ing] prospective customer whether they have FastAccess service;" and training materials that relate to MCI customer service representatives

*Proprietary documents sent only to Nancy White & Meredith Mays.

"inform[ing] the customers that they must disconnect their FastAccess service if they wish to sign up for the Neighborhood."

RESPONSE: The FCCA has objected to this request. Without waiving its objections, the requested document is produced herewith subject to the parties' Protective Agreement.

Joseph A. McGlothlin
Vicki Gordon Kaufman
Timothy J. Perry
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for the Florida Competitive
Carriers Association

PUBLIC VERSION

Request to Produce Nos. 9 and 12

Entire Response Confidential

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing the Florida Competitive Carriers Association's Response to BellSouth Telecommunications, Inc.'s Fourth Request for Production of Documents (Nos. 9 - 12) has been furnished by (*) hand delivery, (**) electronic mail, or by U.S. Mail this 23rd day of January 2003, to the following:

(*) (**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(*) (**) Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street
Suite 400
Tallahassee, Florida 32301-1556

(**) Floyd R. Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32301

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, AL 35802

Timothy J. Perry

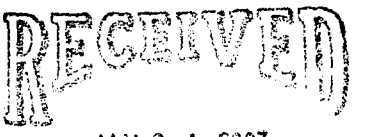
HAND DELIVERY
DATE 1-24-03
TIME 8 am
Delivered after 5 pm 1-23-03

102

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing To Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider and Request for Expedited Relief.

Docket No. 020507-TP



THE FLORIDA COMPETITIVE CARRIERS ASSOCIATION'S RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FOURTH SET OF INTERROGATORIES (NOS. 68 - 72)

The Florida Competitive Carriers Association (FCCA), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provides the following Responses to BellSouth Telecommunications, Inc.'s Fourth Set of Interrogatories (Nos. 68 - 72). In providing these responses, the FCCA does not waive and incorporates herein all of its objections, filed on January 13, 2003, to BellSouth's Fourth Set of Interrogatories.

INTERROGATORIES

INTERROGATORY NO. 68: For each Interrogatory, identify the person or persons providing information in response thereto.

RESPONSE: Sherry Lichtenberg, Gram Meadors, and Larry Rogers provided the information in the FCCA's response to Interrogatory No. 69. Sherry Lichtenberg provided the information in the FCCA's response to Interrogatory Nos. 70-72.

INTERROGATORY NO. 69: In connection with Georgia Docket 11901-U, in MCI's responses to BellSouth's Second Interrogatories (Public Disclosure Version), MCI reported that WorldCom Inc. currently offers fixed broadband services to residential and business customers in markets that include Pensacola, Florida and Tallahassee, Florida. (Response to 61, Public Disclosure Version). At page 2 of Ms. Lichtenberg's testimony, she states that "When customers have the option of migrating to a competitive provider for voice service and losing FastAccess, or staying with BellSouth for voice service and keeping their DSL service, customers decide to retain FastAccess." With regard to this statement please:

a. State whether "customers [that] want to migrate to MCI in order to take advantage of The Neighborhood 'all distance' voice package" are offered WorldCom's fixed broadband service, where available;

* Proprietary documents sent only to Nancy White & Meredith Mays

b. If "customers [that] want to migrate to MCI in order to take advantage of The Neighborhood 'all distance' voice package" are not offered WorldCom's fixed broadband service, where available, describe with particularity why not.

c. Describe with particularity the nature of the fixed broadband services offered in Pensacola and Tallahassee; including (i) the numbers of business and residential customers receiving such service; (ii) the description of the protocols used to provide the fixed broadband services; (iii) how long the fixed broadband services have been offered in Florida;

d. Does MCI offer DSL service anywhere in Florida other than Pensacola and Tallahassee; if yes, describe with particularity the nature of the DSL service, the numbers of customers receiving such service, and how long the service has been offered in Florida.

e. If MCI maintains that it is exiting the DSL business in Florida please explain with particularity the reasons why MCI is exiting the business.

RESPONSE:

a. No. MCI does not offer fixed broadband service in conjunction with its Neighborhood products.

b. As an initial matter, MCI notes Tallahassee is in Sprint's service territory (where MCI currently does not offer residential service), so the only area in BellSouth's Florida service territory where WorldCom offers fixed broadband services is Pensacola. WorldCom's fixed broadband has been deployed on a limited, trial basis and WorldCom is currently attempting to sell that business. It would make little sense to undertake the operational, sales and marketing changes that would be required to offer a package of residential voice service and fixed broadband service under these circumstances, where the wireless broadband business: (i) has been in the developmental stages; (ii) is offered only in one relatively small area in BellSouth's service area; and (iii) and is being offered for sale.

c. As of September 2002, WorldCom had [redacted] business and [redacted] residential fixed wireless customers in Florida. WorldCom launched fixed wireless service in the Pensacola and Tallahassee markets in December 2001. Fixed wireless service provides wireless access to the internet using multichannel multipoint distribution service technology.

d. WorldCom offers DSL service in Miami Florida to business customers. Based on MCI's investigation to date, WorldCom began offering DSL service in Miami in November 2001 and currently has approximately [redacted] DSL customers there. MCI is continuing to seek information in response to this interrogatory and will supplement this response if appropriate.

e. MCI does not claim that WorldCom is exiting the DSL business in Florida, but rather that it is attempting to sell its fixed wireless business. WorldCom is attempting to do so because, having engaged in a comprehensive review of its operations as part of its bankruptcy reorganization, WorldCom has developed a business strategy to focus on its "core" businesses.

INTERROGATORY NO. 70: At page 3, lines 18 – 20, of the rebuttal testimony of Sherry Lichtenberg, she refers to 5,233 rejects "because the customer had FastAccess service." State how many of the 5,233 rejects related to customers in Pensacola, Florida.

RESPONSE: There were 91 PONs for Pensacola, Florida customers for which rejects were received. Note that in some cases more than one PON was submitted for the same telephone number. WorldCom is researching the number of rejects for Pensacola customers and will supplement this response to provide that number.

INTERROGATORY NO. 71: At page 3, line 3 –4, of the rebuttal testimony of Sherry Lichtenberg, she states "customers sign up for service because they wanted a high speed data service." At page 3, lines 22 – 23 of the rebuttal testimony of Sherry Lichtenberg she states "MCI customer representatives are trained to ask prospective customers Worldcom's fixed broadband services. If not, describe with particularity why not.

RESPONSE: MCI customer representatives are not trained to offer prospective customers WorldCom's fixed broadband services for the reasons stated in response to Interrogatory No. 69b.

INTERROGATORY NO. 72: At page 4 of the rebuttal testimony of Sherry Lichtenberg, she states that the "5,233 rejects MCI has received . . . only reflects those instances in which the MCI representative presumably was not informed by the customer that the customer has FastAccess, not the instances in which the MCI representative did not submit a local service request at all because the customer decided not to migrate because he or she has FastAccess." With regard to this statement:

a. State how many customers did not migrate to MCI because he or she had FastAccess:

b. If MCI does not know the number of customers that did not migrate to MIC because he or she had FastAccess, state with particularity why not;

c. What training, if any, did MCI perform to enable its customer service representatives to track the numbers of customers that did not migrate to MCI;

d. If MCI did not train its customer service representatives to track the numbers of customers that did not migrate to MCI because such customers had FastAccess, describe with particularity why not.

RESPONSE:

a. MCI does not track the number of customers that do not migrate to MCI because they have FastAccess service.

b. MCI customer representatives do not track the number of customers who choose not to migrate to MCI or the reasons they choose not to do so. Such tracking would take away time from the representatives' principal role, which is selling MCI service to potential customers.

c. MCI customer representatives do not receive such training.

d. See response to subpart b.

Joseph A. McGlothlin
Vicki Gordon Kaufman
Timothy J. Perry
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for the Florida Competitive
Carriers Association

CERTIFICATE OF SERVICE

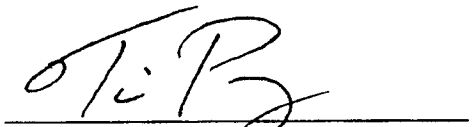
I HEREBY CERTIFY that a true and correct copy of the foregoing Responses to BellSouth Telecommunications, Inc.'s Fourth Set of Interrogatories (Nos. 68 - 72) have been furnished by (*) hand delivery, (**) electronic mail, or U. S. Mail this 23rd day of January 2003, to the following:

(*) (**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(*) (**) Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) Floyd R. Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32301

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, Alabama 35802



Timothy J. Perry

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing To Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider and Request for Expedited Relief.

Docket No. 020507-TP

/

THE FLORIDA COMPETITIVE CARRIERS ASSOCIATION'S SUPPLEMENTAL RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S THIRD SET OF INTERROGATORIES (NOS. 44, 52, 66, 67)

The Florida Competitive Carriers Association (FCCA), pursuant to Order No. PSC-03-0180-PCO-TL, provides the following Supplemental Responses to BellSouth Telecommunications, Inc.'s Third Set of Interrogatories (Nos. 44, 52, 66, 67).

INTERROGATORIES

INTERROGATORY NO. 44: If the answer to Interrogatory 43 is anything other than an unqualified negative answer, please provide detailed information about why Mr. Bradbury believes he should be so qualified and identify every proceeding Mr. Bradbury is aware of where he has been qualified as a witness who could give expert testimony on economic matters.

RESPONSE: Mr. Bradbury has never offered testimony as an expert witness on "economic matters"; however, as noted in the FCCA's original response, Mr. Bradbury is qualified, via experience and education, to express the opinions contained in his testimony in this case.

INTERROGATORY NO. 52: For the purpose of this interrogatory, please assume that Customer A is a local customer of AT&T, and that AT&T provides Customer A's local service using UNE-P. Assume further that the Florida Public Service Commission has ordered BellSouth to provide Customer A with FastAccess® service, which is being provided over the high frequency portion of the loop that AT&T is using in providing local service to Customer A. Finally, assume that Customer A now has a problem with his or her FastAccess® service.

vi. Is it FCCA's position that end user subscribers generally know their circuit numbers? If the answer is negative, how does Mr. Bradbury propose that BellSouth use Customer A's circuit number to address Customer A's FastAccess® service problem.

vii. If Mr. Bradbury claims that he does not know the answers to all of the foregoing subparts of this interrogatory, please state in detail the facts upon which he relies to assert, or to imply, that BellSouth can use service addresses or circuit numbers to address FastAccess® service problems where the ALEC is providing Customer A's voice service.

RESPONSE: AT&T's customers that purchase services from AT&T that are identified only by circuit number will know their circuit numbers. Those purchasing services identified for the customer by telephone number, but identified between AT&T and BellSouth by circuit number, will not have knowledge of the circuit number. UNE-P customers, the customers referred to in Bellsouth's interrogatory and assumptions, purchase a service identified by a telephone number both for the customer and between AT&T and BellSouth. UNE-L customers – whose service is identified to them by telephone number, but identified between AT&T and BellSouth by circuit number – will not know the circuit number. In the latter case, when a BellSouth FastAccess customer reports a FastAccess service problem to BellSouth's FastAccess Support Group, the Support Group may use the customer's BellSouth.net user identification (typically the customer's e-mail address), the customer's service address, or (if BellSouth.net elects to keep its customer records updated with its customer's telephone numbers) the customer's telephone number to address the BellSouth FastAccess customer's internet access (data) service problem. Should the UNE-L customer be experiencing a problem with its voice service, that problem would be reported to AT&T and AT&T would provide BellSouth with the circuit number in the event any action by BellSouth is required to correct the AT&T customer's voice problem.

INTERROGATORY NO. 66: Referring to the rebuttal testimony of Mr. Joseph Gillan, page 18, lines 6 –7, describe with particularity whether any FCCA members have explored partner[ing] with competing DSL providers." Also, describe with particularity when "partner[ing] with competing DSL providers . . . ma[kes] sense." State all facts and identify all documents that support your response.

RESPONSE: The first part of this question seeks the same information as BellSouth Interrogatory No. 19, which asks: "Has any FCCA member at any time entered into an agreement or held any discussions with any DSL service provider and/or wholesale DSL network provider regarding (a) a joint offering or package of service involving the FCCA member's voice service and the DSL service provider's Broadband Service, including, but not limited to, engaging in line splitting; and/or (b) purchasing a wholesale broadband package for the purpose of creating a retail broadband service offering?" Therefore, the propriety of a response to the first part of this question is encompassed in the FCCA's Motion for Reconsideration, filed on January 17, 2003. Further, in an abundance of caution, the FCCA has filed today a brief Motion for Reconsideration of Order No. PSC-03-0180-PCO-TL as it relates to the first part of Interrogatory No. 66 on the same grounds as reconsideration was sought of Order No. PSC-03-0084-PCO-TL.

As to the second part of the question, partnering with a DSL provider could make sense where, at a minimum, (a) the DSL partner had established a footprint that sufficiently matched the geographic scope of the local voice provider, (b) expected volumes would justify establishing the operational interfaces needed to jointly market and support services, and (c) where economic relationships could be implemented that mutually benefited both the voice and data provider. It is important to underscore, however, that whether or not a local voice provider also offers DSL service, would not sanction BellSouth's refusal to continue to offer its DSL service to customers that have switched their voice service to a carrier using UNE-P (on terms, conditions and prices no less favorable to those that BellSouth offers when its DSL service is provided to a customer that has switched to a voice provider using resale). Whether or not some customers may wish to switch their DSL service and their voice service, BellSouth should not be permitted to refuse to serve those customers that only desire to switch their voice service. Thus, whether or not an ALEC voice provider could theoretically partner with a DSL provider is separate and distinct from the relief sought by the FCCA in this proceeding.

INTERROGATORY NO. 67: Referring to the rebuttal testimony of Jay Bradbury, page 8, lines 9 – 11, is it AT&T's practice to provide discounts available when customers elect bundled service offerings generally available when the customer no longer purchases the entire bundle? State all facts and identify all documents that support your response.

RESPONSE: No, customers who do not continue to meet the requirements to receive a discount do not continue to receive that discount.

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for the Florida Competitive
Carriers Association

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Supplemental Responses to BellSouth Telecommunications, Inc.'s Third Set of Interrogatories (Nos. 44, 52, 66, 67) have been furnished by (*) hand delivery, (**) electronic mail, or U. S. Mail this 17th day of February 2003, to the following:

(*) (**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(*) (**) Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) Floyd R. Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32301

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, Alabama 35802

Vicki Gordon Kaufman

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing To Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider and Request for Expedited Relief.

Docket No. 020507-TP

/

THE FLORIDA COMPETITIVE CARRIERS ASSOCIATION'S SUPPLEMENTAL RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FOURTH SET OF INTERROGATORIES (NOS. 69(d) AND 70)

The Florida Competitive Carriers Association (FCCA), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby supplements its Responses to BellSouth Telecommunications, Inc.'s Fourth Set of Interrogatories (Nos. 69(d) and 70). In providing these responses, the FCCA does not waive and incorporates herein all of its objections, filed on January 13, 2003, to BellSouth's Fourth Set of Interrogatories.

INTERROGATORIES

INTERROGATORY NO. 69: In connection with Georgia Docket 11901-U, in MCI's responses to BellSouth's Second Interrogatories (Public Disclosure Version), MCI reported that WorldCom Inc. currently offers fixed broadband services to residential and business customers in markets that include Pensacola, Florida and Tallahassee, Florida. (Response to 61, Public Disclosure Version). At page 2 of Ms. Lichtenberg's testimony, she states that "When customers have the option of migrating to a competitive provider for voice service and losing FastAccess, or staying with BellSouth for voice service and keeping their DSL service, customers decide to retain FastAccess." With regard to this statement please:

d. Does MCI offer DSL service anywhere in Florida other than Pensacola and Tallahassee; if yes, describe with particularity the nature of the DSL service, the numbers of customers receiving such service, and how long the service has been offered in Florida.

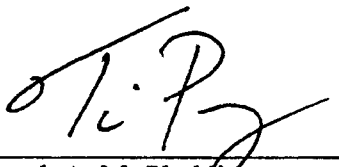
RESPONSE:

d. WorldCom has been offering DSL service in Miami, Florida since at least November 2001. As of January 31, 2003, WorldCom was providing DSL service to [redacted] business customers and [redacted] residential customers. The residential customers are retail customers of internet service providers to which WorldCom provides private label services. The business customers include [redacted] customers

served on a resale basis. WorldCom does not sell voice service in conjunction with this resale of DSL service.

INTERROGATORY NO. 70: At page 3, lines 18 – 20, of the rebuttal testimony of Sherry Lichtenberg, she refers to 5,233 rejects "because the customer had FastAccess service." State how many of the 5,233 rejects related to customers in Pensacola, Florida.

RESPONSE: There were 91 PONs for Pensacola, Florida customers for which rejects were received. In one case, there were two rejects for the same PON, so the total number of rejects was 92.



Joseph A. McGlothlin
Vicki Gordon Kaufman
Timothy J. Perry
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for the Florida Competitive
Carriers Association

CERTIFICATE OF SERVICE

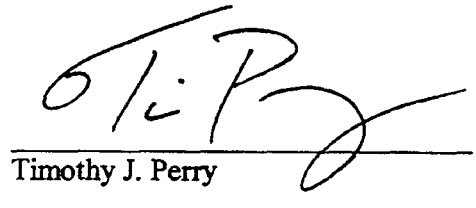
I HEREBY CERTIFY that a true and correct copy of the foregoing Responses to BellSouth Telecommunications, Inc.'s Fourth Set of Interrogatories (Nos. 69(d) and 70) have been furnished by (*) hand delivery, (**) electronic mail, or U. S. Mail this 6th day of March 2003, to the following:

(*) (**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(*) (**) Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) Floyd R. Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32301

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, Alabama 35802



Timothy J. Perry

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing to Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider, and Request for Expedited Relief

Docket No. 020507-TP

/

ACCESS INTEGRATED NETWORKS, INC.'S RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST SET OF INTERROGATORIES (NOS. 1 – 32) PURSUANT TO ORDER NO. PSC-03-0084-PCO-TL

In accordance with the Settlement Agreement approved by the Commission in Order No. PSC-03-0611-TL, ACCESS Integrated Networks, Inc. (ACCESS), hereby responds to those portions of BellSouth Telecommunications, Inc.'s (BellSouth) outstanding discovery to the Florida Competitive Carriers Association (FCCA) required by Order Nos. PSC-03-0084-PCO-TL and PSC-03-180-PCO-TL as if such requests had been addressed individually to ACCESS.

INTERROGATORIES

INTERROGATORY NO. 5: Do you contend that the Florida Public Service Commission has jurisdiction over Broadband Service?

RESPONSE: Yes, to the extent such services are used to violate laws regarding telecommunications services.

INTERROGATORY NO. 6: If the answer to Interrogatory No. 5 is in the affirmative, please cite all statutes, rules, regulations, orders, or other legal authority that support your contention.

RESPONSE: At this time, the FCCA cites the following authority for the opinion expressed in Interrogatory No. 5: §§364.01, 364.03, 364.051, 364.08, 364.10, 364.3381, Order No. PSC-02-0765-FOF-TP, PSC-02-1453-FOF-TP, PSC-02-0878-FOF-TP.

INTERROGATORY NO. 7: Do you contend that the Florida Public Service Commission has jurisdiction over Cable Modem service?

RESPONSE: Yes, to the extent such services are used to violate laws regarding telecommunications services.

INTERROGATORY NO. 8: If the answer to Interrogatory No. 7 is in the affirmative, please cite all statutes, rules, regulations, orders, or other legal authority that support your contention.

RESPONSE: See response to Interrogatory No. 6.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 6: Please state whether any of FCCA's members provide Broadband Service and/or DSL service to customers in Florida.

RESPONSE: Access Integrated Networks does not provide Broadband Service and/or DSL service to customers in Florida.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 7: If the answer to Interrogatory No. 6 is in the affirmative, please:

i. Describe with particularity the nature of the Broadband Service and/or DSL service each FCCA member is providing in Florida, including description of the protocols used (e.g., ADSL, IDSL, Cable Modem, etc.) as well as all applicable rates, terms and conditions of such services;

RESPONSE: N/A

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 7: If the answer to Interrogatory No. 6 is in the affirmative, please:

ii. State the total number of customers to whom each FCCA member is providing Broadband Service and/or DSL Service in Florida, including stating the total number of residential and business customers being provided such service;

RESPONSE: N/A

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 7: If the answer to Interrogatory No. 6 is in the affirmative, please:

iii. Describe with particularity the nature of the technology(ies) used to provide the Broadband Service and/or DSL service; including, but not limited to, the number of customers served by the particular technology(ies) (e.g., if xDSL based the number of customers served by IDSL, the number of customer served by ADSL, etc.);

RESPONSE: N/A

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 7: If the answer to Interrogatory No. 6 is in the affirmative, please:

iv. State whether the FCCA member utilized its own broadband equipment or purchased broadband connectivity from another provider;

RESPONSE: N/A

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 8: If the answer to Interrogatory No. 6 is in the negative, please:

i. Describe with particularity all reasons, whether technical, financial, or otherwise, why each FCCA member does not provide its own Broadband Service and/or DSL service to customers in Florida; and

RESPONSE: Access has extensively investigated numerous Broadband Alternatives over the last several years. Access has met with ILECs, CLECs, ISPs and Satellite Vendors to discuss this issue. Access has been unable to identify an effective alternative that addresses all the Technical, Operational (Provisioning and Customer Support), and Financial Issues that Access must resolve before a solution can be delivered to our customers.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 9: Please state whether FCCA members provide Broadband Service and/or DSL service to customers in states other than Florida within BellSouth's nine state region.

RESPONSE: Access Integrated Networks does not provide Broadband Service and/or DSL service to customers in states other than Florida within BellSouth's nine state region.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 10: If the answer to Interrogatory No. 9 is in the affirmative, please:

i. Identify those states in which FCCA members provide Broadband Service and/or DSL service within BellSouth's nine state region;

RESPONSE: N/A

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 10: If the answer to Interrogatory No. 9 is in the affirmative, please:

ii. Describe with particularity the nature of the Broadband Service and/or DSL Service FCCA members are providing in each state within BellSouth's nine state region, including a description of the protocols used (e.g., ADSL, ISDL, Cable Modem, etc.) as well as all applicable rates, terms and conditions of such service;

RESPONSE: N/A

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 10: If the answer to Interrogatory No. 9 is in the affirmative, please:

iii. State the total number of customer to whom FCCA is providing Broadband Service and/or DSL service in each such state within BellSouth's nine state region, including stating the total number of residential and business customers being provided service.

RESPONSE: NA

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 11: If FCCA members provide Broadband Service and/or DSL Service within BellSouth's nine state region, will these members provide such service to an end user customer irrespective of whether that customer also purchases telecommunications service from the FCCA member providing the voice service (i.e., do any FCCA members provide a stand-alone Broadband Service and/or DSL service)?

RESPONSE: N/A

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 12: If the answer to Interrogatory No. 11 is in the affirmative, please:

i. Describe with particularity the nature of the stand-alone Broadband Service and/or DSL service the FCCA member is providing, including identifying the states within BellSouth's nine state region in which such service is provided and including a description of the protocols used (e.g., ADSL, IDSL, Cable Modem, etc.) as well as all applicable rates, terms, and conditions;

RESPONSE: N/A

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 12: If the answer to Interrogatory No. 11 is in the affirmative, please:

ii. State the total number of customers to whom the FCCA member is providing the stand-alone Broadband Service and/or DSL service within BellSouth's nine state region, including stating the total number of residential and business customers being provided such service in each state; and

RESPONSE: N/A

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 12: If the answer to Interrogatory No. 11 is in the affirmative, please:

iii. Identify all documents referring or relating to the stand-alone Broadband Service and/or DSL service the FCCA member is providing within BellSouth's nine state region.

RESPONSE: N/A

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 13: If the answer to Interrogatory No. 11 is in the negative, please:

i. Describe with particularity the reasons, whether technical, financial or otherwise, why each FCCA member does not provide its own Broadband Service and/or DSL service to customers of other voice providers in Florida;

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 14: Identify each market in which any FCCA member is providing DSL service and state the number of customers in each such market to whom the service is being provided, including stating the total number of residential and business customers being provided such service.

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 15: Describe with particularity the footprint of each FCCA member's DSL network, sufficient for one to discern where the xDSL products are available.

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 16: Has any FCCA member at any time entered into any agreement or held any discussions with any Cable Modem service provider regarding a joint offering or package of services involving the FCCA member's voice service and the Cable Modem service provider's Broadband Service.

RESPONSE: No.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 17: If the answer to Interrogatory No. 16 is in the affirmative, please:

i. Identify the Cable Modem service provider with whom you have had such an agreement or discussions;

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 17: If the answer to Interrogatory No. 16 is in the affirmative, please:

ii. State the date when such an agreement was executed or such discussions took place;

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 17: If the answer to Interrogatory No. 16 is in the affirmative, please:

iii. Describe the contemplated joint offering; and

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 17: If the answer to Interrogatory No. 16 is in the affirmative, please:

iv. Identify all documents describing the contemplated joint offering.

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 18: If the answer to Interrogatory No. 16 is in the negative, please describe with particularity all reasons, whether technical, financial, or otherwise, why the FCCA member has decided not to enter into an agreement or discussions with a Cable Modem service provider concerning a joint offering or package of services involving the FCCA member's voice service and the Cable Modem service provider's Broadband Service.

RESPONSE: Access has extensively investigated numerous Broadband Alternatives over the last several years. Access has met with ILECs, CLECs, ISPs and Satellite Vendors to discuss this issue. Access has been unable to identify an effective alternative that addresses all the Technical, Operational (Provisioning and Customer Support), and Financial Issues that Access must resolve before a solution can be delivered to our customers.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 19: Has any FCCA member at any time entered into an agreement or held any discussions with any DSL service provider and/or wholesale DSL network provider regarding (a) a joint offering or package of service involving the FCCA member's voice service and the DSL service provider's Broadband Service, including, but not limited to, engaging in line splitting; and/or (b) purchasing a wholesale broadband package for the purpose of creating a retail broadband service offering?

RESPONSE: No.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 20: If the answer to Interrogatory No. 19 is in the affirmative, please:

i. Identify the DSL service provider with whom the FCCA member has had such an agreement or discussion;

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 20: If the answer to Interrogatory No. 19 is in the affirmative, please:

ii. State the date when such an agreement was executed or such discussions took place;

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 20: If the answer to Interrogatory No. 19 is in the affirmative, please:

iii. Describe the contemplated joint offering; and

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 20: If the answer to Interrogatory No. 19 is in the affirmative, please:

iv. Identify all documents describing the contemplated joint offering.

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 21: If the answer to Interrogatory No. 19 is in the negative, please describe with particularity all reasons, whether technical, financial, or otherwise, why (a) any FCCA member has not entered into an agreement or discussions with any DSL service provider concerning a joint offering or package of services involving the FCCA member's voice service and the DSL service provider's Broadband Service, including, but not limited to, engaging in line splitting and/or (b) any FCCA member has not entered into an agreement or discussions with any wholesale DSL service provider.

RESPONSE: Access has extensively investigated numerous Broadband Alternatives over the last several years. Access has met with ILECs, CLECs, ISPs and Satellite Vendors to discuss this issue. Access has been unable to identify an effective alternative

that addresses all the Technical, Operational (Provisioning and Customer Support), and Financial Issues that Access must resolve before a solution can be delivered to our customers.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 22: If you currently provide Broadband Service, do you have any objection to the Public Service Commission in those states in which you provide such service from requiring you to provide Broadband Service to an end user customer irrespective or whether that customer also purchases telecommunications service from you (i.e., requiring you to provide a stand-along Broadband Service)? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 23: If you currently provide DSL Service, do you have any objections to the Public Service Commission in those states in which you provide such service from requiring you to provide DSL Service over the unbundled loops purchased by any and all other ALECs operating in those states? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

RESPONSE: N/A.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 24: Do you have any objection to BellSouth, or any ALEC, utilizing free of charge the high frequency portion of unbundled loops purchased by you to (a) provision DSL Service to your end user customers; and (b) access the unbundled loop to perform testing, repair, maintenance, and/or troubleshooting? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

RESPONSE: Access has not been approached by BellSouth or other ALECs to utilize the high frequency portion of the loop to provide DSL or to access that portion of the loop to perform testing, repair, maintenance, or troubleshooting. Therefore, in the abstract, Access has not made any final policy determinations on question posed. However, as stated by Mr. Bradbury, if pursuant to this Complaint, the Florida Public Service Commission orders BellSouth to provide FastAccess ® service over the high frequency portion of ALEC UNE-P or UNE-L purchased from BellSouth, Access, consistent with the position of FCCA earlier in this proceeding, does not intend to charge BellSouth for that access.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 25: Do you have any objection to BellSouth, or any ALEC, taking whatever steps are necessary in order to provision its DSL Service over unbundled loops

purchased by you to provision DSL Service to your end user customers? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

RESPONSE: Subject to the response to Number 24, BellSouth nor any ALEC has made such a request, therefore Access has made no determination on the issue.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 26: What rates, terms and conditions, if any, do you contend should apply when BellSouth, or any ALEC, uses the high-frequency portion of an unbundled loop purchased by you to provide DSL Service to your end user customers?

RESPONSE: See response to Interrogatory No. 24.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 27: If BellSouth, or any ALEC, were to use the high frequency portion of an unbundled loop purchased by you for the purpose of providing DSL Service, would you request compensation for such use of the high frequency portion of that loop?

RESPONSE: See response to Interrogatory No. 24.

Response of Access Integrated Networks, Inc.:

INTERROGATORY NO. 28: If the answer to Interrogatory No. 32 is in the affirmative, state the amount of compensation you would charge and describe with particularity how this charge was calculated.

RESPONSE: See response to Interrogatory No. 24.

INTERROGATORY NO. 28: If the answer to Interrogatory No. 32 is in the affirmative, state the amount of compensation you would charge and describe with particularity how this charge was calculated.

RESPONSE: It is unclear to which Interrogatory this question refers, as Interrogatory No. 32 is unrelated to compensation. It is assumed the correct reference is Interrogatory No. 27. See attached answers.

INTERROGATORY NO. 29: Do you contend that any state or federal laws, rules, or regulations are violated when BellSouth does not provide FastAccess service to carriers that offer DSL service (as contrasted to carriers that do NOT offer DSL service)? If the answer to the foregoing Interrogatory is in the affirmative, state all facts and identify all documents that support this contention.

RESPONSE: This question contains a false premise. It is the ACCESS' understanding that FastAccess is a retail offering provided to end users; as such, it is not provided to "carriers" as

the questions asks. Nonetheless, the ACCESS states that BellSouth's refusal to provide FastAccess service to consumers who select a competitive voice provider (regardless of whether that provider offers DSL) violates the same laws and regulations listed in the FCCA's response to Staff Interrogatory No. 3. What the competitive voice provider provides or does not provide is irrelevant to and cannot combat BellSouth's market power as the incumbent.

Joseph A. McGlothlin
McWhirter, Reeves, McGlothlin, Davidson,
Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for the ACCESS Integrated Networks, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing ACCESS Integrated Networks, Inc.'s Responses to BellSouth Telecommunications, Inc.'s First Set of Interrogatories (Nos. 1–32) pursuant to Order No. PSC-03-0084-PCO-TL has been furnished by (**) electronic mail, or by U. S. Mail this 2nd day of June 2003, to the following:

(**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(**) Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) Floyd R. Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32301

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, Alabama 35802

(**) (***) Richard Melson
Hopping Green Sams & Smith, P.A.
Post Office 6526
123 South Calhoun Street
Tallahassee, Florida 32314

Joseph A. McGlothlin

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing To Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider and Request for Expedited Relief.

Docket No. 020507-TP

_____/

ACCESS INTEGRATED NETWORKS, INC.'S RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S THIRD SET OF INTERROGATORIES (NO. 66) PURSUANT TO ORDER NO. PSC-03-0180-PCO-TL

In accordance with the Settlement Agreement approved by the Commission in Order No. PSC-03-0611-TL, ACCESS Integrated Networks, Inc. (ACCESS), hereby responds to Interrogatory No. 66 of BellSouth Telecommunications, Inc.'s (BellSouth) Third Set of Interrogatories to the Florida Competitive Carriers Association (FCCA) required by Order No. PSC-03-0180-PCO-TL as if such requests had been addressed individually to ACCESS.

INTERROGATORIES

INTERROGATORY NO. 66: Referring to the rebuttal testimony of Mr. Joseph Gillan, page 18, lines 6 –7, describe with particularity whether [ACCESS has] explored partner[ing] with competing DSL providers." Also, describe with particularity when "partner[ing] with competing DSL providers . . . ma[kes] sense." State all facts and identify all documents that support your response.

RESPONSE: N/A

Joseph A. McGlothlin
McWhirter, Reeves, McGlothlin, Davidson,
Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for ACCESS Integrated Networks, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing ACCESS Integrated Networks, Inc.'s Responses to BellSouth Telecommunications, Inc.'s Third Set of Interrogatories (No. 66) pursuant to Order No. PSC-03-0180-PCO-TL has been furnished by (**) electronic mail, or by U. S. Mail this 2nd day of June 2003, to the following:

(**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(**) Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) Floyd R. Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32301

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, Alabama 35802

(**) (***) Richard Melson
Hopping Green Sams & Smith, P.A.
Post Office 6526
123 South Calhoun Street
Tallahassee, Florida 32314

Joseph A. McGlothlin

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing to Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider, and Request for Expedited Relief

Docket No. 020507-TP

_____/

ACCESS INTEGRATED NETWORKS, INC.'S ANSWERS TO BELLSOUUTH TELECOMMUNCATIONS, INC.'S SECOND SET OF INTERROGATORIES (Nos. 4-11)

ACCESS Integrated Networks, Inc. (ACCESS) hereby responds to BellSouth Telecommunications, Inc.'s Second Set of Interrogatories (Nos. 4-11).

INTERROGATORIES

4. As of December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31 2001; June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available) please state:

a) The total number of lines that AIN provides using UNE-P loops leased from BellSouth in Florida, designated by Florida deaveraged UNE rate zones 1, 2, and 3;

RESPONSE: a) UNE-P lines as of 12/31/99 = 0
UNE-P lines as of 06/30/00 = 0
UNE-P lines as of 12/31/00 = 0

UNE-P lines as of 06/30/01
Zone 1 – 958
Zone 2 – 1,301
Zone 3 – 497

UNE-P lines as of 12/31/01
Zone 1 – 1,330
Zone 2 – 1,864
Zone 3 – 1,174

UNE-P lines as of 06/30/02
Zone 1 – 2,130
Zone 2 – 3,406
Zone 3 – 1,834

UNE-P lines as of 12/31/02
Zone 1 – 3,912
Zone 2 – 6,010
Zone 3 – 1,972

UNE-P lines as of 06/30/03
Zone 1 – 4,323
Zone 2 – 5,960
Zone 3 – 1,864

b) The total number of lines that AIN provides using unbundled loops (without switching) leased from Bellsouth in Florida, designated by Florida deaveraged UNE rate zones 1, 2 and 3;

RESPONSE: None

c) The total number of lines that AIN provides using resold BellSouth lines in Florida, designated by Florida deaveraged UNE rates zones 1, 2, and 3;

RESPONSE: The information in ACCESS's records does not permit a breakdown by UNE Zone, or provide data for periods prior to 6/30/01.

As of 6/30/01 – 243 resold lines
As of 12/31/01 – 352 resold lines
As of 6/30/02 – 633 resold lines
As of 12/31/02 – 1,192 resold lines
As of 6/30/03 – 1,273 resold lines

d) The total number of lines that AIN provides in Florida using exclusively its own facilities, designated by Florida deaveraged UNE rate zones 1, 2, and 3.

RESPONSE: None

5. From the time period January 2000 to present, state the total number of customers that refused to migrate voice service to AIN because he or she had FastAccess service with BellSouth.

RESPONSE: The number is unknown.

6. If AIN does not know the number of customers that did not migrate to AT&T because he or she had FastAccess service with BellSouth, state with particularity why not.

RESPONSE: For its marketing efforts, ACCESS relies primarily on independent contract sales agents, whose marketing efforts do not include compiling the number of customers that refuse to migrate voice service because of FastAccess service with BellSouth.

7. If AIN provided a number to 5 above, please explain with particularity the training that AIN performed to enable its customer service representatives to track the numbers of customers that did not migrate to AIN.

RESPONSE: Not applicable.

8. If AIN did not train its customers service representatives to track the numbers of customer that did not migrate to AIN because such customer had FastAccess service with BellSouth describe with particularity why not.

RESPONSE: ACCESS's customer service representatives deal only with current customers of ACCESS. Accordingly, the customer service representatives would have no knowledge of customers that do not migrate to ACCESS because the customer had FastAccess service with BellSouth.

9. Referring to AIN's response to BellSouth's FCCA Interrogatory No. 15, state whether AIN has set any firm dates to install its own equipment and deploy a DLS network in

BellSouth territory. If so, please provide the dates and associated central office or remote terminal locations. If not, please explain with particularity why not.

RESPONSE: No. ACCESS is currently reviewing all options including installation of its own network to provide broadband alternatives to our customers. Availability of capital to build such a network is very difficult to secure for a small company like ACCESS.

10. Referring to AIN's Specific Objection to BellSouth's Interrogatory No. 3, in which AIN referred to itself as "a UNE-P provider", state whether AIN has set any firm dates to deploy its own switch facilities, or any other facilities that would enable it provide voice telecommunications service using its own equipment, in BellSouth territory. If not, please explain with particularity why not.

RESPONSE: ACCESS has set no such firm dates for switches. ACCESS currently intends to continue to utilize the UNE-P platform, one of the entry methods contemplated by the 1996 Act. ACCESS notes that this interrogatory is based on an incorrect premise. The interrogatory implies that ACCESS has made no investment "in any other facilities" that would enable it to provide voice service. ACCESS has made a significant investment in billing systems, customer service equipment, as well as in personnel. ACCESS continues to review all its options to provide service to our customers including installation of facilities once economically feasible.

11. State whether AIN has ever resold a BellSouth voice line over which the end user customer received FastAccess service from BellSouth.

RESPONSE: Yes.

Joseph A. McGlothlin
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for Access Integrated Networks, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Access Integrated Networks, Inc.'s Response to BellSouth Telecommunications, Inc.'s Second Set of Interrogatories (Nos. 4-11) has been furnished by (*) hand delivery, (**) electronic mail, or by (***) U.S. Mail this 14th day of July 2003, to the following:

(*) (**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(*) (**) Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) (***) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, Alabama 35802

(**) (***) Floyd Self
Messer, Caparello & Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32302-1876

(**) (***) Dulaney O'Roark, III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328

Joseph A. McGlothlin

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association against BellSouth Telecommunications, Inc. regarding BellSouth's practice of refusing to provide FastAccess Internet Service to customers who receive voice service from a competitive voice provider, and request for expedited relief.	DOCKET NO. 020507-TL June 2, 2003

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC'S NOTICE OF SERVING ITS RESPONSES TO OUTSTANDING REQUESTS IN BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST SET OF INTERROGATIRES AND FIRST REQUEST FOR PRODUCTION OF DOCUMENTS TO FLORIDA COMPETITIVE CARRIERS ASSOCIATION

AT&T Communications of the Southern States, LLC, by and through its undersigned counsel, hereby files and serves Notice that it has served its Responses to outstanding requests in BellSouth Telecommunications, Inc.'s First Set of Interrogatories and Request for Production of Documents to Florida Competitive Carriers Association by e-mail on Nancy B. White, Esq. at nancy.white@bellsouth.com and by overnight delivery to Nancy B. White, Esq., c/o Ms. Nancy H. Sims, BellSouth Telecommunications, Inc., 150 S. Monroe Street, Suite 400, Tallahassee, Florida 32301 on this 2nd day of June, 2003.

Respectfully submitted,

Virginia C. Tate
AT&T
1200 Peachtree Street, NE, Suite 800
Atlanta, GA 30309
(404) 810-4199

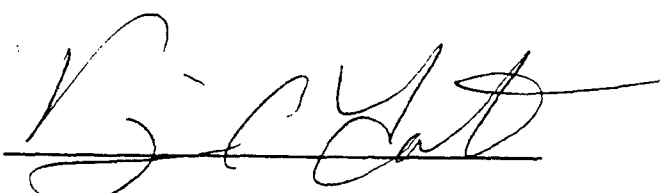
Attorney for AT&T Communications of the Southern States, LLC

CERTIFICATE OF SERVICE

DOCKET NO. 020507-TL

I HEREBY CERTIFY that a copy of the foregoing has been furnished via U.S. Mail this 2nd day of June, 2003, to the following parties of record:

Patricia Christensen Staff Counsel Florida Public Service Commission Division of Legal Services 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850	BellSouth Telecommunications, Inc. Nancy White/James Meza/M. Mays/Lackey c/o Ms. Nancy H. Sims 150 South Monroe Street, Suite 400 Tallahassee, FL 32301-1556 Phone: (850) 224-7798 Fax: 222-8640 Email: nancy.sims@bellsouth.com
Florida Competitive Carriers Assoc. c/o McWhirter Law Firm Vicki Kaufman/Joseph A. McGlothlin 117 S. Gadsden St. Tallahassee, FL 32301 Phone: 850-222-2525 Fax: 222-5606	ITC^DeltaCom Ms. Nanette Edwards 4092 S. Memorial Parkway Huntsville, AL 35802-4343 Phone: (256) 382-3856 Fax: (256) 382-3936 Email: nedwards@itcdeltacom.com
Messer Law Firm Floyd R. Self 215 S. Monroe Street, Suite 701 Tallahassee, FL 32302-1876 Phone: 850-222-0720 Fax: 224-4359	MCI WorldCom Donna C. McNulty 1203 Governors Square Blvd. Suite 201 Tallahassee, FL 32301-2960
Access Integrated Networks, Inc. Mark A. Ozanick 4885 Riverside Drive, Suite 300 Macon, GA 31210-1148	Hoping Law Firm Richard Melson 123 South Calhoun Street Tallahassee, FL 32314



Virginia C. Tate

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association against BellSouth Telecommunications, Inc. regarding BellSouth's practice of refusing to provide FastAccess Internet Service to customers who receive voice service from a competitive voice provider, and request for expedited relief.	DOCKET NO. 020507-TL June 2, 2003

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC'S RESPONSES TO OUTSTANDING REQUESTS IN BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST SET OF INTERROGATORES TO FLORIDA COMPETITIVE CARRIERS ASSOCIATION

(REDACTED VERSION)

AT&T Communications of the Southern States, LLC, hereby files its Responses to outstanding requests in BellSouth Telecommunications, Inc.'s First Set of Interrogatories to Florida Competitive Carriers Association propounded on November 15, 2002.

6. Please state whether any of the FCCA's members provide Broadband Service and/or DSL service to customers in Florida.

RESPONSE: Yes.

7. If the answer to Interrogatory No. 6 is in the affirmative, please:

i. Describe with particularity the nature of the Broadband Service and/or DSL service each FCCA member is providing in Florida, including description of the protocols used (e.g. ADSL, IDSL, Cable Modem, etc.) as well as all applicable rates, terms, and conditions of such service;

RESPONSE:

AT&T provides DSL services in partnership with Covad, MegaPath and New Edge. See responses to Requests for Production of Document Nos. 1-4 for rates, terms and conditions.

For residential, AT&T has entered into an agreement with Covad to provide DSL service to customers. The agreement is an extension of a previous agreement with Covad to provide service to certain WorldNet customers. At this time, the new offerings have not been decided upon.

For business services, AT&T provides IDSL, ADSL and SDSL that is available using managed option or self-installation of the DSL equipment. For rates, terms and conditions, see price list provided in responses to Requests for Production of Documents Nos. 1-4.

ii. State the total number of customers to whom each FCCA member is providing Broadband Service and/or DSL service in Florida, including stating the total number of residential and business customers being provided such services.

RESPONSE: The customer counts below are considered confidential and proprietary business information.

Business only.

	Customers		
State	Asymmetric	Symmetric	Total Customers
FL			

AT&T PROPRIETARY

iii. Describe with particularity the nature of the technology used to provide the Broadband Service and/or DSL service; including, but not limited to, the number of customers served by the particular technology (e.g., if xDSL based the number of customers served by IDSL, the number of customers served by ADSL, etc.);

RESPONSE: See response to 7(i &ii)

iv. State whether the FCCA member utilized its own broadband equipment or purchased broadband connectivity from another provider.

RESPONSE: See response to 7(i).

9. Please state whether FCCA members provide Broadband Service and/or DSL service to customers in states other than Florida

RESPONSE: AT&T does provide DSL service to customers in other BellSouth states.

10. If the answer to Interrogatory No. 9 is in the affirmative, please:

i. Identify those states in which FCCA members provide Broadband Service and/or DSL service.

RESPONSE: All states in BellSouth's nine-state region.

ii. Describe with particularity the nature of the Broadband Service and/or DSL service FCCA members are providing in each such state, including a description of the protocols used (e.g., ADSL, IDSL, Cable Modem, etc.) as well as all applicable rates, terms, and conditions of such service; and;

RESPONSE: See response to 7(i).

iii. State the total number of customers to whom FCCA is providing Broadband Service and/or DSL service in each such state, including stating the total number of residential and business customers being provided service.

RESPONSE: The customer counts below are considered confidential and proprietary business information.

Business only:

State	Customers Asymmetric	Symmetric	Total Customers
AL			
GA			
KY			
LA			
MS			
NC			
SC			
TN			

AT&T PROPRIETARY

11. If FCCA members provide Broadband Service and/or DSL service, will these members provide such service to an end user customer irrespective of whether that customer also purchases telecommunications service from the FCCA member providing the voice service (i.e., do any FCCA members provide a stand-alone Broadband Service and/or DSL service)?

RESPONSE: AT&T does provide its DSL service as a stand-alone service to its customers.

12. If the answer to Interrogatory No. 11 is in the affirmative, please:

i. Describe with particularity the nature of the stand-along Broadband Service and/or DSL service the FCCA member is providing, including identifying the states in which such service is provided and including a description of the protocols used (e.g. ADSL, IDSL, Cable Modem, etc.) as well as all applicable rates, terms, and conditions;

RESPONSE: For a description of these services, see response to 7(i).

ii. State the total number of customers to whom the FCCA member is providing the stand-alone Broadband Service and/or DSL service, including stating the total number of residential and business customers being provided such service in each state;

RESPONSE: The customer counts below are considered confidential and proprietary business information.

Business only:

State	Customers Asymmetric	Symmetric	Total Customers
AL			
FL			
GA			
KY			
LA			
MS			
NC			
SC			
TN			

AT&T PROPRIETARY

iii. identify all documents referring or relating to the stand-alone Broadband Service and/or DSL service the FCCA member is providing.

RESPONSE: See attached responses to Requests for Production of Documents 1-4.

13. If the answer to Interrogatory No. 11 is in the negative, please:
i. Describe with particularity the reasons, whether technical, financial or otherwise, why each FCCA member does not provide its own Broadband Service and/or DSL service to customers of other voice providers in Florida.

RESPONSE: Not applicable

14. Identify each market in which any FCCA member is providing DSL service and state the number of customers in each such market to whom the service is being provided, including stating the total number of residential and business customers being provided such service.

RESPONSE: AT&T does not directly provide DSL service, but does so through its partnerships with Covad, MegaPath, and New Edge. Therefore, the markets served are contingent upon the network availability of those carriers. Those markets include South and Central Florida. AT&T does not collect data on customers by market location.

15. Describe with particularity each FCCA member's DSL network; including, but not limited to, identifying the location of that network and describing the specific equipment that comprises that network, identifying the vendor and/or provider of the DSL equipment, the number, manufacturer, and size of DSLAMs installed in that network by central office, remote terminal or other location, as well as the total number of collocation sites in which the FCCA member has collocated its facilities with facilities of BellSouth.

RESPONSE: AT&T does not have a DSL network in the BellSouth territory.

16. Has any FCCA member at any time entered into any agreement or held any discussions with any Cable Modem service provider regarding a joint offering or package of services involving the FCCA member's voice service and the Cable Modem service provider's Broadband Service.

RESPONSE: AT&T does not have any agreement with a cable modem service provider regarding a joint offering. Any detailed discussions regarding joint offerings with cable providers generally are subject to confidentiality agreements and require the consent of others to divulge any information about such discussions.

17. If the answer to Interrogatory No. 16 is in the affirmative, please:

i. Identify the Cable Modem service provider with whom you have had such an agreement or discussions;

RESPONSE: See response to Interrogatory No. 16.

ii. State the date when such an agreement was executed or such discussions took place.

RESPONSE: See response to Interrogatory No. 16.

iii. Describe with particularity the nature of such an agreement or discussions, including applicable rates, terms, and conditions for a joint offering or package of services involving the FCCA member's voice service and the Cable Modem service provider's Broadband Service; and

RESPONSE: See response to Interrogatory No. 16.

iv. Identify all documents referring or relating to such an agreement or discussions.

RESPONSE: See response to Interrogatory No. 16.

18. If the answer to Interrogatory No. 16 is in the negative, please describe with particularity all reasons, whether technical, financial, or otherwise, why the FCCA member has decided not to enter into an agreement or discussions with a Cable Modem service provider concerning a joint offering or package of services involving the FCCA member's voice service and the Cable Modem service provider's Broadband Service.

RESPONSE: Not applicable.

19. Has any FCCA member at any time entered into an agreement or held any discussions with any DSL service provider and/or wholesale DSL network provider regarding (a) a joint offering or package of services involving the FCCA member's voice service and the DSL service provider's Broadband Service, but not limited to, engaging in line splitting; and/or (b) purchasing a wholesale broadband package for the purpose of creating a retail broadband service offering?

RESPONSE: AT&T has entered into agreements with Covad, MegaPath and New Edge Networks.

20. If the answer to Interrogatory No. 19 is in the affirmative, please:

i. Identify the DSL service provider with whom the FCCA member has had such an agreement or discussions;

RESPONSE: See response to Interrogatory No. 19.

ii. State the date when such an agreement was executed or such discussions took place;

RESPONSE: The agreement with Covad was effective September 1, 2002 and amended on January 1, 2003.

iii. Describe with particularity the nature of such an agreement or discussions including applicable rates, terms, and conditions for (a) a joint offering or package of services involving the FCCA member's voice service and the DSL service provider's Broadband Service and/or (b) a wholesale offering of wholesale broadband package; and

RESPONSE: The agreements and details of those agreements with the above named DSL providers are subject to confidentiality agreements and require the consent of each party to provide such information.

iv. Identify all documents referring or relating to such an agreement or discussions.

RESPONSE: See the press release regarding the partnership with Covad in response to Requests for Production of Documents 1-4.

21. If the answer to Interrogatory No. 19 is in the negative, please describe with particularity all reasons, whether technical, financial, or otherwise, why (a) any FCCA member has not entered into an agreement or discussions with any DSL service provider concerning a joint offering or package of services involving the FCCA member's voice service and the DSL service provider's Broadband Service, including, but not limited to, engaging in line splitting; and/or (b) any FCCA member has not entered into an agreement or discussions with any wholesale DSL service provider.

RESPONSE: Not applicable.

22. If you currently provide Broadband Service, do you have any objection to the Public Service Commission in those states in which you provide such service from requiring you to provide Broadband Service to an end user customer irrespective of whether that customer also purchases telecommunications service from you (i.e., requiring you to provide a stand-alone Broadband Service)? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

RESPONSE: Not applicable.

23. If you currently provide DSL Service, do you have any objection to the Public Service Commission in those states in which you provide such service from requiring you to provide DSL Service over the unbundled loops purchased by any and all other ALECs operating in those states? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

RESPONSE: Not applicable. AT&T does not currently provision DSL service.

24. Do you have any objection to BellSouth, or any ALEC, utilizing free of charge the high frequency portion of unbundled loops purchased by you to (a) provision DSL Service to your end user customers; and (b) access the unbundled loop to perform testing, repair, maintenance, and/or troubleshooting? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

RESPONSE: AT&T has not been approached by BellSouth or other ALECs to utilize the high frequency portion of the loop to provide DSL or to access that portion of the loop to perform testing, repair, maintenance, or troubleshooting. Therefore, in the abstract, AT&T has not made any final policy determinations on question posed. However, as stated by Mr. Bradbury, if pursuant to this FCCA Complaint, the Florida Public Service Commission orders BellSouth to provide FastAccess ® service over the high frequency portion of ALEC UNE-P or UNE-L purchased from BellSouth, AT&T, consistent with the position of FCCA in this proceeding, does not intend to charge BellSouth for that access.

25. Do you have any objection to BellSouth, or any ALEC, taking whatever steps are necessary in order to provision its DSL Service over unbundled loops purchased by you to provision DSL Service to your end user customers? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

RESPONSE: Subject to the response to Number 24, BellSouth nor any ALEC has made such a request, therefore AT&T has made no determination on the issue.

26. What rates, terms and conditions, if any, do you contend should apply when BellSouth, or any ALEC, uses the high-frequency portion of an unbundled loop purchased by you to provide DSL Service to your end user customers?

RESPONSE: See response to Interrogatory No. 24.

27. If BellSouth, or any ALEC, were to use the high frequency portion of an unbundled loop purchased by you for the purpose of providing DSL Service, would you request compensation for such use of the high frequency portion of that loop?

RESPONSE: See response to Interrogatory No. 24.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association against BellSouth Telecommunications, Inc. regarding BellSouth's practice of refusing to provide FastAccess Internet Service to customers who receive voice service from a competitive voice provider, and request for expedited relief.	DOCKET NO. 020507-TL ISSUED: June 3, 2003

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC'S RESPONSES TO BELLSOUTH'S FIRST SET OF INTEROGATORIES (NOS. 1-3)

AT&T Communications of the Southern States, LLC (hereinafter "AT&T") hereby submits its Responses to BellSouth Telecommunications, Inc.'s ("BellSouth") First Set of Interrogatories to AT&T Communications of the Southern States, LLC.

INTERROGATORIES (NOS. 1-3)

1. For each Interrogatory, identify the person(s) providing the response thereto.

RESPONSE: AT&T objects to interrogatory number 1 as it requests information pertaining to interrogatories 2 and 3.

2. If an AT&T customer that currently receives local voice service, long distance voice service, and voice mail service through AT&T chooses to switch its local voice service to BellSouth or some other carrier, can the customer keep AT&T's voice mail service? If the answer is negative, please explain why AT&T will not continue to provide the customer voice mail service.

RESPONSE: AT&T objects to interrogatory number 2 on the basis that it requests information that is not relevant to the issues raised in this docket and is not reasonably calculated to lead to the discovery of admissible evidence. This proceeding is to address the anticompetitive behavior of BellSouth by leveraging its provision of FastAccess in conjunction with its provision of voice service to inhibit competition in the voice services market. AT&T's voicemail service is not at issue in this docket. Further, the intent of the Federal Telecommunications Act of 1996 and Florida Statutes Chapter 364 was to require the monopolistic incumbents such as BellSouth to open its networks to allow competition in the local exchange market. Thus, the requirements set forth by federal and state law are directed at limiting the anticompetitive behavior of the incumbents not directed at the product offerings of competitors in the local exchange market.

Subject to and without waiving this objection, AT&T does not provide voicemail as a stand-alone service. There are many third party vendors that provide voice mail but AT&T has not made the business decision to make such an offering.

3. For the purposes of this interrogatory, please assume that AT&T has a customer, which customer has subscribed to an AT&T consumer product offering that provides unlimited long distance calling. If the AT&T customer chooses to switch local voice service to BellSouth or some other carrier, can the AT&T customer continue to receive unlimited long distance service from AT&T? Please explain with particularity the reasons for your answer, including stating all facts and identifying all documents to support your answer.

RESPONSE: AT&T objects to interrogatory number 3 on the basis that it requests information that is not relevant to the issues raised in this docket and is not reasonable calculated to lead to the discovery of admissible evidence. This proceeding is to address the anticompetitive behavior of BellSouth by leveraging its provision of FastAccess in conjunction with its provision of voice service to inhibit competition in the voice services market. AT&T's long distance service is not at issue in this docket. Further, the intent of the Federal Telecommunications Act of 1996 and Florida Statutes Chapter 364 was to require the monopolistic incumbents such as BellSouth to open its networks to allow competition in the local exchange market. Thus, the requirements set forth by federal and state law are directed at limiting the anticompetitive behavior of the incumbents not directed at the product offerings of competitors in the local exchange market.

Subject to and without waiving this objection, AT&T does offer stand-alone long distance service. AT&T has a $19.95 offer for unlimited calling to all AT&T long distance customers.

SUBMITTED this 3rd of June 2003.

TRACY W. HATCH, ESQ.
101 N. Monroe Street
Suite 700
Tallahassee, FL 32302-1876
(850) 425-6360

Attorney for AT&T Communications of the
Southern States, LLC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association against BellSouth Telecommunications, Inc. regarding BellSouth's practice of refusing to provide FastAccess Internet Service to customers who receive voice service from a competitive voice provider, and request for expedited relief.	DOCKET NO. 020507-TL June 6, 2003

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC'S NOTICE OF SERVING ITS SUPPLEMENTAL RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST SET OF INTERROGATORIES (NOS. 1-3)

AT&T Communications of the Southern States, LLC, by and through its undersigned counsel, hereby files and serves Notice that it has served its Supplemental Responses to BellSouth Telecommunications, Inc.'s First Set of Interrogatories by e-mail on Nancy B. White, Esq. at nancy.white@bellsouth.com and by overnight mail to Nancy B. White, Esq., c/o Ms. Nancy H. Sims, BellSouth Telecommunications, Inc., 150 S. Monroe Street, Suite 400, Tallahassee, Florida 32301 on this 6th day of June, 2003.

Respectfully submitted,

Tracy Hatch /las

TRACY W. HATCH, ESQ.
AT&T
101 N. Monroe Street, Suite 700
Tallahassee, FL 32301
(850) 425-6360

Attorney for AT&T Communications of the Southern States, LLC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association against BellSouth Telecommunications, Inc. regarding BellSouth's practice of refusing to provide FastAccess Internet Service to customers who receive voice service from a competitive voice provider, and request for expedited relief.	DOCKET NO. 020507-TL ISSUED: June 6, 2003

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC'S SUPPLEMENTAL RESPONSES TO BELLSOUTH'S FIRST SET OF INTEROGATORIES (NOS. 1-3)

AT&T Communications of the Southern States, LLC (hereinafter "AT&T") hereby submits its Supplemental Responses to BellSouth Telecommunications, Inc.'s ("BellSouth") First Set of Interrogatories to AT&T Communications of the Southern States, LLC.

INTERROGATORIES (NOS. 1-3)

1. For each Interrogatory, identify the person(s) providing the response thereto.

RESPONSE: Responses to Interrogatory Nos. 1-3 were provided by Jay Bradbury, AT&T District Manager.

2. If an AT&T customer that currently receives local voice service, long distance voice service, and voice mail service through AT&T chooses to switch its local voice service to BellSouth or some other carrier, can the customer keep AT&T's voice mail service? If the answer is negative, please explain why AT&T will not continue to provide the customer voice mail service.

RESPONSE: AT&T objects to interrogatory number 2 on the basis that it requests information that is not relevant to the issues raised in this docket and is not reasonably calculated to lead to the discovery of admissible evidence. This proceeding is to address the anticompetitive behavior of BellSouth by leveraging its provision of FastAccess in conjunction with its provision of voice service to inhibit competition in the voice services market. AT&T's voicemail service is not at issue in this docket. Further, the intent of the Federal Telecommunications Act of 1996 and Florida Statutes Chapter 364 was to require the monopolistic incumbents such as BellSouth to open its networks to

allow competition in the local exchange market. Thus, the requirements set forth by federal and state law are directed at limiting the anticompetitive behavior of the incumbents not directed at the product offerings of competitors in the local exchange market.

Subject to and without waiving this objection, AT&T does not provide voicemail as a stand-alone service. There are many third party vendors that provide voice mail, but AT&T has not made the business decision to make such an offering.

3. For the purposes of this interrogatory, please assume that AT&T has a customer, which customer has subscribed to an AT&T consumer product offering that provides unlimited long distance calling. If the AT&T customer chooses to switch local voice service to BellSouth or some other carrier, can the AT&T customer continue to receive unlimited long distance service from AT&T? Please explain with particularity the reasons for your answer, including stating all facts and identifying all documents to support your answer.

RESPONSE: AT&T objects to interrogatory number 3 on the basis that it requests information that is not relevant to the issues raised in this docket and is not reasonable calculated to lead to the discovery of admissible evidence. This proceeding is to address the anticompetitive behavior of BellSouth by leveraging its provision of FastAccess in conjunction with its provision of voice service to inhibit competition in the

voice services market. AT&T's long distance service is not at issue in this docket. Further, the intent of the Federal Telecommunications Act of 1996 and Florida Statutes Chapter 364 was to require the monopolistic incumbents such as BellSouth to open its networks to allow competition in the local exchange market. Thus, the requirements set forth by federal and state law are directed at limiting the anticompetitive behavior of the incumbents not directed at the product offerings of competitors in the local exchange market.

Notwithstanding the above objections and without waiver, AT&T has consumer products that offer unlimited long distance independent of the local voice service provider. These offerings are called AT&T Unlimited for $19.95 and AT&T Unlimited Plus for $24.95. The tariffs for these unlimited long distance offerings are publicly available. If the customer chooses another local voice service provider than that which currently provides the local voice service, AT&T would continue to provide the unlimited long distance service if the customer desired.

SUBMITTED this 6th of June 2003.

Tracy Hatch /las

TRACY W. HATCH, ESQ.
101 N. Monroe Street
Suite 700
Tallahassee, FL 32302-1876
(850) 425-6360

Attorney for AT&T Communications of the
Southern States, LLC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association against BellSouth Telecommunications, Inc. regarding BellSouth's practice of refusing to provide FastAccess Internet Service to customers who receive voice service from a competitive voice provider, and request for expedited relief.	DOCKET NO. 020507-TL June 6, 2003

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC'S NOTICE OF SERVING ITS SUPPLEMENTAL RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NO. 1)

AT&T Communications of the Southern States, LLC, by and through its undersigned counsel, hereby files and serves Notice that it has served its Supplemental Responses to BellSouth Telecommunications, Inc.'s First Request for Production of Documents by e-mail on Nancy B. White, Esq. at nancy.white@bellsouth.com and by overnight mail to Nancy B. White, Esq., c/o Ms. Nancy H. Sims, BellSouth Telecommunications, Inc., 150 S. Monroe Street, Suite 400, Tallahassee, Florida 32301 on this 6th day of June, 2003.

Respectfully submitted,

Tracy Hatch /las

TRACY W. HATCH, ESQ.
AT&T
101 N. Monroe Street, Suite 700
Tallahassee, FL 32301
(850) 425-6360

Attorney for AT&T Communications of the Southern States, LLC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association against BellSouth Telecommunications, Inc. regarding BellSouth's practice of refusing to provide FastAccess Internet Service to customers who receive voice service from a competitive voice provider, and request for expedited relief.	DOCKET NO. 020507-TL ISSUED: June 6, 2003

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC'S SUPPLEMENTAL RESPONSES TO BELLSOUTH'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NO. 1)

AT&T Communications of the Southern States, LLC (hereinafter "AT&T") hereby submits its Supplemental Responses to BellSouth Telecommunications, Inc.'s ("BellSouth") First Request for Production of Documents to AT&T Communications of the Southern States, LLC.

REQUEST FOR PRODUCTION OF DOCUMENTS (NO. 1)

1. Please produce all documents that are identified in or that otherwise support your answers in response to BellSouth's First Set of Interrogatories served on May 9, 2003.

RESPONSE: There are no responsive documents for Interrogatory number 2. For Interrogatory number 3, documents relating to AT&T's long distance offerings are publicly available.

SUBMITTED this 6th day of June 2003.

Tracy Hatch/las

TRACY W. HATCH, ESQ.
101 N. Monroe Street
Suite 700
Tallahassee, FL 32302-1876
(850) 425-6360

Attorney for AT&T Communications of the
Southern States, LLC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing to Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider, and Request for Expedited Relief

Docket No. 020507-TP

/

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC'S, RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S SECOND SET OF INTERROGATORIES (NOS. 4 - 10)

AT&T Communications of the Southern States, LLC (AT&T), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provides the following Responses to BellSouth Telecommunications, Inc.'s (BellSouth) Second Set of Interrogatories (Nos. 4 - 10). In providing these responses, AT&T does not waive and incorporates herein all of its objections, filed on July 7, 2003, to BellSouth's Second Set of Interrogatories (Nos. 4-10).

INTERROGATORIES

INTERROGATORY NO. 4: As of December 31, 1999; June 30, 2000; December 31,3 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available) please state:

a) The total number of lines that AT&T provides using UNE-P loops leased from BellSouth in Florida, designed by Florida deaveraged UNE rate zones, 1, 2, and 3;

b) The total number of lines that AT&T provides using unbundled loops (without switching) leased from BellSouth in Florida, designated by Florida deaverage UNE rate zones 1, 2, and 3;

c) The total number of lines that AT&T provides using resold BellSouth lines in Florida, designated by Florida deaveraged UNE rate zones 1, 2, and 3;

d) The total number of lines that AT&T provides in Florida using exclusively its own facilities, designated by Florida deaveraged UNE rate zones 1, 2, and 3.

RESPONSE: AT&T has objected to this interrogatory.

INTERROGATORY NO. 5: From the time period January 2000 to present, state the total number of customers that refused to migrate voice service to AT&T because he or she had FastAccess service with BellSouth.

RESPONSE: AT&T is unable to state the number of customers that refused to migrate voice service to AT&T because he or she had FastAccess with BellSouth. It is impossible to do so because there is no way to obtain such numbers. It is common sense that if a customer has elected to pay for the FastAccess high speed internet service, then that is obviously a product the customer wants to keep and not have to lose if he or she switches to another carrier for voice.

INTERROGATORY NO. 6: If AT&T does not know the number of customers that did not migrate to AT&T because he or she had FastAccess service with BellSouth state with particularity why not.

RESPONSE: See Response to No. 5.

INTERROGATORY NO. 7: If AT&T provided a number to 5 above, please explain with particularity the training that AT&T performed to enable its customers service representatives to track the numbers of customers that did not migrate to AT&T.

RESPONSE: Not applicable.

INTERROGATORY NO. 8: If AT&T did not train its customer service representatives to track the numbers of customer that did not migrate to AT&T because such customer had FastAccess service with BellSouth describe with particularity why not.

RESPONSE: AT&T has not made the business decision to expend its limited resources to train customer service representatives to track the number of customers that did not migrate to AT&T because the customer did not want to lose FastAccess service. No amount of training can result in representatives obtaining exact numbers because there will always be customers who do not explain why they are not migrating.

INTERROGATORY NO. 9: Referring to AT&T's response to BellSouth's FCCA Interrogatory No. 15, state whether AT&T has set any firm dates to install its own DSL equipment and deploy a DSL network in BellSouth territory. If so, please provide the dates and associated central office or remote terminal locations. If not, please explain with particularity why not.

RESPONSE: AT&T has no firm plans at this time to install its own DSL network in Florida. Installation and deployment of its own DSL network is not part of AT&T's business plans at this time.

INTERROGATORY NO. 10: State whether DeltaCom has ever resold a BellSouth voice line over which the end user customer receives FastAccess service from BellSouth.

RESPONSE: AT&T has no knowledge regarding whether DeltaCom has ever resold a BellSouth line over which the end user receives FastAccess. If this question was intended to refer to AT&T, AT&T states that it does not resell BellSouth services because it is not a financially viable option.

Virginia Tate
AT&T Communications of the Southern States, LLC
Law and Government Affairs
1200 Peachtree Street, NE, Suite 8100
Atlanta, Georgia 30309
(404) 810-4922 Telephone
(404) 810-5901 Telefax

Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin, Davidson, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for the AT&T Communications of the Southern States, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing AT&T Communications of the Southern States, LLC's Responses to BellSouth Telecommunications, Inc.'s Second Set of Interrogatories (Nos. 4 – 10) has been furnished by (*) hand delivery, (**) electronic mail, or by U.S. Mail this 14th day of July, 2003, to the following:

(*) (**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(**) Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, Alabama 35802

(**) Floyd Self
Messer, Caparello & Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32302-1876

(**) Donna Canzano McNulty
MCI WorldCom
1203 Governors Square Boulevard
Suite 201
Tallahassee, Florida 32301

(**)Richard D. Melson
Hopping Green Sams & Smith, P.A.
Post Office Box 6526
123South Calhoun Street
Tallahassee, Florida 32314

(**) Dulaney O'Roark III
MCI WorldCom
6 Concourse Parkway, Suite 600
Atlanta, Georgia 30328

(**) Joseph A. McGlothlin
McWhirter, Reeves, McGlothlin, Davidson,
Kaufman & Arnold, P.A.
117 South Gadsden Street
Tallahassee, Florida 32301

_____
Vicki Gordon Kaufman

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. And Request for Expedited Relief	)	Docket No. 020507-TL
	)	Served: May 29, 2003

MCI'S RESPONSES AND OBJECTIONS TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST SET OF INTERROGATORIES (Nos. 1-5)

MCI WORLDCOM Communications, Inc. and MCImetro Access Transmission Services LLC ("MCI"), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provide the following Responses and Objections to BellSouth Telecommunications, Inc.'s First Set of Interrogatories.

GENERAL OBJECTIONS

1. MCI objects to each and every request and instruction to the extent that they are overly broad, unduly burdensome, oppressive, not permitted by applicable discovery rules, or would require MCI to disclose information which is privileged.

2. MCI objects to each and every request and instruction to the extent that they would require MCI to provide information about operations in states other than Florida, on the grounds that such requests are irrelevant, overly broad, unduly burdensome, and oppressive.

3. MCI objects to each and every request and instruction to the extent that such request or instruction calls for information that is exempt from discovery by virtue of the attorney-client privilege, work product privilege or other applicable privilege.

4. MCI objects to each and every request insofar as the request is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not

properly defined or explained for purposes of these requests. Any responses provided by MCI in response to BellSouth's requests will be provided subject to, and without waiver of, the foregoing objection.

5. MCI objects to each and every request insofar as the request is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action. MCI will attempt to note each instance where this objection applies.

6. MCI objects to each and every request and instruction insofar as they seek to impose obligations on MCI which exceed the requirements of the Florida Rules of Civil Procedure or Florida law, including a requirement to supplement any response that was complete and correct when initially furnished.

7. MCI objects to providing information to the extent that such information is already in the public record before the Florida Public Service Commission.

8. MCI objects to each and every request to the extent that the information requested constitutes "trade secrets" which are privileged pursuant to Section 90.506, Florida Statutes.

9. MCI is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, MCI creates countless documents that are not subject to Florida Public Service Commission or FCC retention of records requirements. These documents are kept in numerous locations and are frequently moved from site to site as employees change jobs or as the business is reorganized. MCI's responses will provide all of the information obtained by MCI after a reasonable and diligent search conducted in connection with these discovery requests. MCI will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the discovery requests purport to require more, MCI objects on the grounds that compliance would impose an undue burden or expense.

10. MCI objects to the definitions of "you" and "your" to the extent that such definitions seek to impose an obligation to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definitions are overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

INTERROGATORIES

INTERROGATORY NO. 1: For each Interrogatory, identify the person(s) providing information in response thereto.

RESPONSE: Subject to and without waiving its previous objections, MCI states that Sherry Lichtenberg provided the information for each of the interrogatories.

INTERROGATORY NO. 2: If an MCI customer that currently receives local voice service, long distance voice service, and voice mail service through MCI chooses to switch its local voice service to BellSouth or some other carrier, can the customer keep MCI's voice mail service? If the answer is negative, please explain why MCI will not continue to provide the customer voicemail service.

RESPONSE: Subject to and without waiving its previous objections, MCI states that if an MCI customer receiving local voice service, long distance service and voice mail service switches to another carrier for local voice service, the customer may not retain MCI's voice mail service because MCI has not developed a voicemail product that is independent of its local service. Although MCI cannot rule out the possibility that it would offer such a voice mail service in the future, today it remains unclear whether there would be a market for such a service.

INTERROGATORY NO. 3: For the purposes of this interrogatory, please assume that MCI has a customer, which customer has subscribed to an MCI consumer product offering such as "The Neighborhood" or some other product offering that provides unlimited long distance service?" If the MCI customer chooses to switch local voice service to BellSouth or some other carrier, can the MCI customer continue to receive an unlimited long distance service offering, such as "The Neighborhood," from MCI? Please explain with particularity the reasons for your answer, including stating all facts and identifying all documents that support your answer.

RESPONSE: Subject to and without waiving its previous objections, MCI states that if a Neighborhood customer with unlimited long distance service migrates to another carrier for local voice service, the customer will not be able to retain his or her unlimited long distance service, because MCI does not offer such a service on a standalone basis. MCI is able to offer unlimited long distance in conjunction with its local service primarily because it does not have to pay originating access charges to BellSouth for customers' calls, thus significantly reducing MCI's

overall usage cost. Providing a standalone unlimited long distance product would have to take these increased costs into account, which could make such a product prohibitively expensive for many consumers. The applicable rates for originating access services are provided in BellSouth's Florida access tariff, which is a matter of public record.

INTERROGATORY NO. 4: Please identify each state in which MCI provides local service where the incumbent local exchange carrier provides or is required to make its DSL service available over a UNE-P loop.

RESPONSE: Subject to and without waiving its previous objections, MCI states that Louisiana has required BellSouth to provide its DSL service over UNE-P loops by June 1, 2003. Florida has ruled in an arbitration that BellSouth must provide DSL over UNE-P loops, and is now considering the issue in a generic docket. Kentucky has ruled in an arbitration that BellSouth must provide its wholesale DSL service over UNE-P loops.

INTERROGATORY NO. 5: For each state identified above, does MCI require a customer that desires to switch its local service to MCI to "cancel [its] DSL service with [its] current provider in order for MCI to switch [its] line to The Neighborhood?" Please explain with particularity the reasons for your answer.

RESPONSE: Subject to and without waiving its previous objections, MCI states that it has not required customers to cancel their DSL service in order to migrate to the Neighborhood for their voice service in Louisiana, Florida and Kentucky. Rather, it is BellSouth that has imposed the requirement that its customers disconnect their DSL service before migrating to a CLEC for UNE-P voice service. MCI has simply informed customers that they must comply with BellSouth's requirement before migrating to MCI. Once BellSouth's requirement has been lifted in Louisiana, Florida and Kentucky, and BellSouth enables MCI to migrate BellSouth's DSL customers electronically to the Neighborhood, it will no longer by necessary for MCI to inform customers of BellSouth's requirement.

SERVED this 29th day of May, 2003.

HOPPING GREEN & SAMS

By: _____

Richard D. Melson
P.O. Box 6526
Tallahassee, FL 32301
(850) 425-2313
rmelson@hgslaw.com

DONNA McNULTY
WorldCom, Inc.
1203 Governors Square Boulevard
Suite 201
Tallahassee, FL 32301
(850) 219-1008
donna.mcnulty@mci.com

DULANEY L. O'ROARK III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

ATTORNEYS FOR MCI

AFFIDAVIT

STATE OF _____

COUNTY OF _____

The undersigned, Sherry Lichtenberg, first being duly sworn, deposes and says:

1. That she is Senior Manager, Operational Support Systems and Facilities Development for WorldCom, Inc.

2. That she has reviewed the foregoing answers to Interrogatory Nos. 1-5 of BellSouth Telecommunications, Inc.'s First Set of Interrogatories to MCI WORLDCOM Communications, Inc. and MClmetro Access Transmission Services, LLC in Docket No. 020507-TP and that said answers are true and correct to the best of her knowledge, information and belief.

Signed this 29th day of May, 2003.

Sherry Lichtenberg

Sworn to and subscribed before me this 29th day of May, 2003, by Sherry Lichtenberg, who:

(X) is personally known to me, or

( ) presented _____ Driver's License No. _____ as identification.

Notary Public

Capricia Galloway
Notary Public, District of Columbia
My Commission Expires 07-15-2006

My Commission Expires: _____

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was served by E-mail and U.S. Mail on the following this 29th day of May, 2003:

Patricia Christensen
Staff Attorney
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
pchriste@pas.state.fl.us

AT&T Communications
of the Southern States, LLC
Virginia Tate
1200 Peachtree Street, N.E., Ste. 8100
Atlanta, GA 30309-3579
virginia.tate@att.com

AT&T Communications
of the Southern States, LLC
Tracy Hatch
101 North Monroe Street, Suite 700
Tallahassee, FL 32301
tracy.hatch@att.com

Nancy B. White
James Meza III
BellSouth Telecommunications, Inc.
c/o Nancy H. Sims
150 South Monroe Street
Suite 400
Tallahassee, FL 32301
nancy.white@bellsouth.com
james.meza@bellsouth.com
nancy.sims@bellsouth.com

R. Douglas Lackey
Meredith E. Mays
BellSouth Telecommunications, Inc.
Suite 4300, BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, GA 30375
douglas.lackey@bellsouth.com
meredith.mays@bellsouth.com

Dulaney L. O'Roark III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

Donna C. McNulty
WorldCom, Inc.
1203 Governors Square Blvd., Suite 201
Tallahassee, FL 32301
donna.mcnulty@mci.com

McWhirter Law Firm
Vicki Kaufman
Joseph A. McGlothlin
117 S. Gadsden St.
Tallahassee, FL 32301
vkaufman@mac-law.com
jmglothlin@mac-law-com

ITC^DeltaCom
Ms. Nanette Edwards
4092 S. Memorial Parkway
Huntsville, AL 35802-4343
nedwards@itcdeltacom.com

Messer Law Firm
Floyd R. Self
P.O. Box 1876
Tallahassee, FL 32302-1876
fself@lawfla.com

Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. And Request for Expedited Relief	)	Docket No. 020507-TL Served: May 29, 2003

MCI'S RESPONSES AND OBJECTIONS TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST SET OF INTERROGATORIES (Nos. 1-5)

MCI WORLDCOM Communications, Inc. and MCImetro Access Transmission Services LLC ("MCI"), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provide the following Responses and Objections to BellSouth Telecommunications, Inc.'s First Set of Interrogatories.

GENERAL OBJECTIONS

1. MCI objects to each and every request and instruction to the extent that they are overly broad, unduly burdensome, oppressive, not permitted by applicable discovery rules, or would require MCI to disclose information which is privileged.

2. MCI objects to each and every request and instruction to the extent that they would require MCI to provide information about operations in states other than Florida, on the grounds that such requests are irrelevant, overly broad, unduly burdensome, and oppressive.

3. MCI objects to each and every request and instruction to the extent that such request or instruction calls for information that is exempt from discovery by virtue of the attorney-client privilege, work product privilege or other applicable privilege.

4. MCI objects to each and every request insofar as the request is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not

properly defined or explained for purposes of these requests. Any responses provided by MCI in response to BellSouth's requests will be provided subject to, and without waiver of, the foregoing objection.

5. MCI objects to each and every request insofar as the request is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action. MCI will attempt to note each instance where this objection applies.

6. MCI objects to each and every request and instruction insofar as they seek to impose obligations on MCI which exceed the requirements of the Florida Rules of Civil Procedure or Florida law, including a requirement to supplement any response that was complete and correct when initially furnished.

7. MCI objects to providing information to the extent that such information is already in the public record before the Florida Public Service Commission.

8. MCI objects to each and every request to the extent that the information requested constitutes "trade secrets" which are privileged pursuant to Section 90.506, Florida Statutes.

9. MCI is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, MCI creates countless documents that are not subject to Florida Public Service Commission or FCC retention of records requirements. These documents are kept in numerous locations and are frequently moved from site to site as employees change jobs or as the business is reorganized. MCI's responses will provide all of the information obtained by MCI after a reasonable and diligent search conducted in connection with these discovery requests. MCI will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the discovery requests purport to require more, MCI objects on the grounds that compliance would impose an undue burden or expense.

10. MCI objects to the definitions of "you" and "your" to the extent that such definitions seek to impose an obligation to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definitions are overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

INTERROGATORIES

INTERROGATORY NO. 1: For each Interrogatory, identify the person(s) providing information in response thereto.

RESPONSE: Subject to and without waiving its previous objections, MCI states that Sherry Lichtenberg provided the information for each of the interrogatories.

INTERROGATORY NO. 2: If an MCI customer that currently receives local voice service, long distance voice service, and voice mail service through MCI chooses to switch its local voice service to BellSouth or some other carrier, can the customer keep MCI's voice mail service? If the answer is negative, please explain why MCI will not continue to provide the customer voicemail service.

RESPONSE: Subject to and without waiving its previous objections, MCI states that if an MCI customer receiving local voice service, long distance service and voice mail service switches to another carrier for local voice service, the customer may not retain MCI's voice mail service because MCI has not developed a voicemail product that is independent of its local service. Although MCI cannot rule out the possibility that it would offer such a voice mail service in the future, today it remains unclear whether there would be a market for such a service.

INTERROGATORY NO. 3: For the purposes of this interrogatory, please assume that MCI has a customer, which customer has subscribed to an MCI consumer product offering such as "The Neighborhood" or some other product offering that provides unlimited long distance service?" If the MCI customer chooses to switch local voice service to BellSouth or some other carrier, can the MCI customer continue to receive an unlimited long distance service offering, such as "The Neighborhood," from MCI? Please explain with particularity the reasons for your answer, including stating all facts and identifying all documents that support your answer.

RESPONSE: Subject to and without waiving its previous objections, MCI states that if a Neighborhood customer with unlimited long distance service migrates to another carrier for local voice service, the customer will not be able to retain his or her unlimited long distance service, because MCI does not offer such a service on a standalone basis. MCI is able to offer unlimited long distance in conjunction with its local service primarily because it does not have to pay originating access charges to BellSouth for customers' calls, thus significantly reducing MCI's

overall usage cost. Providing a standalone unlimited long distance product would have to take these increased costs into account, which could make such a product prohibitively expensive for many consumers. The applicable rates for originating access services are provided in BellSouth's Florida access tariff, which is a matter of public record.

INTERROGATORY NO. 4: Please identify each state in which MCI provides local service where the incumbent local exchange carrier provides or is required to make its DSL service available over a UNE-P loop.

RESPONSE: Subject to and without waiving its previous objections, MCI states that Louisiana has required BellSouth to provide its DSL service over UNE-P loops by June 1, 2003. Florida has ruled in an arbitration that BellSouth must provide DSL over UNE-P loops, and is now considering the issue in a generic docket. Kentucky has ruled in an arbitration that BellSouth must provide its wholesale DSL service over UNE-P loops.

INTERROGATORY NO. 5: For each state identified above, does MCI require a customer that desires to switch its local service to MCI to "cancel [its] DSL service with [its] current provider in order for MCI to switch [its] line to The Neighborhood?" Please explain with particularity the reasons for your answer.

RESPONSE: Subject to and without waiving its previous objections, MCI states that it has not required customers to cancel their DSL service in order to migrate to the Neighborhood for their voice service in Louisiana, Florida and Kentucky. Rather, it is BellSouth that has imposed the requirement that its customers disconnect their DSL service before migrating to a CLEC for UNE-P voice service. MCI has simply informed customers that they must comply with BellSouth's requirement before migrating to MCI. Once BellSouth's requirement has been lifted in Louisiana, Florida and Kentucky, and BellSouth enables MCI to migrate BellSouth's DSL customers electronically to the Neighborhood, it will no longer by necessary for MCI to inform customers of BellSouth's requirement.

SERVED this 29th day of May, 2003.

HOPPING GREEN & SAMS

By: _____

Richard D. Melson
P.O. Box 6526
Tallahassee, FL 32301
(850) 425-2313
rmelson@hgslaw.com

DONNA McNULTY
WorldCom, Inc.
1203 Governors Square Boulevard
Suite 201
Tallahassee, FL 32301
(850) 219-1008
donna.mcnulty@mci.com

DULANEY L. O'ROARK III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

ATTORNEYS FOR MCI

AFFIDAVIT

STATE OF _____

COUNTY OF _____

The undersigned, Sherry Lichtenberg, first being duly sworn, deposes and says:

1. That she is Senior Manager, Operational Support Systems and Facilities Development for WorldCom, Inc.

2. That she has reviewed the foregoing answers to Interrogatory Nos. 1-5 of BellSouth Telecommunications, Inc.'s First Set of Interrogatories to MCI WORLDCOM Communications, Inc. and MCImetro Access Transmission Services, LLC in Docket No. 020507-TP and that said answers are true and correct to the best of her knowledge, information and belief.

Signed this 29th day of May, 2003.

Sherry Lichtenberg

Sworn to and subscribed before me this 29th day of May, 2003, by Sherry Lichtenberg, who:

(X) is personally known to me, or

( ) presented _____ Driver's License No. _____ as identification.

Notary Public

Capricia Galloway
Notary Public, District of Columbia
My Commission Expires 07-15-2006

My Commission Expires: _____

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was served by E-mail and U.S. Mail on the following this 29th day of May, 2003:

Patricia Christensen
Staff Attorney
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
pchriste@pas.state.fl.us

AT&T Communications
of the Southern States, LLC
Virginia Tate
1200 Peachtree Street, N.E., Ste. 8100
Atlanta, GA 30309-3579
virginia.tate@att.com

AT&T Communications
of the Southern States, LLC
Tracy Hatch
101 North Monroe Street, Suite 700
Tallahassee, FL 32301
tracy.hatch@att.com

Nancy B. White
James Meza III
BellSouth Telecommunications, Inc.
c/o Nancy H. Sims
150 South Monroe Street
Suite 400
Tallahassee, FL 32301
nancy.white@bellsouth.com
james.meza@bellsouth.com
nancy.sims@bellsouth.com

R. Douglas Lackey
Meredith E. Mays
BellSouth Telecommunications, Inc.
Suite 4300, BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, GA 30375
douglas.lackey@bellsouth.com
meredith.mays@bellsouth.com

Dulaney L. O'Roark III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

Donna C. McNulty
WorldCom, Inc.
1203 Governors Square Blvd., Suite 201
Tallahassee, FL 32301
donna.mcnulty@mci.com

McWhirter Law Firm
Vicki Kaufman
Joseph A. McGlothlin
117 S. Gadsden St.
Tallahassee, FL 32301
vkaufman@mac-law.com
jmglothlin@mac-law-com

ITC^DeltaCom
Ms. Nanette Edwards
4092 S. Memorial Parkway
Huntsville, AL 35802-4343
nedwards@itcdeltacom.com

Messer Law Firm
Floyd R. Self
P.O. Box 1876
Tallahassee, FL 32302-1876
fself@lawfla.com

Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. And Request for Expedited Relief	)	Docket No. 020507-TL
	)	Served: May 29, 2003

MCI'S RESPONSE TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST REQUEST FOR PRODUCTION (No. 1)

MCI WORLDCOM Communications, Inc. and MCImetro Access Transmission Services LLC ("MCI"), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.350, Florida Rules of Civil Procedure, hereby provide the following Responses to BellSouth Telecommunications, Inc.'s First Request for Production of Documents.

REQUESTS

REQUEST NO. 1: Please produce all documents that are identified in or that otherwise support the answers provided in response to BellSouth's First Set of Interrogatories served May 9, 2003.

RESPONSE: MCI states that the only document it identified (BellSouth's Florida access tariff) is a matter of public record and available to BellSouth. Likewise, the public service commission decisions referenced in MCI's response to Interrogatory No. 4 are a matter of public record and available to BellSouth.

SERVED this 29th day of May, 2003.

HOPPING GREEN & SAMS

By: Richard D. Melson

Richard D. Melson
P.O. Box 6526
Tallahassee, FL 32301
(850) 425-2313
rmelson@hgslaw.com

DONNA McNULTY
WorldCom, Inc.
1203 Governors Square Boulevard
Suite 201
Tallahassee, FL 32301
(850) 219-1008
donna.mcnulty@mci.com

DULANEY L. O'ROARK III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

ATTORNEYS FOR MCI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was served by E-mail and U.S. Mail on the following this 29th day of May, 2003:

Patricia Christensen
Staff Attorney
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
pchriste@pas.state.fl.us

AT&T Communications
of the Southern States, LLC
Virginia Tate
1200 Peachtree Street, N.E., Ste. 8100
Atlanta, GA 30309-3579
virginia.tate@att.com

AT&T Communications
of the Southern States, LLC
Tracy Hatch
101 North Monroe Street, Suite 700
Tallahassee, FL 32301
tracy.hatch@att.com

Nancy B. White
James Meza III
BellSouth Telecommunications, Inc.
c/o Nancy H. Sims
150 South Monroe Street
Suite 400
Tallahassee, FL 32301
nancy.white@bellsouth.com
james.meza@bellsouth.com
nancy.sims@bellsouth.com

R. Douglas Lackey
Meredith E. Mays
BellSouth Telecommunications, Inc.
Suite 4300, BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, GA 30375
douglas.lackey@bellsouth.com
meredith.mays@bellsouth.com

Dulaney L. O'Roark III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

Donna C. McNulty
WorldCom, Inc.
1203 Governors Square Blvd., Suite 201
Tallahassee, FL 32301
donna.mcnulty@mci.com

McWhirter Law Firm
Vicki Kaufman
Joseph A. McGlothlin
117 S. Gadsden St.
Tallahassee, FL 32301
vkaufman@mac-law.com
jmglothlin@mac-law-com

ITC^DeltaCom
Ms. Nanette Edwards
4092 S. Memorial Parkway
Huntsville, AL 35802-4343
nedwards@itcdeltacom.com

Messer Law Firm
Floyd R. Self
P.O. Box 1876
Tallahassee, FL 32302-1876
fself@lawfla.com

Attorney

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. And Request for Expedited Relief	)))))	Docket No. 020507-TL Served: May 29, 2003

MCI'S RESPONSE TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST REQUEST FOR PRODUCTION (No. 1)

MCI WORLDCOM Communications, Inc. and MCImetro Access Transmission Services LLC ("MCI"), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.350, Florida Rules of Civil Procedure, hereby provide the following Responses to BellSouth Telecommunications, Inc.'s First Request for Production of Documents.

REQUESTS

REQUEST NO. 1: Please produce all documents that are identified in or that otherwise support the answers provided in response to BellSouth's First Set of Interrogatories served May 9, 2003.

RESPONSE: MCI states that the only document it identified (BellSouth's Florida access tariff) is a matter of public record and available to BellSouth. Likewise, the public service commission decisions referenced in MCI's response to Interrogatory No. 4 are a matter of public record and available to BellSouth.

SERVED this 29th day of May, 2003.

HOPPING GREEN & SAMS

By: 

Richard D. Melson
P.O. Box 6526
Tallahassee, FL 32301
(850) 425-2313
rmelson@hgslaw.com

DONNA McNULTY
WorldCom, Inc.
1203 Governors Square Boulevard
Suite 201
Tallahassee, FL 32301
(850) 219-1008
donna.mcnulty@mci.com

DULANEY L. O'ROARK III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

ATTORNEYS FOR MCI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was served by E-mail and U.S. Mail on the following this 29th day of May, 2003:

Patricia Christensen
Staff Attorney
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
pchriste@pas.state.fl.us

AT&T Communications
of the Southern States, LLC
Virginia Tate
1200 Peachtree Street, N.E., Ste. 8100
Atlanta, GA 30309-3579
virginia.tate@att.com

AT&T Communications
of the Southern States, LLC
Tracy Hatch
101 North Monroe Street, Suite 700
Tallahassee, FL 32301
tracy.hatch@att.com

Nancy B. White
James Meza III
BellSouth Telecommunications, Inc.
c/o Nancy H. Sims
150 South Monroe Street
Suite 400
Tallahassee, FL 32301
nancy.white@bellsouth.com
james.meza@bellsouth.com
nancy.sims@bellsouth.com

R. Douglas Lackey
Meredith E. Mays
BellSouth Telecommunications, Inc.
Suite 4300, BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, GA 30375
douglas.lackey@bellsouth.com
meredith.mays@bellsouth.com

Dulaney L. O'Roark III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

Donna C. McNulty
WorldCom, Inc.
1203 Governors Square Blvd., Suite 201
Tallahassee, FL 32301
donna.mcnulty@mci.com

McWhirter Law Firm
Vicki Kaufman
Joseph A. McGlothlin
117 S. Gadsden St.
Tallahassee, FL 32301
vkaufman@mac-law.com
jmglothlin@mac-law-com

ITC^DeltaCom
Ms. Nanette Edwards
4092 S. Memorial Parkway
Huntsville, AL 35802-4343
nedwards@itcdeltacom.com

Messer Law Firm
Floyd R. Self
P.O. Box 1876
Tallahassee, FL 32302-1876
fself@lawfla.com

Attorney

PUBLIC (REDACTED) VERSION

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. and Request for Expedited Relief	)	Docket No. 020507-TP
	)	Served: June 2, 2003

MCI'S RESPONSE TO
(1) BELLSOUTH'S FIRST SET OF INTERROGATORIES (NOS. 1 – 32),
(2) THIRD SET OF INTERROGATORIES (NO. 66), AND
(3) FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-4)

In accordance with the Settlement Agreement approved by the Commission in Order No. PSC-03-0611-AS-TL, MCI WorldCom Communications, Inc. and MCImetro Access Transmission Services, LLP (collectively, "MCI") hereby respond to those portions of BellSouth Telecommunications, Inc.'s (BellSouth's) outstanding discovery to the Florida Competitive Carriers Association (FCCA) required by Order Nos. PSC-03-0084-PCO-TL and PSC-03-180-PCO-TL as if such requests had been addressed individually to MCI.

INTERROGATORIES

(First Set)

Interrogatory No. 5: Do you contend that the Florida Public Service Commission has jurisdiction over Broadband Service?

Response: Yes.

Interrogatory No. 6: If the answer to Interrogatory No. 5 is in the affirmative, please cite all statutes, rules, regulations, orders, or other legal authority that support your contention.

Response: The Commission has jurisdiction pursuant to Sections 364.01, 364.10, and 364.3381(3), Florida Statutes, and 47 U.S.C. §§ 202 and 251(d). See also Order Nos. PSC-02-1464-FOF-TL, PSC-02-1453-FOF-TP, PSC-02-0765-FOF-TP, and PSC-02-0878-FOF-TP.

Interrogatory No. 7: Do you contend that the Florida Public Service Commission has jurisdiction over Cable Modem service?

Response: Yes.

Interrogatory No. 8: If the answer to Interrogatory No. 7 is in the affirmative, please cite all statutes, rules, regulations, orders, or other legal authority that support your contention.

Response: MCI states that the Commission has jurisdiction over cable modem service on the same grounds identified in response to Interrogatory No. 6. MCI is aware of the FCC's conclusion to the contrary in *In re Appropriate Regulatory Treatment for Broadband Access to the Internet over Cable Facilities*, Declaratory Ruling and Notice of Proposed Rulemaking, GN Docket No. 00-185 and CS Docket No. 02-52, FCC 02-77 (March 15, 2002), but that decision is now on appeal to the Ninth Circuit.

Second Interrogatory No. 6: Please state whether [MCI] provides Broadband Service and/or DSL service to customers in Florida.

Response: MCI provides DSL services to customers in Florida.

Second Interrogatory No. 7: If the answer to Second Interrogatory No. 6 is in the affirmative, please:

i. Describe with particularity the nature of the Broadband Service and/or DSL service [MCI] is providing in Florida, including description of the protocols used (e.g., ADSL, IDSL, Cable Modem, etc.) as well as all applicable rates, terms and conditions of such services;

ii. State the total number of customers to whom [MCI] is providing Broadband Service and/or DSL Service in Florida, including stating the total number of residential and business customers being provided such service;

iii. Describe with particularity the nature of the technology used to provide the Broadband Service and/or DSL service; including, but not limited to, the number of customers served by the particular technology (e.g., if xDSL based the number of customers served by IDSL, the number of customer served by ADSL, etc.);

iv. State whether [MCI] utilized its own broadband equipment or purchased broadband connectivity from another provider; and

v. [No answer required.]

Response: MCI responds to the subparts of Second Interrogatory No. 7 as follows:

i. MCI currently offers a variety of DSL products in Florida: Enterprise DSL ("EDSL"), Internet DSL ("BDSL"), Private Label DSL—Access Edition ("PLDSLA") and Private Label DSL—Internet Edition ("PLDSLI"). MCI's OnNet DSL products support a broad range of applications including Internet, frame relay, ATM and virtual private networks ("VPNs"). As discussed below, the various product features have evolved somewhat over time as the means through which MCI provided such services have changed. Moreover, it should be noted that these services are offered only to customers who may be served from the limited number of central offices where MCI has collocation spaces in the Miami metropolitan area, and, in the case of BDSL, also in certain other areas on a resale basis.

Enterprise DSL: EDSL is used to provide frame relay, ATM and other data services to small and medium sized businesses and to enterprise customers with a requirement for many, dispersed, faster-than-dial data service connections (such as gas stations, retail chains and franchises). EDSL includes symmetric bandwidth for upstream and downstream traffic, multiple static Internet protocol addresses ("IP addresses"), routers for use as CPE, domain name ("DNS") hosting and a variety of access speeds, depending on the application, ranging from 128 kbps (kilobits per second) up to 7.0 Mbps (megabits per second). MCI currently offers a Service Level Agreement ("SLA") to its customers to cover network service up to the demarcation point between the BOC copper loop and the MCI facilities-based DSL network.

Internet DSL: BDSL is an Internet access product that MCI sells to two types of customers: Solo and Office. The Solo BDSL product is for a single user, and is primarily targeted to sole proprietorships, home offices, and enterprise customers wishing to purchase teleworker DSL connections for employees to use as a remote work location. It provides asymmetric bandwidth, two static IP addresses, and bridges for CPE. The use of static IP addresses distinguishes this product from traditional BOC retail DSL offerings, which generally use dynamically-assigned IP addresses that are less suitable for business applications and secure networking (VPNs). The Office BDSL product is designed for a small, multi-user location such as a small business or an enterprise location such as a remote sales office. The Office versions provides symmetric bandwidth in speeds from 128 kbps to 1.0 Mbps, multiple static IP addresses, routers for CPE, DNS hosting, and email accounts.

Private Label DSL: Private Label DSL, in both Access and Internet Editions, offers both symmetric and asymmetric bandwidth service that MCI sells to enterprise customers in bulk for

use as a large-scale remote work or telecommuting solution, and to ISPs, on a wholesale basis, for resale to end users. PLDSL includes a full suite of CPE options from low-end bridges to high-end routers, self-installation and professional installation options, and both dynamic and static IP addressing configurations for the Internet Edition. The difference between the Access and Internet Editions relates to the way in which MCI hands off the data traffic to the customer. For the Access Edition, MCI provides its customer with an aggregated traffic stream at the ATM layer. The customer provides its own IP addressing and Internet access to the end user. For the Internet Edition, MCI carries the customer's traffic to MCI's Internet backbone and routes it over the Internet using MCI's IP addressing. In both scenarios, the customer manages the end user relationship (*e.g.*, billing, authentication, technical support) and provides any Internet content (*e.g.*, email, news, Web hosting, portals) or value added services (*e.g.*, VPN, online entertainment servers).

[CONFIDENTIAL]

[END CONFIDENTIAL] MCI already has produced documents to BellSouth reflecting rates, terms and conditions for these services in Georgia Docket No. 11901-U.

MCI also provides fixed wireless service in Florida. MCI launched fixed wireless service in the Pensacola and Tallahassee markets in December 2001. Fixed wireless service provides wireless access to the internet using multichannel multipoint distribution service ("MMDS") technology. MCI notes that it is in the process of selling its MMDS business, and BellSouth is one of the parties bidding for that business. MCI already has produced documents to BellSouth reflecting rates, terms and conditions for these services in Georgia Docket No. 11901-U.

In addition MCI recently has begun selling DSL to its UNE-P customers in Florida. MCI provides DSL service to these customers in areas that can be served from MCI's collocation spaces. The rates, terms and conditions for these services are available at MCI.com and a copy of the terms and conditions are provided in response to Document Production Request No. 1.

ii. **[CONFIDENTIAL]**

[END CONFIDENTIAL]

iii. See response to subpart ii.

iv. MCI uses its own DSL equipment and also resells DSL service using the equipment of another carrier.

Second Interrogatory No. 8: If the answer to Second Interrogatory No. 6 is in the negative, please:

i. Describe with particularity all reasons, whether technical, financial, or otherwise, why [MCI] does not provide its own Broadband Service and/or DSL service to customers in Florida; and

ii. [No answer required.]

Response: Not applicable.

Interrogatory No. 9: Please state whether [MCI] provides Broadband Service and/or DSL service to customers in states [in the BellSouth Region] other than Florida.

Response: MCI does provide MMDS and DSL service to customers in states other than Florida in BellSouth's nine-state region.

Interrogatory No. 10: If the answer to Interrogatory No. 9 is in the affirmative, please:

i. Identify those states [in the BellSouth region] in which [MCI] provides Broadband Service and/or DSL service;

ii. Describe with particularity the nature of the Broadband Service and/or DSL Service [MCI] is providing in each state, including a description of the protocols used (e.g., ADSL, ISDL, Cable Modem, etc.) as well as all applicable rates, terms and conditions of such service;

iii. State the total number of customer to whom [MCI] is providing Broadband Service and/or DSL service in each such state, including stating the total number of residential and business customers being provided service.

Response: MCI responds to the subparts of Interrogatory No. 10 as follows:

i. MCI provides MMDS service in Alabama, Louisiana, Mississippi and Tennessee. MCI provides DSL service in Georgia and North Carolina.

ii. See response to subpart i. above. MCI already has produced documents to BellSouth reflecting rates, terms and conditions for these services in Georgia Docket No. 11901-U.

iii. Responsive information for the MMDS and DSL markets MCI serves in the BellSouth states is provided in the table below:

[CONFIDENTIAL]

STATE	RESIDENTIAL (ISP Wholesale)	BUSINESS	TOTAL
Alabama			
Georgia			
Louisiana			
Mississippi			
North Carolina			

Tennessee			

[END CONFIDENTIAL]

Interrogatory No. 11: If [MCI] provides Broadband Service and/or DSL service [in the BellSouth region], will [it] provide such service to an end user customer irrespective of whether that customer also purchases telecommunications service from [MCI] (i.e., does [MCI] provide a stand-alone Broadband Service and/or DSL service)?

Response: Yes. With the exception of the DSL service MCI provides to UNE-P customers, MCI provides stand-alone DSL service. For customers to whom MCI provides UNE-P service, MCI does not offer DSL service on a stand-alone basis.

Interrogatory No. 12: If the answer to Interrogatory No. 11 is in the affirmative, please:

i. Describe with particularity the nature of the stand-alone Broadband Service and/or DSL service [MCI] is providing [in the BellSouth region], including identifying the states in which such service is provided and including a description of the protocols used (e.g., ADSL, IDSL, Cable Modem, etc.) as well as all applicable rates, terms, and conditions;

ii. State the total number of customers to whom [MCI] is providing the stand-alone Broadband Service and/or DSL service, including stating the total number of residential and business customers being provided such service in each state; and

iii. Identify all documents referring or relating to the stand-alone Broadband Service and/or DSL service [MCI] is providing.

Response: MCI responds to the subparts of Interrogatory No. 12 as follows:

i. See response to Second Interrogatory No. 7 i. and Interrogatory No. 10 i.

ii. See response to Second Interrogatory No. 7 ii. and Interrogatory No. 10 iii.

iii. MCI already has produced documents to BellSouth reflecting rates, terms and conditions for these services in Georgia Docket No. 11901-U.

Interrogatory No. 13: If the answer to Interrogatory No. 11 is in the negative, please:

i. Describe with particularity the reasons, whether technical, financial or otherwise, why [MCI] does not provide its own Broadband Service and/or DSL service to customers of other voice providers in Florida;

ii. to v. [No answer required.]

Response: Providing stand-alone DSL service to most customers to whom MCI offers UNE-P service would involve line sharing with BellSouth, which the FCC has announced will be phased out and thus may not be available in the long-term as a DSL service delivery method. MCI further notes that it does not provide local residential service in Florida using UNE-L.

Interrogatory No. 14: Identify each market in [MCI] is providing DSL service and state the number of customers in each such market to whom the service is being provided, including stating the total number of residential and business customers being provided such service.

Response: Responsive information for the MMDS and DSL markets MCI serves in the BellSouth states is provided in the table below:

[CONFIDENTIAL]

MARKET	RESIDENTIAL (ISP Wholesale)	BUSINESS	TOTAL
Montgomery, Alabama			
Miami, Florida			
Jacksonville, Florida			
Tampa, Florida			
Orlando, Florida			
Pensacola, Florida			
Tallahassee, Florida			
Atlanta, Georgia			
Baton Rouge, Louisiana			
Lafayette, Louisiana			
Jackson, Mississippi			
Charlotte, NC			

Greensboro, NC			
Raleigh, NC			
Chattanooga, Tennessee			

[END CONFIDENTIAL]

Interrogatory No. 15: Describe with particularity [MCI's] DSL network; including, but not limited to, identifying the location of that network and describing the specific equipment that comprises that network, identifying the vendor and/or provider of the DSL equipment, the number, manufacturer, and size of DSLAMs installed in that network by central office, remote terminal or other location, as well as the total number of collocation sites in which the FCCA member has collocated its facilities with facilities of BellSouth.

Response: The Commission ruled that this interrogatory was limited to identifying the footprint of [MCI's] network, sufficient for one to discern where the xDSL products are available. With that limitation, see response to Interrogatory No. 14.

Interrogatory No. 16: Has [MCI] at any time entered into any agreement or held any discussions with any Cable Modem service provider regarding a joint offering or package of services involving the FCCA member's voice service and the Cable Modem service provider's Broadband Service.

Response: Yes.

Interrogatory No. 17: If the answer to Interrogatory No. 16 is in the affirmative, please:

i. Identify the Cable Modem service provider with whom you have had such an agreement or discussions;

ii. State the date when such an agreement was executed or such discussions took place;

iii. Describe with particularity the nature of such an agreement or discussion, including applicable rates, terms and conditions for a joint offering or package of services involving [MCI's] voice service and the Cable Modem service provider's Broadband Service; and

iv. Identify all documents referring or relating to such an agreement or discussion.

Response: The Commission ruled that subparts iii. and iv. were limited to a description of any contemplated joint offerings. With that limitation, MCI responds to the subparts of Interrogatory No. 17 as follows:

[CONFIDENTIAL]

[END CONFIDENTIAL]

Interrogatory No. 18: If the answer to Interrogatory No. 16 is in the negative, please describe with particularity all reasons, whether technical, financial, or otherwise, why [MCI] has decided not to enter into an agreement or discussions with a Cable Modem service provider concerning a joint offering or package of services involving [MCI's] voice service and the Cable Modem service provider's Broadband Service.

Response: Not applicable.

Interrogatory No. 19: Has [MCI] at any time entered into an agreement or held any discussions with any DSL service provider and/or wholesale DSL network provider regarding (a) a joint offering or package of service involving [MCI's] voice service and the DSL service provider's

Broadband Service, including, but not limited to, engaging in line splitting; and/or (b) purchasing a wholesale broadband package for the purpose of creating a retail broadband service offering?

Response: Yes.

Interrogatory No. 20: If the answer to Interrogatory No. 19 is in the affirmative, please:

i. Identify the DSL service provider with whom [MCI] has had such an agreement or discussion;

ii. State the date when such an agreement was executed or such discussions took place;

iii. Describe with particularity the nature of such an agreement or discussions, including applicable rates, terms, and conditions for (a) a joint offering or package of services involving [MCI's] voice service and the DSL service provider's Broadband Service and/or (b) a wholesale offering or wholesale broadband package; and

iv. Identify all documents referring or relating to such an agreement or discussion.

Response: The Commission ruled that this subparts iii. and iv. were limited to a description of any contemplated joint offerings. With that limitation, MCI responds to the subparts of Interrogatory No. 20 as follows:

[CONFIDENTIAL]

[END CONFIDENTIAL]

Interrogatory No. 21: If the answer to Interrogatory No. 19 is in the negative, please describe with particularity all reasons, whether technical, financial, or otherwise, why (a) [MCI] has not entered into an agreement or discussions with any DSL service provider concerning a joint offering or package of services involving [MCI's] voice service and the DSL service provider's Broadband Service, including, but not limited to, engaging in line splitting and/or (b) [MCI] has not entered into an agreement or discussions with any wholesale DSL service provider.

Response: Not applicable.

Interrogatory No. 22: If you currently provide Broadband Service, do you have any objection to the Public Service Commission in those states in which you provide such service from requiring you to provide Broadband Service to an end user customer irrespective or whether that customer also purchases telecommunications service from you (i.e., requiring you to provide a stand-along Broadband Service)? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

Response: MCI would object to such regulation by public service commissions. Reasons that such regulation would be inappropriate include the following: (1) MCI does not have a monopoly in the local voice market and has no market power in the DSL market and therefore unlike BellSouth is not in a position to use DSL to prevent competition in the local voice market; (2) the rule BellSouth suggests would require MCI to provide DSL service where it does not have collocation spaces and thus physically could not provide service.

Interrogatory No. 23: If you currently provide DSL Service, do you have any objections to the Public Service Commission in those states in which you provide such service from requiring you to provide DSL Service over the unbundled loops purchased by any and all other ALECs operating in those states? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

Response: MCI would object to such regulation by public service commissions. MCI notes that unlike BellSouth, MCI does not have a monopoly in the local voice market and has no market power in the DSL market, so substantially different policy considerations apply to regulating the two companies. MCI further notes that the regulation BellSouth suggests would impose substantially greater obligations on MCI than would be placed on BellSouth if MCI is granted the relief it is requesting in this case because BellSouth owns all the loops over which it provides FastAccess service, and all of those loops terminate at BellSouth's central offices. See also response to Interrogatory No. 13.

Interrogatory No. 24: Do you have any objection to BellSouth, or any ALEC, utilizing free of charge the high frequency portion of unbundled loops purchased by you to (a) provision DSL Service to your end user customers; and (b) access the unbundled loop to perform testing, repair, maintenance, and/or troubleshooting? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

Response: MCI notes that its UNE-P loops are the loops at issue in this case with respect to MCI. MCI has no objection at this time to BellSouth utilizing free of charge the high frequency portion of the UNE-P loops MCI leases from BellSouth to provision DSL service to MCI's end user customers, or to access the UNE-P loop to perform testing, repair, maintenance and/or troubleshooting, subject to an appropriate amendment to the interconnection agreements between BellSouth and MCI. MCI also has no objection at this time to another CLEC utilizing free of charge the high frequency portion of the UNE-P loops MCI leases from BellSouth to provision DSL service to MCI's end user customers, or to access the UNE-P loop to perform

testing, repair, maintenance and/or troubleshooting, provided MCI and the other CLEC have entered into an appropriate line splitting agreement.

Interrogatory No. 25: Do you have any objection to BellSouth, or any ALEC, taking whatever steps are necessary in order to provision its DSL Service over unbundled loops purchased by you to provision DSL Service to your end user customers? If the answer to the foregoing Interrogatory is in the affirmative, describe with particularity all such objections.

Response: MCI notes that its UNE-P loops are the loops at issue in this case with respect to MCI. MCI could not agree to allow BellSouth, or any CLEC, to take "whatever steps" they deem necessary to provision their DSL service to its customers over MCI's UNE-P loops. Nonetheless, MCI stands ready to negotiate reasonable terms and conditions concerning such provisioning and is confident that the parties negotiating in good faith could come to terms on such operational details.

Interrogatory No. 26: What rates, terms and conditions, if any, do you contend should apply when BellSouth, or any ALEC, uses the high-frequency portion of an unbundled loop purchased by you to provide DSL Service to your end user customers?

Response: MCI notes that its UNE-P loops are the loops at issue in this case with respect to MCI. Such terms and conditions concerning MCI's UNE-P loops would have to be worked out between the parties during good faith negotiations.

Interrogatory No. 27: If BellSouth, or any ALEC, were to use the high frequency portion of an unbundled loop purchased by you for the purpose of providing DSL Service, would you request compensation for such use of the high frequency portion of that loop?

Response: See response to Interrogatory No. 24.

Interrogatory No. 28: If the answer to Interrogatory No. 32 [should be 23] is in the affirmative, state the amount of compensation you would charge and describe with particularity how this charge was calculated.

Response: Not applicable.

Interrogatory No. 29: Do you contend that any state or federal laws, rules, or regulations are violated when BellSouth does not provide FastAccess service to carriers that offer DSL service (as contrasted to carriers that do NOT offer DSL service)? If the answer to the foregoing Interrogatory is in the affirmative, state all facts and identify all documents that support this contention.

Response: Yes. MCI contends that BellSouth's practice of refusing to provide its FastAccess (as well as its wholesale DSL service) to CLEC voice customers violates the same Florida laws cited in the Complaint regardless of whether the CLEC provides DSL service. The discriminatory nature and anticompetitive effects of BellSouth's DSL policy is the same regardless of whether the CLEC provides its own DSL service, because BellSouth is the monopoly provider of voice service in its service territory in Florida and has the overwhelming share of the DSL customers in that territory, as discussed in the pre-filed testimony of Joe Gillan and the depositions of Mr. Gillan and Dr. William Taylor.

Interrogatory No. 30: With respect to the statement in the Complaint that an objective of this Commission is to "protect consumers in their ability to access a full array of market options – whether that option is basic telecommunications service, broad band service, long distance service, of whatever combination of these and/or other services a particular consumer selects to serve his or her own unique needs" do you content that seeking to regulate only BellSouth's provision of FastAccess accomplishes this goal? If the answer to the foregoing Interrogatory is in the affirmative, state all facts and identify all documents that support this contention.

Response: No. MCI acknowledges regulating BellSouth's provisioning of FastAccess would not, in and of itself, accomplish the stated goal, because protecting consumers' ability to access basic telecommunications service, broad band service and long distance service involves more than just ensuring that BellSouth does not act in an anticompetitive manner with respect to FastAccess. Nonetheless, because BellSouth is using its position in the DSL market to inhibit local voice competition in Florida, Commission action with respect to BellSouth's provisioning of DSL is appropriate.

Interrogatory No. 31: With respect to the statement in the Complaint that "the Commission should ensure that its policy decision is applicable to all competitive providers" is it your contention that any company that provides both telecommunications service and Broadband service should be required to provide Broadband service when a customer changes voice providers? If the answer to the foregoing Interrogatory is in the negative, state all facts and identify all documents that support this contention.

Response: No. It would be inappropriate to apply such a policy to all companies that provide telecommunications service and broadband service. Companies such as MCI do not have a monopoly in the local voice market and have no market power in the DSL market and therefore, unlike BellSouth, are not in a position to use DSL to prevent competition in the local voice market. Moreover, such a policy would require companies such as MCI to provide DSL service where they do not have collocation spaces and thus physically could not provide service.

Interrogatory No. 32: With respect to the allegations in Paragraph 12 of the Complaint, do you contend that the Commission's role is solely focused on the behavior of the incumbent local providers and that ALECs do not engage in behavior "that hampers the development of a competitive market"? If the answer to the foregoing Interrogatory is in the affirmative, state all facts and identify all documents that support this contention.

Response: MCI does not contend that the Commission's role is solely focused on the behavior of ILECs. MCI also does not contend that CLECs could not, at least in theory, engage in behavior that hampers the development of a competitive market. In the event that the Commission determines that a CLEC has engaged in such conduct, it has the power to take appropriate action.

(Third Set)

Interrogatory No. 66: Referring to the rebuttal testimony of Mr. Joseph Gillan, page 18, lines 6-7, describe with particularity whether [MCI] has explored "partner[ing] with competing DSL providers." Also, describe with particularity when "partner[ing] with competing DSL providers. . .ma[kes] sense." State all facts and identify all documents that support your response.

Response: See response to Interrogatory No. 20. **[CONFIDENTIAL]**

[END CONFIDENTIAL]

DOCUMENT PRODUCTION REQUESTS

Request No. 1: Produce all documents identified in response to these interrogatories.

Response: With the exception of the additional documents identified in response to Second Interrogatory No. 7.i and Interrogatory No. 20.iv, MCI has already produced the identified documents to BellSouth in Georgia Docket No. 11901-U. MCI will make

documents that already have been produced available for inspection and copying, subject to the parties' protective agreement in this case, at a mutually convenient place and time. As noted in response to Interrogatory No. 20.iv, MCI will produce the additional document identified in response to that interrogatory once it obtains necessary approval. The document identified in Second Interrogatory No. 7.i is produced herewith.

Request No. 2: Produce all documents that refer or relate to any [retail] Broadband Service and DSL service that [MCI] provides to its customers in Florida.

Response: MCI has already produced such documents to BellSouth in Georgia Docket No. 11901-U. MCI will make such documents available for inspection and copying, subject to the parties' protective agreement in this case, at a mutually convenient place and time.

Request No. 3: Produce all documents that refer or relate to any Broadband Service and DSL service that [MCI] provides to its customers in states [in the BellSouth region] other than Florida.

Response: MCI has already produced such documents to BellSouth in Georgia Docket No. 11901-U. MCI will make such documents available for inspection and copying, subject to the parties' protective agreement in this case, at a mutually convenient place and time.

SERVED this 2nd day of June, 2003.

HOPPING GREEN & SAMS

By:_____

Richard D. Melson
P.O. Box 6526
Tallahassee, FL 32301
(850) 425-2313
rmelson@hgslaw.com

DONNA McNULTY
WorldCom, Inc.
1203 Governors Square Boulevard
Suite 201
Tallahassee, FL 32301
(850) 219-1008
donna.mcnulty@mci.com

DULANEY L. O'ROARK III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

ATTORNEYS FOR MCI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the Public (Redacted) Version of the foregoing was served by E-mail and U.S. Mail on the following this 2nd day of June, 2003:

Patricia Christensen
Staff Attorney
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
pchriste@pas.state.fl.us

AT&T Communications
of the Southern States, LLC
Virginia Tate
1200 Peachtree Street, N.E., Ste. 8100
Atlanta, GA 30309-3579
virginia.tate@att.com

AT&T Communications
of the Southern States, LLC
Tracy Hatch
101 North Monroe Street, Suite 700
Tallahassee, FL 32301
tracy.hatch@att.com

Nancy B. White
James Meza III
BellSouth Telecommunications, Inc.
c/o Nancy H. Sims
150 South Monroe Street
Suite 400
Tallahassee, FL 32301
nancy.white@bellsouth.com
james.meza@bellsouth.com
nancy.sims@bellsouth.com

R. Douglas Lackey
Meredith E. Mays
BellSouth Telecommunications, Inc.
Suite 4300, BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, GA 30375
douglas.lackey@bellsouth.com
meredith.mays@bellsouth.com

Dulaney L. O'Roark III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

Donna C. McNulty
WorldCom, Inc.
1203 Governors Square Blvd., Suite 201
Tallahassee, FL 32301
donna.mcnulty@mci.com

McWhirter Law Firm
Vicki Kaufman
Joseph A. McGlothlin
117 S. Gadsden St.
Tallahassee, FL 32301
vkaufman@mac-law.com
jmglothlin@mac-law-com

ITC^DeltaCom
Ms. Nanette Edwards
4092 S. Memorial Parkway
Huntsville, AL 35802-4343
nedwards@itcdeltacom.com

Messer Law Firm
Floyd R. Self
P.O. Box 1876
Tallahassee, FL 32302-1876
fself@lawfla.com

_____
Attorney

THESE ARE TERMS AND CONDITIONS OF YOUR DSL INTERNET ACCESS. PLEASE READ THEM CAREFULLY.

1. AGREEMENT
   This agreement with MCI WORLDCOM Communications, Inc. ("MCI") governs your DSL Services (the "Agreement"). This Agreement incorporates the General Service Agreement, which can be found online at http://www.mci.com/termsandrates and which is included with your Welcome Kit. By using the DSL Service or DSL Equipment, you agree to be bound by the Agreement and to use the DSL Service in compliance with MCI's Acceptable Use Policy (which can be found at http://www.mci.com/global/terms/a_u_p). If you have purchased The Neighborhood HiSpeed with AOL, you will additionally be subject to AOL terms and conditions, including AOL's Terms of Service, to which you will need to separately agree before using the AOL service. MCI may revise this Agreement for DSL Services from time to time by posting the revisions to MCI's website at http://www.mci.com/ResDSLTerms at least 15 days in advance of the change, and such changes will be incorporated by reference into your Agreement. It is your responsibility to review the on-line terms and conditions. By continuing to use the DSL Service after revisions are posted, you agree to accept and abide by them.
2. TERM
   The initial term of your DSL Service begins on your account billing start date (which will appear on your telephone bill) and continues for twelve months ("Term"). Your account billing start date is determined by MCI and is not dependent on whether or not you have completed installation or used the DSL Service. After the initial term, your DSL Service will be provided on a month-to-month basis.
3. PAYMENT
   Your DSL Service is part of a bundled service. You will be billed on your telephone bill and utilize the payment method of your choice. Timing of payments and the result of late payment are as set out in the General Service Agreement. Your local and long distance services will not be disconnected for nonpayment of charges for DSL Service. However, MCI may suspend or cancel the DSL Service if charges are not paid.
4. CHANGE IN PRODUCT
   You have purchased either The Neighborhood HiSpeed with AOL or The Neighborhood HiSpeed, either of which is a bundled product providing you unlimited local calling, unlimited domestic long distance calling and unlimited DSL use for a monthly fee. If you make changes to the long distance element of your bundled product, MCI may continue to provide service to you, but if it does, you will be charged a new product rate and a separate charge of $59.99 for your DSL Service. (The allocated cost of your DSL Service included in your current bundled product is $50.00.) If you change your local telephone company, your DSL Service will be cancelled, and you will be assessed the equipment charge of $150.00. This equipment charge will be credited if you return the DSL Equipment, in good working condition, within 30

days of cancellation.

Note that certain MCI Partner benefits, such as airline miles or video certificates, may not apply to the DSL portion of your bundled service.

5. CANCELLATION
You will be provided DSL Equipment at no cost. However, should you cancel this Agreement at any time during the Term, you will be assessed an equipment charge of $150.00. If you return the DSL Equipment, in good working condition, to MCI within 30 days of cancellation of your account, you will be credited the $150.00 charge. You must pay for shipping, except where not permitted by applicable law. Insurance is recommended. A letter will be sent to you following cancellation with the address for shipment, or you may use the following address: MCI, c/o DSL Returns Department, 3600 eCommerce Place, Orlando, FL, 32808.

Once you have accepted DSL Service, if you are dissatisfied with the Service in any way, your sole remedy is to cancel your account.

To cancel your account you must call 1-888-MCI-LOCAL.

MCI reserves the right to suspend or terminate the DSL Service to you, or to suspend or terminate any user ID, email address, URL or domain name used by you, in the event it is used in a manner which violates any law, regulation, tariff or the MCI Acceptable Use Policy or which endangers the MCI network, the DSL Service or the use and enjoyment of other users. You understand and agree that any attempt to break security, or to access an account which does not belong to you, shall be considered a material breach of this Agreement, and may result in suspension or cancellation of the DSL Service. You agree to immediately notify MCI of any unauthorized use of your account and/or and breach or attempted breach of security of which you are aware.

DSL Service is for your home use only. You may not allow others to connect to your DSL Service and you may not resell your DSL Service. Any such actions will result in the immediate cancellation of your account.

6. DSL SERVICE
To receive DSL Service, DSL Service must be available to your location. You must also keep your telephone service active for the DSL Service to work. Your local phone company must be MCI for you to receive DSL Service.

MCI will use best efforts to provide the DSL Service. DSL Service is not always able to be provided. MCI shall have no liability for claims arising out of its failure or refusal to complete installation or provisioning of your DSL Service.

Your DSL Service is a best efforts service. The

actual speed you experience may vary depending on several factors including customer location, destination on the Internet, traffic on the Internet, line quality, and other factors beyond MCI's control.

MCI may interrupt the DSL Service for scheduled or emergency maintenance or as otherwise set forth in the Agreement. Also, your DSL Service may be interrupted in the normal course of business.

MCI reserves the right to apply commercially reasonable spam, fraud and abuse prevention methods to inbound and outbound e-mail.

If you have a home alarm system and DSL installed on the same telephone line, you may experience trouble with your alarm service. MCI suggests that you test your home alarm system once DSL is installed. You should check with your home alarm company for the test procedure. If your test reveals that your security system is not working, you will need to contact your home alarm company for assistance.

MCI MAKES NO WARRANTY THAT THE DSL SERVICE WILL MEET YOUR REQUIREMENTS, OR THAT THE DSL SERVICE WILL BE UNINTERRUPTED, TIMELY, SECURE OR ERROR FREE. MCI PROVIDES NO GUARANTEE WITH REGARD TO THROUGHPUT SPEEDS WITH THE DSL SERVICE.

MCI's liability for damages, including but not limited to damages in regards to interruptions of the DSL Service, for mistakes, omissions, delays, errors and defects in the provision of the Service, shall in no event exceed an amount equal to the pro-rata charges to you for the period during which the DSL Service is affected. MCI SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, LOSS OF INCOME OR COST OF REPLACEMENT SERVICES.

MCI's liability for willful misconduct, if established as a result of judicial, administrative, or arbitration proceedings, is not limited by this Agreement.

7. DSL SERVICE REQUIREMENTS
Your computer must meet the following minimum requirements:

For PC:

- 133 MHz (or faster) Pentium-based processor (or equivalent)
- Windows 95b, Windows 98 and 98se, Windows MC, Windows NT (4.0 Workstation with Service Pack 3 or higher), or Windows 2000 (no server versions of NT 4 or Windows 2000 are supported)
- 32 MB RAM
- 25 MB of available hard disk space

- Installed CD-ROM drive
- All machines should have an installed, functional 10BaseT or better Ethernet interface
- Operating System CD
- Web browser (For The Neighborhood HiSpeed with AOL: Microsoft Internet Explorer 5.0 or higher)(For The Neighborhood HiSpeed: Microsoft Internet Explorer 5.0 or higher or Netscape Navigator 4.7 or higher) and e-mail client (For The Neighborhood HiSpeed: Outlook Express, Netscape Communicator or Eudora)

For Macintosh:

- PowerPC or faster processor
- Mac OS 8 through Mac OS 9.1
- Open Transport 1.1.1 enabled
- 32 MB RAM
- 25 MB of available hard disk space
- Installed CD-ROM drive
- All machines should have an installed, functional 10BaseT or better Ethernet interface
- Operating System CD
- Web browser (For The Neighborhood HiSpeed with AOL: Microsoft Internet Explorer 5.0 or higher)(For The Neighborhood HiSpeed: Microsoft Internet Explorer 5.0 or higher or Netscape Navigator 4.7 or higher) and e-mail client (For The Neighborhood HiSpeed: Outlook Express, Netscape Communicator or Eudora)

8. DSL EQUIPMENT AND INSTALLATION
You will be provided with DSL Equipment, which will be subject to additional terms and conditions. If the DSL Equipment does not work, and DSL Service is otherwise available to you, you must contact MCI at the following toll free numbers:
The Neighborhood HiSpeed with AOL - 1-800-888-0093
The Neighborhood HiSpeed - 1-800-888-8100

New DSL Equipment will be sent to you and a shipping label will be included. If you do not return the damaged DSL Equipment within 30 days of the date on your new DSL Equipment welcome letter, you will be assessed an equipment charge of $150.00.

The installation, use, inspection, maintenance, repair and removal of the DSL Equipment may result in service outage or potential damage to your computer. You are solely responsible for backing up all of your existing computer files and data. You are solely liable for impacts to or loss of any warranty associated with the opening of your computer for installation of the DSL modem.

This is a self-installation product. If you are unable to install the DSL Equipment, MCI will provide

installation service at an additional charge.

MCI DOES NOT REPRESENT, WARRANT, OR COVENANT THAT INSTALLATION OF THE DSL EQUIPMENT WILL ENABLE YOU TO SUCCESSFULLY ACCESS, OPERATE, OR USE THE DSL SERVICE, NOR THAT SUCH INSTALLATION WILL NOT CAUSE DAMAGE TO YOUR COMPUTER, DATA, SOFTWARE, FILES OR PERIPHERALS. MCI SHALL HAVE NO LIABILITY WHATSOEVER FOR ANY DAMAGE, OR FOR THE FAILURE TO PROPERLY INSTALL, ACCESS, USE OR OPERATE THE DSL EQUIPMENT OR DSL SERVICES BECAUSE OF YOUR INSTALLATION. THIS LIMITATION OF LIABILITY IS IN ADDITION TO AND SHALL IN NO WAY BE CONSTRUED TO LIMIT ANY AND ALL LIMITATIONS OF LIABILITY SET FORTH ELSEWHERE IN THE AGREEMENT.

9. ACCOUNT, PASSWORD AND SECURITY
   You will receive a user name, password and account designation. You are solely responsible for use of your DSL Service. Keep your password confidential. You must notify MCI immediately upon discovering any unauthorized use of your account.

   You will be allocated a dynamic IP address. MCI reserves the right to timeout inactive connections.

10. CREDITS
    To be eligible for Service outage credits, you must report an outage within 30 business days of the incident with a request for credit. For any given month, the maximum credit available to you is an amount equal to the allocated cost for the DSL portion of your plan fee.
11. CONTENT DISCLAIMER
    Use of the DSL Service may involve access to the Internet, including information and services provided thereon. MCI specifically denies any responsibility for the accuracy or quality of data, information, images, audio and video ("Content") obtained on the Internet and or through MCI's network, your equipment, facilities or systems. You assume total risk and responsibility for any and all access to the Internet or use, alteration or transport of any Content or information thereon.
12. MONITORING
    MCI has no obligation to monitor the DSL Services or your email or web space but may do so and disclose information regarding use of the services for any reason if MCI, in its sole discretion, believes that it is reasonable to do so, including to: satisfy laws, regulations, or governmental or legal requests, operate the service properly, or protect itself and its users. MCI may immediately remove your material or information from the servers, in whole or in part, which MCI, in its sole and absolute discretion, determines to infringe another's property rights or to violate our Acceptable Use Policy.
13. PRIVACY POLICY
    MCI will treat your personal information in accordance with our current Privacy Policy, which may be found at http://global.mci.com/legal/privacy. You agree to the terms of the Privacy Policy, which describes MCI's use and disclosure of information about your account and your use of the DSL Service. You

consent to MCI providing personally identifiable information, as defined in the Privacy Policy, to partners or vendors necessary to the provisioning or service of your bundled product.

14. INDEMNIFICATION
You agree to defend, indemnify and hold harmless MCI from and against all liabilities, costs and expenses, including reasonable attorneys' fees, related to or arising from (a) any violation of applicable laws, regulations, tariff or this Agreement by you (or anyone who uses your account, with or without your permission); (b) the use of the DSL Service or the Internet or the placement or transmission of any message, information, software or other materials on the Internet by you (or anyone who uses your account, with or without your permission); (c) negligent or intentional acts, errors or omissions by you (or anyone who uses your account, with or without your permission); (d) injuries to or death of any person and damages to or loss of any property, which may in any way arise out of or result from your obligations under this Agreement or your use of the DSL Service or the Internet, except to the extent that such liabilities arise from the willful misconduct of MCI; or (e) claims for infringement of any intellectual property rights arising from your use of the DSL Service or the Internet.
15. ARBITRATION
You consent to arbitration in accordance with the arbitration provisions contained in the General Services Agreement. Any dispute will be decided on an individual basis and will not be consolidated in any action with the disputes or claims of other consumers or customers. You agree that you may not bring any dispute or claim as a class action or as a private attorney general, and you agree not to act as a class representative or participate as a member of a class of claimants with respect to any dispute or claim relating to this Agreement or the DSL Services.
16. CHOICE OF LAW
This Agreement is governed by and construed under the laws of the State of New York and applicable federal law, without regard to choice of law principles.
17. NO CHANGES
You may not modify or assign this Agreement. MCI may assign this Agreement in its sole discretion.
18. SEVERABILITY
If any part or provision of this Agreement is finally determined to be invalid or unenforceable under applicable law by a court of competent jurisdiction, then that part or provision will be ineffective only to the extent of such invalidity or unenforceability, without in any way affecting the remaining parts or provisions of this Agreement.

IF YOU ARE PURCHASING THE NEIGHBORHOOD HISPEED, THE FOLLOWING ADDITIONAL TERMS AND CONDITIONS APPLY:

Your DSL Service includes:

1. DSL access on a single telephone number
2. DSL Modem and Installation Kit
3. Up to 8 Email addresses

Cancellation of your DSL Service will result in the cancellation of email service and the deletion of all files stored in or for your account.

Email accounts exceeding 10MB in size may be inactivated until you reduce the size of the mail being stored.

IF YOU ARE PURCHASING THE NEIGHBORHOOD HISPEED WITH AOL, YOU MUST AGREE TO ADDITIONAL TERMS AND CONDITIONS REQUIRED BY AOL. YOU WILL NEED TO PROVIDE AN AOL APPROVED BILLING METHOD TO AOL FOR PURCHASE OF SERVICES NOT INCLUDED IN THE NEIGHBORHOOD HISPEED WITH AOL.

The Neighborhood HiSpeed with AOL includes:

4. DSL access on a single telephone number
5. DSL Modem and Installation Kit
6. AOL Account
7. Up to 7 Email addresses
8. Personal web space - 12 MB per Email address
9. 5 hours of dial-up service per month (if you exceed the 5 hours, AOL will charge you via your approved AOL billing method at a rate of $2.95 per minute)

NOTE: If you have The Neighborhood HiSpeed with AOL and cancel local service with MCI or disconnect MCI DSL Service, your AOL membership will automatically continue pursuant to AOL's Terms of Service, to which you will need to separately agree before using the AOL service. MCI will not continue to bill you for this AOL account. If you do not cancel your AOL account directly with AOL, AOL will use your billing method on file to bill you at the then current monthly rate for unlimited access to the AOL service.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. And Request for Expedited Relief	)	Docket No. 020507-TL Served: June 19, 2003

MCI'S SUPPLEMENTAL RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST SET OF INTERROGATORIES (Nos. 4 and 5)

MCI WORLDCOM Communications, Inc. and MCImetro Access Transmission Services LLC ("MCI"), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provide the following Supplemental Responses to BellSouth Telecommunications, Inc.'s First Set of Interrogatories. In providing these responses, MCI does not waive, and incorporates herein, all of its objections, filed on May 29, 2003, to BellSouth's First Set of Interrogatories.

INTERROGATORIES

INTERROGATORY NO. 4: Please identify each state in which MCI provides local service where the incumbent local exchange carrier provides or is required to make its DSL service available over a UNE-P loop.

RESPONSE: In addition to its previous answer, and subject to and without waiving its previous objections, MCI states that Qwest has adopted provisions in its Statements of Generally Acceptable Terms and Conditions ("SGATs") in Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, South Dakota, Utah, Washington and Wyoming providing that a CLEC may order new or retain existing Qwest DSL service on behalf of end user customers for certain UNE combinations, including UNE-P. Qwest does not permit CLECs to obtain DSL service over UNE-P loops if the DSL service is provided to the end user customer by an internet service provider ("ISP") other than Qwest. MCI further notes that to date Qwest has not implemented its SGAT offerings in a manner that has enabled MCI to take advantage of them.

INTERROGATORY NO. 5: For each state identified above, does MCI require a customer that desires to switch its local service to MCI to "cancel [its] DSL service with [its] current provider in order for MCI to switch [its] line to The Neighborhood?" Please explain with particularity the reasons for your answer.

RESPONSE: In addition to its previous answer, and subject to and without waiving its previous objections, MCI states that it has not required customers to cancel their DSL service in order to migrate to the Neighborhood for their voice service in Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, South Dakota, Utah, Washington and Wyoming. The requirement that customers cancel their DSL service before migrating to a UNE-P voice provider has resulted from (i) Qwest's failure to implement its SGAT offerings; and (ii) Qwest's refusal to permit UNE-P voice customers to retain or obtain DSL service over their UNE-P lines if the DSL service is provided by other ISPs using Qwest's DSL facilities.

SERVED this 19th day of June, 2003.

HOPPING GREEN & SAMS

By:_____

Richard D. Melson
P.O. Box 6526
Tallahassee, FL 32301
(850) 425-2313
rmelson@hgslaw.com

DONNA McNULTY
WorldCom, Inc.
1203 Governors Square Boulevard
Suite 201
Tallahassee, FL 32301
(850) 219-1008
donna.mcnulty@mci.com

DULANEY L. O'ROARK III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

ATTORNEYS FOR MCI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was served by E-mail and U.S. Mail on the following this 19th day of June, 2003:

Patricia Christensen
Staff Attorney
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
pchriste@pas.state.fl.us

AT&T Communications
of the Southern States, LLC
Virginia Tate
1200 Peachtree Street, N.E., Ste. 8100
Atlanta, GA 30309-3579
vctate@att.com

AT&T Communications
of the Southern States, LLC
Tracy Hatch
101 North Monroe Street, Suite 700
Tallahassee, FL 32301
tracy.hatch@att.com

Nancy B. White
James Meza III
BellSouth Telecommunications, Inc.
c/o Nancy H. Sims
150 South Monroe Street
Suite 400
Tallahassee, FL 32301
nancy.white@bellsouth.com
james.meza@bellsouth.com
nancy.sims@bellsouth.com

R. Douglas Lackey/Meredith E. Mays
BellSouth Telecommunications, Inc.
Suite 4300, BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, GA 30375
douglas.lackey@bellsouth.com
meredith.mays@bellsouth.com

Dulaney L. O'Roark III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

Donna C. McNulty
WorldCom, Inc.
1203 Governors Square Blvd., Suite 201
Tallahassee, FL 32301
donna.mcnulty@mci.com

McWhirter Law Firm
Vicki Kaufman
Joseph A. McGlothlin
117 S. Gadsden St.
Tallahassee, FL 32301
vkaufman@mac-law.com
jmglothlin@mac-law-com

ITC^DeltaCom
Ms. Nanette Edwards
4092 S. Memorial Parkway
Huntsville, AL 35802-4343
nedwards@itcdeltacom.com

Messer Law Firm
Floyd R. Self
P.O. Box 1876
Tallahassee, FL 32302-1876
fself@lawfla.com

_____
Attorney

PUBLIC (REDACTED) VERSION

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of AT&T Communications of The Southern States, LLC; MCI WorldCom Communications, Inc. and MCImetro Access Transmission Services LLP; and Access Integrated Networks, Inc. Against BellSouth Telecommunications, Inc. And Request for Expedited Relief	)	Docket No. 020507-TL
	)	Served: July 14, 2003

MCI'S RESPONSES AND OBJECTIONS TO BELLSOUTH'S SECOND SET OF INTERROGATORIES (Nos. 6-15)

MCI WORLDCOM Communications, Inc. and MCImetro Access Transmission Services LLC (collectively, "MCI"), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provide the following Responses and Objections to the Second Set of Interrogatories of BellSouth Telecommunications, Inc. ("BellSouth").

GENERAL OBJECTIONS

1. MCI objects to each and every request and instruction to the extent that they are overly broad, unduly burdensome, oppressive, not permitted by applicable discovery rules, or would require MCI to disclose information which is privileged.

2. MCI objects to each and every request and instruction to the extent that they would require MCI to provide information about operations in states other than Florida, on the grounds that such requests are irrelevant, overly broad, unduly burdensome, and oppressive.

3. MCI objects to each and every request and instruction to the extent that such request or instruction calls for information that is exempt from discovery by virtue of the attorney-client privilege, work product privilege or other applicable privilege.

4. MCI objects to each and every request insofar as the request is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of these requests. Any responses provided by MCI in response to BellSouth's requests will be provided subject to, and without waiver of, the foregoing objection.

5. MCI objects to each and every request insofar as the request is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action.

6. MCI objects to each and every request and instruction insofar as they seek to impose obligations on MCI which exceed the requirements of the Florida Rules of Civil Procedure or Florida law, including a requirement to supplement any response that was complete and correct when initially furnished.

7. MCI objects to providing information to the extent that such information is has already been provided or is already in the public record before the Florida Public Service Commission.

8. MCI objects to each and every request to the extent that the information requested constitutes "trade secrets" which are privileged pursuant to Section 90.506, Florida Statutes.

9. MCI is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, MCI creates countless documents that are not subject to Florida Public Service Commission or FCC retention of records requirements. These documents are kept in numerous locations and are frequently moved from site to site as employees change jobs or as the business is reorganized. MCI's responses will provide all of the information obtained by MCI after a reasonable and diligent search conducted in connection with

these discovery requests. MCI will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the discovery requests purport to require more, MCI objects on the grounds that compliance would impose an undue burden or expense.

10. MCI objects to the definitions of "MCI," "you," and "your" to the extent that such definitions seek to impose an obligation to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definitions are overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

11. MCI objects to any discovery request that seeks to obtain "all" of particular documents, items, or information to the extent that such requests are overly broad and unduly burdensome. Any answers provided by MCI in response to this discovery will be provided subject to, and without waiver of, the foregoing objection.

12. To the extent that any interrogatory calls for information which MCI regards as confidential, such information will be provided only subject to the parties' protective agreement.

INTERROGATORIES

INTERROGATORY NO. 6: As of December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available) please state:

a. The total number of lines that MCI provides using UNE-P loops leased from BellSouth in Florida, designated by Florida deaveraged UNE rate zones 1, 2, and 3;

b. The total number of lines that MCI provides using unbundled loops (without switching) leased from BellSouth in Florida, designated by Florida deaveraged UNE rate zones 1, 2, and 3;

c. The total number of lines that MCI provides using resold BellSouth lines in Florida, designated by Florida deaveraged UNE rate zones 1, 2, and 3;

d. The total number of lines that MCI provides in Florida using exclusively its own facilities, designated by Florida deaveraged UNE rate zones 1, 2, and 3.

RESPONSE: Subject to and without waiving its previous objections, including its specific objections to Interrogatory No. 6, MCI responds to the subparts of Interrogatory No. 6 as follows:

a. The requested information is provided in the attached confidential chart. Note that a few lines are reflected in the totals that could not be assigned to a deaveraged UNE rate zone based on MCI's current information. It should also be noted that geographic zones 2 and 3 changed in September 2002, and the figures provided beginning December 31, 2002 reflect that change.

b. The requested information is provided in the attached confidential chart beginning with the first available data as of December 31, 2000. If MCI obtains information breaking down the requested information by deaveraged UNE rate zone, it will be provided in a supplemental response. The attached chart excludes high capacity loops, which are loops at the DS1 level or higher. MCI has objected to providing information on high capacity loops because such information is not relevant to this case.

c. The requested information is provided in the attached confidential chart. If MCI obtains information breaking down the requested information by deaveraged UNE rate zone, it will be provided in a supplemental response.

d. The only lines MCI provides in Florida using only its own facilities are high capacity circuits. MCI has objected to providing information on high capacity circuits because such information is not relevant to this case.

INTERROGATORY NO. 7: From the time period January 2000 to present, state the total number of customers that refused to migrate voice service to MCI because he or she had FastAccess service with BellSouth. If MCI does not know the exact number of customers, please provide a reasonable estimate of customers and explain with particularity how MCI arrived at any such estimate.

RESPONSE: Subject to and without waiving its previous objections, MCI states that it began providing UNE-P residential service in Florida on or about November 16, 2001. Since that time, MCI customer representatives have not tracked the number of customers who have chosen not to migrate to MCI or the reasons they have chosen not to do so. Such tracking would take away time from the representatives' principal role, which is selling MCI service to potential customers. Accordingly, MCI does not know, and cannot provide a reasonable estimate of, the number of customers that refused to migrate to MCI because they had FastAccess service with BellSouth.

MCI does have evidence, however, that the impact of BellSouth's practice has been significant. Until December 29, 2002, BellSouth rejected MCI's migration orders if the customer had

FastAccess. Despite efforts by MCI to screen out FastAccess customers before submitting migration orders, MCI received a high number of rejects for DSL reasons during this period. For example, from January 1, 2002 to December 12, 2002, MCI received 5,938 rejects because the customers had FastAccess (or DSL from a customer with an ISP that used BellSouth's wholesale DSL service). These rejects related to 5,131 telephone numbers, which means that approximately 807 of the rejects involved subsequent attempts to migrate these customers. (Subsequent migration attempts may have occurred because the customer's CSR was not updated with the correct DSL status on a timely basis by BellSouth; in such cases, the customer could be migrated because he or she no longer had BellSouth DSL service.) Each of the 5,938 rejects in question was received from BellSouth with a reject message indicating that the customer could not migrate because he or she had DSL service on his or her account.

On or about December 29, 2003, BellSouth removed the OSS edit that caused the rejection of migration orders for BellSouth FastAccess customers. As a result, customers may have been migrated to MCI and their FastAccess service disconnected. MCI does not have statistics on these customers, some of whom may have subsequently returned to BellSouth in order to reinstate their FastAccess service. Shortly after the determination that orders for customers with FastAccess were no longer being rejected, MCI implemented process and systems changes that prevent the acceptance of orders from FastAccess customers. Thus, MCI has no data since that time concerning the number of customers that have decided not to migrate their voice service to MCI because they did not wish to relinquish their FastAccess service.

The high number of rejects MCI received from January 1, 2002 to December 12, 2002 gives some indication of the magnitude of the problem. But in reality the problem is much larger than this figure suggests, because the rejects and migrations back to BellSouth do not count the customers that MCI screened out and did not attempt to migrate to UNE-P voice service because MCI learned that the customers had FastAccess. These figures also do not count the customers who did not even bother to call MCI because they knew they were ineligible for UNE-P service. Thus, although the total impact of BellSouth's illegal practice cannot be fully ascertained, there is no doubt that the impact is both large and continuing.

INTERROGATORY NO. 8: Referring to MCI's Confidential Response to FCCA Interrogatory No. 15, MCI has identified certain markets in which it provides DSL service. State whether MCI has set any firm dates to install its own DSL equipment and deploy its own DSL service in markets other than those identified in Response to FCCA Interrogatory No. 15. If so, please provide the dates and associated central office or remote terminal locations. If not, please explain with particularity why not.

RESPONSE: BEGIN CONFIDENTIAL

END CONFIDENTIAL

INTERROGATORY NO. 9: Referring to MCI's Response to FCCA Second Interrogatory No. 7 (iv), please:

a. Describe with particularity the manner in which MCI "resells DSL service."

b. State the name of the carrier whose DSL service MCI resells.

c. State whether MCI has ever resold a BellSouth voice line.

d. State whether MCI has ever resold a BellSouth voice line over which the end user customer receives FastAccess service from BellSouth.

RESPONSE: Subject to and without waiving its previous objections, MCI answers the subparts of Interrogatory No. 9 as follows:

a. **BEGIN CONFIDENTIAL**

END CONFIDENTIAL

b. **BEGIN CONFIDENTIAL** **END CONFIDENTIAL**

c. Yes. See response to Interrogatory No. 6.c.

d. MCI has not resold such lines.

INTERROGATORY NO. 10: Using the most recent date for which data is available, please state the number of MCI UNE-P customers receiving DSL service in Florida.

RESPONSE: Subject to and without waiving its previous objections, MCI states that as of July 11, 2003, MCI had approximately 39 Florida UNE-P customers that were receiving DSL service from MCI.

INTERROGATORY NO. 11: Please state the date when MCI first offered DSL service in Florida.

RESPONSE: Subject to and without waiving its previous objections, MCI states that it began offering DSL service in Florida using the arrangement described in response to Interrogatory No. 9.a. on or about February 5, 2000. MCI has been offering business DSL service in Florida using its own (or leased UNE) facilities in Florida since October 2001.

INTERROGATORY NO. 12: Please state the date that MCI first made available or offered DSL to its UNE-P customers in Florida.

RESPONSE: Subject to and without waiving its previous objections, MCI first made available DSL to certain of its UNE-P customers on May 19, 2003.

INTERROGATORY NO. 13: Referring to MCI's Supplemental Response to BellSouth's Interrogatory No. 4, please state whether MCI actually offers DSL service to UNE-P states in the Qwest states listed.

RESPONSE: Subject to and without waiving its previous objections, MCI began offering limited residential and small business DSL service to Qwest customers via line splitting on May 19, 2003.

INTERROGATORY NO. 14: MCI has requested that BellSouth offer its FastAccess service through its internet service provider to MCI voice customers. Referring to MCI's Supplemental Responses to Interrogatories 4 and 5, MCI indicates that Qwest offers DSL service to CLEC end user voice customers. Please describe with particularity why "Qwest's refusal to permit UNE-P voice customers to retain or obtain DSL service over their UNE-P lines if the DSL service is provided by other ISPs using Qwest's DSL facilities" requires customers to cancel their DSL service before migrating to a UNE-P voice provider.

RESPONSE: Subject to and without waiving its previous objections, MCI states that Qwest refuses to permit UNE-P voice customers to retain or obtain DSL service over their UNE-P lines if the DSL provider is an internet service provider ("ISP") that uses Qwest's DSL facilities on a wholesale basis. Thus, if a customer with Qwest voice service and DSL service from an ISP other than Qwest (but using Qwest's DSL facilities) wishes to migrate to MCI for UNE-P voice service, Qwest will not permit the customer to do so unless the customer first cancels his or her DSL service.

INTERROGATORY NO. 15: Describe with particularity why "Qwest's failure to implement its SGAT offerings" requires customers to cancel their DSL service before migrating to a UNE-P voice provider.

RESPONSE: Subject to and without waiving its previous objections, MCI states that Qwest has not implemented its SGAT offerings such that it is possible for MCI to migrate a customer with Qwest voice and DSL service on the same line to MCI's UNE-P voice service. If MCI places a UNE-P migration order, Qwest will not accept and process the order until the customer first cancels its Qwest DSL service.

SERVED this 14th day of July, 2003.

HOPPING GREEN & SAMS

By:_____

Richard D. Melson
P.O. Box 6526
Tallahassee, FL 32301
(850) 425-2313
rmelson@hgslaw.com

DONNA McNULTY
WorldCom, Inc.
1203 Governors Square Boulevard, Suite 201
Tallahassee, FL 32301
(850) 219-1008
donna.mcnulty@mci.com

DULANEY L. O'ROARK, III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
De.oroark@mci.com

ATTORNEYS FOR MCI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the public (redacted) version of foregoing was served by E-mail and U.S. Mail on the following this 14th day of July, 2003 and that copy of the confidential version was served on Meredith Mays and filed with the Division of Commission Clerk:

Patricia Christensen
Staff Attorney
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
pchriste@psc.state.fl.us

AT&T Communications
of the Southern States, LLC
Virginia Tate
1200 Peachtree Street, N.E., Ste. 8100
Atlanta, GA 30309-3579
virginia.tate@att.com

AT&T Communications
of the Southern States, LLC
Tracy Hatch
101 North Monroe Street, Suite 700
Tallahassee, FL 32301
tracy.hatch@att.com

Nancy B. White
James Meza III
BellSouth Telecommunications, Inc.
c/o Nancy H. Sims
150 South Monroe Street
Suite 400
Tallahassee, FL 32301
nancy.white@bellsouth.com
james.meza@bellsouth.com
nancy.sims@bellsouth.com

R. Douglas Lackey
Meredith E. Mays
BellSouth Telecommunications, Inc.
Suite 4300, BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, GA 30375
douglas.lackey@bellsouth.com
meredith.mays@bellsouth.com

Dulaney L. O'Roark III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

Donna C. McNulty
WorldCom, Inc.
1203 Governors Square Blvd., Suite 201
Tallahassee, FL 32301
donna.mcnulty@mci.com

McWhirter Law Firm
Vicki Kaufman
Joseph A. McGlothlin
117 S. Gadsden St.
Tallahassee, FL 32301
vkaufman@mac-law.com
jmglothlin@mac-law-com

ITC^DeltaCom
Ms. Nanette Edwards
4092 S. Memorial Parkway
Huntsville, AL 35802-4343
nedwards@itcdeltacom.com

Messer Law Firm
Floyd R. Self
P.O. Box 1876
Tallahassee, FL 32302-1876
fself@lawfl.com

_____
Attorney

PUBLIC (REDACTED) VERSION
ATTACHMENT TO
MCI RESPONSE TO BELLSOUTH INTERROGATORY NO. 6
DOCKET NO. 020507-TL

Date	Zone	UNE-P loops	UNE loops	Resold Lines
12/31/1999	1			
	2			
	3			
	Total			
6/30/2000	1			
	2			
	3			
	Total			
12/31/2000	1			
	2			
	3			
	Total		*	
6/30/2001	1			
	2			
	3			
	Total			
12/31/2001	1			
	2			
	3			
	Total			
6/30/2002	1			
	2			
	3			
	Total			
12/31/2002	1			
	2			
	3			
	Total			
6/30/2003	1			
	2			
	3			
	Total			

* Information available only for legacy WorldCom loops.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. and Request for Expedited Relief	)	Docket No. 020507-TP Served: July 16, 2003

MCI'S AMENDED RESPONSE TO BELLSOUTH'S FIRST SET OF INTERROGATORIES (NOS. 11-13)

MCI WorldCom Communications, Inc. and MCImetro Access Transmission Services, LLP (collectively, "MCI") hereby amend their responses to BellSouth Telecommunications, Inc.'s ("BellSouth's") Interrogatory Nos. 11-13 as follows:

INTERROGATORIES

Interrogatory No. 11: If [MCI] provides Broadband Service and/or DSL service [in the BellSouth region], will [it] provide such service to an end user customer irrespective of whether that customer also purchases telecommunications service from [MCI] (i.e., does [MCI] provide a stand-alone Broadband Service and/or DSL service)?

Amended Response: Yes. MCI provides stand-alone DSL service for its larger business customers, and is willing to provide stand-alone DSL service to residential and small business customers, provided that the processes and systems are in place for MCI and the voice carrier to jointly provision service on the customer's voice line, and the parties have agreed to appropriate terms and conditions. Currently, these arrangements have not been made with any voice carrier, but MCI stands willing to enter into negotiations for such arrangements.

Interrogatory No. 12: If the answer to Interrogatory No. 11 is in the affirmative, please:

i. Describe with particularity the nature of the stand-alone Broadband Service and/or DSL service [MCI] is providing [in the BellSouth region], including identifying the states in which such service is provided and including a description of the protocols used (e.g., ADSL, IDSL, Cable Modem, etc.) as well as all applicable rates, terms, and conditions;

ii. State the total number of customers to whom [MCI] is providing the stand-alone Broadband Service and/or DSL service, including stating the total number of residential and business customers being provided such service in each state; and

iii. Identify all documents referring or relating to the stand-alone Broadband Service and/or DSL service [MCI] is providing.

Amended Response: MCI responds to the subparts of Interrogatory No. 12 as follows:

i. See response to Second Interrogatory No. 7 i. and Interrogatory Nos. 10 i. and 11.

ii. See response to Second Interrogatory No. 7 ii. and Interrogatory Nos. 10 iii. and 11.

iii. MCI already has produced documents to BellSouth reflecting rates, terms and conditions for these services in Georgia Docket No. 11901-U. See also response to Interrogatory No. 11.

Interrogatory No. 13: If the answer to Interrogatory No. 11 is in the negative, please:

i. Describe with particularity the reasons, whether technical, financial or otherwise, why [MCI] does not provide its own Broadband Service and/or DSL service to customers of other voice providers in Florida;

ii. to v. [No answer required.]

Amended Response: See response to Interrogatory No. 11.

SERVED this 16th day of July, 2003.

By:_____

Donna Canzano McNulty
MCI
1203 Governors Square Boulevard
Suite 201
Tallahassee, FL 32301
(850) 219-1008
donna.mcnulty@mci.com

DULANEY L.O'ROARK III
MCI
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
(770) 294-5498
de.oroark@mci.com

RICHARD D. MELSON
Hopping Green & Sams
P.O. Box 6526
Tallahassee, FL 32301
(850) 425-2313

ATTORNEYS FOR MCI

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was served by E-mail and U.S. Mail on the following this 16th day of July, 2003:

Patricia Christensen
Staff Attorney
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
pchriste@psc.state.fl.us

AT&T Communications
of the Southern States, LLC
Virginia Tate
1200 Peachtree Street, N.E., Ste. 8100
Atlanta, GA 30309-3579
virginia.tate@att.com

AT&T Communications
of the Southern States, LLC
Tracy Hatch
101 North Monroe Street, Suite 700
Tallahassee, FL 32301
tracy.hatch@att.com

Nancy B. White
James Meza III
BellSouth Telecommunications, Inc.
c/o Nancy H. Sims
150 South Monroe Street
Suite 400
Tallahassee, FL 32301
nancy.white@bellsouth.com
james.meza@bellsouth.com
nancy.sims@bellsouth.com

R. Douglas Lackey
Meredith E. Mays
BellSouth Telecommunications, Inc.
Suite 4300, BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, GA 30375
douglas.lackey@bellsouth.com
meredith.mays@bellsouth.com

Dulaney L. O'Roark III
WorldCom, Inc.
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328
de.oroark@mci.com

Donna C. McNulty
WorldCom, Inc.
1203 Governors Square Blvd., Suite 201
Tallahassee, FL 32301
donna.mcnulty@mci.com

McWhirter Law Firm
Vicki Kaufman
Joseph A. McGlothlin
117 S. Gadsden St.
Tallahassee, FL 32301
vkaufman@mac-law.com
jmglothlin@mac-law-com

ITC^DeltaCom
Ms. Nanette Edwards
4092 S. Memorial Parkway
Huntsville, AL 35802-4343
nedwards@itcdeltacom.com

Messer Law Firm
Floyd R. Self
P.O. Box 1876
Tallahassee, FL 32302-1876
fself@lawfl.com

_____
Attorney

HAND DELIVERY
DATE 7/17/03
TIME 3:30P

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing to Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider, and Request for Expedited Relief

Docket No. 020507-TP

/

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC'S, SUPPLEMENTAL RESPONSE TO BELLSOUTH TELECOMMUNICATIONS, INC.'S SECOND SET OF INTERROGATORIES (NO. 4)

AT&T Communications of the Southern States, LLC (AT&T), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provides this Supplemental Response to BellSouth Telecommunications, Inc.'s (BellSouth) Second Set of Interrogatories (No. 4). In providing these response, AT&T does not waive and incorporates herein all of its objections, filed on July 7, 2003, to BellSouth's Second Set of Interrogatories (Nos. 4-10).

INTERROGATORIES

INTERROGATORY NO. 4: As of December 31, 1999; June 30, 2000; December 31,3 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available) please state:

a) The total number of lines that AT&T provides using UNE-P loops leased from BellSouth in Florida, designed by Florida deaveraged UNE rate zones, 1, 2, and 3;

b) The total number of lines that AT&T provides using unbundled loops (without switching) leased from BellSouth in Florida, designated by Florida deaverage UNE rate zones 1, 2, and 3;

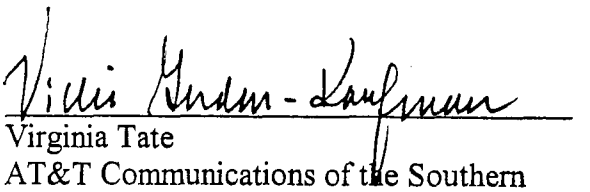
c) The total number of lines that AT&T provides using resold BellSouth lines in Florida, designated by Florida deaveraged UNE rate zones 1, 2, and 3;

d) The total number of lines that AT&T provides in Florida using exclusively its own facilities, designated by Florida deaveraged UNE rate zones 1, 2, and 3.

RESPONSE: Please see **CONFIDENTIAL** chart.

RECEIVED
JUL 17 2003
DIRECTOR-REG. RELATIONS
TALLAHASSEE, FL

PROPRIETARY TO MIAMI LEGAL ONLY



Virginia Tate
AT&T Communications of the Southern States, LLC
Law and Government Affairs
1200 Peachtree Street, NE, Suite 8100
Atlanta, Georgia 30309
(404) 810-4922 Telephone
(404) 810-5901 Telefax

Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin, Davidson, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for the AT&T Communications of the Southern States, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing AT&T Communications of the Southern States, LLC's Supplemental Response to BellSouth Telecommunications, Inc.'s Second Set of Interrogatories (No. 4) has been furnished by (*) hand delivery, (**) electronic mail, or by U.S. Mail this 17th day of July, 2003, to the following:

(*) (**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(*) (**) Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, Alabama 35802

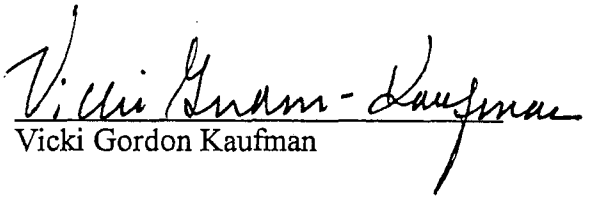
(**) Floyd Self
Messer, Caparello & Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32302-1876

(**) Donna Canzano McNulty
MCI WorldCom
1203 Governors Square Boulevard
Suite 201
Tallahassee, Florida 32301

(**)Richard D. Melson
Hopping Green Sams & Smith, P.A.
Post Office Box 6526
123South Calhoun Street
Tallahassee, Florida 32314

(**) Dulaney O'Roark III
MCI WorldCom
6 Concourse Parkway, Suite 600
Atlanta, Georgia 30328

(**) Joseph A. McGlothlin
McWhirter, Reeves, McGlothlin, Davidson,
Kaufman & Arnold, P.A.
117 South Gadsden Street
Tallahassee, Florida 32301



Vicki Gordon Kaufman

PUBLIC

	UNE-L	UNE-P	RESALE	FACILITIES BASED (AOL)
EOY 1999				
Mid-Yr 2000				
EOY 2000				
Mid-Yr 2001				
EOY 2001				
Mid-Yr 2002				
EOY 2002				
Mid-Yr 2003				

*AT&T does not maintain this information by zone.

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 2
COMPANY/ WITNESS: PSC Staff/ Stie #2
DATE:

EXHIBIT NO. _____

DOCKET NO.: 020507-TP

WITNESS: AT&T-Stip

PARTY: AT&T

DESCRIPTION:

1. BellSouth Telecommunications, Inc.'s Responses to Florida Competitive Carriers Association's (FCCA) First Set of Interrogatories, Nos. 1 - 2.

2. BellSouth Telecommunications, Inc.'s Responses to Florida Competitive Carriers Association's (FCCA) Second Set of Interrogatories, Nos. 3 - 6.

3. BellSouth Telecommunications, Inc.'s Respones to Florida Competitive Carriers Association's (FCCA) Third Set of Interrogatories, No. 7.

4. BellSouth Telecommunications, Inc.'s Responses to Florida Competitive Carriers Association's (FCCA) Fourth Set of Interrogatories, Nos. 8 - 10

5. BellSouth Telecommunications, Inc.'s Responses to Florida Competitive Carriers Association's (FCCA) Fifth Set of Interrogatories, Nos. 11 – 42.

6. BellSouth Telecommunications, Inc.'s Responses to AT&T Communications of the Southern States, LLC's (AT&T) First Set of Interrogatories, Nos. 1 – 8.

PROFFERING PARTY: Staff

I.D.# AT&T-Stip

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 3
COMPANY/ WITNESS. Staff/Stip #3
DATE: July 24, 2003

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TP
FCCA's 1st Set of Interrogatories
October 16, 2002
Item No. 1
Page 1 of 1

REQUEST: How many line sharing arrangements has BellSouth put in place in Florida by month in the past 19 months?

RESPONSE: BellSouth objects to this request to the extent that the language "put in place" is vague and ambiguous. Subject to, and without waiving the foregoing objection, BellSouth has provided below the number of line sharing arrangements that were provisioned; that is, the line sharing arrangements for which BellSouth completed a service order during the month listed.

APR 2001	60	JAN 2002	171
MAY 2001	42	FEB 2002	248
JUN 2001	72	MAR 2002	266
JUL 2001	100	APR 2002	309
AUG 2001	115	MAY 2002	223
SEP 2001	91	JUN 2002	166
OCT 2001	125	JUL 2002	149
NOV 2001	95	AUG 2002	163
DEC 2001	88	SEP 2002	321

RESPONSE PROVIDED BY: Tommy G. Williams
ICS Product Management
3535 Colonnade
Birmingham, AL 35243

REQUEST: How many xDSL lines has BellSouth provisioned in Florida by month in the last 18 months?

RESPONSE: BellSouth objects to this request to the extent that "xDSL lines" is vague and ambiguous. Subject to, and without waiving the foregoing objections, BellSouth interprets "xDSL lines" to mean UNE loops that are xDSL compatible. The attached chart shows the number of xDSL compatible UNE loops that were provisioned during the month listed.

RESPONSE PROVIDED BY: Jerry Latham, Product Manager
3535 Colonnade
Birmingham, AL 35243

Apr-01	May-01	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02	Aug-02	Sep-02
1156	1240	924	995	1,024	782	651	485	449	548	541	648	562	897	615	631	454	473

PUBLIC DISCLOSURE DOCUMENT

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TP
FCCA's 2nd Set of Interrogatories
October 30, 2002
Item No. 3

REQUEST: How many xDSL lines has BellSouth provisioned in Florida by month for the last 18 months over which BellSouth has provided its Fast Access service?

RESPONSE: BellSouth objects to this Request to the extent that it seeks confidential information. Subject to, and without waiving the foregoing objection, BellSouth will provide responsive information upon the execution of an appropriate protective agreement. BellSouth also states as follows: BellSouth tracks the numbers of xDSL lines provided by ports. Upon the execution of a protective agreement, BellSouth will furnish FCCA with a confidential table that depicts the total number of active xDSL ports by the end of the month shown, which ports provide retail FastAccess service in Florida and that were provisioned on behalf of BellSouth Internet Services.

* PUBLIC DISCLOSURE TABLE *

Month	Total Ports Provisioned on behalf of FastAccess
May 2001	
Jun 2001	
July 2001	
Aug 2001	
Sept 2001	
Oct 2001	
Nov 2001	
Dec 2001	
Jan 2002	
Feb 2002	
Mar 2002	
Apr 2002	
May 2002	
Jun 2002	
Jul 2002	
Aug 2002	
Sept 2002	
Oct 2002	

RESPONSE PROVIDED BY: Eric Fogle, Director, Wholesale Broadband Marketing

PUBLIC DISCLOSURE DOCUMENT

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TP
FCCA's 2nd Set of Interrogatories
October 30, 2002
Item No. 4

REQUEST: How many xDSL lines has BellSouth provisioned in Florida by month for the last 18 months over which internet service has been provided by an internet service provider other than BellSouth?

RESPONSE: BellSouth objects to this Request to the extent that it seeks confidential information. Subject to, and without waiving the foregoing objection, BellSouth will provide responsive information upon the execution of an appropriate protective agreement. BellSouth also states as follows: BellSouth tracks the numbers of xDSL lines provided by ports. Upon the execution of a protective agreement, BellSouth will furnish FCCA with a confidential table that depicts the total number of active xDSL ports by the end of the month shown, which ports were provisioned on behalf of internet service providers other than BellSouth Internet Services.

* PUBLIC DISCLOSURE TABLE *

Month	Total Ports Provisioned on behalf of NSP's
May 2001	
Jun 2001	
July 2001	
Aug 2001	
Sept 2001	
Oct 2001	
Nov 2001	
Dec 2001	
Jan 2002	
Feb 2002	
Mar 2002	
Apr 2002	
May 2002	
Jun 2002	
Jul 2002	
Aug 2002	
Sept 2002	
Oct 2002	

RESPONSE PROVIDED BY: Eric Fogle, Director, Wholesale Broadband Marketing

PUBLIC DISCLOSURE DOCUMENT

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TP
FCCA's 2nd Set of Interrogatories
October 30, 2002
Item No. 5

REQUEST: As to the lines referred to in Interrogatory No. 4, how many of those lines were served by a voice provider other than BellSouth?

RESPONSE: BellSouth objects to this Request to the extent that it seeks confidential information. Subject to, and without waiving the foregoing objection, BellSouth will provide responsive information upon the execution of an appropriate protective agreement. BellSouth tracks the information requested by ports. BellSouth also states as follows: of the ** ** ports provisioned in Florida on behalf of NSP's as of October 2002, 5,936 are served by voice providers other than BellSouth.

PROVIDED BY: Eric Fogle
Director, Wholesale Broadband Marketing

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TP
FCCA's 2nd Set of Interrogatories
October 30, 2002
Item No. 6

REQUEST: As to the xDSL lines on which internet service was provided by a company other than BellSouth and voice service was provided by a company other than BellSouth, provide by month for the past 18 months on how many of those lines BellSouth either disconnected or refused to provide xDSL service.

RESPONSE: BellSouth is unable to provide the information requested because BellSouth has no historical data for voice lines other than its own.

RESPONSE PROVIDED BY: Eric Fogle
Director, Wholesale Broadband Marketing

Pursuant to Counsel for BellSouth on July 16, 2003, this document is not proprietary.

REQUEST: How many xDSL lines has BellSouth provisioned in the last 18 months to:

(a) provide FastAccess lines sold at retail; and
(b) ISPs for their use in providing internet access:

RESPONSE: (a) In the past 18 months, BellSouth has provisioned

(b) In the past 18 months, BellSouth has provisioned

RESPONSE PROVIDED BY: Eric Fogle
Director, Wholesale Broadband Marketing
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: In Docket No. 001305-TP, the Commission required BellSouth to provision FastAccess service to BellSouth customers receiving FastAccess service who convert to Supra Telecommunications and Information Systems, Inc. (Supra) for voice service. BellSouth has incorporated the Commission's requirement in Attachment 2, section 2.16.7 of the BellSouth/Supra Interconnection agreement. Describe in detail how BellSouth provisions this service arrangement to Supra customers.

RESPONSE: BellSouth has not yet provisioned this service arrangement to a Supra customer because Supra has evidently disagreed with the provisioning process that BellSouth has set out in its correspondence with Supra. Copies of the letters to Supra that explain how this service arrangement will be provisioned to Supra are included in BellSouth's Response to Item No. 1 of FCCA's First Request for Production of Documents.

REQUEST: If no migration to Supra voice service by BellSouth FastAccess customers have yet occurred, explain in detail how BellSouth plans to provision its FastAccess service to Supra voice customers pursuant to the Commission's Order.

RESPONSE: Please see BellSouth's response to Item No. 8.

REQUEST: Describe in detail how BellSouth will bill the end user customers for the FastAccess service described in Interrogatory Nos. 8 and 9 above.

RESPONSE: The end user customers who switch voice providers will be billed for FastAccess via credit card. This is due to the fact that the end user customers no longer have a BellSouth telephone number, and therefore, no BellSouth bill.

REQUEST: How many remote terminals does BellSouth have in place in Florida?

RESPONSE: 9,281. BellSouth states further that the rebuttal testimony of Bill Smith (p. 2, line 13) will be corrected to reflect this 9,281 number.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: In how many of the remote terminals which BellSouth has in place in Florida has it deployed a DSLAM?

RESPONSE: As of January 23, 2003, 3,705.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: For BellSouth's Florida operating territory, provide:

a. The number of remote terminal collocations in place;
b. The total non-recurring charges that BellSouth has imposed to provision the remote terminal collocations in (a) above; and
c. The total recurring charges that BellSouth has imposed for the remote terminal collocations in (a) above.

RESPONSE:
a. 0
b. 0
c. 0

RESPONSE PROVIDED BY: Lynne Brewer

REQUEST: For BellSouth's Florida operating territory, provide:

a. The number of central office collocations that are in place;
b. The total non-recurring charges that BellSouth has imposed to provision the central office collocations in (a) above; and
c. The total recurring charges that BellSouth has imposed for central office collocations in (a) above.

RESPONSE:

a. 1,287
b. BellSouth only has revenue information available for the period of January 1, 2000 through December 31, 2002. The non-recurring revenue from collocation in Florida for that period was $53,354,749. Since many collocation arrangements were in service prior to January 1, 2000 and many more have been added or disconnected during this period, it is not possible to determine how much of this revenue is associated with the arrangements specified in "a" above.
c. BellSouth only has revenue information available for the period of January 1, 2000 through December 31, 2002. The recurring revenue from collocation in Florida for that period was $57,380,476. Since many collocation arrangements were in service prior to January 1, 2000 and many more have been added or disconnected during this period, it is not possible to determine how much of this revenue is associated with the arrangements specified in "a" above.

RESPONSE PROVIDED BY: Lynne Brewer

REQUEST: At page 7, lines 22-23, Mr. Milner references "BellSouth's systems (and hundreds of supporting sub-systems"). Identify (i) "all of BellSouth's systems" and (ii) "the hundreds of supporting sub-systems" developed using the telephone number as the "identifier". Provide the summary information about each system or sub-system using the format in the attached matrix.

RESPONSE: A list of systems and subsystems identified to date that use telephone numbers as an identifier is provided in response to BellSouth's response to Request for Production No. 2. This list contains confidential information and will be produced consistent with the terms of the protective agreement in this docket. Please refer also to the deposition testimony of Eric Fogle. BellSouth has not performed end-to-end testing nor has BellSouth assessed whether the data included or accessible within the systems identified contains circuit identification numbers, service addresses, or other identifying data. BellSouth's evaluation of whether the systems identified may be used by inputting circuit identification numbers, service addresses, or other identifying information is ongoing and the list provided in response to Request for Production 2 may be modified accordingly.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: What is the name and business address of the "ALEC in Kentucky" described at page 8, line 16 of Mr. Milner's rebuttal testimony?

RESPONSE: The name of the "ALEC in Kentucky" is Cinergy Corporation and its business address is 139 East Fourth Street, Cincinnati, Ohio, 45202. See also the deposition testimony of W. Keith Milner.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: For what purpose(s) was the "business case" discussed in Mr. Milner's rebuttal testimony prepared?

RESPONSE: BellSouth's understanding is that Cinergy prepared its "business case" in an effort to offer some factual basis for the Kentucky Public Service Commission to order BellSouth to unbundle its high-speed packet switching services, including intraLATA transport service.

The purpose of discussing the "business case" in Mr. Milner's rebuttal testimony was to illustrate the costs involved in deploying Digital Subscriber Line Access Multiplexers ("DSLAMs") and that those costs Cinergy assumed were significantly inflated. See also the deposition testimony of W. Keith Milner.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: If the "business case" was provided for a docketed proceeding, provide the name and docket number of the proceeding and the final order number, if available. If the proceeding is not yet concluded, describe the status of the proceeding.

RESPONSE: The "business case" was provided in Kentucky for Case No. 2001-00432 in the matter of: Petition of Cinergy Communications Company for Arbitrations of an Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to U.S.C. Section 252. The proceeding is still open pending a decision concerning the Best and Final language on the DSL issue negotiated by BellSouth and Cinergy. See also the deposition testimony of W. Keith Milner.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: Provide the name, address, telephone number, position(s) and educational and professional credentials of the persons affiliated with or employed by the "ALEC in Kentucky" who were involved in developing the "business case" and all assumptions supporting such "business case."

RESPONSE: Mr. Patrick Heck is the only person BellSouth has knowledge of as to any affiliation with or employed by Cinergy involved with the business case. According to Mr. Heck's testimony in the Kentucky proceeding, Mr. Heck's business address is 1419 Lloyd Expressway, Suite 101, Evansville, Indiana 47710. Additional information concerning Mr. Heck's credentials may be found in Mr. Milner's Late Filed Deposition Exhibit No. 2, which will be filed on January 24, 2003.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: What business case "economic" modeling program was used by the Kentucky ALEC? What business case "economic" modeling program was used by Mr. Milner? Describe the differences between the programs. Is either program approved for use by the FPSC?

RESPONSE: BellSouth will file on January 24, 2003, as Mr. Milner's Deposition Exhibit 2 the Revised Rebuttal Testimony and Direct testimony of Mr. Heck, which may include information concerning "economic" modeling; see also the deposition testimony of W. Keith Milner. Mr. Milner did not use an "economic" modeling program. Instead, Mr. Milner's business case used Cinergy's inputs (except for DSLAM costs) and then adjusted the mathematical outputs based on those revised DSLAM costs.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: Identify all assumptions used in the "business case" described in Mr. Milner's rebuttal testimony. For each assumption described, provide the name and position of the person responsible for developing the assumption.

RESPONSE: The only assumption Mr. Milner developed in rebuttal testimony relative to Cinergy's "business case" was the use of different DSLAM costs than Cinergy had assumed. See also the deposition testimony of W. Keith Milner.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: On page 8, line 9-10 of his rebuttal testimony, Mr. Milner refers to "appropriate cost adjustments" made to the "business case." Describe each adjustment made and the rationale for it.

RESPONSE: The "cost adjustments" consisted of revised Digital Subscriber Line Access Multiplexer ("DSLAM") cost information received from several DSLAM suppliers which subsequently affected the Internal Rate of Return which is the expected rate of return for the project. See also the deposition testimony of W. Keith Milner.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: On p. 8, line 18 of his rebuttal testimony, Mr. Milner states. "the DSLAM costs that the Kentucky ALEC assumed were significantly inflated..."

(a) On what basis do you believe that such costs were "significantly inflated"?
(b) Describe all changes Mr. Milner made to the "Kentucky ALEC's" submitted costs.
(c) Were the changes Mr. Milner made to the costs submitted to any regulatory authority?
  (i) If so, to what regulatory authority were they submitted and for what purpose?
  (ii) Were the changes accepted by the regulatory authority?
  (iii) If so, describe the order, including the docket and order number, in which such changes were accepted.
  (iv) Were the changes rejected by the regulatory authority?
  (v) If so, describe the order, including the docket and order number, in which such changes were rejected.

RESPONSE: BellSouth directs the FCCA to the deposition testimony of W. Keith Milner and states also:

(a) The costs were significantly inflated based on the list prices for DSLAM equipment BellSouth received from DSLAM suppliers for analogous equipment.
(b) The only changes made to the "Kentucky ALEC's" submitted costs were the revised DSLAM cost information received from the DSLAM suppliers.
(c) Yes.
  (i) The cost changes were incorporated into rebuttal testimonies filed with the Kentucky and Florida Public Service Commissions ("PSCs") and the Tennessee Regulatory Authority ("TRA") for the purpose of illustrating costs of DSLAM equipment. Mr. Milner has also filed testimony similar with the Georgia Public Service Commission ("GPSC") to demonstrate that MCI could use its own equipment to compete in the DSL market.

(ii) The changes were "accepted" by the Florida and Kentucky PSCs, the GPSC and the TRA insofar as no Commission has stricken or otherwise objected to the changes in the context of filing testimony in a docketed proceeding.

(iii) Kentucky Case No. 2001-432, Tennessee Docket No. 01-00987, Georgia Public Service Commission Docket No. 11901-U, and Florida Docket No. 020507-TL.

(iv) As stated in (ii) above, the changes were "accepted" and not rejected in the context of filing testimony.

(v) Not applicable for the reason stated in (iv).

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: Is the "ALEC in Kentucky" in agreement with the changes to its assumptions made by Mr. Milner?

RESPONSE: See the deposition testimony of W. Keith Milner. Since each of the proceedings identified in Item No. 23 were contested cases, it is BellSouth's belief that the "ALEC in Kentucky" did not agree with Mr. Milner's changes to Cinergy's business case.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: For each line item on WKM-3, pages 1-3, provide the source of each figure provided therein and how each figure was calculated.

RESPONSE: See the deposition testimony of W. Keith Milner. With the exception of the following line items on WKM-3, pages 1-3, the remaining line items were obtained from the revised rebuttal testimony and exhibits of Mr. Patrick Heck, on behalf of Cinergy Communications Company, in Case No. 2001-432 filed with the Kentucky Public service Commission:

1. Collocation DSLAMs (PHR-6)
2. Collocation DSLAM Maintenance (PHR-6)
3. Total Direct Costs
4. Cash Gross Margin $
5. Cash Contribution Margin
6. Cash Operating Margin
7. Total Cash Outflow
8. Net Cash Flow – Annual
9. Net Cash Flow – To-Date
10. Internal Rate of Return (IRR)
11. Months to Payback on Investment
12. Total Startup Costs

Referencing items 1 (Collocation DSLAMs (PHR-6)) and 2 (Collocation DSLAM Maintenance (PHR-6)), those figures were derived from input provided by three (3) suppliers for DSLAM costs and associated maintenance.

Item 3 (Total Direct Costs) reflects the change in total direct costs resulting from changes to items 1 (Collocation DSLAMs (PHR-6)) and 2 (Collocation DSLAM Maintenance (PHR-6)) with Total Direct Costs comprised of the addition of those line items under the categories of Start-up Costs, NRC, and MRC respectively.

Item 4 (Cash Gross Margin $) reflects the difference between Total Cash InFlows and Total Direct Costs; that is, the sum of all categories of Total Cash InFlows (NRC Revenue, MRC Business Revenue, and MRC Residential Revenue) minus the sums of all categories of Cash Outflows Direct Costs (Start-up Costs, NRC, and MRC).

Item 5 (Cash Contribution Margin) reflects the difference between Cash Gross Margin $ and Total Sales Cost; that is, Cash Gross Margin $ minus all categories of Sales Costs (SPIF, Marketing Costs, and Residual).

Item 6 (Cash Operating Margin) reflects the difference between Cash Contribution Margin and Total Operating Costs; that is, Cash Contribution Margin minus the categories of Operating Costs (Provision, Project Management, Customer Service, etc. (Business & Residence)).

Item 7 (Total Cash Outflow) reflects the sum of Total Direct Costs, Total Sales Costs, and Total Operating Costs.

Item 8 (Net Cash Flow – Annual) equates to Cash Operating Margin $.

Item 9 (Net Cash Flow – To-Date) reflects the difference between Total Cash Inflows and Total Cash Outflow; that is, the sum of all categories of Total Cash Inflows (NRC Revenue, MRC Business Revenue, and MRC Residential Revenue) minus the sum of all categories of Total Cash Outflow (Total Direct Costs, Total Sales Costs, and Total Operating Costs).

Item 10 (Internal Rate of Return (IRR)) reflects the present value of expected cash inflows to the present value of the expected costs. The IRR reflects the Microsoft Excel IRR function calculated using the net cash flow (annual). The IRR is the interest rate received for an investment consisting of payments (negative values) and income (positive values) that occur at regular periods.

Item 11 (Months to Payback on Investment) reflects the quantity of months required for the project to become cash positive; that is, the sum of Total Cash Inflows exceeds Total Cash Outflows, or the Total Cash Outflows divided by the Total Cash Inflows divided by the total number of months. The total number of months is equal to 60 since the analysis covered a five-year period.

Item 12 (Total Startup Costs) equates to the sum of the start-up direct costs associated with Collocation Buildout (PHR-5), Collocation DSLAMs (PHR-6), DS3 Interoffice Transport Install (PHR-8), and Line Sharing Splitter Capacity.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: What cost of capital did Mr. Milner assume in the "Kentucky ALEC business case?" Provide all assumptions underlying the cost of capital used.

RESPONSE: No cost of capital was assumed or used. Instead, the business case was a cash flow analysis to determine economic breakeven points and Internal Rate of Return. See also the deposition testimony of W. Keith Milner.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: What are the customer support and ongoing administration costs associated with the "Kentucky ALEC business case?" Does Mr. Milner believe such cost levels are reasonably attainable? If so, provide all assumptions supporting that belief.

RESPONSE: Mr. Milner used the customer support and administration costs that Cinergy had provided in the testimony of Mr. Heck without forming an opinion of whether Cinergy might reasonably attain those cost levels. See also the deposition testimony of W. Keith Milner.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: What capital source does Mr. Milner believe is available to fund the "Kentucky ALEC business case?" Provide all assumptions supporting Mr. Milner's belief.

RESPONSE: BellSouth is not privy to what capital sources are available to Cinergy to fund its "Kentucky ALEC business case." See also the deposition testimony of W. Keith Milner.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: On page 3, line 2 of his rebuttal testimony, Mr. Milner claims that ITC^DeltaCom offers broadband service using DS-1 technology. Does Mr. Milner believe that DS-1 broadband technology is a viable product offering for residential and small business customers? If so, provide all assumptions supporting that belief.

RESPONSE: Yes, DS-1 broadband technology is a viable product offering for residential and small business customers. There is demand in the marketplace for local loop DS-1 service to support applications to the home and small business. According to their respective Internet websites, a number of ALECs, including AT&T and WorldCom, offer this service. BellSouth also offers such a service. If it were not a viable service, companies would not be offering it as a product.

RESPONSE PROVIDED BY: W. Keith Milner

REQUEST: On page 3, lines 5-6, Mr. Fogle states that a FastAccess customers will experience "minimal changes in his or her FastAccess service" when it is provided on a separate loop. Describe in detail the "minimal changes" the customer will experience.

RESPONSE: The FastAccess service itself will remain the same from the end user perspective. The telephone number and facilities on which the Fast Access is provisioned may change, depending on whether the existing loop or a new loop is used to provide the FastAccess service. In addition some services such as on-line fax and dial-up backup would need to be modified to the extent that FastAccess is provisioned on a standalone loop with the dial tone suppressed; on-line fax and dial-up backup could possibly be provided via the ALEC loop.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: On page 5, line 13, Mr. Fogle refers to a "momentary disruption of FastAccess." On page 5, l. 17-18, Mr. Fogle refers to a "temporary disruption of service." Describe each of these interruptions of service. For each, how long will the customer be without FastAccess service?

RESPONSE: The momentary and temporary disruptions of service are synonymous. These will occur when/if the DSL service is moved from one loop (or telephone number) to another. This movement of DSL service is necessary in order to keep the FastAccess service on a BellSouth owned line. These disruptions are expected to be less than 15 minutes in duration.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: On page 6, line 25, Mr. Fogle refers to FastAccess as an "overlay service." Define what is meant by that term.

RESPONSE: The term "overlay DSL service" means that BellSouth's FastAccess service was designed as a DSL service to be provided in conjunction with, and over the same loop as, BellSouth's voice service. It was not designed as a stand-alone service. Specifically, BellSouth's Tariff F.C.C. No. 1, Section 7.2.17 states that BellSouth will provide DSL only over an "in-service, Telephone Company [i.e., BellSouth] provided exchange line facility."

RESPONSE PROVIDED BY: John A. Ruscilli
Eric Fogle

REQUEST: On page 6, lines 9-10, Mr. Fogle says "BellSouth bills most FastAccess customer [sic] through the telephone bill they receive." Describe how FastAccess customers who are not billed through their telephone bill are billed.

RESPONSE: FastAccess customers who are not billed on their BellSouth bill are billed via credit card.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: On page 7, lines 17-20, Mr. Fogle estimates the costs for providing FastAccess over UNE-P or UNE-L to be "several million dollars for UNE-P customers and tens of millions of dollars for UNE loop customers." Describe in detail how such estimates were calculated. Include all assumptions used as well as the source for each such assumption.

RESPONSE: Please see the deposition testimony of Eric Fogle. An initial estimate of a portion of the costs for providing FastAccess over UNE-P or UNE-L was attached to Mr. Fogle's rebuttal testimony as "Exhibit EF-2". These estimates were developed during the course of meetings with the responsible project teams and system subject matter experts. These subject matter experts then estimated time and equipment commitments, and in turn estimated overall costs. See also BellSouth's response to Item No. 36.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: On page 7, line 24 – page 8, line 1, Mr. Fogle states that BellSouth incurs "a minimum of $150 per standalone loop." Describe in detail how this number was calculated including all assumptions used to arrive at the number as well as the source for each such assumption.

RESPONSE: See the deposition testimony of Eric Fogle. The $150 cost assumes an estimated labor cost of $75 to install the new facilities and an estimated labor cost of $75 to rearrange the FastAccess service to the new facilities. This is not inclusive of all costs associated with providing standalone FastAccess service.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: Provide all assumptions underlying all entries on the chart in Exhibit EF-2, including cost entries, timeframe entries, and component entries.

RESPONSE: See the deposition testimony of Eric Fogle. The estimates were prepared by project team subject matter experts based upon their experience making changes similar to the components set forth in EF-2. For example, EF-2 contains costs associated with adding circuit ID information to BellSouth's systems. The cost information and timeframes are based on the project costs and timeframes associated with past database rewrites or past occasions in which one database was divided into two databases due to the volume of data contained therein. Similarly, the time frames and costs associated with the components for cost studies are based on the amount of time and the costs associated with preparing cost studies for new tariffed products and services. Concerning the component "remove edit from SOEG" relating to UNE Loop-Port the related costs and timeframes are based on the costs and timeframes that occurred when the edits were initially inserted into SOEG. Concerning the costs associated with "training" for both provisioning and maintenance the costs are based on the training costs incurred when BellSouth begins provisioning new products. The costs associated with CRIS/CABS billing are based upon the costs and timeframes associated with past billing changes made as a result of product changes or modifications.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: For each assumption on Exhibit EF-2, provide the name, address and position of the person responsible for supplying each assumption.

RESPONSE: See the deposition testimony of Eric Fogle. Mr. Fogle supervised the subject matter experts referenced therein. The following subject matter experts participated in the internal meetings referred to in Mr. Fogle's deposition: Joanna Kornhauser, Manager (Product Management), Ken Farris, Manager (Operations/DSL), Bill Jerome, Manager (Operations/DSL), Norman Chu, Manager (Business Analyst-Cost), and Jennifer Rhett, Manager (ICS Marketing). All employees are located at the following business address: 675 West Peachtree Street, Atlanta, GA, 30375.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: On page 5, line 21, Mr. Ruscilli refers to FastAccess as an "overlay DSL service." Define what is meant by that phrase.

RESPONSE: The term "overlay DSL service" means that BellSouth's FastAccess service was designed as a DSL service to be provided in conjunction with, and over the same loop as, BellSouth's voice service. It was not designed as a stand-alone service. Specifically, BellSouth's Tariff F.C.C. No. 1, Section 7.2.17 states that BellSouth will provide DSL only over an "in-service, Telephone Company [i.e., BellSouth] provided exchange line facility."

RESPONSE PROVIDED BY: John A. Ruscilli

REQUEST: On page 3, lines 8-12, Mr. Smith discusses "substantial investment... and costs which we are entitled to recover." Specifically identify all unregulated enhanced service investments and costs that BellSouth would not recover by (i) continuing to provide FastAccess service to existing customers; (ii) providing FastAccess service to customers located within central offices and remote terminals serving areas that BellSouth equips to provide FastAccess.

RESPONSE: As stated in Mr. Smith's direct testimony, BellSouth has invested approximately $393 million in Florida to support its DSL offerings. Exhibit EF-2 to Mr. Fogle's rebuttal testimony provides an estimate of a portion of the costs involved in providing FastAccess over UNE loops. In addition, Mr. Fogle's rebuttal testimony provides an estimate of a minimum cost of $150 associated with providing FastAccess on a standalone basis. BellSouth cannot quantify with precision the value of its investment that would be diminished by items (i) and (ii) above. With respect to the prelimary cost estimates identified to date, BellSouth would seek a method of recovering such costs; which method could be (1) recovering costs by possibly increasing the rates charged to FastAccess customers; (2) assessing ALECs the costs incurred; or (3) seeking that its shareholders absorb such costs. BellSouth continues to assess the possible costs involved and options for cost recovery.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: Are BellSouth's current FastAccess charges to end-users insufficient to recover the enhanced service investments and costs referenced above? By what amount are charges to end-users sufficient to recover such costs? If charges to end-users are insufficient to recover such costs, how are such costs recovered?

RESPONSE: BellSouth incorporates by reference its response to Item 39; BellSouth states also that its current FastAccess charges are not sufficient to recover the preliminary costs identified to date.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: On page 5, lines 10-18, Mr. Smith states that "other providers would share in the return by not the risk" of BellSouth's FastAccess investment. Identify the revenues that flow to ALECs from BellSouth's (i) continued provisioning of FastAccess service to its existing customers, and (ii) BellSouth's provisioning of FastAccess service to customers located within central offices and remote terminals serving areas that BellSouth has equipped to provide FastAccess.

RESPONSE: ALECs would not receive FastAccess revenue; however, ALECs would obtain the ability to provide service to customers seeking a bundle of services, including DSL, without making the capital investment that BellSouth has made.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: If no FastAccess revenues flow to ALECs, explain how ALECs receive any portion of BellSouth's return on its FastAccess investments.

RESPONSE: BellSouth incorporates by reference its response to #41.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: Update the information provided in BellSouth's response to FCCA Interrogatory No. 2 with information from the date of the original response to the present, by month. In addition, provide the updated information by zone.

RESPONSE: BellSouth incorporates its general objection 8. Subject to and without waiving the foregoing objection, the following chart shows the number of xDSL capable loops (meaning the following types of UNE loops that are xDSL compatible: ADSL, HDSL and Unbundled Copper Loops) by zone that were provisioned during the month listed:

Zone	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03
1	146	129	169	129	230	232	141	137
2	173	139	138	120	104	62	52	76
3	8	8	2	4	5	6	3	2
Total	327	276	309	253	339	300	196	215

RESPONSE PROVIDED BY: Jerry Latham, Manager
BellSouth Telecommunications, Inc.
3535 Colonnade
Birmingham, AL

REQUEST: Update the information provided in BellSouth's response to FCCA Interrogatory No. 3, by month, from November 2002 to present. In addition, provide the updated information by zone.

RESPONSE: BellSouth incorporates its general objection 8. Subject to, and without waiving the foregoing objection, the following confidential information is provided subject to the parties' protective agreement in this docket. BellSouth also states as follows: BellSouth tracks the numbers of xDSL lines provided by ports. The following confidential table depicts the total number of active xDSL ports by the end of the month shown in the indicated zone (where available), which ports provide retail FastAccess service in Florida and that were provisioned on behalf of BellSouth Internet Services.

Month end Date	Zone 1	Zone 2	Zone 3	*Unknown	Total
11/30/2002					
12/31/2002					
1/31/2003					
2/28/2003					
3/31/2003					
4/30/2003					
5/31/2003					
6/29/2003					

* Certain ports are served from central offices that do not identify a particular zone.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Update the information provided in BellSouth's response to FCCA Interrogatory No. 4, by month, from November 2002 to present. In addition, provide the updated information by zone.

RESPONSE: BellSouth incorporates its general objection 8. Subject to, and without waiving the foregoing objection, the following confidential information is provided subject to the parties' protective agreement in this docket. BellSouth also states as follows: BellSouth tracks the numbers of xDSL lines provided by ports. The following confidential table depicts the total number of active xDSL ports by the end of the month shown in the indicated zone (where available), which ports were provisioned on behalf of internet service providers other than BellSouth Internet Services.

Month end Date	Zone 1	Zone 2	Zone 3	* Unknown	Total
11/30/2002					
12/31/2002					
1/31/2003					
2/28/2003					
3/31/2003					
4/30/2003					
5/31/2003					
6/29/2003					

* Certain ports are served from central offices that do not identify a particular zone.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Update the information provided in BellSouth's response to FCCA Interrogatory No. 5 for November 2002 to present. Provide the updated information by zone.

RESPONSE: The following confidential information is subject to the parties' protective agreement. BellSouth tracks the information requested by ports. Of the ports provisioned in Florida on behalf of other internet service providers, as of May 2003, the following ports are served by voice providers other than BellSouth.

Zone 1	
Zone 2	
Zone 3	

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Update the information provided in BellSouth's response to FCCA Interrogatory No. 11 from the date of the response to the present.

RESPONSE: 8,962 as of 6/30/03. BellSouth states further that the total number of remote terminals in Florida have decreased since the time Mr. Smith filed his rebuttal testimony. This decrease has resulted from two events. First, BellSouth retires remote terminals consistent with its overall network needs. Second, BellSouth has updated its remote terminal database to correct repetitive or erroneous entries. The rebuttal testimony of Bill Smith (p. 2, line 13) will be corrected to reflect this 8,962 number.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Update the information provided in BellSouth's response to FCCA Interrogatory No. 12 from January 23, 2003 to present.

RESPONSE: As of June 30, 2003, 3,945. The rebuttal testimony of Bill Smith (Page 2, line 14) will be corrected to reflect this 3,945 number.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Update the information provided in BellSouth's response to FCCA Interrogatory No. 13 from the date of the response to the present.

RESPONSE:
a. 0
b. 0
c. 0

RESPONSE PROVIDED BY:

Wayne Gray, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Update the information provided in BellSouth's response to FCCA Interrogatory No. 14 from the date of the response to the present.

RESPONSE:
a. 1,270
b. BellSouth only has revenue information available for the period of January 1, 2000 through May 31, 2003. The non-recurring revenue from collocation in Florida for January 1, 2003 through May 31, 2003 was $1,289,170. Since many collocation arrangements were in service prior to January 1, 2000 and many more have been added or disconnected during this period, it is not possible to determine how much of this revenue is associated with the arrangements specified in "a" above.
c. BellSouth only has revenue information available for the period of January 1, 2000 through May 31, 2003. The recurring revenue from collocation in Florida for January 1, 2003 through May 31, 2003 was $8,308,391. Since many collocation arrangements were in service prior to January 1, 2000 and many more have been added or disconnected during this period, it is not possible to determine how much of this revenue is associated with the arrangements specified in "a" above.

RESPONSE PROVIDED BY:

Wayne Gray, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Update the information provided in BellSouth's response to FCCA Interrogatory No. 2 with information from the date of the original response to the present, by month. In addition, provide the updated information by zone.

SUPPLEMENTAL RESPONSE: Subject to and without waiving any previously filed objections, BellSouth's prior responses did not include UDC loops, which may be utilized to provide IDSL service. The UNE loops included below include ADSL, HDSL, unbundled copper loops, and UDC loops provisioned during the month listed.

Apr 01	May 01	June 01	July 01	Aug 01	Sept 01	Oct 01	Nov 01	Dec 01
1156	1240	924	995	1024	782	651	485	449
Jan 02	Feb 02	March 02	Apr 02	May 02	June 02	July 02	Aug 02	Sept 02
545	541	648	562	897	615	631	454	473

Zone	Oct 02	Nov 02	Dec 02	Jan 03	Feb 03	March 03	Apr 03	May 03
1	221	179	220	185	277	291	209	175
2	398	321	332	296	288	231	232	202
3	17	11	16	8	8	12	13	9
Total	636	511	568	489	573	534	454	386

RESPONSE BY: Jerry Latham.

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 020507-TL EXHIBIT NO. 4
COMPANY/
WITNESS: PSC Staff / Stio #4
DATE: July 21, 2003

EXHIBIT _____

DOCKET NO. 020507-TL

BELLSOUTH'S RESPONSES

TO

MCI'S 1st SET OF INTERROGATORIES

(Nos. 1-20)

INCLUDING SUPPLEMENTAL RESPONSES

TO Nos. 9, 10, 14, 15 & 13(a)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 020507-TL EXHIBIT NO. 5
COMPANY/
WITNESS: Staff/Stip No. 5
DATE: July 21, 2003

PUBLIC VERSION

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. And Request for Expedited Relief	))))	Docket No. 020507-TL Filed: July 10, 2003

BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSES AND OBJECTIONS TO MCI'S FIRST SET OF INTERROGATORIES (NOS. 1 - 20)

BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.340 and 1.280, Florida Rules of Civil Procedure, hereby files the following Objections to the MCImetro Access Transmission Services, LLC and MCI WorldCom's ("MCI") First Set of Interrogatories (Nos.1-20) dated June 20, 2003 referred to as "discovery".

GENERAL OBJECTIONS

1. BellSouth objects to the discovery to the extent that it seeks to impose an obligation on BellSouth to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such discovery is overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

2. BellSouth objects to the discovery to the extent that it is intended to apply to matters other than Florida intrastate operations subject to the jurisdiction of the Commission. BellSouth objects to any such discovery as being irrelevant, overly broad, unduly burdensome, and oppressive.

3. BellSouth objects to the discovery to the extent that it requests information that is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. BellSouth objects to the discovery to the extent that it is vague, ambiguous, overly broad, imprecise, or to the extent that it utilizes terms that are subject to multiple interpretations but are not properly defined or explained for purposes of this discovery. Any answers provided by BellSouth in response to this discovery will be provided subject to, and without waiver of, the foregoing objection.

5. BellSouth objects to the discovery to the extent that it is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action.

6. BellSouth objects to providing information to the extent that such information has already been provided.

7. BellSouth objects to the discovery to the extent that it seeks to impose obligations on BellSouth that exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

8. BellSouth objects to the discovery to the extent that responding to it would be unduly burdensome, expensive, oppressive, or excessively time consuming.

9. BellSouth is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, BellSouth creates countless documents that are not subject to Commission or FCC retention of records requirements. These documents are kept in numerous locations that are frequently moved from site to site as employees change jobs or as the business is reorganized.

Therefore, it is possible that not every document has been identified in response to these requests. BellSouth will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the discovery purports to require more, BellSouth objects on the grounds that compliance would impose an undue burden or expense.

10. BellSouth objects to any discovery request that seeks to obtain "all" of particular documents, items, or information to the extent that such requests are overly broad and unduly burdensome. Any answers provided by BellSouth in response to this discovery will be provided subject to, and without waiver of, the foregoing objection.

11. BellSouth incorporates by reference each and every objection raised in its objections to MCI's Interrogatories 11, 12, 14, 15, 17 and 18. Any answers provided by BellSouth in response to this discovery will be provided subject to, and without waiver of, the foregoing objection.

SPECIFIC RESPONSES

REQUEST: As of December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001, December 31, 2001, June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available), please state:

the number of analog access lines (including resale, UNE-P and BellSouth retail lines) that were provided using BellSouth's network in Florida;

the number of lines included in response to 1.a. above that were residential lines; and

the number of lines included in response to 1.a. above that were business lines.

RESPONSE: The information responsive to this Interrogatory is set forth in the attachment provided. Note that the total number of analog lines in the attachment provided includes coin access lines, which would not be reflected as either residential or business lines. These numbers also exclude any equivalency multipliers.

RESPONSE BY: Paul Grace

BellSouth Telecommunications, Inc.
FPSC Docket No.020507-TL
MCI's 1st Set of Interrogatories
June 20, 2003
Item Nos. 1-3

ATTACHMENT

FLORIDA ACCESS LINE IN-SERVICE HISTORY

	DEC1999	JUN2000	DEC2000	JUN2001	DEC2001	JUN2002	DEC2002	JUN2003
Total Access Lines *	6,630,408	6,669,192	6,652,969	6,561,654	6,461,556	6,342,745	6,228,335	6,132,933
Total Residence	4,624,799	4,677,610	4,696,566	4,666,385	4,648,269	4,579,416	4,510,108	4,445,375
Total Business	1,934,283	1,922,449	1,891,659	1,838,784	1,761,629	1,717,248	1,674,879	1,649,236
Total Residence	4,624,799	4,677,610	4,696,566	4,666,385	4,648,269	4,579,416	4,510,108	4,445,375
Retail	4,577,565	4,611,967	4,598,663	4,519,127	4,426,620	4,200,032	4,097,123	3,971,077
UNE-P	7	5,475	14,377	16,773	16,363	286,252	328,193	423,426
Resale	47,227	60,168	83,526	130,485	205,286	93,132	84,792	50,872
Total Business	1,934,283	1,922,449	1,891,659	1,838,784	1,761,629	1,717,248	1,674,879	1,649,236
Retail	1,849,678	1,820,476	1,745,650	1,679,644	1,586,812	1,551,161	1,500,200	1,462,204
UNE-P	4,538	11,877	35,708	80,877	109,769	130,754	152,439	168,554
Resale	80,067	90,096	110,301	78,263	65,048	35,333	22,240	18,478

* The total number of analog lines includes coin access lines, which would not be reflected as either residential or business lines. These numbers also exclude any equivalency multipliers.

REQUEST: Of the analog residential lines included in response to 1.b. above, please state, as of December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available):

the number that were BellSouth retail lines;

the number that were CLEC UNE-P lines; and

the number that were CLEC resale lines.

RESPONSE: The information responsive to this Interrogatory is set forth in the attachment provided.

RESPONSE BY: Paul Grace

REQUEST: Of the analog business lines included in response to 1.c above, please state, as of December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; June 30, 2003 (or the most recent date for which data is available):

the number that were BellSouth retail lines;

the number that were CLEC UNE-P lines; and

the number that were CLEC resale lines.

RESPONSE: The information responsive to this Interrogatory is set forth in the attachment provided.

RESPONSE BY: Paul Grace

REQUEST: As of December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; June 30, 2003 (or the most recent date for which data is available), please state:

the number of Fast Access lines that BellSouth provided in Florida;

the number of lines included in response to 4.a above that were provided to residential customers;

the number of lines included in response to 4.a above that were provided to business customers;

the number residential lines included in response to 4.a above that were not analog lines.

the number business lines included in response to 4.a above that were not analog lines.

RESPONSE: The information responsive to this Interrogatory is set forth in the table below. This information is proprietary and is being provided subject to the nondisclosure agreement executed by the parties in this docket.

RESPONSE (Cont'd):

Florida	Dec 31, 1999	Jun 30, 2000	Dec 31, 2000	Jun 30, 2001	Dec 31, 2001	Jun 30, 2002	Dec 31, 2002	Jun 30, 2003
a. FastAccess Lines *								
b. Residential								
c. Business								
d. Not analog residential **	0	0	0	0	0	0	0	0
e. Not analog business **	0	0	0	0	0	0	0	0

*The total in a. does not necessarily reflect the sum of (b.) and (c.), because some lines in BellSouth's database are not classified as either residential or business.
** BellSouth interprets "not analog" as lines at a DS1 level or higher.

RESPONSE BY: Eric Fogle

REQUEST: As of December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; June 30, 2003 (or the most recent date for which data is available), please state:

the number of BellSouth wholesale DSL lines that BellSouth provided to internet service providers ("ISPs") other than BellSouth in Florida;

the number of BellSouth wholesale lines included in response to 5.a above that were provided for residential end user customers;

the number of BellSouth wholesale lines included in response to 5.a above that were provided for business end user customers;

the number of BellSouth residential lines included in response to 5.a above that were not analog lines; and

the number of BellSouth business lines included in response to 5.a above that were not analog lines.

RESPONSE: The information responsive to this Interrogatory is set forth in the table below. This information is proprietary and is being provided subject to the nondisclosure agreement executed by the parties in this docket.

RESPONSE (Cont'd):

Florida	Dec 31, 1999	Jun 30, 2000	Dec 31, 2000	Jun 30, 2001	Dec 31, 2001	Jun 30, 2002	Dec 31, 2002	Jun 30, 2003
a. Wholesale DSL lines								
b. Residential								
c. Business								
d. Not analog residential **	0	0	0	0	0	0	0	0
e. Not analog business **	0	0	0	0	0	0	0	0

* The total in a. does not necessarily reflect the sum of (b.) and (c.), because some lines in BellSouth's database are not classified as either residential or business.
** BellSouth interprets "not analog" as lines at a DS1 level or higher.

RESPONSE BY: Eric Fogle

REQUEST: Please state BellSouth's goals for the number of FastAccess and wholesale DSL lines it seeks to provide by the end of 2003 and the end of 2004, both with respect to the BellSouth region and the State of Florida

RESPONSE: BellSouth's goal for 2003 is to have 1.5 million DSL access lines (both wholesale and retail) in the BellSouth region. BellSouth's goal for 2004 is to have 1.671 million DSL access lines (both wholesale and retail) in the BellSouth region. There are no specific sales goals for FastAccess or for the State of Florida specifically.

RESPONSE BY: Eric Fogle

REQUEST: On how many Florida residential access lines is BellSouth currently capable of providing FastAccess and wholesale DSL service?

RESPONSE: BellSouth is currently capable of providing FastAccess service or wholesale DSL service over [redacted] residential access lines in Florida. This information is proprietary and is being provided subject to the nondisclosure agreement executed by the parties in this docket.

RESPONSE BY: Eric Fogle

REQUEST: On how many Florida business lines is BellSouth currently capable of providing FastAccess and wholesale DSL service?

RESPONSE: BellSouth is currently capable of providing FastAccess service or wholesale DSL service over [redacted] business access lines in Florida. This information is proprietary and is being provided subject to the nondisclosure agreement executed by the parties in this docket.

RESPONSE BY: Eric Fogle

REQUEST: For FastAccess customers on December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available), please state:

the number of Florida FastAccess residential customers who also subscribed to Complete Choice;

the number of Florida FastAccess business customers who also subscribed to the business equivalent of Complete Choice;

the number of Florida FastAccess residential customers who self-installed the service; and

the number of Florida FastAccess business customers who self-

RESPONSE: The information responsive to this Interrogatory is set forth in the table below. This information is proprietary and is being provided subject to the nondisclosure agreement executed by the parties in this docket.

The numbers below should be reviewed with caution. First, in some instances the data was unavailable, (e.g., BellSouth did not launch the self-install option for retail business customers until April 2002) and is documented in the chart accordingly. Second, the systems that track this information are in the process of being reviewed. As a result, it is possible that the numbers below will be changed subject to the results of that review.

Florida	Dec 31, 1999	Jun 30, 2000	Dec 31, 2000	Jun 30, 2001	Dec 31, 2001	Jun 30, 2002	Dec 31, 2002	Jun 30, 2003
a. Res. FastAccess Customers w/ Complete Choice	N/A	N/A	N/A	N/A	N/A	N/A		
b. Bus. FastAccess Customers w/Complete Choice	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
c. Residential Self-Install	N/A	N/A						
d. Business Self Install	N/A	N/A	N/A	N/A	N/A			

RESPONSE BY: Eric Fogle

REQUEST: For the end user customers of ISPs subscribing to BellSouth's wholesale DSL service, as of December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available), please state:

the number of such end user residential customers who also subscribed to Complete Choice;

the number of such end user business customers who also subscribed to the business equivalent of Complete Choice;

the number of such end user residential customers who self-installed the service; and

the number of such end user business customers who self-installed the service.

RESPONSE: The information responsive to this Interrogatory is set forth in the table below. This information is proprietary and is being provided subject to the nondisclosure agreement executed by the parties in this docket.

The numbers below should be reviewed with caution. First, in some instances the data was unavailable, and is documented in the chart accordingly. Second, the systems that track this information are in the process of being reviewed. As a result, it is possible that the numbers below will be changed subject to the results of that review.

Florida	Dec 31, 1999	Jun 30, 2000	Dec 31, 2000	Jun 30, 2001	Dec 31, 2001	Jun 30, 2002	Dec 31, 2002	Jun 30, 2003
a. Wholesale Res. cust. w/ CC	N/A	N/A	N/A	N/A	N/A	N/A		
b. Wholesale Bus. cust. w/ CC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
c. Wholesale Res. cust. Self Install	N/A	N/A						
d. FL Wholesale Bus. cust. Self Install	N/A	N/A						

RESPONSE BY: Eric Fogle

REQUEST: State the terms and conditions on which FastAccess is offered to consumers in Florida, including but not limited to any term requirements and penalties for early termination.

RESPONSE: BellSouth objects to this request to the extent that this information is publicly available at http://www.fastaccess.com/splash/index.html and MCI may obtain this information for itself. Subject to, and without waiving the foregoing objection, responsive information can also be found at the following web site:

www.fastaccess.com/content/consumer/conditions.jsp#FreeModem

RESPONSE BY: Eric Fogle

REQUEST: Has BellSouth ever migrated a BellSouth local customer with FastAccess service provided over the customer's local retail phone line to a CLEC providing local service using a UNE-P line, so that the customer's local service and FastAccess service were being provided over the same UNE-P line? If so, please:

describe in detail any such instances, including without limitation a description of whether the migrations were completed successfully and how they were completed; and identify all documents evidencing, reflecting or relating to any such instances

RESPONSE: BellSouth incorporates by reference its general objections 6 and 10. BellSouth specifically directs MCI to its supplemental response to MCI's First Interrogatory No. 18 provided in connection with Georgia Public Service Commission Docket No. 11901-U.

RESPONSE BY: Eric Fogle

REQUEST: As of December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available), please state the number of:

a. CLEC DSL UNE loops in BellSouth's Florida service territory;

b. CLEC DSL capable UNE loops (to the extent not captured in 13.a) in BellSouth's Florida service territory;

c. BellSouth lines with a line sharing arrangement (that is, with BellSouth providing voice service and the CLEC providing DSL service over the same line) in BellSouth's Florida service territory;

d. CLEC lines with a line splitting arrangement (that is, with a CLEC providing voice service and the same or another CLEC providing DSL service over the same line) in BellSouth's Florida service territory; and

e. CLEC lines with a line splitting arrangement in which the voice CLEC provides service using UNE-P in BellSouth's Florida service territory.

RESPONSE: BellSouth interprets this request as seeking the number of xDSL capable UNE loops (ADSL, HDSL, and unbundled copper loops) in service at the time specified.

Florida	Dec 31, 1999	Jun 30, 2000	Dec 31, 2000	Jun 30, 2001	Dec 31, 2001	Jun 30, 2002	Dec 31, 2002	Jun 30, 2003
a. UNE xDSL capable loops	451	2831	6102	6031	5843	5965	4049	6271

BellSouth is unable to respond to (b) as written. BellSouth interprets this request as seeking the total number of xDSL capable UNE loops in Florida, which loops have not been provisioned and are not in service. BellSouth does not maintain such information in a readily accessible manner and therefore is unable to respond to (b).

RESPONSE (Cont'd):

Florida	Dec 31, 1999	Jun 30, 2000	Dec 31, 2000	Jun 30, 2001	Dec 31, 2001	Jun 30, 2002	Dec 31, 2002	May 30, 2003
c. Lines w/ line-sharing	0	0	371	823	1283	2431	3107	6105
d. CLEC lines w/ line splitting	0	0	0	0	0	0	0	4
e. CLEC lines w/line splitting and using UNE-P	0	0	0	0	0	0	0	4

RESPONSE BY: Tommy Williams

REQUEST: For the most recent analog residential line count provided in response to Interrogatory No. 1.b, please state:

the number of lines served by digital loop carrier ("DLC");

the number of lines served by DLC for which alternative copper loop facilities are not currently available (because, for example, they have been taken out of service) for CLEC DSL loops.

RESPONSE: BellSouth has objected to this interrogatory.

REQUEST: For the most recent analog business line count provided in response to Interrogatory No. 1.c, please state:

the number of lines served by DLC;

the number of lines served by DLC for which alternative copper loop facilities are not currently available (because, for example, they have been taken out of service) for CLEC DSL loops.

RESPONSE: BellSouth has objected to this interrogatory.

REQUEST: For the recent analog residential line count provided in response to Interrogatory No. 1.b, please state the number of lines that are in areas that currently are capable of being served by cable television.

RESPONSE: BellSouth has interpreted MCI's request as seeking information about residential lines that are capable for being served by cable *modem*. 165 out of 201 central offices (83%) within BellSouth's service area in Florida have Cable Modem service as an option to DSL. The 167 central offices with cable modem availability are the largest central offices in Florida and contain over 98% of all access lines in BellSouth's Florida service territory.

RESPONSE BY: Eric Fogle

REQUEST: For Florida deaveraged UNE rate zones 1, 2 and 3, please state the average monthly per-line revenue BellSouth receives for (i) a residential customer who has BellSouth CompleteChoice and FastAccess; (ii) a residential customer who has BellSouth basic local telecommunications service and FastAccess; and (iii) a residential customer who receives UNE-telecommunications service and FastAccess; and (iii) a residential customer who receives UNE-P service from a CLEC. In each case, please provide the total revenue and the revenue components (for example, the monthly price for Complete Choice). Please use reasonable usage estimates when necessary and state what estimates were used. For any revenue component that varies by retail rate group, please use the weighted average revenue for all access lines in the UNE rate zone.

RESPONSE: BellSouth has objected to this Interrogatory.

REQUEST: Please identify all documents by which BellSouth has communicated the DSL policy at issue in this case to CLECs.

RESPONSE: BellSouth has objected to this Interrogatory to the extent that it is vague, unclear, overly broad and unduly burdensome. Subject to, and without waiving the foregoing objections, BellSouth has produced letters responsive to this request in response to MCI's First Request for Production of Documents.

RESPONSE BY: Eric Fogle

REQUEST: Please state verbatim the response that a Florida UNE-P customer in BellSouth's service territory receives when he or she accesses BellSouth's website and inquires whether FastAccess is available by inputting his or her telephone number in the appropriate space (assuming that FastAccess service in fact would be available to the customer but for BellSouth's DSL policy).

RESPONSE: BellSouth has produced the actual screen shots (residential and business), which screen shots constitute the "verbatim . . . response" in response to MCI's First Request for Production of Documents.

RESPONSE BY: Eric Fogle

REQUEST: Please state verbatim what BellSouth service representatives are instructed to tell Florida UNE-P customers who inquire about whether they may obtain FastAccess service (assuming that FastAccess service in fact would be available to the customer but for BellSouth's DSL policy).

RESPONSE: If any customer, including a UNE-P customer, inquires about FastAccess, BellSouth service representatives will ask for the end user telephone number and input the telephone number into BellSouth's qualification system. If the number does not qualify, the service representative tells the customer that the number does not qualify for DSL and to contact their local carrier to discuss the matter. BellSouth does not give additional information, nor does BellSouth provide its service representatives with a specific script. BellSouth's FastAccess training materials, which are being produced in response to MCI's First Request for Production of Documents, provide as follows:

"How to Handle UNE-P Customer"

"If the customer is UNE-P and has other questions regarding their status, or requiring further explanation about why they can't continue their DSL service with BellSouth, please refer the customer back to their phone provider."

"IMPORTANT NOTE: Under NO circumstances should you advise the customer to switch their local service back to BellSouth. You must allow the customer to make his/her own decision in this matter."

RESPONSE BY: Eric Fogle

This 10th day of July, 2003.

BELLSOUTH TELECOMMUNICATIONS, INC.

NANCY B. WHITE
JAMES MEZA III
c/o Nancy H. Sims
150 So. Monroe Street, Suite 400
Tallahassee, FL 32301
(305) 347-5558

R. DOUGLAS LACKEY
MEREDITH E. MAYS
Suite 4300
675 W. Peachtree St., NE
Atlanta, GA 30375
(404) 335-0750

497719

PUBLIC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida	)	
Competitive Carriers Association	)	Docket No. 020507-TL
Against BellSouth Telecommunications, Inc.	)	
And Request for Expedited Relief	)	Filed: July 16, 2003

SUPPLEMENTAL RESPONSE OF BELLSOUTH TELECOMMUNICATIONS, INC. TO MCI'S FIRST SET OF INTERROGATORIES (Nos. 9, 10, 14 and 15)

BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.340 and 1.280, Florida Rules of Civil Procedure, hereby files the following Supplemental Response to MCImetro Access Transmission Services, LLC and MCI WorldCom Communications, Inc.'s ("MCI's") First Set of Interrogatories (Nos. 9, 10, 14 and 15) dated June 20, 2003 referred to as "discovery". This response is subject to the general and specific objections BellSouth has filed with regard to MCI's First Set of Interrogatories.

REQUEST: For FastAccess customers on December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available), please state:

the number of Florida FastAccess residential customers who also subscribed to Complete Choice;

the number of Florida FastAccess business customers who also subscribed to the business equivalent of Complete Choice;

the number of Florida FastAccess residential customers who self-installed the service; and

the number of Florida FastAccess business customers who self-

RESPONSE: The supplemental information responsive to this Interrogatory is set forth in the table below. This supplemental information is proprietary and is being provided subject to the nondisclosure agreement executed by the parties in this docket.

The supplemental numbers below should be reviewed with caution. First, in some instances the data was unavailable, (e.g., BellSouth did not launch the self-install option for retail business customers until April 2002) and is documented in the chart accordingly. Second, the systems that track this information are in the process of being reviewed. As a result, it is possible that the supplemental numbers below will be changed subject to the results of that review.

Florida	Dec 31, 1999	Jun 30, 2000	Dec 31, 2000	Jun 30, 2001	Dec 31, 2001	Jun 30, 2002	Dec 31, 2002	Jun 30, 2003
a. Res. FastAccess Customers w/ Complete Choice	N/A	N/A	N/A	N/A	N/A	N/A		
b. Bus. FastAccess Customers w/Complete Choice	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
c. Residential Self-Install	N/A	N/A						
d. Business Self Install	N/A	N/A	N/A	N/A	N/A			

RESPONSE BY: Eric Fogle

REQUEST: For the end user customers of ISPs subscribing to BellSouth's wholesale DSL service, as of December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available), please state:

the number of such end user residential customers who also subscribed to Complete Choice;

the number of such end user business customers who also subscribed to the business equivalent of Complete Choice;

the number of such end user residential customers who self-installed the service; and

the number of such end user business customers who self-installed the service.

RESPONSE: The supplemental information responsive to this Interrogatory is set forth in the table below. This supplemental information is proprietary and is being provided subject to the nondisclosure agreement executed by the parties in this docket.

The supplemental numbers below should be reviewed with caution. First, in some instances the data was unavailable, and is documented in the chart accordingly. Second, the systems that track this information are in the process of being reviewed. As a result, it is possible that the supplemental numbers below will be changed subject to the results of that review.

Florida	Dec 31, 1999	Jun 30, 2000	Dec 31, 2000	Jun 30, 2001	Dec 31, 2001	Jun 30, 2002	Dec 31, 2002	Jun 30, 2003
a. Wholesale Res. cust. w/ CC	N/A	N/A	N/A	N/A	N/A	N/A		
b. Wholesale Bus. cust. w/ CC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
c. Wholesale Res. cust. Self Install	N/A	N/A						
d. FL Wholesale Bus. cust. Self Install	N/A	N/A						

RESPONSE BY: Eric Fogle

REQUEST: For the most recent analog residential line count provided in response to Interrogatory No. 1.b, please state:

the number of lines served by digital loop carrier ("DLC");

the number of lines served by DLC for which alternative copper loop facilities are not currently available (because, for example, they have been taken out of service) for CLEC DSL loops.

RESPONSE: BellSouth has objected to this interrogatory. Subject to, and without waiving its objection, the lines served by DLC in Florida as of June, 2003 indicates 3,487,283 lines are served by DLC in Florida.

RESPONSE BY: W. Keith Milner

REQUEST: For the most recent analog business line count provided in response to Interrogatory No. 1.c, please state:

the number of lines served by DLC;

the number of lines served by DLC for which alternative copper loop facilities are not currently available (because, for example, they have been taken out of service) for CLEC DSL loops.

RESPONSE: BellSouth has objected to this interrogatory. Subject to, and without waiving its objection, the lines served by DLC in Florida as of June, 2003 indicates 3,487,283 lines are served by DLC in Florida.

RESPONSE BY: W. Keith Milner

Respectfully submitted this 16th day of July 2003.

BELLSOUTH TELECOMMUNICATIONS, INC.

Nancy White/by MEM

NANCY B. WHITE
JAMES MEZA III
c/o Nancy H. Sims
150 So. Monroe Street, Suite 400
Tallahassee, FL 32301
(305) 347-5558

R. DOUGLAS LACKEY
MEREDITH E. MAYS
Suite 4300
675 W. Peachtree St., NE
Atlanta, GA 30375
(404) 335-0750

498358

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida	)	
Competitive Carriers Association	)	Docket No. 020507-TL
Against BellSouth Telecommunications, Inc.	)	
And Request for Expedited Relief	)	Filed: July 18, 2003

SUPPLEMENTAL RESPONSE OF BELLSOUTH TELECOMMUNICATIONS, INC. TO MCI'S FIRST SET OF INTERROGATORIES (No. 13 (a))

BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.340 and 1.280, Florida Rules of Civil Procedure, hereby files the following Supplemental Response to MCImetro Access Transmission Services, LLC and MCI WorldCom Communications, Inc.'s ("MCI's") First Set of Interrogatories (No. 13 (a)) dated June 20, 2003. This response is subject to the general and specific objections BellSouth has filed with regard to MCI's First Set of Interrogatories.

REQUEST: As of December 31, 1999; June 30, 2000; December 31, 2000; June 30, 2001; December 31, 2001; June 30, 2002; December 31, 2002; and June 30, 2003 (or the most recent date for which data is available), please state the number of:

a. CLEC DSL UNE loops in BellSouth's Florida service territory;

SUPPLEMENTAL RESPONSE: BellSouth's prior response did not include UDC loops, which may be utilized to provide IDSL service. In addition, the most recent data is as of May 31, 2003 and not June 30, 2003. The UNE loops included are ADSL, HDSL, unbundled copper loops, and UDC loops in service at the time specified.

Florida	Dec 31, 1999	Jun 30, 2000	Dec 31, 2000	Jun 30, 2001	Dec 31, 2001	Jun 30, 2002	Dec 31, 2002	May 31, 2003
UNE xDSL capable loops	451	2,831	7,401	9,303	10,277	11,243	11,620	12,327

RESPONSE BY: Jerry Latham.

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 6a
COMPANY/ WITNESS: PSC Staff/ Stip #6a
DATE: July 21, 2003

Composite Exhibit No. ___

Docket No. 020507-TP

Description:

	Page Nos.
1. FCCA's Responses to Staff's Interrogatories 1-6	1-4
2. MCI's Responses to Staff's Interrogatories 1-5	5-8
3. BellSouth's Responses to Staff's Interrogatories 1-67	9-87
4. AT&T's Responses to Staff's Interrogatories 6-7	88-89
5. BellSouth's Amended Response to Staff's Interrogatories 23	90
6. BellSouth's Responses to Staff's Interrogatories 68-92	91-120
7. MCI's Responses to Staff's Interrogatories 6-8	121-122

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TP EXHIBIT NO. 7
COMPANY/ WITNESS. Staff/Stip #7
DATE: July 21, 2003

Stipulation No.____

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of Florida Competitive Carriers Association against BellSouth Telecommunications, Inc. regarding BellSouth's practice of refusing to Provide FastAccess Internet Service to customers Who receive voice service from a competitive Voice provider, and request for expedited relief.

Docket No. 020507-TL

RECEIVED
JAN - 2 2003
PUBLIC SERVICE COMMISSION
OFFICE OF THE GENERAL COUNSEL

THE FLORIDA COMPETITIVE CARRIERS ASSOCIATION'S RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1-6)

The Florida Competitive Carriers Association (FCCA), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provides the following Responses to Staff's First Set of Interrogatories (Nos. 1-6). In providing these responses, the FCCA does not waive and incorporates herein all of its objections, filed on December 23, 2002, to Staff's First Set of Interrogatories.

INTERROGATORIES

1. For purposes of the following request, please refer to the direct testimony of FCCA witness Gillan, page 4, lines 18-22.

(a) Please identify the specific "anticompetitive and discriminatory behavior" that this Commission has ordered BellSouth to "partially" cease in the orders referred in the witness' testimony.

(b) For each of the orders referred to, please identify specifically where in the order this Commission required BellSouth to cease the behavior identified in (a).

RESPONSE:

(a) The Commission has ordered BellSouth not to disconnect a BellSouth FastAccess customer when that customer chooses a competitive voice provider.

(b) Order No. PSC-02-0765-FOF-TP, pp. 4-10; Order No. PSC-02-1453-FOF-TP, pp.

000001

4-7; Order No. PSC-02-0878-FOF-TP, pp. 39-40.

2. For purposes of the following request, please refer to the direct testimony of FCCA witness Gillan, page 5, lines 1-6.

(a) Referring to line 3, please identify specifically to what "these issues" refers.

(b) Please identify where in the FDN arbitration that this Commission concluded that federal law gave the Commission jurisdiction to address "these issues."

RESPONSE:

(a) "These issues" refers to issues relating to BellSouth's anticompetitive practice of tying its provisioning of FastAccess service to its voice service.

(b) In Order No. PSC-02-0765-FOF-TP at p. 8, the Commission stated:

> As set forth in Section 706 of the Telecommunications Act, Congress has clearly directed the state commissions, as well as the FCC, to encourage the deployment of advanced telecommunications capability by using, among other things, "measures that promote competition in the local telecommunications market, or other regulating methods that remove barriers to infrastructure investment.
>
> In Order No. PSC-02-1453-FOF-TP at p. 5, the Commission stated:
>
> FDN responds that while it is true that one of the factors which prompted the Commission's decision was to promote competition in the local voice market, the Commission's Order supports deployment and adoption of advanced services as promoted by Section 706 of the Act, by removing significant barriers that limit consumer choice in the local voice market. We agree. As stated in the Order, we determined that Congress has clearly directed state commissions, as well as the FCC, to encourage deployment of advanced telecommunications capability by using, among other things, "measures that promote competition in the local telecommunications market, or other regulating methods that remove barriers to infrastructure [sic]. Order at 9.

3. For purposes of the following request, please refer to the direct testimony of FCCA witness Gillan, page 6, line 14.

(a) Please identify which federal law(s) that BellSouth's FastAccess practices violate.

(b) Please identify which state law(s) that BellSouth's FastAccess practices violate.

RESPONSE:

At this time, the FCCA has identified the following laws that BellSouth's FastAccess practices violate. The FCCA's research is on going and this list is not meant to be exhaustive at this time.

(a) Sections 364.01, 364.03, 364.051, 364.08, 364.10, 364.3381, Florida Statutes.

(b) Section 706 of the Telecommunications Act of 1996.

(c) Section 202 of the Communications Act.

4. For purposes of the following request, please refer to the direct testimony of FCCA witness Gillan, page 7, lines 6-10, please identify:

(a) the total number of ALEC line-sharing arrangements in BellSouth's territory regionwide as of the most recent date for which data is available;

(b) the total number of ALEC line-sharing arrangements in BellSouth's Florida territory as of the most recent date for which data is available; and

(c) the total number of xDSL capable loops in BellSouth's Florida territory as of the most recent date for which data is available.

RESPONSE:

(a) The most current information Mr. Gillan has is included in his direct testimony. Updated information should be obtained from BellSouth.

(b) See 4(a).

(c) See 4(a).

5. For purposes of the following request, please refer to the direct testimony of FCCA witness Gillan, page 7, lines 17-20. Please identify the increased problems that will occur as the number of FastAccess customers increases.

RESPONSE: See the FCCA response to BellSouth Interrogatory No. 36.

6. For purposes of the following request, please refer to the direct testimony of FCCA witness Gillan, page 14, lines 11-16. Please identify specifically where in the FDN Order

(Order No. PSC-02-1453-FOF-TP) it is stated that BellSouth is not "permitted to install new loop facilities, change the service to a different loop arrangement, or make any other network change to the underlying service."

RESPONSE: In Order No. PSC-02-1453-FOF-TP at pp. 6-7, emphasis supplied, the Commission stated:

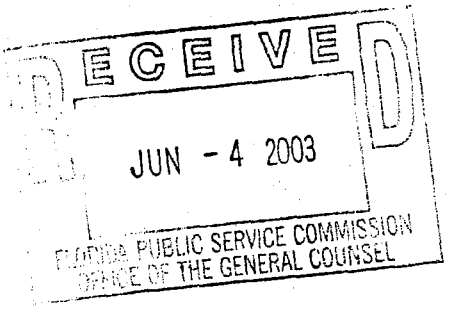
> BellSouth also requests that the Commission clarify that BellSouth is not required to provide FastAccess service over a UNE loop, but instead BellSouth may provide that service over a new loop that it installs to serve the end user's premises. FDN responds that BellSouth's provisioning proposal would be harmful and undermine the Commission's intent. Further, FDN asserts that second loops are not ubiquitously available and an additional loop would reduce the efficient use of the existing loop plant. Although the issue of how FastAccess was to be provisioned when a BellSouth customer changes his voice service to FDN was not addressed in the Commission's Order, we believe that FDN's position is in line with the tenor of our decision. While the Order is silent on provisioning, we believe our decision envisioned that a FastAccess customer's Internet access service *would not be altered* when the customer switched voice providers.
>
> . . . [W]e contemplated that BellSouth would provide its FastAccess Internet Service in a manner so that the customer's service *would not be altered.*
>
> . . . [W]e envisioned that BellSouth's migration of its FastAccess Internet Service to an FDN customer would be *seamless.* Consequently, we clarify that BellSouth's migration of its FastAccess Internet Service to an FDN customer shall be a *seamless transition* for a customer changing voice service from BellSouth to FDN *in a manner that does not create an additional barrier to entry into the local voice market.*

Hopping Green & Sams

Attorneys and Counselors

Writer's Direct Dial Number
(850) 425-2313

June 3, 2003



BY HAND DELIVERY

Blanca Bayó
Director, Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 020507-TL
Notice of Service of Discovery Responses

Dear Ms. Bayó:

Please take notice that MCI WORLDCOM Communications, Inc. and MCImetro Access Transmission Services, LLC (collectively, MCI) have today served their responses to Staff's 1st Set of Interrogatories (Nos. 1-5).

By copy of this letter, these responses have been furnished to all parties of record.

If you have any questions regarding this notice, please give me a call at 425-2313.

Very truly yours,

Richard D. Melson

RDM/mee
Enclosures
cc: Certificate of Service

000005

reorganized. MCI's responses will provide all of the information obtained by MCI after a reasonable and diligent search conducted in connection with these discovery requests. MCI will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the discovery requests purport to require more, MCI objects on the grounds that compliance would impose an undue burden or expense.

10. MCI objects to the definitions of "MCI," "you," and "your" to the extent that such definitions seek to impose an obligation to respond on behalf of subsidiaries, affiliates, or other persons that are not parties to this case on the grounds that such definitions are overly broad, unduly burdensome, oppressive, and not permitted by applicable discovery rules.

INTERROGATORIES

INTERROGATORY NO. 1: On page 3 of Mr. Gillan's Direct testimony filed November 26, 2002, lines 21-22, it states that the strategy results in a "barrier" to local competition, making it more difficult for new entrants to compete with BellSouth. Please explain what is meant by barrier to local competition.

RESPONSE: BellSouth has more than 99% of the DSL customers in its Florida territory. Direct Testimony of Joseph Gillan, p. 4. By preventing its new and existing DSL customers from obtaining UNE-P voice service over the same line used to provide DSL service, BellSouth provides strong incentives for them not to migrate to UNE-P voice providers. Although such customers theoretically could receive DSL from BellSouth over a separate line, such a requirement imposes a significant cost barrier that is unnecessary by requiring customers to pay for two lines rather than one. Alternatively, the customer could disconnect its FastAccess service so that it could obtain voice service from a competitor.

There are a number of reasons why FastAccess and other BellSouth DSL customers do not wish to relinquish their BellSouth service. Perhaps the most obvious is that these customers signed up for DSL service in the first place because they wanted to receive high speed internet service over the same line as their voice service, and they are satisfied with the service they have received. These customers are vested in BellSouth's service in part because they undertook to make the service operational, with many FastAccess customers installing the service themselves. And assuming a customer has a choice in broadband providers, changing providers involves disconnecting BellSouth's DSL service, obtaining a different DSL modem, and possibly having to pay early termination fees to BellSouth. In addition, the customer also would have to arrange to establish new broadband service, pay any connection fees the new provider required, change his or her e-mail address and notify his or her contacts of that change. All of these additional steps constitute barriers to competition.

INTERROGATORY NO. 2: On page 11 of Mr. Gillan's Direct testimony, filed November 26, 2002, lines 8-9, it states that BellSouth's policy effectively forecloses voice competition for those customers desiring Fast Access service. Please explain how BellSouth's policy effectively forecloses voice competition for those customers desiring Fast Access.

RESPONSE: See response to Interrogatory No. 1.

INTERROGATORY NO. 3: On page 12 of Mr. Gillan's Rebuttal testimony, lines 18-20, it states that resale does not enable competitors to introduce innovative new services. Please explain why.

RESPONSE: Resale involves selling BellSouth retail services at a discounted price. Because the underlying cost and feature combination of resale directly tracks the

BellSouth retail service, the entrants' ability to innovate is foreclosed. It must offer the same feature arrangements as the BellSouth service, and its prices are driven by basic economics to reflect underlying costs. Indeed, history has shown that resale discounts are generally not sufficient to support sustainable entry, must less enable innovation.

INTERROGATORY NO. 4: At the October 1, 2002, Agenda Conference regarding Docket No. 010098-TP, FDN/BellSouth Arbitration, the Commission dictated that the transition of the voice customer be made as seamless as possible. Please define what MCI WorldCom deems to be a "seamless" transition?

RESPONSE: A seamless transition is one that is not visible to the customer. For example, in a seamless transition there is no loss of dial tone for more than a momentary period (less than 5 minutes), no change in telephone number and no unexpected loss of features the customer has on his or her line.

INTERROGATORY NO. 5: If the customer's voice service or DSL service was disconnected when transitioning to another voice service provider, would MCI consider that transition to be "seamless"? Why or why not?

RESPONSE: By definition, the loss of voice service or DSL service for more than a momentary period (less than 5 minutes) is not seamless, particularly if the customer loses his or her email address and high speed connectivity. By definition, a process that requires a customer to lose a service and then re-install it is not seamless.

REQUEST: Does the FCC have any rules that prohibit an ILEC from providing DSL service over the ALEC's leased facilities?

RESPONSE: BellSouth is not aware of any FCC rules that prohibit an ILEC from providing DSL service over an ALEC's leased facilities; however, as discussed in the testimony of Mr. Ruscilli, there are numerous instances of the FCC stating that an ILEC is not required to provide DSL service over an ALEC's leased facilities. Moreover, to the extent the FCC has ruled that an ALEC owns all the features and functionality associated with a leased loop, common law principles of trespass, as applied to FCC rules, prohibit BellSouth from interfering with an ALEC's leased facilities.

RESPONSE PROVIDED BY: John A. Ruscilli, Senior Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Please identify the FCC rule upon which you rely for the proposition that the ILEC has no obligation to provide DSL service to the ALEC's leased facilities?

RESPONSE: BellSouth relies on the following FCC rulings:

1. The FCC's *Line Sharing Order,* Order No. FCC 99-355 in CC Docket Nos. 98-147, 96-98, Released 12/9/99, ¶ 72-74.

2. The FCC's *Line Sharing Reconsideration Order*, Order No. FCC 01-26 in CC Docket Nos. 98-147 and 96-98, Released 1/19/01, ¶ 14-26.

3. FCC Order No. 01-247 in BellSouth's application for 271 authority in Georgia and Louisiana, CC Docket No. 02-35, Released 5/15/02, ¶157.

4. FCC Order No. 02-260 in BellSouth's application for 271 authority in Alabama, Kentucky, Mississippi, North Carolina and South Carolina, WC Docket No. 02-150, Released 9/18/02, ¶ 164.

5. FCC Order No. 02-147 in Bellsouth's application for 271 authority in Florida and Tennessee, CC Docket No. 02-35, Released 12/19/02, ¶ 178.

RESPONSE PROVIDED BY: John A. Ruscilli, Senior Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Please explain why BellSouth continues to provide DSL retail service when an ALEC provides local service via resale, but discontinues service if the ALEC provides local service via leased facilities? For purposes of this question, please disregard BellSouth's FCC Tariff No. 1 prohibiting BellSouth from providing retail DSL Service over the ALEC's leased facilities.

RESPONSE: When BellSouth's DSL business model and systems were built, they were built on the assumption that BellSouth would be providing DSL as an overlay service to an end user also receiving BellSouth's voice service. In a resale scenario, BellSouth continues to provide the voice service, whereas, in a UNE-L or UNE-P scenario, the ALEC is the voice provider over ALEC leased and controlled facilities. Thus, provision of FastAccess in a retail service scenario is consistent with BellSouth's business strategy of providing this product as an overlay service.

RESPONSE PROVIDED BY: John A. Ruscilli, Senior Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 17, line 16 through 21, line 5 of Mr. Ruscilli's deposition, he states that BellSouth would be in violation of its FCC DSL tariff if it provided FastAccess to ALEC voice customers over the ALEC's leased facilities. Is this true because of requirements imposed by the FCC or business decisions made by BellSouth?

RESPONSE: BellSouth provisions the DSL component of its FastAccess service in compliance with the FCC tariff; however, as Mr. Ruscilli explained in his deposition, BellSouth could make a business decision to change the provisioning of its service, and modify the FCC tariff accordingly. To date, there is no business reason that justifies a change to BellSouth's tariff and a state commission has no jurisdiction to order BellSouth to modify its federal tariff.

RESPONSE PROVIDED BY: John A. Ruscilli, Senior Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 29, line 19 through 31, line 2 of Mr. Ruscilli's deposition, he asserts that requiring BellSouth to provide FastAccess over UNE lines would do little to promote voice competition in the rural areas. Please explain how refusing FastAccess to ALEC voice customers promotes voice competition in the rural areas?

RESPONSE: BellSouth's policy of providing its retail FastAccess DSL service only over lines used to provide BellSouth's voice service (either retail or resale) promotes voice competition in rural areas as follows:

1. It encourages ALECs to deploy or lease equipment to provide their own DSL/data/voice service combinations to their voice customers, particularly in those rural areas in which BellSouth does not currently provide FastAccess service.
2. It encourages ALECs to provide more voice service to recover the costs of provisioning their own DSL service.
3. It discourages the only apparent incentive ALECs have now, which is to cherry pick solely the ILEC's high end, primarily urban, voice customers.
4. In encourages ALECs to reach agreement and form alliances with alternative facility based broadband providers.

RESPONSE PROVIDED BY: John A. Ruscilli, Senior Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 9, lines 14 through 20 of Mr. Ruscilli's rebuttal testimony, he states that ALECs have done little to demonstrate their commitment to deploy advanced services. He further states that ALECs are asking to share in BellSouth's investment in new technology in Florida. Please explain what leads BellSouth's witness to the conclusion that ALECs have done little to demonstrate their commitment to deploy DSL services.

RESPONSE: That this proceeding was initiated demonstrates CLECs are seeking to gain access to BellSouth's deployed assets rather than deploying their own assets. In addition,

1. In its responses to BellSouth's Interrogatory No. 7, MCI states that it offers a variety of DSL products in Florida; however, "these services are offered only to customers who may be served from the limited number of central offices where MCI has collocation spaces in the Miami metropolitan area, and, in the case of BDSL [Internet DSL], also in certain other areas on a resale basis."

   AT&T's response to Interrogatory No. 7 indicates that it provides DSL service in Florida to a minimal number of business customers only, and does not provide DSL to any residence customers.

   DeltaCom's response to Interrogatory No. 7 indicates that it does not provide its TDM/T1 internet service to residential customers.

   AIN does not provide DSL services in Florida (or in other BellSouth states).

2. There are no CLEC DSLAMs deployed in BellSouth's Remote Terminals in Florida.

RESPONSE PROVIDED BY: John A. Ruscilli, Senior Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 15, line 4 of Mr. Ruscilli's direct testimony, he states that "extensive competition exists in the local voice market in Florida." Please define in numerical terms, the word "extensive."

RESPONSE: As of April 30, 2003, there were approximately 149 operational CLECs in Florida serving 1.3 million access lines, or 19.0% of the total lines in Florida. As further detail, using the same methodology as in BellSouth's 271 filings and as displayed in Mr. Ruscilli's Direct Testimony (p. 16), those CLECs serve 528,000, or 11.6% of the residential lines, and 816,000, or 32.4% of the business lines in Florida.

Moreover, in opinions filed in connection with BellSouth's section 271 application, both this Commission and the FCC found that at least two CLECs in Florida "each serve more than a *de minimis* number of end users predominantly over their own facilities and represents an 'actual commercial alternative' to BellSouth in Florida.... Specifically, each provides telephone exchange service to both residential and business subscribers through its own facilities."

RESPONSE PROVIDED BY: John A. Ruscilli, Senior Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 17, lines 3-4, of Mr. Ruscilli's direct testimony, he states that the number of lines served by BellSouth and BellSouth's market share decreased. Of the number of lines lost, on how many of the lines did BellSouth provide FastAccess? If the exact number is unknown, provide a reasonable approximation, and indicate such in your response.

RESPONSE: BellSouth does not have the data to determine the number of lines lost by BellSouth on which BellSouth provided FastAccess.

The best approximation that BellSouth can provide is as follows:

In response to Item No. 41, BellSouth states that *** PROPRIETARY*** customers had both BellSouth FastAccess service and local voice service via a resold line on May 31, 2003. BellSouth would include these customers in its calculation of lines lost.

In addition, BellSouth requested certain information from MCI in discovery. In response to BellSouth's requests, MCI provided BellSouth with a list of Purchase Order Numbers (PONs) rejected from January 2002 – December 12, 2002, which MCI contended were rejected because a customer could not migrate service to MCI because he or she had DSL service on his or her account. BellSouth sampled approximately 10% of the rejected PONs. Of this sample, approximately18% of the lines had voice service with an ALEC.

RESPONSE PROVIDED BY: John A. Ruscilli, Senior Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: If a current customer of an ALEC called to inquire if they could receive FastAccess, what information would BellSouth provide to the customer?

RESPONSE: The information provided by BellSouth to a current customer of an ALEC is limited to the information contained within Bellsouth's systems. Customer service representatives will ask the customer for their phone number, and enter it into a FastAccess qualification system. If the system qualification response returns that the number is qualified for FastAccess, then the customer service representative will take the order for FastAccess from the customer. If the number is not qualified, then the customer service representative will communicate to the customer that they are not able to get FastAccess service on that line, and to try another line if possible.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: If BellSouth offered FastAccess as a stand-only service using the same retail pricing currently in place, would the revenues exceed the costs of providing the service?

RESPONSE: BellSouth incorporates by reference its General Objection 2, specifically to the extent that the Commission is asking about matters other than Florida intrastate operations subject to the jurisdiction of the Commission, this interrogatory is irrelevant, overly broad, unduly burdensome, and oppressive. Subject to, and without waiving the foregoing objection, it is not clear to BellSouth what "stand-only" means in the context of this request. To the extent that the request is asking what BellSouth's standalone cost and revenue would be if BellSouth built a network that only provided FastAccess service, then no such analysis has been performed. BellSouth has performed preliminary estimates of costs to provide BellSouth's DSL service on an ALEC facility, which estimates are set forth in BellSouth's response to Staff's Interrogatory 14 and in response to Staff's Interrogatory 11. Additional information about the rates, terms, and conditions of FastAccess is publicly available at www.fastaccess.com <http://www.fastaccess.com>.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: If the answer to Question 26 is no, how are the costs being subsidized?

RESPONSE: BellSouth incorporates by reference its response to Interrogatory No. 26.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: If the answer to Question 26 is yes, what is BellSouth's current profit margin for FastAccess?

RESPONSE: BellSouth incorporates by reference its response to Interrogatory No. 26.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Is it BellSouth's belief that the achieved profit margin from FastAccess is sufficient to warrant offering FastAccess as a stand alone product? If not, at what profit margin would BellSouth be compelled to provide FastAccess as a stand alone product?

RESPONSE: No. There is no profit margin where BellSouth should be compelled to provide FastAccess as a stand alone product. FastAccess is a non-regulated enhanced service offering, and BellSouth should be allowed to freely provide that service in an open and competitive manner. Under no circumstances (even profitable ones) should BellSouth be compelled to offer a non-regulated enhanced service offering.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 21, lines 9-11 of Mr. Ruscilli's direct testimony, he states that BellSouth has not yet deployed DSL capability in eight central offices located in Florida's most rural areas.

a) Please identify the eight central office locations.

b) Please explain why BellSouth has not yet deployed DSL capability in these eight central offices and in numerous remote terminals referred to on page 21, lines 11-15?

c) Has BellSouth set any firm dates in which it plans to deploy DSL in these offices or remote terminals? If so, please provide the dates and associated central office or remote terminal locations.

RESPONSE: a) BellSouth has not deployed DSL capability to the following seven central offices: CCBHFLAF, FTGRFLMA, FTLDFLAP, JAYAFLMA, JCVLFLIA, MNSNFLMA, SYHSFLCC. The previous list of eight central offices contained an error, and included one central office twice.

b) BellSouth has not chosen to deploy to these central offices and in numerous remote terminals because the cost of deploying to those sites exceeds the revenue opportunity, leading to reduced earnings for BellSouth.

d) No. BellSouth is evaluating whether to establish firm dates in light of its business needs as well as the possible impact of regulatory constraints on such needs.

RESPONSE PROVIDED BY: John A. Ruscilli, Senior Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 4, lines 21-22, of Mr. Fogle's direct testimony it states that additional equipment will have to be installed in order to connect the BellSouth DSLAM to the ALEC loop. In Mr. Fogle's deposition, page 26, lines 20-25 through page 27, line 1, he states that "....it may require additional equipment or may require a splitter."

a) If BellSouth is providing the DSL and an ALEC is providing the dial tone, why is it necessary for the installation of an additional splitter if BellSouth already has a splitter installed when it was providing the dial tone?

b) Please identify and describe each piece of equipment necessary to connect the BellSouth DSLAM to the ALEC loop when the BellSouth DSLAM is located in the central office?

c) Please identify and describe each piece of equipment necessary to connect the BellSouth DSLAM is located in the field?

d) On page 33, lines 14-17 of Mr. Fogle's deposition, he provides an example where three splitters would be required. Please provide the percentage of time when three splitters would be required.

e) If the "additional" equipment is not installed, will it be technically feasible for BellSouth to provide FastAccess to a customer whose local voice service is provided by an ALEC service over UNE-P? If so, why?

f) If BellSouth removed the system edits installed to prohibit the provisioning of DSL where local voice service is provided by an ALEC on a basis other than resale, would it be technically feasible for BellSouth to provide FastAccess? If so, why?

RESPONSE: a) The need for an additional splitter may be necessary to isolate BellSouth network equipment from ALEC network equipment. It is impossible for BellSouth to fully test all of the potential network arrangements and equipment that an ALEC may be using on the line for potential interference issues with BellSouth's DSLAMs.

RESPONSE: (continued)

As a result, an additional splitter may be necessary to ensure the integrity of both BellSouth and the ALEC's network.

b) The minimum equipment required to connect the ALEC loop to the BellSouth CO based DSLAM is an additional cross connect between the ALEC tie cable and the BellSouth DSLAM at the main distribution frame in the central office. Additional equipment and cabling may be necessary to isolate the ALEC and BellSouth equipment to ensure that neither interferes with the other.

c) The minimum equipment required to connect the ALEC loop to the BellSouth field based DSLAM is an additional cross connect between the ALEC subloop and the BellSouth DSLAM at the remote terminal location. Additional equipment and cabling may be necessary to isolate the ALEC and BellSouth equipment to ensure that neither interferes with the other. In addition, the ALEC may be required to provision additional sub-loop components to transport the voice service from the remote terminal to the ALEC switch.

d) BellSouth cannot provide with accuracy the percentage of time that may be required to provision three splitters because the third splitter is located within the ALEC's network, and BellSouth would have no knowledge of ALEC deployment plans.

e) Yes. The potential use of additional splitters is necessitated by the introduction of ALEC's equipment to the loop. By definition, if the ALEC is purchasing the UNE-P from BellSouth, then they are using only BellSouth equipment to provide the service, and additional splitters are not necessary.

f) No. Removing of the edits would allow the logical provisioning, which is the inputting of the customer information in BellSouth's databases, and the DSLAM ports to be assigned. The necessary methods and procedures, as well as any additional equipment and

RESPONSE: (continued)

physical wiring work that may be required would not be in place to ensure that the service would work once the logical provisioning is in place. The actual nature of the physical provisioning will vary greatly, depending on the service arrangement that the ALEC is choosing to use.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 6, lines 18-19, of Mr. Fogle's direct testimony, it states that the splitter is necessary to send the DSL signal on the line to the BellSouth DSLAM and the voice signal on the line to the ALEC's switch. Explain why BellSouth was able to provide its tariffed Asymmetrical Digital Subscriber Line service to certain Internet service Providers customers on one or more UNE-P loops purchased by an ALEC?

RESPONSE: When an ALEC purchases UNE-P from BellSouth, they are utilizing BellSouth's switch, and additional splitters are not necessary to provide DSL service.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 3, lines 17-18, of Mr. Bill Smith's direct testimony, it states that BellSouth has since analyzed carefully the marketplace and made considerable investments in targeted markets. What elements, factors, or criteria were analyzed to determine which markets would be targeted?

RESPONSE: BellSouth analyzed the propensity to buy of individual residential and business customers to determine the aggregate demand for DSL services. This information was then cross referenced with network infrastructure data to determine which central offices and remote terminals contained the highest aggregate customer demand (revenue potential) and the lowest cost to deploy. Then, BellSouth deployed DSL to achieve the maximum number of DSL subscribers within limited operating and capital budgets.

RESPONSE PROVIDED BY:

Bill Smith
Chief Product Development & Technology Officer
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Of the elements, factors or criteria addressed in Question 33, what threshold levels were established for each element, factor or criteria to determine which markets BellSouth would engage in DSL deployment?

RESPONSE: BellSouth did not set a firm threshold; rather, BellSouth aggregates customer demand into a revenue forecast, and determines the capital and expense necessary to serve the expected customer demand. This information is then used to create an internal business case to determine the magnitude of capital investment that can be justified. The output of this business case weighed against other investment opportunities, limited by BellSouth's capital resources determines which markets and locations BellSouth would engage in DSL deployment. BellSouth's analysis changes from time to time based on the impact of the market, technology, competition, economy and other factors.

RESPONSE PROVIDED BY:

Bill Smith
Chief Product Development & Technology Officer
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: BellSouth states that it will provide DSL service on any BellSouth provided exchange line facility, regardless of whether the voice service on that line is being provided by BellSouth or by an ALEC engaged in resale. Is BellSouth's profit margin greater when providing wholesale rates for resale of voice service, or wholesale rates for UNE-P?

RESPONSE: BellSouth interprets this Interrogatory as asking whether its profit margins are greater when comparing the provisioning of a residential or business exchange line (loop, port, and local usage) at the applicable wholesale discount versus providing an unbundled loop-port combination (UNE-P) at the applicable UNE rate. BellSouth does not realize a profit margin from providing an unbundled loop at the rates ordered by this Commission. BellSouth's analysis demonstrates that the rates for UNE-P are less than BellSouth's costs. BellSouth does not realize a profit margin from providing residential lines at the applicable wholesale discount. BellSouth's residential rates are set below cost. BellSouth might realize some contribution when it provides business lines at the applicable wholesale discount.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Is the reason that BellSouth agrees to provide DSL service when the ALEC is providing voice service through a BellSouth resale arrangement is that the profit margin for BellSouth is higher when an ALEC is engaged in the resale of BellSouth voice service rather than when the ALEC is using UNE-P?

RESPONSE: No. The primary reason that BellSouth agrees to provide DSL service when the ALEC is providing voice service through a BellSouth resale arrangement is that the additional operational complexity is minimal and providing FastAccess over a resold line is consistent with BellSouth's business decision to provide this service as an overlay service. Moreover, any revenue received from providing FastAccess over a UNE-P loop is not anticipated to be sufficient to offset the operational complexity, nor will any revenue be sufficient to recover the initial investment required to provide the service.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: When BellSouth is providing DSL to a customer that is also taking BellSouth local voice service, does BellSouth provide that customer with:

a) Access to a Help Desk?
b) Installation Services?
c) Access to the Internet?
d) Necessary Customer Premises Equipment?

RESPONSE: Yes.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 3, lines 16-17, of Mr. William Taylor's rebuttal testimony, it states that BellSouth would be required to invest to supply FastAccess service in circumstances which it determined to be unprofitable. Please identify the circumstances where BellSouth's offering FastAccess would be "unprofitable."

RESPONSE: In context, the testimony reads "If the Commission were to order BellSouth to provide its FastAccess service to any requesting end user, then the economic impact would be: *Anti-competitive*: BellSouth would be required to invest to supply FastAccess® service in circumstances which it determined to be unprofitable." Literally, the sentence states that the effect of mandating provision of FastAccess service to all end users would be anticompetitive because BellSouth would be required to provide service to CLEC end users even if it found that provision of service to those end users reduced its profit. As explained on p. 17 of Dr. Taylor's testimony, "From the fact that BellSouth does not voluntarily provide FastAccess® service to the FCCA's local exchange customers, we can infer that it [BellSouth] believes its profits in the long run will be higher under such a plan."

Circumstances related to costs in which such provision of service would reduce BellSouth profits are discussed on pp. 10-13 and 18 of Dr. Taylor's testimony (citing Mr. Milner's and Mr. Fogle's testimonies regarding operational difficulties and costs). Circumstances related to demand in which mandatory provision of service would reduce BellSouth profits are discussed on pp. 17-18 of Dr. Taylor's testimony.

RESPONSE PROVIDED BY: Dr. William Taylor
National Economic Research Associates, Inc.
One Main Street
Cambridge, Massachussetts 02142

REQUEST: Is loop conditioning ever required in order for BellSouth to provide DSL services?

RESPONSE: Yes.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: What costs are involved in loop conditioning?

RESPONSE: The costs vary dramatically depending on the extent of the loop conditioning. Typical loop conditioning would include removing bridge taps, load coils, or doing line and station transfers. Depending on the location and complexity of the bridge taps, load coils, or spare facilities, this cost can range from under $100 per circuit to over several thousand dollars per circuit.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: How many customers are currently obtaining FastAccess service from BellSouth while obtaining local voice service from a reseller of BellSouth voice service?

RESPONSE: ***PROPRIETARY*** customers had both FastAccess service with BellSouth and local voice service via a resold line on May 31, 2003.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: When BellSouth was accidentally provisioning FastAccess service to customers that were obtaining local voice service by an ALEC over UNE-P or UNE-L, did any complex operational problems occur during that period of time? If so, what costs, if any were incurred related to the complex operational problems?

RESPONSE: BellSouth experienced the following two operational problems, which occurred when FastAccess service was inadvertently provided to UNE-P customers, both of which were discovered by maintenance personnel during troubleshooting. First, FastAccess service representatives were unable to access ALEC service records to determine customer account information and history. Second, one of the first steps of the troubleshooting process initiated for an out of service condition is to run a mechanized loop test from the BellSouth switch. This test temporarily interrupts the customers voice service on the line. Since the voice service is owned by the ALEC, there were no processes in place to either get permission, nor to coordinate the testing required with the ALEC. Both of these conditions led to increased FastAccess service outage time, and increased customer dissatisfaction.

BellSouth has not inadvertently provisioned FastAccess to a UNE-L customer.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Do all citizens in Florida have access to DSL service?

RESPONSE: No.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Do all citizens within BellSouth's Florida service area have access to DSL service?

RESPONSE: No.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: If the answers to questions 43 and 44 are no, what alternatives, if any, are available to the customer to obtain DSL service?

RESPONSE: Customer alternatives consist of the array of available technologies in the broadband market. Specifically, residential end-users can avail themselves of cable modem, satellite, fixed wireless, and facility based DSL services. In addition to the above options, business end-users may also choose fractional T1's, Frame Relay and ATM services as a substitute for DSL.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: If the answers to questions 43 and 44 are no, what actions can the ALEC undertake to see that its customers obtain DSL service, other than offer the DSL service itself?

RESPONSE: ALECs can undertake multiple options to obtain broadband services for their customers. They could partner with other facility based DSL providers, as AT&T and Covad have publicly announced. ALECs may also partner with cable modem, satellite, and fixed wireless broadband service providers.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Explain why it is preferable to BellSouth to offer its FastAccess on the existing local loop while requiring the ALEC to offer voice service on a separate loop, instead of accepting the line-splitting arrangement offered by the ALECs in this case?

RESPONSE: It is preferable to BellSouth to offer its FastAccess on the existing local loop and require the ALECs to offer voice service on the separate loop to avoid the extensive systems development and process changes necessary to coordinate the ALEC voice service with BellSouth's FastAccess service. By placing the FastAccess service on a stand-alone loop, BellSouth can use existing processes for the placement of that loop, and the subsequent support of the FastAccess service. Qualification, provisioning, billing, maintenance, and repair processes for the FastAccess service remain largely unchanged once the secondary loop is in place. In order to accommodate the line splitting arrangement offered by the ALECs, BellSouth would need to modify its qualifying, ordering, provisioning, billing, maintenance, and repair processes and systems at considerable expense.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: When BellSouth activates FastAccess to an existing BellSouth voice customer, what disruptions, if any, occur to the voice service concurrent with activation?

RESPONSE: Any disruptions of the voice service concurrent with the activation of FastAccess are the result of necessary facility rearrangements that may be required. Often, in order to provision the FastAccess service, line and station transfers are required to connect a DSL capable facility to the end-users location. This rearrangement of the facility causes a momentary disruption of the customer's voice service. Additionally, if any difficulties arise during the course of provisioning the FastAccess service, the voice service may be disrupted to facilitate testing.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: At the October 1, 2002 Agenda Conference regarding Docket No. 010098-TP, FDN/BellSouth Arbitration, the Commission dictated that the transition of the voice customer be made as seamless as possible. Please define what BellSouth believes a "seamless" transition means.

RESPONSE: BellSouth defines a "seamless" transition as one that can be; a) reasonably coordinated to allow for the downtime of the FastAccess service to be within a low utilization period, or b) within a predetermined window to minimize customer disruption. BellSouth also incorporates by reference its response to Interrogatory No. 50.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: If the customer's voice service or DSL service was disconnected when transitioning to another voice service provider, would that transition be considered "seamless" by BellSouth? Please explain why or why not?

RESPONSE: If the customer's voice service or DSL service was disconnected when transitioning to another voice service provider, that transition would be considered "seamless" if the disconnect was coordinated with the customer to occur during a low utilization period, or during a predetermined window.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Under BellSouth's policy, will BellSouth agree to continue to provide FastAccess if the ALECs agree to the use of a second line to provide their customers voice service? If this method is followed, how long with the customer be without voice service during the transition?

RESPONSE: BellSouth might consider providing FastAccess to customers if the ALECs agree to the use of a second line to provide their customers voice service and if BellSouth had the freedom to determine the appropriate terms and conditions with which to provide that service. The terms and conditions, including the price, would be determined based on the market opportunity, and best use of limited BellSouth system and process development resources.

If coordinated properly with the ALEC, the customer would be without voice service only momentarily during the transition to a second line.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Has BellSouth ever used Miscellaneous Account Numbers (MANs) to bill customers who purchase services not identified by telephone numbers?

RESPONSE: Yes.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Does BellSouth currently employ the use of MANs to bill customers who purchase services not identified by telephone numbers? If so, please list the services being billed by MANs?

RESPONSE: BellSouth occasionally uses MANs for certain non-automated service arrangements. Such billing arrangements are manually intensive, and can add significant costs to provide the service. Services currently being billed via MANs are Synchronet, Megalink, Private Line, and DIA.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 35, line 20 through page 36, line 6 of Mr. Fogle's deposition, he explains that BellSouth chooses not to provide FastAccess to UNE voice customers for business reasons. Please state what those business reasons are?

RESPONSE: The specific question that Mr. Fogle was responding to related to BellSouth's choice to not provide splitters to ALECs when FastAccess would be provided over ALEC facilities. The business reason for not wanting to enter into the splitter leasing business stems from the very small market opportunity that line of business presents. BellSouth has realized very little revenue from the existing splitter arrangements it supports, and sees little to no business justification for expanding that service offering.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 43, lines 2-10 of Mr. Fogle's deposition, he explains that BellSouth is competing with cable broadband. Does BellSouth want to increase its FastAccess customers to compete with cable broadband?

RESPONSE: BellSouth wants to increase its FastAccess customer base consistent with its overall business goals and objectives.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: How does refusing to provide FastAccess to UNE voice customers increase FastAccess subscribership?

RESPONSE: BellSouth desires to increase FastAccess subscribership consistent with its overall business needs and objectives, and not simply to increase numbers in a vacuum. Investing finite resources – time, money, and personnel – into providing a standalone service rather than an overlay service means that similar resources will not be used for other services, features, and products that may yield a much larger number of subscribers.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 78, line 9 through 79, line 6 of Mr. Fogle's deposition, he describes how BellSouth's systems are not designed to provide FastAccess to UNE voice customers. Is this due to business decisions made by BellSouth or requirements by the FPSC or FCC?

RESPONSE: The system limitations related to FastAccess and UNEs were designed primarily to ensure compliance with FCC requirements. Namely, because the ALEC owns all features and functionality of the UNE facility, including the high frequency portion of the spectrum contained within that facility, BellSouth cannot provision FastAccess over the high frequency portion of a loop without the necessary authorization from the ALEC.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On page 7, line 16 through page 8, line 15, of Mr. Milner's direct testimony, he states that BellSouth designed their systems to bill customers according to their phone numbers.

(a) If a customer was receiving voice services from BellSouth and then switched voice providers to an ALEC using UNE-P, does BellSouth still have access to an ALEC voice customer's phone number?

(b) Is the customer's phone number still embedded in BellSouth's computer programs?

(c) If the response to (b) is yes, do employees working on the wholesale side have access to the customer's phone number? Do employees working on the retail side have access to the telephone number?

RESPONSE:

(a) Yes, because BellSouth continues to provide the customer's exchange access telephone number out of a BellSouth central office switch, even though the number has been converted to provide UNE-P exchange access voice service for an ALEC end user, and is being billed by the ALEC to that end user.

(b) Yes. To the extent BellSouth continues to provide the customer's exchange access telephone number from its switch, records associated with that number must be kept in various BellSouth computer programs.

(c) (1) Various BellSouth wholesale employee groups have appropriate access to the information referenced by the customer's exchange access telephone number in order to process ALEC requests for changes on that number, and for maintenance, engineering and for the billing rendered by BellSouth to the ALEC. (2) Because various BellSouth Network employee groups perform provisioning and maintenance activities on both wholesale and retail end user exchange

RESPONSE: (continued)

access accounts (see also answer (b) above), those retail employees necessarily and appropriately have access to the information referenced by the ALEC end user telephone number records in BellSouth's Network systems and programs. Access and use of such information is governed by BellSouth's policies relating to the appropriate use of wholesale information.

RESPONSE PROVIDED BY: W. Keith Milner, AVP
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On pg. 7, line 14 through page 8, line 25, of Mr. Smith's direct testimony, he states that BellSouth's DSL policy does not make consumers reluctant to change voice carriers. However, on page 5, lines 1-3 of his testimony, he states that "... BellSouth may enjoy an advantage in the voice market by being able to package its voice service with FastAccess..." Please reconcile the two statements.

RESPONSE: The two statements do not conflict. While BellSouth has the ability to package voice service to the particular subset of customers that desire to avail themselves of such packages, the percentage of FastAccess customers represents less then 6% of the total access lines in Florida. As evidenced by the extensive competition in the local voice market in Florida (see BellSouth's response to Staff's Interrogatory No. 23), consumers are not reluctant to change voice customers.

RESPONSE PROVIDED BY:

Bill Smith
Chief Product Development & Technology Officer
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: If BellSouth's policy is not designed to keep voice customers from switching to another provider, why does BellSouth refuse to provide paying customers with FastAccess?

RESPONSE: Whether a customer is paying for FastAccess is not the issue. Any revenue, goodwill, or other potential return associated with providing customers that pay for FastAccess -- but that are not BellSouth voice or resale customers -- is less than BellSouth anticipates it can achieve by focusing its resources into other products and services.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: If BellSouth's current policy of disconnecting FastAccess customers who switch voice providers did not negatively affect those customers' decisions to use a UNE voice provider, would BellSouth still refuse to provide FastAccess to them.

RESPONSE: BellSouth does not agree with the premise of this question; specifically, BellSouth does not agree that its policy of disconnecting FastAccess customers negatively impacts customers' choice to use a UNE provider. BellSouth's position is that the costs associated with providing FastAccess to UNE voice providers outweigh any revenue potential.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Hypothetically, if BellSouth only had the 2 following options, which one would BellSouth choose? A) lose voice customer and disconnect FastAccess or b) lose voice customer and continue to provide FastAccess at its current retail price.

RESPONSE: (A).

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: If the system limitations that make it technically infeasible to provide FastAccess to a UNE voice customer did not exist, would BellSouth then provide FastAccess to an ALEC UNE-P or UNE-L voice customer? If no, why?

RESPONSE: No. Simply removing the system limitations would not address the numerous ongoing operational concerns. These issues range from accessing the voice spectrum (and interrupting the ALEC service) to troubleshoot FastAccess problems, to coordinating suspending or disconnecting the FastAccess service with corresponding changes in the ALECs voice service. Some of these could be resolved with extensive system development, others can only be addressed by changing the methods and procedures used by hundreds of service representatives and technicians.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: On what date did BellSouth first begin offering FastAccess service in Florida?

RESPONSE: August 1998

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: How many FastAccess customers did BellSouth have as of April 30, 2003.

RESPONSE: BellSouth had ***PROPRIETARY*** FastAccess customers on April 30th, 2003.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: How many times, if any, has a customer lost FastAccess service after BellSouth received an LSR to convert the end-user's voice line to an ALEC's UNE-P line without the customer being notified in advance?

RESPONSE: BellSouth cannot determine the number of times that a customer lost FastAccess in association with a conversion to a UNE-P without the customer being notified in advance. The only party who has contact with the customer prior to and during the conversion to a UNE-P is the ALEC, and BellSouth has no record of what customer contacts they may have made, nor any content of those conversations.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: Does BellSouth issue two separate billing statements for customers who subscribe to both local and FastAccess, or are the charges combined on a single bill?

RESPONSE: BellSouth prefers to combine the FastAccess and local service charges on a single bill for the customer, but will allow the customer to choose to have their FastAccess billed separately via a credit card.

RESPONSE PROVIDED BY: Eric Fogle, Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Milner, page 4, lines 2-5. Please explain how an ISP differs from a NSP.

RESPONSE: An Internet Service Provider ("ISP") is a company that provides individuals and other company's access to the Internet. A Network Service Provider ("NSP") is a company that provides backbone services to an ISP. Typically, an ISP connects to a regional ISP that in turn connects to an NSP backbone. The NSP routes all traffic and basically provides the infrastructure needed for Internet connectivity.

Traditionally, BellSouth has defined NSPs as any customer buying Digital Subscriber Line ("DSL") service directly from the special access tariff. NSPs are predominantly composed of ISPs, Alternative Local Exchange Carriers ("ALECs"), and Interexchange Carriers ("IXCs").

ISPs provide Internet access services. ISPs package the tariffed DSL service purchased from BellSouth with their own Internet access offering to create and sell a high speed Internet access service.

RESPONSE PROVIDED BY: W. Keith Milner
Assistant Vice President
Interconnection Operations
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Milner, page 8, lines 24-25 through page 9, line 1.

(a) What is the name of the database?
(b) When was this database developed?
(c) Please describe the general procedures followed to maintain and update this database.

RESPONSE:

a. BellSouth's Loop Qualification System ("LQS") is used to determine if Plain Old Telephone Service ("POTS") lines will support BellSouth's industrial or business class Asymmetrical Digital Subscriber Line ("ADSL") service. The information contained in LQS is derived from the Loop Engineering Assignment Data ("LEAD") database, a once-per-month-per-wire-center "snapshot" of the information contained in the Loop Facilities Assignment and Control System ("LFACS") database. LQS queries LEAD, extracts certain information, applies algorithms to this information, and arrives at a prediction as to whether a given loop could support DSL.
b. LQS was initially rolled out in 1998. The LEAD and LFACS databases were deployed in the mid- to late-1980s. Loop makeup information began to be populated in LFACS in the late-1980s. Theoretical loop makeup information began to be populated in LEAD in the summer of 1999.
c. BellSouth Outside Plant Engineering ("OSPE") populates the LEAD database (part of the Loop Engineering Information System ("LEIS")) with theoretical loop makeup information. The feeder and distribution copper cable lengths for the longest loop in the distribution area are populated. For instance, in a copper-fed cross-box, if the distance to the cross-box is 16 kilofeet and the longest loop from the cross-box is 4 kilofeet, the total length of 20 kilofeet would be used for all loops in that cross-box. Once a month, each LEAD database is updated with information from LFACS (wire centers are "refreshed" on a rotational basis so that one fourth of the wire centers are updated each week and each wire center is updated at approximately the same time each month). BellSouth OSPE also populates the LFACS database with actual loop makeup information, including actual cable lengths by segment, load coils, capacitors, etc. This information is populated as Outside Plant authorizations are performed that place, remove, or rearrange cables. OSPE also updates LFACS with actual loop makeup data when performing Manual Loop Makeup Service Inquiries.

RESPONSE: (Continued)

RESPONSE PROVIDED BY:

W. Keith Milner
Assistant Vice President
Interconnection Operations
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Milner, page 9, lines 14-22.

(a) Please identify and describe the mechanized maintenance and trouble isolation systems used.
(b) Please identify which of the mechanized systems noted in (a) are effectuated by the switch.

RESPONSE: (a) The mechanized maintenance and trouble isolation system referred to in the testimony stated above is Mechanized Loop Testing ("MLT"). Below is a description and overview of MLT.

Introduction

The Mechanized Loop Testing System (MLT-4) provides automated testing and analysis of telephone lines and equipment across a broad range of services including Plain Old Telephone Service ("POTS"), Digital Loop Carrier ("DLC"), and the Integrated Services Digital Network ("ISDN").

MLT-4 consists of one or more central processors and a communications network installed in the data center, supported by a distributed network of central office testing equipment. Line problems reported to repair centers that are responsible for loop maintenance are immediately tested and analyzed by MLT-4 so that repair personnel can be dispatched to restore service to the customer.

The MLT-4 system is compatible with available switching circuits and is configured to fit the capacity of the central office. It can be customized to test a wide variety of central offices, outside plant, and terminal equipment.

RESPONSE: (Continued)

Features

Major features of the MLT-4 system include the following:

- Performs metallic measurements and interactive tests of the subscriber lines and equipment terminating in a wide variety of switches at the central office.
- Capable of testing POTS, DLC, and all-digital testing of POTS/ISDN service, and lines with specialized termination equipment such as a coin phone or private branch exchange ("PBX").
- Capable of controlling metallic and digital testing of POTS/ISDN lines served by Switched Digital Video ("SVD") Access Systems.
- Ability to automatically sectionalize faults to central office, outside plant, or customer premises equipment.
- Programmed scan testing allows for routine and scheduled batch testing of selected lines.
- Easy to use interface allows immediate an online analysis of the results; menu-driven administrative user interface simplifies data entry.
- Communications network is capable of interfacing with external operation support systems responsible for loop maintenance.
- Redundant disk storage configuration provides database reliability.
- Globalization of databases ensures accuracy and reliability of information across all machines and databases in the network.
- Proactive system of routine testing helps to isolate potential lines problems before they occur.

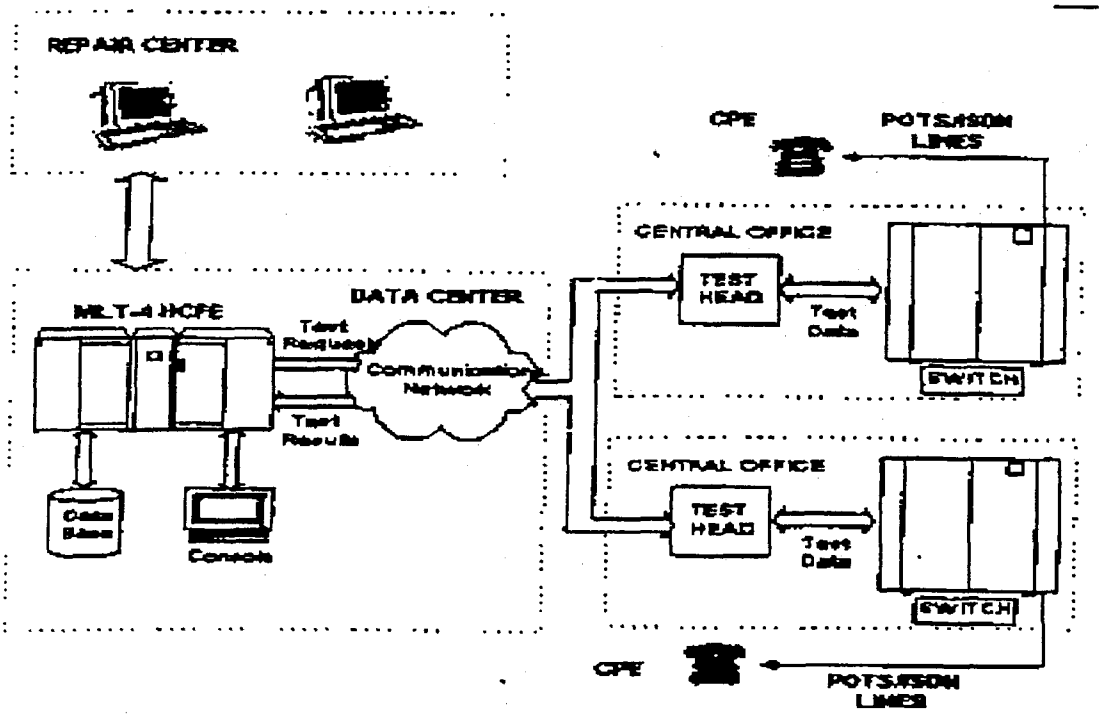
Benefits

The effectiveness of MLT-4 minimizes the cost of testing and maintaining line circuits and equipment both at the central office and at the customer's premises. It can run tests without craftsperson intervention, provides a quick analysis of problems on the lines, and report potential problems on the line before they occur. The efficiency of the MLT-4 system ensures that repair personnel are dispatched only when and where necessary.

The modular design of MLT-4 allows it to be easily improved, upgraded, and customized. Enhanced administrative functions simplify MLT-4 OA&M activities. The MLT-4 system architecture design provides accessibility between it and related operations supports systems.

RESPONSE: (Continued)

Background



Testing the basic POTS customer loop elements of central office, outside plant, and customer premises equipment was a manual and distributed process in the past. It involved using a trained tester who ran manual tests on the line from a device known as the Local Test Desk ("LTD").

Loop testing methods became increasingly automated with MLT-1, which employed computerized analysis of the line using Loop Test Frames ("LTFs") along with analysis of the line records supplied by the Loop Maintenance Operating System ("LMOS").

RESPONSE: (Continued)

In MLT-2 the Loop Testing System ("LTS") replaced the LTF with more centralized testing. Improvements to MLT-2 continued with the addition of new test heads (CMU and RMU) that employed a dial-up testing capability, and the DCTU that was integrated into the 5ESS switch. Upgrading continued in MLT-3 as a VAX 8600 Series processor replaced the PDP-11/70 and added the local Datakit network.

The latest version, MLT-4, upgrades the processor to the more advanced HP 9000 Series computer. New features include the Oracle database, an improved communications interface to the switch, simplified administrative user interface, and the addition of a local interface to non-AT&T digital switches such as the DMS-100.

Architecture

The MLT-4 System consists of at least one central transaction, database, and user interface. The components are installed on a leased communications network and linked to a distributed network of remote testing devices. The system is available in a basic configuration that tests POTS and DLC lines and in the MLT/ISDN configuration.

(b) Please identify which of the mechanized systems noted in (a) are effectuated by the switch.

The mechanized system noted in (a) effectuated by the switch is MLT.

RESPONSE PROVIDED BY:

W. Keith Milner
Assistant Vice President
Interconnection Operations
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Milner, page 10, lines 5-10. Please identify specific references to FCC rules and orders that substantiate the assertion that BellSouth's practice of not providing wholesale DSL or Fast Access on a UNE loop or UNE-P purchased by an ALEC, is consistent with FCC requirements.

RESPONSE: The FCC stated in Order No. FCC 02-147, *In the Matter of Joint Application by BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Georgia and Louisiana,* CC Docket No. 02-35, Rel. May 15, 2002. ("GA/LA 271 Order") at ¶157:

> BellSouth states that its policy "not to offer its wholesale DSL service to an ISP or other network services provider [ ] on a line that is provided by a competitor via the UNE-P" is not discriminatory nor contrary to the Commission's rules. Commenters allege that BellSouth will not offer its DSL service over a competitive LEC's UNE-P voice service on that same line. We reject these claims because, under our rules, the incumbent LEC has no obligation to provide DSL service over the competitive LEC's leased facilities. Furthermore, a UNE-P carrier has the right to engage in line splitting on its loop. As a result, a UNE-P carrier can compete with BellSouth's combined voice and data offering on the same loop by providing the customer with line splitting voice and data service over the UNE-P loop in the same manner. Accordingly, we cannot agree with commenters that BellSouth's policy is discriminatory. (Emphasis added.)

RESPONSE: (Continued)

The above decision was reiterated by the FCC in Order No. FCC 02-260, *In the Matter of Joint Application by BellSouth Corporation, BellSouth Telecommunications, Inc., And BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Alabama, Kentucky, Mississippi, North Carolina, and South Carolina,* WC Docket No. 02-150, Rel. September 18, 2002 at ¶164 and in Order No. FCC 02-331, *In the Matter of Application by BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc., for Authorization to Provide In-Region, InterLATA Services in Florida and Tennessee,* WC Docket No. 02-307, Rel. December 19, 2002 at ¶178.

RESPONSE PROVIDED BY:

W. Keith Milner
Assistant Vice President
Interconnection Operations
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Fogle, page 3, lines 9-12.

(a) Please describe how an ALEC loop could be connected to BellSouth equipment in order for the DSL signal to ride the ALEC loop, indicating what steps are required and approximately how long each step would take.
(b) Please describe the provisioning steps associated with providing FastAccess on a BellSouth loop, indicating how long each step would take.
(c) Please identify the increased time required for provisioning where BellSouth DSL is placed on an ALEC loop.
(d) Please identify the increased costs that would be incurred where BellSouth DSL is placed on an ALEC loop.

RESPONSE:

(a) The following must occur in order for an ALEC loop to be connected to BellSouth equipment in order for the DSL signal to ride on the ALEC loop:
    1. BellSouth would terminate the UNE Loop at the MDF
    2. BellSouth would then use collocation cross-connections to connect the loop to the ALEC provided cable, which terminates in the collocation space.
    3. The ALEC would then connect the circuit to its DSLAM and data network.

RESPONSE: (Continued)

(b) A high level summary of the provisioning steps associated with providing FastAccess on a BellSouth loop and associated time frames are as follows:

Step	Item	Timeframe
1	Customer places order through Fastaccess.com, or BLS rep places order in fastaccess order entry system. (FastAccess order entry system interfaces with wholesale order entry system	<1 day
2	Loop is determined qualified by Loop qualification system	<1 day
3	Order enters SOEG (service order entry gateway)	1 day
4	If order is accepted by BellSouth, then the order moves to its provisioning system for three provisioning steps: the logical layer, the physical layer, and the synch test.	3-4 days
5	Once all provisioning steps are complete, order moves to completed status in BellSouth systems.	This would occur instantaneously upon completion of Step 4
6	If professional install is requested, then this is scheduled and completed. If self install, then CPE is shipped.	4 days
7	Billing to NSP begins after order is complete.	1 day

*****Please see the attached proprietary diagram for additional level of detail.**

RESPONSE: (Continued)

(c) The specific amount of time for the process mentioned in item (a) would be two days.
(d) The specific costs have not been determined, as no cost study has been completed yet.

RESPONSE PROVIDED BY:

Eric Fogle
Director Wholesale Broadband Marketing
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Fogle, page 4, lines 3-7.

(a) Please identify what customer and loop information would not be available to Bellsouth's FastAccess customer service group where BellSouth is required to provide FastAccess to any ALEC end user.

(b) Please explain why a FastAccess customer service representative would not have "visibility" into all possible problems.

RESPONSE:

(a) If BellSouth were required to provide FastAccess to an ALEC end user over a UNE-L, the FastAccess customer service representatives would not have access to the ALEC end user telephone number. Without this information, the customer service representative would not be able to look up the end user account, as all of FastAccess's systems are based on telephone number. In addition, reviews of line problems are initiated by looking up the telephone number in question, which BellSouth does not have for this customer. The FastAccess systems would need to be reconfigured in order for BellSouth to have access to entering and retrieving end-user information of customers that are not BellSouth voice customers.

(b) BellSouth uses the term "visibility" to mean accessing the customer's account to deal with problems that the customer has. A FastAccess customer service representative would not have visibility into all possible problems for two reasons. First of all, as mentioned earlier, the FastAccess representative cannot look up the end user account to get pertinent end user information since BellSouth's system would not contain the telephone number of the customer where service is being provided using UNE-L. Therefore, the service representative can't help the customer with any FastAccess problems the customer has. Second, if the customer is just having general problems with the customer's line, because BellSouth does not own the voice service provided to the customer, the FastAccess representative will not have any access to the voice part of the line or the ALEC owned switch that may be impacting the line. In addition,

RESPONSE: (Continued)

maintenance issues associated with the voice service could not be seen by the FastAccess representative. Only the ALEC representative would have access to this information and only the ALEC could use the appropriate MLT and other troubleshooting methods to determine the cause of the problem.

RESPONSE PROVIDED BY:

Eric Fogle
Director Wholesale Broadband Marketing
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Fogle, page 4, lines 10-15. Please explain how a loop that initially shows as qualified can subsequently be determined otherwise.

RESPONSE: With regard to UNE-L situations, it is possible to qualify an address as being eligible for FastAccess Service, but upon dispatch, to learn that the line is not qualified. For instance, if a house was served from a cross-box that was in turn served by both a remote terminal and a central office, the house might qualify by address, but if the actual line came from the C.O. instead of the RT, it might not qualify. Furthermore, with regard to both UNE-Ps and UNE-Ls, as with any computer-based database, there are sometimes errors in the BellSouth loop qualification database that give a false positive readout. In addition, rearrangements are sometimes done to the BellSouth plant/network, which are not immediately reflected in the loop qualification database. Either of these situations could result in a loop initially appearing qualified when the loop actually is not. However, this occurs whether the loop in question is being used to provide service to an ALEC customer or to a BellSouth customer, and does not apply to providing DSL service over a UNE-P purchased by an ALEC.

RESPONSE PROVIDED BY: Eric Fogle
Director Wholesale Broadband Marketing
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Fogle, page 4, lines 21-22.

(a) Please identify the additional equipment that will need to be installed.

(b) Please identify the additional costs attributable to FastAccess associated with equipment identified in response to (a).

RESPONSE:

(a) The additional equipment could include a splitter that would be able to connect the ALEC line with the BellSouth DSLAM.

(b) The cost of a 96-port splitter would be approximately $6700. In addition to the cost of the splitter, there is the time it would take to install the splitter. These factors would increase the time required to provision a DSL line. The addition of a splitter and the associated work required to install it would add cost to the wholesale tariffed DSL product that the FastAccess group purchases. This in turn would increase the cost incurred by the end-user as all ISPs would pass this cost along to their end-users.

RESPONSE PROVIDED BY: Eric Fogle
Director Wholesale Broadband Marketing
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Fogle, page 5, lines 10-12.

(a) Please explain why such customer "...would have to be billed for FastAccess via credit card."
(b) Is it possible for BellSouth to provide a FastAccess customer who is not a BellSouth voice customer a bill?
(c) If the response to (b) is affirmative, why does BellSouth not render a bill to such customers?
(d) If the response to (b) is negative, please identify what technical limitations do not allow for this option.
(e) Is it possible for BellSouth to provide a bill for a FastAccess customer who is not a BellSouth voice customer, to the customer's ALEC?
(f) If the response to (e) is affirmative, why does BellSouth not render bills to ALECs?
(g) If the response to (e) is negative, please identify what technical limitations do not allow for this option.

RESPONSE:

(a) The current systems used to support FastAccess customers only support the following two billing options: charges billed to a valid BST phone number or charges billed to a credit card. Since these customers would no longer have a BST phone number, the only other option is by credit card.

(b) Not on a systemic ongoing basis. There is no current system in place that allows BellSouth to send ALEC end-users monthly bills for miscellaneous service when they do not have a BellSouth telephone number. To do otherwise would require the development of an entirely new system.

(c) N/A

(d) To elaborate on the answer given above, the system used to calculate charges for FastAccess service does not have an Accounts Receivable system to support direct billing. In addition, FastAccess service ordering and provisioning systems would need to be modified to collect and

RESPONSE: (Continued)

validate additional information, such as address, to support the taxing and direct billing of a customer. These systems only validate BST phone numbers and credit cards. A new collection group would have to be established and new procedures would need to be developed to manage direct-billed customers.

(e) No.

(f) N/A

(g) Under BellSouth's existing billing systems, FastAccess bill presentation is dependent on FastAccess charges being directly linked to a BellSouth retail landline account and delivered via the retail account's monthly direct bill presentation process. Moreover, the ability to calculate FastAccess tax amounts due is dependent on knowledge of the customer's service address, which is accessed through the BellSouth owned voice TN at the time of the customer's FastAccess registration and loop qualification. Systems and business processes for ordering, provisioning, customer data retention, accounts receivable, financial, and billing (etc) would all have to be examined for the work effort and financial feasibility of modification and/or development anew to attempt a wholesale FastAccess service to bill third parties. The study would likely conclude considerable effort and cost would be required if it was deemed an undertaking capable of being accomplished or even logical to take.

RESPONSE PROVIDED BY:

Eric Fogle
Director Wholesale Broadband Marketing
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Fogle, page 6, lines 19-20.

(a) Would it be the responsibility of the ALEC to install the splitter?
(b) Would BellSouth be willing to install the splitter on behalf of the ALEC.
(c) If the response to (b) is negative, please explain why BellSouth would not install the splitter.
(d) If the response to (b) is affirmative, what specific charges would BellSouth assess the ALEC to install the splitter?

RESPONSE:

(a) If a splitter were determined necessary, it would be the responsibility of the ALEC to install the splitter. There are also splitters integrated in the DSLAM that may be able to be used.
(b) BellSouth would not be willing to install the splitter on behalf of the ALEC.
(c) BellSouth is not in the business of installing ALEC equipment and has not determined what changes to its workforce and methods and procedures would be needed to do so. Moreover, BellSouth currently does not have a policy in place to evaluate and address the installation of splitters; BellSouth would have to consider such installation considerations on a case-by-case basis.
(d) N/A.

RESPONSE PROVIDED BY: Eric Fogle
Director Wholesale Broadband Marketing
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Fogle, page 7, lines 22-24.

(a) Please identify the major systems that would need to be changed.
(b) Please indicate the approximate cost of overhauling the systems identified in (a).

RESPONSE: Please see the attached proprietary documents: DSL over UNE-P and UNE Loop.

RESPONSE PROVIDED BY: Eric Fogle
Director Wholesale Broadband Marketing
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Smith, page 3, lines 17-20. Please identify the percentage of BellSouth households in Florida that are capable of receiving FastAccess service.

RESPONSE: Currently 86% of BellSouth households in Florida are capable of receiving FastAccess service.

RESPONSE PROVIDED BY: William Smith, Chief Officer
Product Development and Technology
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Smith, page 4, lines 4-7.

(a) Please explain what is meant by "backhaul network" and describe what kinds of upgrades were made.
(b) How many BellSouth central offices in Florida do not have DSL capability?
(c) How many BellSouth remote terminals in Florida do not have DSL capability?

RESPONSE:

(a) A backhaul network is the portion of the network used to transport data back to the NSP's ATM connection. Upgrades have been made to this in order to allow more traffic to be taken back to the ATM connection at a faster rate.
(b) Eight central offices in Florida do not have DSL capability.
(c) 5,946 remote terminals in Florida do not have DSL capability.

RESPONSE PROVIDED BY: William Smith, Chief Officer
Product Development and Technology
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Smith, page 7, lines 4-5. Please identify the specific additional operational costs that would be incurred in providing stand-alone DSL service. To the extent the information was provided in a previous response, please identify said response.

RESPONSE: BellSouth's preliminary estimates are that the additional operating costs associated with providing standalone DSL service are at least $150 per line. With the Standalone DSL, a separate BellSouth owned loop is provisioned to the end user's premise, and the DSL is offered on that loop. In this scenario, BellSouth absorbs the cost of provisioning a separate line and the work associated with provisioning and maintaining that line.

As set forth in the rebuttal testimony of BellSouth witness Eric Fogle, BellSouth anticipates that incurring such costs on an individual standalone basis is more cost effective than spending the estimated millions of dollars that would otherwise be required to provide FastAccess over existing UNE loops or UNE-P loops. Nonetheless, BellSouth is very concerned about incurring these high costs in order to provide this service, and does not believe that it is fair or equitable to require BellSouth to do so. However, without the separate line, BellSouth would not be able to provide the customer with the service that BellSouth's customers expect from BellSouth. Without a working telephone number to use, BellSouth could not identify the FastAccess customer and therefore would not be able to assist the customer with any problems the customer might have. Since customer service is very important to BellSouth, BellSouth anticipates that it will incur the $150 per line cost, if the FPSC does order BellSouth to provision this service, in order to best serve BellSouth's FastAccess customers.

RESPONSE PROVIDED BY: William Smith, Chief Officer
Product Development and Technology
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Ruscilli, page 3, lines 1-5.

(a) What would be the consequences if BellSouth is found not to be in compliance with its interstate tariff?
(b) If BellSouth were to become "in violation" of its interstate tariff, what action would BellSouth take to eliminate this "violation"?

RESPONSE: (a) If BellSouth is found by the FCC not to be in compliance with its interstate tariff by providing a service not set forth in the tariff or providing a service in a way not included in the tariff, BellSouth would be in violation of §203(c) of the Communications Act of 1934 As Amended by the Telecommunications Act of 1996, and subject to the fines in §203(e).

(b) If BellSouth were ordered by a state Commission to provide BellSouth's interstate tariffed DSL service in a way that is in violation of the tariff, BellSouth would appeal the state PSC decision to the appropriate court and seek to have the decision of the commission overturned.

RESPONSE PROVIDED BY: John Ruscilli
Senior Director
675 West Peachtree Street
Atlanta, Georgia 30375

REQUEST: For purposes of the following request, please refer to the direct testimony of BellSouth witness Ruscilli, page 11, lines 16-21.

(a) Is it BellSouth's position that this Commission's FastAccess decisions in Dockets Nos. 010098-TP and 001305-TP resulted in BellSouth being in violation of its interstate tariff?

(b) If the response to (a) is negative, please clarify this passage with respect to the FDN and Supra decisions.

RESPONSE: (a) No. It is BellSouth's position that this Commission's FastAccess decisions in Docket Nos. 010098-TP and 001305-TP do not result in BellSouth being in violation of BellSouth's interstate tariff, provided that BellSouth is able to provide FastAccess over a separate line as detailed in BellSouth's proposed Interconnection Agreement language with FDN and as explained in BellSouth's Position in Support of its Proposed Contract Language filed in Docket No. 010098-TP on November 20, 2002. The parties have not been able to reach agreement as to the contract language regarding BellSouth's provision of FastAccess when a BellSouth FastAccess customer migrates to FDN for voice service. The FPSC Staff is scheduled to file its Recommendation on this matter on January 9, 2003, and the Commission is scheduled to vote on this at the Agenda Session on January 21, 2003.

(b) The only way BellSouth can meet its obligations imposed by this Commission and not be in violation of numerous federal orders is to provide standalone FastAccess. If BellSouth were to provide only its own high-speed Internet access service on a UNE loop, BellSouth would be providing its tariffed DSL service for itself in a way that is different from how it would be providing it for other ISPs. This would put BellSouth in violation of the FCC's orders in the Computer Inquiry III cases, in violation of the FCC's Open Network Architecture orders, and in violation of BellSouth's own federally filed CEI Plan. If BellSouth is required by this Commission to place its wholesale, tariffed DSL on a UNE loop and

RESPONSE: (Continued)

begin using it for FastAccess, all other ISPs including FDN's own ISP, could claim that BellSouth has a parity obligation to make DSL available to them on UNE loops as well. The Commission did not require BellSouth to provide its wholesale DSL service on a UNE loop; it required BellSouth to continue to provide BellSouth's FastAccess Internet service to a BellSouth subscriber who migrates to FDN. Provided BellSouth is allowed to provide FastAccess over a second (non-UNE) loop, BellSouth will not be in violation of its federal DSL tariff.

RESPONSE PROVIDED BY: John Ruscilli
Senior Director
675 West Peachtree Street
Atlanta, Georgia 30375

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of the Florida Competitive Carriers Association Against BellSouth Telecommunications, Inc. Regarding BellSouth's Practice of Refusing to Provide FastAccess Internet Service to Customers who Receive Voice Service from a Competitive Voice Provider, and Request for Expedited Relief

Docket No. 020507-TP

/

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC'S, RESPONSES TO STAFF'S THIRD SET OF INTERROGATORIES (NOS. 6 - 7)

AT&T Communications of the Southern States, LLC (AT&T), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provides the following Responses to Staff's Third Set of Interrogatories (Nos. 6 - 7). In providing these responses, AT&T does not waive and incorporates herein all of its objections, filed on July 14, 2003, to Staff's Third Set of Interrogatories (Nos. 6 - 7).

INTERROGATORIES

INTERROGATORY NO. 6: In response to Staff Interrogatory Number 42 to BellSouth, BellSouth identified two operational problems that occurred when BellSouth provided FastAccess to UNE-P customers. One problem identified by BellSouth was that BellSouth lacked permission from the ALEC to run or coordinate a mechanized loop test. Please state what actions would need to be taken to rectify this problem?

Response: When UNE-P is used to provide local telephone service, the physical loop remains the property of BellSouth. Only BellSouth can repair or maintain that loop. The requirement to repair and maintain obviously and logically must incorporate permission to test. BellSouth performs MLT tests on UNE-P loops today.

BellSouth not only has permission to test, it has an obligation to test when it provides unbundled local switching, which is a part of UNE-P. This obligation is captured in BellSouth's Generic SGAT and in specific CLEC ICAs.

For example, Florida Generic SGAT Attachment C, 3.1.5.7 and AT&T ICA Attachment 2, 6.5.6 both provide:

> BellSouth shall perform routine testing (e.g., mechanized Loop Tests (MLT) and test calls such as 105, 107, and 108 type calls) and fault isolation on a mutually agreed upon schedule.

Florida Generic SGAT Attachment C, 3.1.5.8 and AT&T ICA Attachment 2, 6.5.7 both provide:

BellSouth shall repair and restore any equipment or any other maintainable component that may adversely impact circuit switching.

Further, the CLECs' grant of permission to BellSouth to use the HFPL without charge to provide its retail FastAccess Service to consumers obviously and logically includes permission to test.

As discussed in Mr. Bradbury's testimony and deposition, methods and procedures to be used by BellSouth, DLECs (which includes BellSouth.net), and CLECs have already been developed. See for example, Exhibit JMB-6 and AT&T late-filed Deposition Exhibit No. 3 to Mr. Bradbury's deposition, Operational Understanding Guidelines.

INTERROGATORY NO. 7: Explain what actions, if any AT&T has taken to expand consumer's access to the broadband market.

Response: See AT&T's response to BST's First Set of Interrogatories, Number 7 (originally sent to FCCA) regarding AT&T's partnerships with DSL providers. Further, AT&T has been a participant in the current docket in an effort to give Florida consumers the ability to retain their BST FastAccess service if they change from BellSouth to a CLEC for their voice services.

Vicki Gordon-Kaufman

Virginia Tate
AT&T Communications of the Southern States, LLC
Law and Government Affairs
1200 Peachtree Street, NE, Suite 8100
Atlanta, Georgia 30309
(404) 810-4922 Telephone
(404) 810-5901 Telefax

Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin, Davidson, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for the AT&T Communications of the Southern States, LLC

000089

REQUEST: On page 15, line 4 of Mr. Ruscilli's direct testimony, he states that "extensive competition exists in the local voice market in Florida." Please define in numerical terms, the word "extensive."

AMENDED
RESPONSE: As of April 30, 2003, there were approximately 149 operational CLECs in Florida serving 1.3 million access lines, or 20.0% of the total lines in Florida. As further detail, using the same methodology as in BellSouth's 271 filings and as displayed in Mr. Ruscilli's Direct Testimony (p. 16), those CLECs serve 595,000 or 12.9% of the residential lines, and 838,000, or 33.0% of the business lines in Florida.

Moreover, in opinions filed in connection with BellSouth's section 271 application, both this Commission and the FCC found that at least two CLECs in Florida "each serve more than a *de minimis* number of end users predominantly over their own facilities and represents an 'actual commercial alternative' to BellSouth in Florida.... Specifically, each provides telephone exchange service to both residential and business subscribers through its own facilities."

RESPONSE PROVIDED BY: John A. Ruscilli, Senior Director
BellSouth Telecommunications, Inc.
675 W. Peachtree Street
Atlanta, GA 30375

REQUEST: In response to Staff's Interrogatory No. 18, Mr. John A. Ruscilli referenced specific FCC orders, but it appears that the references for Items three and five are not accurate. Please re-file this information with the appropriate references, or otherwise provide these orders.

RESPONSE: The corrected cites are:

3. FCC Order No. 02-147 in BellSouth's application for 271 authority in Georgia and Louisiana, CC Docket No. 02-35, Released 5/15/02, ¶157. (This Order is accessible at http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-02-147A1.pdf)

5. FCC Order No. 02-331 in BellSouth's application for 271 authority in Florida and Tennessee, WC Docket No. 02-307, Released 12/19/02, ¶178. (This Order is accessible at http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-02-331A1.pdf)

RESPONSE PROVIDED BY: John A. Ruscilli

REQUEST: In response to Staff's Interrogatory No. 18, Mr. John A. Ruscilli stated that BellSouth relied on certain FCC rulings. Please state whether any FCC rulings specifically ordered that the ILECs do not have an obligation to provide DSL services to ALEC's leased facilities, and if so, please provide the FCC's order(s) along with the appropriate ordering paragraphs upon which you rely.

RESPONSE: BellSouth relies upon the entire body of caselaw previously cited in its prehearing statement and subsequent filings in support of its position that it has no obligation to provide DSL service to the ILECs leased facilities. BellSouth incorporates by reference its response to Staff's Interrogatory No. 4. BellSouth also cites to the following information that responds to the specific language referred to by staff (emphasis supplied):

(1) The FCC's *Line Sharing Order* (at ¶72) provides ". . . line sharing contemplates that the incumbent LEC continues to provide POTS services on the lower frequencies while another carrier provides data services on higher frequencies. *The record does not support extending line sharing requirements to loops that do not meet the prerequisite condition that an incumbent LEC be providing voiceband service on that loop for a competitive LEC to obtain access to the high frequency portion.*" [1]

(2) The FCC's *Line Sharing Reconsideration Order* (at ¶26) states that "[a]lthough the *Line Sharing Order* obligates incumbent LECs to make the high frequency portion of the loop separately available to competing carriers on loops where incumbent LECs provide voice service, *it does not require that they provide xDSL service when they are not longer the voice provider.*" [2]

(3) The FCC's *BellSouth GA/LA 271 Order* (at ¶ 157) states "*the incumbent LEC has no obligation to provide DSL service over the competitive LEC's leased facilities.* Furthermore, a UNE-P carrier has the right to engage in line splitting on its loop. As a result, a UNE-P carrier has the right to engage in line splitting on its loop. As a result, a UNE-P carrier can compete with BellSouth's combined voice and data offering on

[1] Order No. FCC 99-355; CC Docket Nos. 98-147, 96-98, Released 12/9/99; *vacated by U.S.T.A. v. FCC,* 290 F.3d 415 (D.C. Cir. 2002).
[2] Order No. FCC 01-26; CC Docket Nos. 98-147 and 96-98, Released 1/19/01.

the same loop by providing the customer with line splitting voice and data service over the UNE-P loop in the same manner. Accordingly, we cannot agree with commenters that BellSouth's policy is discriminatory."[3]

(4) The FCC's *BellSouth Multistate 271 Order* (at ¶ 164) provides "an incumbent LEC has no obligation, under our rules, to provide DSL service over the competitive LEC's leased facilities."[4]

(5) The FCC's *FL/TN 271 Order* cited to the above paragraphs in the *BellSouth Multistate 271 Order* and the *BellSouth Georgia/Louisiana 271 Order* in rejecting Network Telephone's claims that BellSouth was tying its DSL-based high-speed Internet access service to BellSouth local exchange service (at ¶ 178).[5]

(6) The FCC's *SWBT Texas 271 Order* provides that "*the incumbent LEC has no obligation to provide xDSL service over this UNE-P carrier loop.* In the *Line Sharing Order,* the Commission unbundled the high frequency portion of the loop when the incumbent LEC provides voice service, but did not unbundle the low frequency portion of the loop and did not obligate incumbent LECs to provide xDSL service under the circumstances AT&T describes."[6] The circumstances that AT&T had described were set forth at n. 917 of the *SWBT Texas 271 Order*; specifically, when a SWBT customer who had been using SWBT's local voice service and xDSL service combined over a single loop switched to AT&T, SWBT informed the customer its xDSL service would be disconnected.

RESPONSE PROVIDED BY: John A. Ruscilli
Meredith E. Mays

[3] Order No. 02-147, *BellSouth Georgia/Louisiana 271 Order*, CC Docket No. 02-35, Released 5/15/02.
[4] Order No. 02-260, *BellSouth Multistate 271 Order*, CC Docket No. 02-150, Released 9/18/02.
[5] Order No. 02-331, *BellSouth Florida/Tennessee 271 Order*, CC Docket No. 02-307, Released 12/19/02.
[6] Order No. 00-238, *SWBT Texas 271 Order,* CC Docket No. 00-65, Released 06/30/00.

REQUEST: In response to Staff's Interrogatory No. 30(b), Mr. John A. Ruscilli stated that BellSouth has not chosen to deploy DSL capability in seven central offices because the cost of deploying to those sites exceeds the revenue opportunity, leading to reduced earnings for BellSouth.

a) Please state what are the technical requirements necessary to deploy DSL capability to a central office.

b) Please also state the average cost of deploying DSL capability to a central office with approximately 100,000 access lines.

RESPONSE:

a) There are several technical requirements necessary to deploy DSL capability to a central office. They are as follows:

- Determine if sufficient floor space or bay space exists for DSLAM equipment
- Determine if space is available on the MDF (main distribution frame) to terminate the wiring for the DSLAM ports.
- Determine if DS3 is available on the multiplexer to connect back to ATM network
- Determine if existing CO power plant is available to handle the additional load
- In some cases, overhead racks will need to be extended to facilitate cabling.

b) The cost to deploy a DSLAM is dependent on numerous criteria that fall into three main categories.

a. Hardware and Software (purchased from vendors)
   i. Size (how many ports, depends on market opportunity)
   ii. Redundancy (how reliable)
   iii. Functionality (features and capability)
b. Installation of Hardware and Software
   i. Site preparation
   ii. Equipment installation

RESPONSE: (continued)

iii. Software Installation including element and network management systems

c. Wiring and Data transport
   i. Wiring to MDF
   ii. Backplane wiring
   iii. Connection to data transport circuit

Due to the variables associated with each category, the average cost of deploying DSL capability in a central office ranges from under $20,000 to over $200,000.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: In response to Interrogatory No. 30 (c), Mr. John A. Ruscilli states that BellSouth is evaluating whether to establish firm dates in light of its business needs as well as the possible impact of regulatory constraints on such needs. Please explain in detail what BellSouth means by the "impact of the regulatory constraints on such needs."

RESPONSE: BellSouth does not have unlimited resources to invest capital, particularly when its investment relates to enhanced, nonregulated services. In evaluating capital deployment, BellSouth considers the potential for regulatory treatment that is adverse to its business plans. Regulatory treatment that requires BellSouth to offer products in a manner that increases its costs or that is contrary to its business plans, particularly when the services at issue are nonregulated, may require reevaluation of the use of those resources and may also cause reallocation of capital.

To date, BellSouth has continued to deploy DSL capability in remote terminals in Florida. BellSouth's deployment is discretionary however, and BellSouth reserves the right at any given time to reallocate capital as it sees fit.

RESPONSE PROVIDED BY: John A. Ruscilli
Eric Fogle
Bill Smith

REQUEST: In response to Staff's Interrogatory No. 31, Mr. John A. Ruscilli stated that additional equipment and cabling may be necessary to isolate the ALEC and BellSouth equipment to ensure that neither interferes with the other. Please explain in detail what additional equipment and cabling may be necessary and provide examples.

RESPONSE: As clarification, Mr. Eric Fogle responded to Staff's Interrogatory No. 31. BellSouth undergoes rigorous testing of DSLAMs, switches and other network equipment prior to attaching to customer voice lines or other existing equipment in the network. This is to ensure that the new equipment does not interfere with the existing service or equipment that is also connected to the same facility. Such interference could either affect other equipment (such as high frequency noise or voltage spikes) or customers (such as static or audible noise, lost packets). Without performing the same extensive testing of the CLECs equipment, there is no guarantee that the CLECs equipment won't interfere with BellSouth's voice services and equipment and vice versa. Absent this testing, it may be necessary to place a band pass filter on the connection between the CLECs equipment and the BellSouth equipment. This filter would allow the appropriate broadband and voice signals to pass through to the appropriate equipment, while protecting and isolating the two networks from interference.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: In response to Staff's Interrogatory No. 37, Mr. Eric Fogle stated that when BellSouth provides DSL to a customer that is also taking BellSouth local voice service, BellSouth provides that customer with: access to a help desk, installation services, access to the internet, and necessary customer premises equipment. Please explain if BellSouth relinquishes these services when BellSouth only provides DSL to a customer that is not taking BellSouth local voice service.

RESPONSE: All FastAccess customers on BellSouth owned lines or CLEC resold lines have the same access to help desk, installation service, Internet access, and the necessary CPE equipment.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: Assume a customer is currently being provided voice service by an ALEC. The customer wants FastAccess installed (on a stand-alone basis) on a separate line provided by BellSouth.

a) How much would it cost BellSouth to provide this service?

b) What would the cost to the customer be?

c) Has a tariff been filed with the FCC or the FPSC that addresses this question? If so, please identify and provide said tariff.

RESPONSE: (a) BellSouth has not performed either a TELRIC or TSLRIC cost study for its enhanced, nonregulated FastAccess service.

BellSouth has filed its preliminary estimates that it costs a minimum of $150 to provision standalone FastAccess (based on the estimated labor cost of $75.00 to install the separate line and $75.00 to rearrange FastAccess to the separate line).

b) The customer's monthly rate for FastAccess is $49.95. Nonrecurring charges vary depending on whether promotions are available, and may range from $50.00 to $150.00, which price range does not include equipment rebates that may be available. The Standalone FastAccess BellSouth offers in Florida pursuant to Order Nos. PSC-02-0878-FOF-TP (BellSouth/Supra arbitration) and PSC-02-0765-FOF-TP (FDN/BellSouth arbitration) does not involve any additional incremental customer costs.

c) Yes. The tariff is BellSouth's current FCC tariff, which addresses BellSouth's standalone FastAccess. The current FCC tariff requires an "in-service, Telephone Company [i.e., BellSouth] provided exchange line facility." When a customer orders a separate line, BellSouth provides an exchange line facility to that customer, thus a separate tariff to address standalone FastAccess is not required. BellSouth's FCC Special Access Tariff No. 1 can be accessed via the Internet at http://tariff.bst.bls.com. The specific sections are 7.2.17, 7.4.29, and 7.5.21.

RESPONSE PROVIDED BY: Eric Fogle
John A. Ruscilli

REQUEST: Please explain, in detail, why BellSouth decided to structure its DSL model and systems as an overlay service.

RESPONSE: The telecommunications industry, and not just BellSouth, originally developed DSL standards as an overlay service in the late 1980s. Originally, the industry intended to provide a method for transmitting video signals to end-user locations utilizing existing copper facilities. BellSouth and others utilized this standard to offer broadband services in the late 1990s. During technical evaluation of utilizing DSL technology to offer Broadband Services, ADSL protocols that utilize an overlay approach were deemed preferable to SDSL protocols that required a stand-alone facility for the following three reasons: bandwidth profile, spectral interference, and uniform standards. The asymmetrical bandwidth profile (higher downstream bandwidth then upstream bandwidth) provided by ADSL technology is more suited to residential and small business applications. The spectral interference and cross talk associated with ADSL is significantly lower then the interference caused by SDSL. Finally, when BellSouth was making its initial investments in broadband technology, ADSL was a uniform standard as compared to SDSL, which was a proprietary protocol supplied by a specific SDSL vendor. By utilizing a uniform, standardized approach, BellSouth and other providers of ADSL service can develop common systems and processes for multiple hardware vendors and use more then one manufacturer for ADSL equipment.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: In response to Staff's Interrogatory No. 25, BellSouth stated that it will take the order for FastAccess if the system qualification response returns that number is qualified for FastAccess.

a) Please explain what factors are evaluated by the system to determine whether the number qualifies for FastAccess,
b) Please list those times when a number would not qualify for FastAccess.

RESPONSE:

a) The following is a hierarchy of questions that BellSouth's systems evaluate when determining if a telephone number is DSL qualified:

- Is copper loop in a BellSouth resistance zone designated as greater than 13,000 ohms?
- Is copper loop loaded?
- Is copper loop on a DAML (Digital Additional Main Line) unit?
- Is this a Pair-Gain loop with no Remote DSLAM?
- Is this area classified as an ADSL restricted zone due to maintenance reasons?
- Is a CO DSLAM absent?
- Is this a pair-gain loop in a BellSouth carrier zone designated as greater than 9,000 ohms?
- Is existing class of voice service incompatible with ADSL?
- Is the phone number a foreign exchange voice service?
- Is the loop in excess of 18kf?
- Is the NPA-NXX invalid?
- Is the voice service on a Different Premises Address (DPA)?
- Is the existing voice USOC type incompatible with ADSL?
- Is this a residential POTS line in a remote DSLAM restricted for business POTS only?
- Is the customer served out of a capped remote DSLAM?

If the answers to all of the above questions are no, then the loop is qualified.

RESPONSE: (continued)

b) A number will not qualify for FastAccess if a "yes" response is received for any of the above questions.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: With respect to Staff's Interrogatory No. 25, does BellSouth tell the ALEC customer that he must switch to BellSouth local service if he is to receive FastAccess?

RESPONSE: No.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: With respect to Staff Interrogatory No. 25, does BellSouth contact the customer's ALEC to tell them that they must provide local service through a resale arrangement in order for the customer to obtain FastAccess?

RESPONSE: No.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: Please assume that BellSouth was offering FastAccess, at its current retail rates, to customers served by an ALEC that was providing local service via BellSouth UNE-P. Would the revenues generated by providing FastAccess exceed the costs of providing FastAccess?

RESPONSE: BellSouth has objected to this Interrogatory. Subject to, and without waiving its objections, BellSouth states as follows. BellSouth incorporates by reference its response to Staff Interrogatory No. 74 (a). In addition, BellSouth's estimated costs of providing FastAccess to a UNE-P customer over an existing UNE-P (as compared to a standalone basis) would involve millions of dollars. BellSouth's view is that the revenues generated by FastAccess would not exceed the estimated costs involved in providing FastAccess over an existing UNE-P loop.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: Please state at what profit margin would BellSouth willingly provide FastAccess as a stand alone product?

RESPONSE: BellSouth cannot provide a precise margin. In an effort to be responsive, BellSouth states that it would consider willingly providing FastAccess as a stand-alone product when the return on investment is higher than other alternative investments for its shareholders. As a publicly traded company in a competitive industry, BellSouth must provide a sufficient return on a shareholders' investment to attract market capital. Capital investment in BellSouth is prioritized based on which products and services provide the best overall return to its shareholders. In BellSouth's view, the revenue opportunity of stand-alone FastAccess is not the best use of BellSouth's resources.

RESPONSE PROVIDED BY: Eric Fogle
Bill Smith

REQUEST: Please state what is BellSouth's current Internal Rate of Return? If BellSouth does not use an IRR, what criteria are used to evaluate whether a new product should be offered?

RESPONSE: BellSouth has objected to this interrogatory. Subject to, and without waiving its objections, BellSouth uses Net Present Value, with a WACC (Weighted Average Cost of Capital) of 14% to evaluate new product offerings.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: With respect to Staff's Interrogatory No. 31(b), please explain how much would it cost BellSouth to provide the additional cross connect between the ALEC tie cable and the BellSouth DSLAM at the main distribution frame in the central office?

RESPONSE: BellSouth has not performed a cost study to determine the precise cost involved because this essentially involves unbundling packet switching, which BellSouth is not required to do. In Docket No. 001797-TP, however, this Commission set the following rates for Line sharing splitter-per line activation in the central office: first install - $29.68, disconnect first install - $19.57, install additional - $21.28, disconnect additional - $9.61, recurring - $0.61.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: With respect to Interrogatory No. 36, please explain the applicability of the following statement that "...nor will any revenue be sufficient to recover the initial investment requirement to provide service...."

RESPONSE: The statement above was intended to address the fact that the current monthly FastAccess rates were never intended to cover the additional costs associated with providing FastAccess to a UNE-P customer over an existing UNE-P loop, which costs were provided in BellSouth's Exhibit EF-2.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: Please explain when BellSouth is evaluating new product offerings, does BellSouth require that the offering provide a positive return within a given period of time? If so, what criteria are evaluated in determining how fast a product must provide a positive return?

RESPONSE: BellSouth requires that business cases for potential new product offerings have a positive return on investment. BellSouth uses the Net Present Value measurement, with a weighted average cost of capital of 14% to evaluate this return on investment. BellSouth does not have a specific timeframe within which a product must achieve a positive net present value; instead, BellSouth uses similar products and services as benchmarks to determine the timeframe within which a new product will begin providing a positive return on investment.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: Please identify specific examples of circumstances, if any, where it would be "unprofitable" for BellSouth to supply FastAccess service as addressed on page 3, lines 16-17 of Mr. Taylor's Rebuttal Testimony. If you cannot identify specific examples, please state with particularity why you are unable to respond.

RESPONSE: The sentence from Dr. Taylor's rebuttal testimony reads "BellSouth would be required to invest to supply FastAccess® service in circumstances which it determined to be unprofitable." Examples of such circumstances fall into two overlapping categories.

First, cost factors may make it unprofitable to provide FastAccess® service to certain customers (or to all customers). If BellSouth were required to charge the same price for DSL to standalone customers that it charges for DSL to BellSouth voice customers, it would be unable to recover the costs of changes necessary to support standalone and would lose the economies of scope in billing and customer service that it experiences when DSL and local service are bundled. Under these circumstances, BellSouth's margins will be lower for standalone customers than for bundled customers; because the market for broadband access service is reasonably competitive in Florida, BellSouth will find it unprofitable to serve some or all DSL customers on a standalone basis. Alternatively, suppose BellSouth were not required to price standalone DSL service the same as its DSL service for BellSouth local exchange customers. Its costs for standalone DSL service would be higher than for bundled DSL service, but both services compete against other forms of broadband Internet access, notably cable. Hence, however BellSouth chose to price its standalone DSL service, the fact that the broadband access market is competitive and that the costs of standalone DSL service are higher than for bundled DSL service means that the profit from standalone DSL service must be lower than for bundled DSL service. Because the broadband access market is reasonably competitive, ordinary bundled DSL service is priced competitively, and —given its higher costs — standalone DSL service would have to be priced below the competitive market level in order to compete with cable.

RESPONSE: (continued)

Second, demand factors may make it unprofitable to offer FastAccess® service on a standalone basis. As an overlay service, DSL was designed to be an enhancement to BellSouth's local exchange service: i.e., subscribers to BellSouth basic exchange service can (if they chose) also obtain high-speed Internet access. That option helps to distinguish and increase the value (for some customers) of BellSouth's local exchange service from that of a competitor, although competitors are free to supply broadband access through a number of different channels to their customers. Thus, a part of the expected return to BellSouth from its investment in DSL technology and infrastructure comes from the enhancement to the value of its local exchange service. If BellSouth were required to make every enhancement to its regulated services available to its competitors, its return from investment in such enhancements would be smaller, and, at the margin, BellSouth would invest less.

Specifically, assume that BellSouth is currently[7] investing in DSL so as to maximize its profits. In theory, it would invest in markets up to the point where the cost of additional investment was just offset by the additional return from additional broadband and additional local exchange customers. Now, if BellSouth were required to sell standalone DSL, its current DSL investment would be too high in some markets: i.e., BellSouth would be undertaking unprofitable investment because it would no longer receive any gain from attracting additional customers seeking bundled local exchange, Internet access and other telephone services.

RESPONSE PROVIDED BY: William E. Taylor

[7] Assuming BellSouth only offers DSL together with its local exchange service.

REQUEST: With respect to Staff's Interrogatory No. 51, please state whether BellSouth would agree that "momentarily" means five minutes or less? If no, please define the term "momentarily".

RESPONSE: No. BellSouth incorporates by reference its response to the FCCA Interrogatory No. 31 and states that a disruption in service of approximately 15 minutes would be a seamless and momentary transition.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: With respect to Staff's Interrogatory No. 53, BellSouth states that it currently bills Synchronet, Megalink, Private Line, and DIA via MANs. What other methods of payments are available to customers subscribing to these services?

RESPONSE: Customers of such products can also have these products charged to their monthly BellSouth bill, assuming they have a BellSouth telephone number.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: Please state how many customers that obtained FastAccess service from BellSouth subsequently cancelled the service, yet continued to subscribe to BellSouth's local service? If the exact number is unknown, provide a reasonable approximation for the number and explain how the number was derived.

RESPONSE: This information is only available beginning in August 1999. There have been approximately 235,022 disconnections of FastAccess service when the end user continued to subscribe to BellSouth voice service.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: Please state what date BellSouth filed for approval of its initial DSL tariff with the FCC and what date was the tariff approved?

RESPONSE: BellSouth's initial ADSL tariff was filed with the FCC on August 18, 1998, and was effective on September 3, 1998.

RESPONSE PROVIDED BY: John A. Ruscilli

REQUEST: On page 32, lines 4-6 of Dr. Taylor's deposition, it states: "That gives every ALEC customer an incentive to consume more of BellSouth's FastAccess service that it costs BellSouth." How does a customer "consume more of BellSouth's FastAccess?"

RESPONSE: Suppose the price of BellSouth's Fast Access® service is $10 per month but the cost of supplying it to the consumer is $20 per month. A consumer who is willing to pay no more than $10 per month for FastAccess® service will buy it at a $10 price, even though it costs BellSouth $20 to produce the service. In that sense, every ALEC customer has an incentive to consume too much of BellSouth's FastAccess® service, which is the meaning of the phrase "giv(ing) every ALEC customer an incentive to consume more of BellSouth's FastAccess service than it costs BellSouth."

As explained in the next sentence in Dr. Taylor's deposition, "You would have ALEC customers who value FastAccess service at, make up a number, ten bucks, and they get it, but it costs -- Bell at ten bucks, but it costs BellSouth 20 bucks to provide it. That's sending the wrong signals. That's first-order economic inefficiency, welfare losing, customers are made worse off."

RESPONSE PROVIDED BY: William E. Taylor

REQUEST: Please state whether BellSouth believes that the Telecommunications Act of 1996 encouraged ALECs to pursue the permanent use of a resale strategy rather than encouraging a facilities-based approach?

RESPONSE: The Telecommunications Act of 1996 ("1996 Act") does not express a preference of one approach over another. The 1996 Act clearly allows three paths of entry into the local market and the Act itself does not encourage one path of entry over another. In the First Report and Order (Order FCC 96-325, Docket No. 96-98), the FCC noted, however, that some entrants may utilize a permanent use of any one of the three paths of entry. In relevant part, the First Report and Order provides (at ¶ 12) as follows:

> The Act contemplates three paths of entry into the local market – the construction of new networks, the use of unbundled elements of the incumbent's network, and resale. The 1996 Act requires us to implement rules that eliminate statutory and regulatory barriers and remove economic impediments to each. We anticipate that some new entrants will follow multiple paths of entry as market conditions and access to capital permit. Some may enter by relying at first entirely on resale of the incumbent's services and then gradually deploying their own facilities . . . . Others may use a combination of entry strategies simultaneously – whether in the same geographic market or in different ones. Some competitors may use unbundled network elements in combination with their own facilities to serve densely populated sections of an incumbent LEC's service territory, while using resold services to reach customers in less densely populated areas. *Still other new entrants may pursue a single entry strategy that does not vary by geographic region or over time. Section 251 neither explicitly nor implicitly expresses a preference for one particular entry strategy.* Moreover, given the likelihood that entrants will combine or alter entry strategies over time, an attempt to indicate such a preference in our section 251 rules may have

unintended and undesirable results. Rather, our obligation in this proceeding is to establish rules that will ensure that all pro-competitive entry strategies may be explored. As to success or failure, we look to the market, not to regulation, for the answer. (Emphasis supplied.)

RESPONSE PROVIDED BY: John A. Ruscilli

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of AT&T Communications of The Southern States, LLC; MCI WorldCom Communications, Inc. and MCImetro Access Transmission Services LLP; and Access Integrated Networks, Inc. Aganst BellSouth Telecommunications, Inc. And Request for Expedited Relief	)	Docket No. 020507-TL Filed July 18, 2003

MCI'S RESPONSES TO STAFF'S THIRD SET OF INTERROGATORIES

MCI WORLDCOM Communications, Inc. and MCImetro Access Transmission Services LLC (collectively, "MCI"), pursuant to Rule 28-106.206, Florida Administrative Code, and Rules 1.280(b) and 1.340, Florida Rules of Civil Procedure, hereby provide the following Responses to Staff's Third Set of Interrogatories. In providing these responses, MCI does not waive, and incorporates herein, all of its objections, filed on July 14, 2003, to Staff's Third Set of Interrogatories.

INTERROGATORIES

INTERROGATORY NO. 6: Please state whether ALECs would provide more DSL services to their customers if ALECs were permitted new or additional collocation space in BellSouth's central office.

RESPONSE: Based on current circumstances, permission to obtain new or additional collocation space at BellSouth central offices would not prompt MCI to provide more DSL services to its customers. Improving other aspects of collocation, such as collocation rates, however, would better enable MCI to expand its network and make its DSL product more readily available to potential customers.

INTERROGATORY NO. 7: In response to Staff Interrogatory Number 42 to BellSouth, BellSouth identified two operational problems that occurred when BellSouth provided FastAccess to UNE-P customers. One problem BellSouth identified was that BellSouth lacked permission from the ALEC to run or coordinate a mechanized loop test. Please state what actions would need to be taken to rectify this problem.

RESPONSE: MCI is willing to permit BellSouth to run MLT tests on MCI UNE-P lines. No further action should be necessary to resolve this issue with respect to MCI.

INTERROGATORY NO. 8: Please explain what actions, if any, MCI has taken to expand consumer's access to the broadband market.

RESPONSE: MCI began offering limited residential and small business DSL service to Florida consumers in BellSouth's service territory on May 19, 2003.

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 020507-TL EXHIBIT NO 8
COMPANY/
WITNESS: PSC Staff / Stf #8
DATE: July 21, 2003

Composite Exhibit No. 9

Docket No. 020507-TP

Description:

	Page Nos.
1. Deposition Transcript of Jay Bradbury	1-131
2. Deposition Transcript of Eric Fogle	132-223
3. Deposition Transcript of Joseph Gillan	224-286
4. Deposition Transcript of Keith Milner	287-555
5. Errata Sheet for Joseph Gillan	556

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. D20507-TL EXHIBIT NO. 9
COMPANY/ WITNESS: Staff/Stip #9
DATE: July 29, 2003

Stipulation No. ____

Composite Exhibit No. ___

Docket No. 020507-TP

Description:

	Page Nos.
1. Deposition Transcript of Jay Bradbury	1-131
2. Deposition Transcript of Joseph Gillan	132-223
3. Deposition Transcript of Eric Fogle	224-286
4. Deposition Transcript of Keith Milner	287-555
5. Errata Sheet for Joseph Gillan	556

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 9
COMPANY/ WITNESS: Staff/Stip #9
DATE: July 24, 2003

Stipulation No. ____

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

In the Matter of

COMPLAINT OF FLORIDA COMPETITIVE CARRIERS ASSOCIATION AGAINST BELLSOUTH TELECOMMUNICATIONS, INC. REGARDING BELLSOUTH'S PRACTICE OF REFUSING TO PROVIDE FASTACCESS INTERNET SERVICE TO CUSTOMERS WHO RECEIVE VOICE SERVICE FROM A COMPETITIVE VOICE PROVIDER, AND REQUEST FOR EXPEDITED RELIEF.

_____/

ELECTRIC VERSIONS OF THIS TRANSCRIPT ARE A CONVENIENCE COPY ONLY AND ARE NOT THE OFFICIAL TRANSCRIPT OF THE HEARING, THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

TELEPHONIC DEPOSITION OF:	JAY BRADBURY
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
CONDUCTED FROM:	Gerald L. Gunter Building Room 362 2540 Shumard Boulevard Tallahassee, Florida 32399-0850
TIME:	Commenced at 3:00 p.m. Concluded at 4:40 p.m.
DATE:	Wednesday, January 22, 2003
REPORTED BY:	JANE FAUROT, RPR Chief, Office of Hearing Reporter Services FPSC Division of Commission Clerk and Administrative Services (850) 413-6732

APPEARANCES:

MEREDITH MAYS and DOUG LACKEY, c/o Nancy Sims, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301, appearing on behalf of BellSouth Telecommunications, Inc., participating telephonically.

VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, DEcker, Kaufman & Arnold, P.A., 117 S. Gadsden Street, Tallahassee, Florida, appearing on behalf of the Florida Competitive Carriers Association.

DULANEY L. O'ROARK, III, MCI WorldCom, Inc., Six Concourse Parkway, Suite 3200, Atlanta, Georgia 30328, appearing on behalf of MCI WorldCom, Inc., participating telephonically.

PATTY CHRISTENSEN, FPSC Office of General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing of behalf of the Florida Public Service Commission Staff.

WITNESS

NAME	PAGE NO.
JAY BRADBURY	
Direct Examination by Ms. Christensen	6
Cross Examination by Mr. Lackey	28

EXHIBITS

NUMBER:		ID.
1	DSL OSS Exhibit	9
2	DSL Technology Exhibit	13
3	(Late-filed) Memorandum of Understanding for Line Maintenance	34

S T I P U L A T I O N

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that counsel present stipulate that the witness is the person he identified himself as; that objections, except as to the form of the question, are reserved until hearing in this cause; and that reading and signing was not waived.

IT IS ALSO STIPULATED that any off-the-record conversations are with the consent of the deponent.

PROCEEDINGS

Thereupon,

JAY BRADBURY

was called as a witness on behalf of Florida Competitive Carriers Association, and having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MS. CHRISTENSEN:

Q Okay. Can you please state your name for the record?

A Jay Bradbury, B-R-A-D-B-U-R-Y.

Q Okay. And have you testified or done depositions before?

A Yes, I have.

Q So we will skip to the good stuff. In this proceeding you filed rebuttal testimony only?

A That is correct.

Q Mr. Bradbury, your testimony generally addresses the technical aspects of implementing FCCA's requested relief to provide an ALEC end user with BellSouth's FastAccess service, is that correct?

A That is correct.

Q And specifically your testimony addresses -- or your overall contention of your testimony is that there are not significant insurmountable operational problems for BellSouth to provide its FastAccess service over a UNE-L or UNE-P line,

nor is it as cumbersome as BellSouth's witnesses contend, is that correct?

A That is correct.

Q Okay. Looking at Page 7, Line 21, through Page 8, Line 3 of your testimony.

MS. KAUFMAN: I'm sorry, Page --

MS. CHRISTENSEN: Seven starting at Line 21 through Line 3 on the following page.

BY MS. CHRISTENSEN:

Q Okay. You talk about the process ALECs and DLECs have developed as a result of the line sharing and line splitting collaborative meetings?

A Yes, ma'am.

Q Can you explain the ordering process used by the ALECs and DLECs pursuant to the line sharing collaborative order?

A Yes, I can. The ALECs and DLECs make use of two interfaces -- well, actually three interfaces to order. Those interfaces are LENS, TAG, and EDI.

Q And what, I'm sorry?

A EDI.

Q And what does that stand for, I'm sorry?

A That is electronic data interchange. I've got some drawings. I can't do this subject without pictures.

Q If you have got something that might help.

A I do.

MS. CHRISTENSEN: The witness is passing out some diagrams. Would it be helpful for us to have somebody fax you a copy of the diagrams we are looking at?

MR. LACKEY: Gee, I can see them fine. (Laughter.)

MS. KAUFMAN: You don't have any questions, either, right?

MR. LACKEY: No, that's not right. Nancy Sims is there, right?

MS. CHRISTENSEN: Yes.

MR. LACKEY: Or if somebody else could fax those.

MS. CHRISTENSEN: Give me a number where we can fax them to you.

MR. LACKEY: 404-614-4054.

MS. CHRISTENSEN: We are going to go ahead and fax this to you now. And we will wait for the explanation until you get the faxed copies because otherwise it would be very difficult for you probably to follow along.

Why don't we go ahead and make it an exhibit to the deposition. We will call it Exhibit 1. I'm not being very creative with the exhibit names, so --

MS. KAUFMAN: Do you want us to come up with a name?

MS. CHRISTENSEN: Yes, please do. Because I would just call them diagram exhibit, and that probably wouldn't help.

THE WITNESS: How about DSL OSS exhibit.

(Exhibit 1 marked for identification.)

MS. CHRISTENSEN: And just let us know when you all get a copy, when you receive a copy.

MR. LACKEY: We will. Do you want to go on to something else until we get them, or -- I mean, the truth of the matter is you can probably go ahead and I will just try to follow as best I can until I get them. I don't want to hold it up.

MS. CHRISTENSEN: Okay. Well, if you want to do that then we can go ahead.

MR. LACKEY: Yes. I think I've probably heard it before.

MR. BRADBURY: He does have some familiarity. Your question dealt with what interfaces the ALECs and DlECs use --

MS. CHRISTENSEN: Uh-huh.

THE WITNESS: -- for ordering DSL services. And on Page 2 of this handout, down at the bottom, I've got a box there. And I labeled it CLEC -- I forgot I was in Florida -- CLEC, DLEC, and NSPs. And I show that there are two interfaces in that box, LENS and TAG. There is a third interface that we use for ordering, it's called EDI. I didn't put it on here. It is not an interface that is readily available to BellSouth, whereas both of these interfaces are. They could use these for their DSL ordering also, that's why I left EDI off this chart.

BY MS. CHRISTENSEN:

Q And I asked you, I think, to explain -- you contend basically that with these systems that are in place, that basically there has to be no further development required to the BellSouth systems --

A Yes.

Q -- to participate in this process, and I was hoping you could explain in a little more detail how these processes work or how would you envision them working when you are looking at the relief you are requesting?

A Would you like for me to be specific to the process that we are talking about in that particular part of the testimony, which is strictly the letters of authority, letters or authorization that really -- I can answer your broader question, or I can focus on the narrow question that this piece of testimony was about.

Q Which was the LOAs, the letters of authorization?

A Yes.

Q Well, specifically, let's start with the LOAs, please.

A Okay. The LOA process is described in the exhibit that is referenced in the footnote of Exhibit 1. There is a process already in place where ALECs and DLECs grant each other permission to use the high frequency portion of a loop that the ALEC is using as either a UNE-P loop or a UNE-L loop. And,

again, sometimes the processes are different in P or L in terms of the authority, the authorization letter is the same. But there is a process in place. There is a database in place that keeps those. And all BellSouth would have to do is participate in that process as another DLEC seeking authority to use the high frequency portion. Of course, if you simply ordered it -- so there is no database, no work needed to establish a database to do this, it already exists.

Q So I know Mr. Gillan was talking about BellSouth would have to develop a database which distinguishes the ALECs, which ones would allow them to use the high frequency portion of the loop for free and which ones wouldn't. Is it your testimony that basically this database which is already developed could be, or is basically the database that would be used for that service?

A Yes, that is correct.

Q Okay. Now, I think in other portions of your testimony you basically indicate that there wouldn't have to be a whole lot of changes in the BellSouth OSS systems, is that correct?

A That is correct. And, again, it varies by UNE-P or UNE-L. In UNE-P there are virtually no changes that are required.

Q Okay.

A Everything that BellSouth needs to produce UNE-P

orders exists already.

Q Well, let me go back. I just want to -- let me go back to that, the reference to the database. Specifically, the testimony was talking about that database. Is it your opinion that the line sharing arrangement order could be used for BellSouth to provision its FastAccess service? And, if so, could you explain in a little bit more detail how you would envision the line splitting or line sharing arrangement allowing BellSouth to do that?

A Okay. Again, I kind of need to break it into scenarios there. There really are -- I look at it as a four matrix of scenarios. You have a customer who is migrating who got has existing BellSouth service and FastAccess service, and he is going to migrate to a CLEC or an ALEC using UNE-P or UNE-L. So those are the two top blocks. Then the situation is you have got a customer who is the ALEC's customer on UNE-P or UNE-L and wants to add.

Q Well, let's discuss each one of those different scenarios. And let's start with the first scenario where you have a customer migration going to a UNE-P line that had BellSouth's FastAccess. In looking at the line splitting or line sharing order, how do you see that impacting that arrangement?

A Okay. Everything that is necessary to do that, to migrate a customer who today has BellSouth voice and BellSouth

FastAccess already exists and, in fact, works. And I need -- I've got another set of pictures that has each of those scenarios. And that scenario would be described on Page 4 of this second set of pictures. And like I said, I can give those to you.

MS. CHRISTENSEN: All right, more pictures.

MR. LACKEY: Is this another set we need to get faxed to us?

MS. CHRISTENSEN: Yes.

MR. CONNER: Yes, coming to you.

MR. LACKEY: Could we request that Mr. Bradbury just give us all the things he is going to produce at one time.

MS. KAUFMAN: That's it.

MS. CHRISTENSEN: I think we have got our last set of diagrams.

MR. BRADBURY: I only had two sets, Doug.

This would be what I call the DSL technology exhibit.

(Exhibit 2 marked for identification.)

MS. CHRISTENSEN: Exhibit 2. Okay.

BY MS. CHRISTENSEN:

Q And you were referring to -- I'm sorry, what page of this?

A Let me start from the first in this one. I think it helps.

THE WITNESS: Do you want to wait until he comes

back?

MS. CHRISTENSEN: Yes, I guess so. (Pause.)

A (Continuing). Okay. I want to start from the first page of this quickly. The first page is simple voice service being provided by BellSouth today to the customer and the switch, one loop across the frame. The second page shows you what BellSouth has to do to add FastAccess to that customer's arrangement, which we see here is we have to add a splitter, a DSLAM, a connection to the ISP, and some additional frame cross-connects. So you start from the first page, that is basic POT service; the second page is POT service with BellSouth's FastAccess added to it.

Q Okay.

A The third page, which other than the labeling looks identical to the second page, is BellSouth continuing to provide FastAccess when a customer migrates to an ALEC using resale. You can see there is no difference in the technology there.

The fourth page is when the customer who had FastAccess, Page 2, migrates from BellSouth to an ALEC for UNE-P. And, again, from the technology standpoint it is identical, nothing has changed.

Q Okay.

A All of the OSS requirements to make the UNE-P migration already exist. And, in fact, BellSouth admits by

accident early on in the process they did several hundred of these. The only thing that is different now is BellSouth took away from that arrangement some permissions which allowed UNE-P to happen. All they have to do is reverse those permissions.

Q Okay. And that would be their edits that don't allow the UNE-P scenario?

A Correct.

Q Okay. And I think what BellSouth was arguing is that if they take off the edits, it is an easy process to do it as an ALEC-across-the-board process. Would you agree with that?

A It is actually easy whether it is ALECs across the board or specific ALECs. My understanding of how they have done this is how they have done everything else, they use the company's operating company number as a permission. And they simply loaded the tables that already exist whether or not a given operating company number has the permission to allow the software to operate and do the conversions.

Q Okay. So let me see if I am understanding correctly. What you are saying is it is already inputted by company code, so what, it wouldn't take very much manual labor to edit out the companies that didn't want or would allow them to use the high frequency portions of the loop?

A That is correct.

Q Could they do that without -- like, by an automated process? I'm not quite sure I'm following you.

A I'm not sure whether the tables are built on an automated process or a manual process, but there is an existing data table that contains permissions for the company -- what the company is buying, capable of ordering, and what the software should do when they submit an order.

Q Okay. So, now, they were also talking about a lot of the downstream programs may be impacted by, you know, not having a billing telephone number, not having a BellSouth billing telephone number to input into the system for UNE-Ps. And there was some discussion about, well, it may not be such a problem for UNE-Ps because the phone number may not change or may remain the same.

Can you please explain why it is that you don't think that it is such a big problem for the OSS systems as they are currently written to take on a FastAccess customer when they are receiving voice service over UNE-P from an ALEC? Did that make sense?

A Again, as you stated earlier, the telephone number is still resident in all of BellSouth's databases that are necessary to provision UNE-P with FastAccess. They simply have disallowed certain portions of BellSouth the permission to see and use that telephone number in processing an order. So reverse that denial or edit in processing the order.

Q Okay. But that is only specifically to UNE-P?

A To UNE-P, correct.

Q Okay. Now, so we are talking about an editing program. Is that like an upfront editing program? Where is that editing program in the process? Do you understand what I'm saying? Does that make any sense?

A Yes, it does. It probably appears a couple of places. And take you back to Exhibit 1, Page 2, again.

Q Okay. Back on the other diagram. Okay, got you.

A Now we are looking at the ordering interfaces that are used. One of the key places that these permissions occurs is in the service order control system which is key to the entire process.

Q Okay. So the edits would reside in SOCS is what you are saying or most likely would reside in SOCS?

A Most likely. They impact most what happens in SOCS. In other words, if you have permission from the CLEC and DLEC side, they also appear down here in this thing called COG, SOG, and DOM (phonetic). You can deny permissions there also. So, there are two levels that you can deny permissions or grant permissions. I'm not certain where BellSouth is doing it on the systems BIAS and SOEG that they are using. I don't actually know the front-end interface names, I've have not been able to discover those yet. But, again, two places that you would have to restore or grant permission for BellSouth to send an order for a UNE-P telephone number.

Q And that would only be reversed for FastAccess

service only if you did those edits?

A That is correct, that is the only service that BellSouth's retail -- there are actually five services there. There is one for residence and four business services. They all go under the name of FastAccess, it is just the speeds that they have. And that is the only thing we are concerned with.

Q But if you took out the edits, this would only have an impact on the FastAccess service or orders?

A Correct.

Q BellSouth -- and I guess in looking back at your diagram Page Number 4 of the second exhibit, in this scenario where we are looking at a diagram for UNE-P, BellSouth had stated that there might be the need for an additional splitter on this line to provide the FastAccess service where the voice service was provided by an ALEC. And I think that applies to either the UNE-P scenario or UNE-L scenario. Would you agree that there are circumstances where a second splitter may be needed on a line to provide FastAccess?

A No, the technology does not require that at all. The diagrams that I have here show you what the technology requires. To have the service you must have a splitter and a DSLAM. You don't need two of either one under any scenario.

Q Okay. I think what BellSouth was asserting is that it was to keep the confusion, the noise off the line and to allow the ALECs to continue control over it. Would you agree with

that?

A The technology doesn't require that. The methods by which the telephone network is administered don't require that. We would know that a customer migrating to us presently having FastAccess has FastAccess, that BellSouth would have a splitter on it, that the only thing that would arrive at our -- actually in UNE-P, I can't get to it at all. There is no way in the UNE-P scenario I can touch the splitter, or the DSLAM, or the switchboard. BellSouth has total control over the physical access to those points. So it's impossible for the ALEC to put anything on a UNE-P service that interferes with the service.

Q What about a UNE-L scenario?

A UNE-L, that is the Page 5 scenario. Again, for the FastAccess service, this is BellSouth's service, it would be BellSouth's splitter, BellSouth's DSLAM located physically in BellSouth's location. They would simply take what is now in the retail situation, the voice portion that goes from the splitter to the BellSouth switch, recross-connect that output from the splitter, from the BellSouth switch to the ALEC collocation site. Again, I have no access to the splitter. I know my customer has FastAccess, that is going to be in my records. I'm not going to have the high frequency portion available to me to put anything on. I can't do anything to interfere with it.

Q I think they were talking about somehow that maybe

the double splitters would be needed to keep interference from the voice and the data lines from crossing over if there is one.

A They were talking about the situation where I might put a second DSLAM on the circuit. I can't possibly do that where I already know, and I will already know that FastAccess exists on the loop. In UNE-P, I can't get to it at all. In the UNE-L, I can only see the voice side which wouldn't accept -- you know, when I look that, I will know I only have the voice frequency portion of the loop.

Q What about a situation where the ALEC has already provisioned a DSLAM on that line and the customer comes -- and let's say they weren't previously a FastAccess customer, but they want to become a FastAccess customer. And in that hypothetical, let's assume that BellSouth has a DSLAM deployed that could be used to provide FastAccess service. Would that be a scenario where you would need to have double splitters on the line? Maybe I'm misunderstanding the technical aspects of it.

A The scenario really has nothing to do with any of the four situations that we are addressing. Your hypothetical doesn't really have anything to do with any of the four situations that I am addressing.

Q Well, let's assume for sake of argument, because I think it was brought up that where an ALEC has a DSLAM deployed

on the line, but the customer is currently receiving FastAccess and wants to migrate only its voice service over to that line that you may need double splitters or two splitters on the line. Would you agree that that may be a necessity?

A I'm sorry, but unfortunately your hypothetical is an impossible situation.

Q How so?

A The customer can't have my DSLAM and already have had FastAccess on his loop. It's not one of those scenarios that is possible. You know --

Q I guess I'm lost here, because --

A We have got four conditions. A customer either already has Page 4 or Page 5.

Q Right.

A And wants to migrate. Excuse me, he already has Page 2.

Q Right.

A This is the beginning. In the scenario he either has Page 2 and wants to go to 4 or 5, those are the two upper blocks. There is no ALEC anything on Page 2.

MS. KAUFMAN: Can I interrupt for a moment? Just so that the record is clear of the deposition, I think it would be better if you would make clear of the scenario in words rather than saying Page 2.

THE WITNESS: The four scenarios we have are a

customer of BellSouth's voice and FastAccess today wanting to go to either UNE-P with us and maintain FastAccess or UNE-L with us and maintain FastAccess. The starting point for both those of those scenarios, the ALEC has absolutely nothing to do with the service of either party.

BY MS. CHRISTENSEN:

Q Right. And I guess my hypothetical was taking a different scenario, which is you have a BellSouth customer that receives voice and FastAccess from BellSouth currently. They want to maintain their FastAccess and they want to migrate over to an ALEC's UNE-L service. And I guess at the central office the ALEC has a DSLAM deployed. I just want to make sure if you are saying that even if it had a DSLAM located in its central office, you are saying that that would not be necessarily hooked up to the loop, is that what you are saying?

A If I had a DSLAM deployed -- I'm on Page 5 -- in my collocation, it would not be hooked to anything at that point in time.

Q Okay.

A The customer who is migrating, the only thing that is going to come to me is the voice output from BellSouth's splitter. And so the fact that I have a DSLAM serving other customers in my collocation does not impact the scenario.

Q Okay. So, I guess to go back to the original question, which is is there ever a scenario where you envision

two splitters being on the line, where the ALEC has a DSLAM already on the line, you are saying, no, because it wouldn't have a DSLAM on that particular line to be served. Am I making sense? I'm just trying to summarize.

A I can envision no scenario in which two splitters are ever required. The technology does not require that under any condition.

Q Okay. Let's look at Page 11, Lines 12 through 13. Okay. You say that BellSouth bills some of the customers who obtain services not identified via telephone numbers through the use of miscellaneous account numbers. Can you please explain your understanding of that system and how it works?

A It is possible to do that in both of BellSouth's billing systems, which are known as CRIS, C-R-I-S, and CABS, C-A-B-S, where you have -- and Mr. Milner gave an example of private line service, which in that case they use a circuit ID and it would be billed in that. Another way to do it is through the miscellaneous account number if a service of some sort has absolutely no circuit ID at all, they assign a miscellaneous account number to that service and bill it.

Q Is that an automated system, the manual account numbers system?

A Yes. We make use of the manual account -- miscellaneous account numbers in a number of services, and BellSouth is notified in advance that we are going in to

provide service in an area, and if they need miscellaneous accounts they build an automated table of them and tell us what accounts we can use.

Q And can you give me a little bit more explanation of how that works? I mean, what types of services are usually billed through the system and what kind of numbers are assigned? And I just want to try and get a better handle on how this might be used or might not be used.

A I have seen them typically used on anything that just doesn't have a traditional telephone number associated with it.

Q Okay. Does it use telephone numbers or does it use numbers that are similar to telephone numbers? I'm not quite sure what kind of numbers it queues off of.

A I haven't looked at a miscellaneous account number in awhile to remember. I think some of them contain alpha characters within the 10-digit stream.

Q And is it like a USOC system?

A No, it is separate from that. It's not the same as a universal service order code. That is a code that identifies a product or a service.

Q And do you know how they assigned these account numbers, is it just a miscellaneous process?

A To the best of my knowledge it is, yes.

Q And is that a manually intensive type of a system?

A I don't believe that it is any more manually

intensive than any of the other preparations that BellSouth does to produce bills for us. In each of the systems that I am familiar with, BellSouth maintains a billing table. There is a manual input to that table, there is a manual input into building a miscellaneous account table.

Q Okay. So, assuming -- let's for sake of argument that BellSouth, who is providing its FastAccess service over a UNE-L line, does not have a telephone number with which to associate or separately bill its customer and it had to go off of a circuit ID number. Would it be using this system, the miscellaneous accounts system to bill that in your opinion?

A That would be an option to them, but in terms of BellSouth billing their own customers for FastAccess --

Q Correct.

A -- they have a process that they already use using commercial credit cards. If you have a FastAccess account you may have -- BellSouth would prefer that you have it billed to you on your telephone account, but they will allow you to bill it to a credit card. In fact, that is the method they use for resold customers who still have FastAccess is credit card. We have no objection to the credit card process.

Q Okay. Let me move along. Looking at Page 12 of your testimony, you state that virtually all BellSouth operation support systems and associated databases can be used with effectiveness when presented with any one of the three key

identifiers; the telephone number, a circuit identification number, or a service address, is that correct?

A That is correct.

Q And BellSouth witnesses contend that BellSouth may need to change up to 150 programs to accept a FastAccess order for UNE lines because many of the programs currently don't recognize circuit identification numbers. Would you agree with that?

A I agree that is what they said, I don't agree that they need to do all of that. And I need to go back to my Deposition Exhibit 1 to try to demonstrate that.

Q Okay.

A Okay. I want to start with the first page, which is the preordering. You know, one of the concerns they had if I don't have a telephone number I can't validate whether a given loop is qualified.

Q Okay.

A And I tried to depict on this page, BellSouth has created LQS and BIAS which are single purpose stand-alone what I called databases of convenience that they set up for whatever reason using telephone numbers. They already had in place the database at the bottom.

Q And that is?

A The LFACS database, which as Mr. Milner agreed is accessible using either service address, telephone number, or

circuit ID. LFACS is the database that CLECs, DLECs, and NSPs operating in Florida today access using the LENS or TAG interface. BellSouth's FastAccess people can have the same access that we have to LFACS using the same interfaces that we do. All they need to do is be trained to do that.

Q So, I mean, I'm looking at your diagram and right now it doesn't look like they have access to the LFACS database, is that correct?

A That is correct. BellSouth for whatever reason built a process that doesn't allow those people to do that. There is nothing about the technology that was available to BellSouth at the time they built it that required them to do that, and it is nonsensical to do that. Because everything else in BellSouth databases relate the service address to the service that is being provided there, which is identified by either a telephone number or a circuit ID. Those relationships always exist. If you have got one you can find the others. You know, it is just nonsensical that they built this particular process up here at the top.

It fixes real easy. The interfaces that allow them to get there already exist and are in use and BellSouth is proud to say they don't discriminate against the CLECs and DLECs using them, so they can't possibly discriminate against BellSouth. They just simply need to train some people in their FastAccess center to use these interfaces to validate, and they

only need to do this for UNE-L. For UNE-P all they have got to do is take the edit out. So that is the preordering side of it.

And then in the ordering side, we have already talked about these are the interfaces. Page 2 down here. Again, the CLECs and DLECs are using LENS and TAG to send an order for the DSL type services that we order from BellSouth to SOCS. And when it gets into SOCS it is sent to all of BellSouth's downstream databases. We use circuit IDs, okay. We use street address. If we don't have a telephone number, SOCS can accept that order, format it for use by the downstream systems. So it is already being done. Similarly, when we come to the end of the process, the third page --

Q Okay. But I'm just looking back at Page 2. Currently their retail people do not have access to SOCS through that pathway, correct? They don't have access to SOCS through LENS or TAG?

A They are not currently using LENS or TAG. They are using something else that they have developed in-house that for whatever reason they developed with limited capabilities. They didn't have to. The capability of the technology available to them at the time, because LENS and TAG were available at the time, they could have done the whole package right then and there.

Q Okay. But it's true to say that at minimum they

would have to train people on LENS and TAG, and possibly, I don't know, allow them access to that, just the FastAccess service people is what you are saying?

A That is correct.

Q I'm sorry, on to Diagram 3, DSL services data implementation?

A Yes. Now we are at the end of the process. We have submitted an order for the FastAccess service, okay, and now we need to hook up the FastAccess service. This is the data side of the service only, it doesn't have anything to do with the voice side, okay? The service order control system is talking to four major systems involved here, and you can find this described in Mr. Milner's testimony, and they were the management system, the LFACS system, the switch system, which isn't the switch, it is another database and controlling system, and then we send messages to the central office technicians. Okay.

What all of those systems are doing is saying, okay, switch and LFACS say, I have found a vacant DSLAM in the central office, here is the incoming port to use, here is the outgoing port to use. I have found a splitter, here is the port to use for it. BellSouth.net is over here. I know where it is, okay? It creates an order for the central office technicians to go make the wiring across all of these frames and out into the field. All of those orders use pair -- cable

and pair, not telephone number. This process cares nothing about the telephone number. This is the data process.

Similarly then, once the physical cross-connections have been made, we need to tell the DSLAM in the middle what software changes to make to make this incoming port talk to that outgoing port so that BellSouth.net and BellSouth's FastAccess customer can send data between the two. It doesn't use the telephone number.

Q Okay.

A That all exists today.

Q Okay. I think we have gone through some of the systems that you are saying would not need to be changed, and they talked about 150 programs. Other than the programs that are indicated on the diagram, I guess what I'm trying to make sure is, is it your, I guess, belief that the downstream programs of SOCS would not require any current modifications to accept orders by circuit identification or address?

A They are doing it today for the CLECs and DLECs. CLECs and DLECs are providing DSL services using these same downstream systems today without using a telephone number.

Q And that DSL service is what, resold service?

A None of the above. It is the data service itself.

Q All right. Let me ask you this, and it may sound a little bit crazy, but I want to make sure I'm understanding this. Can you explain why you believe the programs that

BellSouth's contend queue off of only telephone numbers can instead be used with circuit identification numbers without rewriting the programming? I want to make sure that I am understanding that.

A Again, to the extent that the programs they are talking about are downstream from SOCS, they are already working that way. You know, SOCS works with orders that don't have telephone numbers in them today.

Q Okay.

A The only ones that I don't have knowledge about would be these that are unique to the FastAccess service up in this corner here. But, again, the technology available to building the OSSs for FastAccess didn't restrict their equipment in that fashion, it is available. They could have been developed to use any of the three to either validate a loop or place an order.

Q Okay. On Page 15 of your testimony, looking at Lines 9 and 10.

A Uh-huh.

Q You state that it is simply a matter of establishing agreed-upon procedures regarding mechanized maintenance and trouble isolation systems. What kind of procedures are you referring to?

A These would be agreements between BellSouth and the ALEC providing the voice service about how to coordinate

repairs of the voice service or repairs of -- or actually it's repairs of the voice service, because BellSouth still physically has the ability to repair the loop. We are dependent in both of these scenarios on BellSouth repairing the loop itself.

I now have -- in the UNE-L situation, I now have the switch. In the UNE-P situation nothing has changed. BellSouth has the switch, BellSouth can still do MLT, all of that work. UNE-L, I now have the switch. And so if you want to look from the switch down you have to come to me. That is a simple phone call to say I've got a problem on the following, and we will work it out. We have these kinds of agreements back and forth between carriers all the time. There is nothing hard about working those out.

Q But they couldn't use their MLT or their maintenance program on a UNE-L line, correct?

A Right. Their current MLT wouldn't be accessible from the switch. That doesn't mean, though, that they can't do automatic testing on the loop. Depending on what type of a loop the ALEC has purchased, there may or may not be other test points on the loops that can be accessed by other mechanized systems. And I don't know which --

Q Could you give us an example of that?

A There are two types of loops. You can buy an SL-1 loop which has no test points, and an SL-2 loop, which is the

type of loop that AT&T was buying. It has test points on it that can be accessed from BellSouth's work force administration system, LMOS system. You know, a number of ways. So they can actually pop up test locations along that loop.

Q So in that scenario they could use their MLT program?

A It's not MLT.

Q Another type of program?

A Another type of MLT, yes. MLT depends on having the switch present.

Q Okay. But they could use another type of automatic trouble-shooting, I guess, programming on an SL-2 line?

A Yes.

Q But not the SL-1 line?

A Not the SL-1 line. Again, the UNE-P, BellSouth has the exact same capability on a UNE-P loop that it has on a retail loop. There is no change there at all.

Q Because they still control the switch?

A Yes.

Q So we are only talking about the UNE-L situation, so we are down to a very small segment of SL-1 lines?

A Right.

Q Okay. I think what I was asking you about, more types of procedures, and you said that there were procedures that you had in place, but I guess I'm looking for something maybe a little bit more detailed. An example of what type of

procedures have been put in place to help troubleshoot a line with problems?

A We have memorandums of agreement between AT&T and BellSouth, for example, on the maintenance of local services that we have today. I could produce one of those. That would be an example of how they can be writing one of those that runs in the other direction.

Q Would the procedures be specified by the ALEC or --

A They are jointly negotiated by BellSouth and the ALEC.

Q And you do have possibly a copy that you could provide as an example?

A I could find an existing MOA (phonetic), yes.

MS. CHRISTENSEN: If we could call that Late-filed Exhibit 3, memorandum of understanding for line maintenance.

(Late-filed Exhibit 3 marked for identification.)

BY MS. CHRISTENSEN:

Q And would they have to have one of those procedure -- or, I'm sorry, memorandum of understanding with each ALEC that was --

A Most likely, yes. They probably have them today where an ALEC is providing local service. There is probably some sort of an agreement in place today.

Q So, is it your opinion that possibly current memorandums of understanding that now specifically address

local service would also probably cover any FastAccess?

A They would need to be reviewed to cover the FastAccess situation.

Q So they would have to at least be readdressed?

A Right.

Q Let's turn to Page 7. Oh, I'm sorry, I have got one more question before we go there. Would the ALECs be willing to split the cost of any systems upgrades to BellSouth's OSS required to provide its FastAccess service over UNE lines?

A No, and I would refer you to Mr. Gillan's testimony about why.

Q Do you have any of your own positions as to why not?

A No, I would defer to Mr. Gillan's testimony.

MS. KAUFMAN: I was just going to object and say that that is outside of Mr. Bradbury's testimony, and Mr. Gillan is really the witness for those questions.

BY MS. CHRISTENSEN:

Q Mr. Bradbury, let's then turn to Page 7. Go back a little bit. Okay. Maybe I've got the wrong page. Okay. No, I'm on the right page. I am looking at Lines 1 through 4. You state that ALECs have no problem providing BellSouth the permission necessary for BellSouth to serve its existing FastAccess service customers or future FastAccess service customers who are served by ALEC UNE-P or UNE-L arrangements.

Is the permission noted here authorizing BellSouth to

use the high frequency portion of the ALEC UNE-L loops and UNE-P loops, is that what we are talking about?

A Yes, right.

Q When you refer to ALECs, are you speaking just for the FCCA membership?

A Yes, I am.

Q About how many ALECs are represented by FCCA?

A My memory is somewhere between a dozen and fifteen.

Q So when you say the ALECs are willing to give BellSouth permission to use the high frequency portion of the loop, you are not speaking for the majority of ALEC firms in Florida, is that correct?

A That would be correct.

MS. CHRISTENSEN: That is all the questions I have. Thank you. Mr. Lackey.

MR. LACKEY: Thank you.

CROSS EXAMINATION

BY MR. LACKEY:

Q Mr. Bradbury.

A Good afternoon, Mr. Lackey.

Q Good afternoon. Let me cover a couple of the topics that have already been addressed briefly before I move to my own lengthy list of questions. There was a discussion about how many splitters would be needed on a line. I want to talk to you about that a little bit.

A Okay.

Q Are there ALECs in Florida today that are providing their own DSL service?

A Yes.

Q Are those same ALECs also providing voice service?

A Some are, yes.

Q Well, let me pose a hypothetical to you. Let's assume that one of those ALECs, let's call it FDN just for ease of reference.

A Could we use somebody who is a party to this case?

Q No.

A Okay.

Q Let's say that they have a subscriber and they are providing voice service to that subscriber and they are providing DSL service to that subscriber using a UNE loop and their own DSLAM. Does that seem plausible?

A That is a technologically possible arrangement, yes.

Q Now, let's suppose the customer wakes up one day and decides that the customer would like BellSouth's FastAccess rather than the FDN DSL service. In order for BellSouth to provide FastAccess to that customer, BellSouth would either have to use its own splitter or it would have to get FDN's splitter from it somehow, wouldn't it?

A I'm thinking, sir.

Q Look at your diagrams.

A I don't have a diagram that represents your scenario, your hypothetical, because it is really not one of the issues in this case.

Q Well, you have represented that the ALECs or at least some of the ALECs have agreed to let us use the high frequency spectrum in the loops, right?

A That is correct, for the four conditions that we are talking about here.

Q Now back to my question. BellSouth either has to have its own splitter or it has to use somehow FDN's splitter to provide that DSL service, right?

A If BellSouth is going to provide its service on there, there needs to be a splitter, that is correct.

Q Well, there already is a splitter on there. There is the FDN splitter.

A Yes, providing FDN service, that is correct.

Q So if they wanted to provide BellSouth's FastAccess service, BellSouth either has to put its own splitter on the line or somebody has to get FDN to let BellSouth use its splitter, correct?

A Those are two options that are available to BellSouth, yes.

Q And if FDN refused to let BellSouth use its splitter, BellSouth would have to put a second splitter on the line, correct?

A No, sir. If BellSouth is going to have this customer on FastAccess, FDN would no longer have on the line its splitter or its DSLAM. We would not be providing any DSL service to that customer.

Q Okay. So what would have to happen is somebody would have to disconnect the FDN splitter from the loop and connect BellSouth's splitter to the loop?

A Splitter and DSLAM.

Q Is that correct?

A Yes.

Q Now, is there any cost associated with doing that?

A For BellSouth there is exactly the same cost as providing a splitter and DSLAM to provide FastAccess to any other customer that they would do it for.

Q Did your answer assume that FDN was going to disconnect the loop from its DSLAM?

A Yes. FDN has lost the customer's service, they have lost the competitive battle.

Q How do you propose that the Commission or anyone force FDN to disconnect the loop from its DSLAM?

A I don't propose that. And, again, the whole scenario here isn't an issue in this complaint.

Q Well, we will see about that. Let me ask you this. Suppose a customer is a BellSouth voice customer and a BellSouth FastAccess customer, and the customer wants to move

to FDN for both its voice service and its DSL service. That is a possibility, isn't it?

A That is a possibility, yes.

Q In that circumstance, FDN providing its own DSL service would use its own DSLAM, correct?

A That is correct.

Q And were you present at the depositions last week where the witness testified that we would have the line still pass through our DSLAM, but we just wouldn't do anything to the line?

A I do not recall that, no, sir.

Q If that was the testimony then that would be a circumstance where there would be two DSLAMs on the line, wouldn't it?

A That is not a technologically sound arrangement. I don't know why BellSouth would do that or why a BellSouth witness would testify that they would do that.

Q Well, could it happen because it would be less expensive not to do the work of removing the DSLAM that was already there?

A I doubt that.

Q You think it would be less expensive?

A We are simply talking about cross-connections on a frame. The scenario, again, is not one of the scenarios that is part of the complaint. The starting position that you have

would be in my Deposition Exhibit Number 2, Page 2, and the ending condition you have is not one of the conditions that we are complaining about.

Q Well, FDN isn't a member of the FCCA, correct?

A That is correct, they are not.

Q Have you actually discussed with any member, any ALEC member of the FCCA whether they were willing to agree to allow BellSouth to have access to the upper spectrum at no cost?

A Yes, I have. Over the past year I have had a number of opportunities in many forums where I communicate with some of the folks who are both members of the FCCA and not members of FCCA, and we have talked about BellSouth's policy and what they would do. So I have had that discussion, yes.

Q All right. That answer confused me. Can I have just a minute, please. Did you do the discovery responses to the third set of interrogatories in this proceeding?

MS. KAUFMAN: Mr. Lackey, I think there were a number of different witnesses responsible for various questions.

MR. LACKEY: That's why I asked him if he did it, any of them.

MS. KAUFMAN: You didn't say any of them.

THE WITNESS: I did some, yes.

MR. LACKEY: Hold on for a minute. Let me see.

BY MR. LACKEY:

Q Let's talk about Interrogatory Number 39. Do you

have that in front of you?

A I'm getting there, sir. Yes, I'm there.

Q Now, you did --

A I did prepare this response, yes.

Q And it does say that you have not spoken directly with any particular ALEC regarding your statement, is that correct?

MS. KAUFMAN: Mr. Lackey, that is not the entire statement that is there.

Q Read the entire answer, Mr. Bradbury, and then we will address the parts of it?

A Not spoken with any particular ALEC regarding this statement in the context of this case, though Mr. Bradbury has had occasion to discuss BellSouth's FastAccess policy with ALECs through his participation in a number of forums, including, for example, the change control process, the flow-through task force, and the Florida telecommunications competitive topics forum. And my testimony represents the FCCA position regarding the issues in the complaint that were present before my testimony was prepared.

Q Now, my question to you is have you talked to any ALEC directly about this issue and garnered express authorization to represent that they would not object giving us the upper band spectrum on these loops for free?

A My answer is the same. Over the past year through

the various forums that I have attended, I have discussed with many CLECs BellSouth's FastAccess policy and whether they would object to granting permission at no charge. I have had those discussions over the years. When I saw this -- was given this testimony review, I didn't go back and go recontact any of those people. I confirmed with the FCCA what the position of the FCCA was, and that is my testimony.

Q Can you give me dates, times, and names of people who were in attendance who authorized this?

MS. KAUFMAN: I don't understand your question, Mr. Lackey. Dates and times of what?

MR. LACKEY: Let me see if I can make it more clear.

MS. KAUFMAN: Okay.

BY MR. LACKEY:

Q You testified that you apparently have had these types of conversations with various ALECs over some period of time in the past. Is that correct, Mr. Bradbury?

A That is correct.

Q And you have testified that during these conversations apparently these ALECs have authorized you in some manner or fashion to make this representation, is that correct?

A Well, they told me that their position would that be they would be willing to grant permission and not have a charge. When I was given this testimony to review and prepare

a rebuttal, I confirmed with the FCCA what the FCCA's position was and that no members of the FCCA were in opposition to that position. That is what my testimony is.

Q And my next question is can you tell me any of the times, dates, places, people involved in the conversations you just referred to in an earlier answer to this question?

MS. KAUFMAN: I object. I don't understand your question. If Mr. Bradbury does, he can answer it.

MR. LACKEY: All right. Well, let me rephrase it, because I don't want to confuse him.

BY MR. LACKEY:

Q Mr. Bradbury, didn't you just testify that over the past however long it has been that ALECs have told you that they did not object to giving the high frequency portion of the loop to BellSouth at no charge?

A That is true.

Q Tell me who said those things?

A Those conversations -- again, those conversations have occurred on an ad hoc basis over the past year. I haven't kept a record of them.

Q All right. So the answer is that you cannot give me any specific person who has made that authorization at this time, is that correct?

A Again, the discussions that I had were of the nature of that is the position we would take and we would support.

Q I understand. But the point is you can't tell me who at this point in time, correct?

A I can tell you who I have talked to on a regular basis about all kinds of topics in the CLEC world, which would include this. I haven't kept a specific record of I talked about FastAccess to this person back last January, or back last February, or whatever. I didn't know when I was having those conversations I would be preparing this testimony.

Q How about Supra, have you had these conversations with Supra?

A I haven't had a conversation with anybody from Supra, I don't believe, in about a year, year and a half.

Q Okay. So if you are representing that Supra has agreed to this, it is based on representations that somebody at the FCCA made to you, is that correct?

A That's correct.

Q Who made those representations to you?

MS. KAUFMAN: I'm going to object at this point because I think we are getting into information that is protected by the attorney/client privilege as we stated in our response to this interrogatory.

BY MR. LACKEY:

Q Did anybody other than an attorney for FCCA make that representation to you, Mr. Bradbury? I do not want an attorney/client communication disclosed.

A No.

Q On Page 3 of your testimony, at Line 16 on my copy, but I'm afraid that for some reason I seem to have a copy that has got different line numbers on it.

A Okay.

Q Let me just read you what I am after and see if you can locate it on your copy. It says, "As a part of my overall responsibilities, I personally spent," do you see that?

A Yes.

Q I understand that you assert that you have spent hundreds of hours dealing with BellSouth personnel to dealing with -- hold on for a second, we are getting a feedback for some reason. Just a second. Let me start the question over again. I was getting feedback here, Mr. Bradbury. I apologize.

You suggest there that you had hundreds of hours of dealing with BellSouth personnel relating to, among other things, testing and use of BellSouth OSS interfaces, correct?

A Yes.

Q And I take it that you believe that you are sufficiently familiar with BellSouth's OSS interfaces that you can opine on the interfaces as they relate to matters in this docket, is that correct?

A I believe I have sufficient information to do that, yes.

Q All right. When a potential BellSouth FastAccess customer first contacts BellSouth to obtain FastAccess service, who does the customer call?

A If the customer is going to make a call, he would be calling BellSouth.net's FastAccess people. A lot of your work is done on-line and the customers order it through FastAccess.com.

Q I'm going to get back to the on-line piece, but let me just stay with the situation where they don't use the net, they call somebody.

A Right.

Q Do you believe that there is a special group of BellSouth employees who take FastAccess orders?

A It is my understanding that that is true.

Q And you do not believe, then, that when a customer calls BellSouth seeking to order FastAccess that the person simply calls the normal business office?

A My experience when FastAccess first came out and I was interested in doing it, is I called BellSouth's business office and they gave me a different number to call. I have not done it that route since.

Q How long ago was that?

A I believe that was probably in mid-'98, early '99, somewhere along in there.

Q Okay. So from your answer, can I assume that you

have no more recent experience with who would be answering the phone when you called a BellSouth office seeking to order FastAccess?

A The only experience I have is I looked in the phone book and saw that there was a different telephone number to call if you wanted to order FastAccess as opposed to ordering local voice service.

Q I'm sorry.

A I assume that if you call that different telephone number you get a different group of people.

Q All right. You say you saw a different telephone number for FastAccess in the telephone book?

A Yes.

Q Is that the Atlanta telephone book?

A No, that's the Fernandina Beach, Florida telephone book.

Q Fernandina?

A Fernandina Beach, Florida.

Q Was that number in the guide pages or was it --

A Yes, sir.

Q Okay. But you haven't actually made such a call, so you don't know who actually answers the phone, what work group answers the phone now, is that correct?

A No, I don't.

Q Now, is there a difference between ordering

FastAccess for business customers and ordering FastAccess for residential customers in your experience?

MS. KAUFMAN: I'm going to object. I don't know what you mean by difference.

MR. LACKEY: Okay. I think you can answer subject to that objection.

MS. KAUFMAN: Yes, you are answer or qualify his answer if he needs to.

MR. LACKEY: I'm sorry, I can't hear you.

MS. KAUFMAN: I'm sorry. I was saying he could go ahead and answer or qualify his answer if he needs to.

MR. LACKEY: If you can't define different, Mr. Bradbury, I will move on.

THE WITNESS: Having looked recently at the on-line capability, when you go into FastAccess on-line, there are two different routes to go, one for residence and one for business. I haven't followed the business route. But I suspect that since the products for business are different from the products for residence that there probably are differences in the procedure.

BY MR. LACKEY:

Q Would you think that ordering DSL service for the consumer market or the mass market would be different than ordering DSL for -- that is the same question, nevermind. I'm sorry, let me try that one again.

In order to service the mass market or the consumer market, is it necessary to have some rapid way to address customers' needs in order to get turnover in the handling of customers? I probably asked that question badly. Did you understand it?

A I think you are asking me do consumers want to have their order processing done in a timely manner, and my answer would be yes.

Q And when you are dealing with the consumer market, you are dealing with a lot more people than you are dealing with when you are dealing with the business market, right?

A I know that is true in the voice world, I would expect it is true in the data world, too.

Q Okay. So whatever systems are developed have to be systems that allow for the rapid turnover of customers who are calling to obtain DSL service in the consumer market, would you agree with that?

A Okay. Yes, sir.

Q If the calls for DSL service are actually going to the ordinary BellSouth business office, those people are located on your Exhibit 1, Page 1, in that block that is labeled BST voice retail, correct?

A Correct.

Q Now, do you think that those people don't have access to LQS?

A From my earlier experience, they didn't. I don't know whether they do today or not.

Q Okay. So as far as you know today, anyway, there may actually be a connection between BST voice retail, that business office, and LQS, correct?

A There may be one. I simply know there was not one back when I tried it.

Q Right. But what you do know is that whether it is the box that is BST voice retail or the box that is BST data retail, that neither of those offices, or that office if it is just one, have a connection with LFACS, is that correct?

A I don't know that for a certainty. I know that the retail voice people don't. I don't know for a certainty that the retail data people don't.

Q But I assume from your diagram that you believe that they don't?

A I believe that they don't.

Q Okay. Now, when the BellSouth operator, or service rep, let's just call it a BellSouth service rep, because whichever box it's in, it is a service rep, right?

A Yes, sir.

Q Let's just assume that the BellSouth service rep receives an order for FastAccess. That operator will query LQS to find out whether the loop qualifies, won't they?

A That would be one thing they could do, yes.

Q Well, they can't qualify under the present scenario as you have drawn it, they can't query LFACS, can they?

A That is correct. The query database you have today is LQS.

Q And when they query LQS, LQS isn't capable of giving every detail about the loop in question, it just basically gives a probability that the line can handle FastAccess, right?

A It has a little bit more capability than that, which is described in a number of documents. But at the highest level it is a yes/no with an optional explanation as to how good the yes is or how bad the no is.

Q Now, when the CLECs connect with LFACS, you can get a detailed layout of the loop that you are requesting, correct?

A That is correct, we can.

Q And it is LFACS that the CLECs can access using a telephone number, an address, or a circuit ID number, correct?

A That is correct.

Q Now, you are not maintaining that the BellSouth service rep can access LQS using a circuit ID number, for instance, are you?

A To my knowledge they cannot do that. I'm not certain whether they can do it by address or not. I have seen some conflicting testimony from BellSouth witnesses on whether or not LQS has the ability to be polled by service address.

Q Well, if you could access LQS by using an address, if

there were multiple lines at that address, all it can tell you is that all of the lines weren't qualified or that perhaps one of them was, is that correct?

A Something like that, right.

Q Now, if I understand your testimony correctly, your position is that the CLECs access LFACS through LENS and TAG, correct?

A That is correct.

Q Does the BellSouth service rep have access to LENS and TAG on his or her computer terminals?

A They do not have, but they can have.

Q So when you were talking about simply requiring training, in fact, it would require some change in the system to put LENS and TAG on the service rep's computer, wouldn't it?

A Actually I wouldn't call it a change in the system, no. Both LENS and TAG are designed to be accessed from the very same type of terminals that exist in your centers today. It would simply be another icon on that terminal. Very minor programming for your people to do to make that appear there. Kind of what you would do if you wanted to add some other program to your PC. There is no real programming there. LENS already exists, TAG already exists, you simply make it available on the service representative's terminal and train them how to use it.

Q And that is just something that requires no

particular effort in your opinion?

A It doesn't require the monumental effort that I see described in BellSouth's testimony, no.

Q Well, I don't know how we quantify effort, but if it is not a monumental effort, can you give us any kind of information about what kind of an effort it would take and how many terminals it would have to be done to, and how many people would have to have training?

A No, I can't do that.

Q Okay. Your Exhibit 1, if I understand correctly, is a letter of authorization for a line splitting CLEC information package, is that correct?

A That is correct.

Q Now, if I understand correctly what this is applying to is where a data CLEC or a voice CLEC, realizing we are in Florida and I ought to be saying ALEC, wish to allow the other -- either the data CLEC or voice ALEC -- to use the same line that the first ALEC is using. Boy, that was weird, wasn't it? Let me try that again. I confused myself on that one.

Let's assume I am a data CLEC. This letter of authorization, CLEC information package is what you would use when that data CLEC wanted to allow a voice ALEC to split the line, share the line with them?

A It is usually the other way around. It allows the DLEC to come onto the voice ALEC's situations. If you look at

Page 4 it tells you what it does.

Q Okay. So normally there would be an ALEC who has voice service to a customer and wishes to allow a data CLEC to ride the high frequency spectrum on the loop?

A Right.

Q Now, what kind of loops does this apply to?

A I'm reading, sir.

Q That's okay, take your time.

A I don't believe it is specific, but it should apply to both UNE-P and UNE-L loops. I don't think that there is any differentiation made throughout.

Q So you believe that BellSouth, for instance, would give AT&T a UNE-P, and then this process outlines the process where AT&T could allow a data LEC to --

A BellSouth in that case.

Q Sorry?

A It would allow BellSouth in that case. If you wanted to have a formal process to do that, this is that formal process already developed.

Q I'm sorry, I must have confused my question. What I want to know is today if AT&T were providing service to a customer using a UNE-P, is it your position that it is this process that would allow AT&T to enter into an arrangement with a data CLEC to provide data service to the customer using the upper frequency of the loop?

A Yes.

Q Okay. So your position is that if BellSouth simply put itself in the place of that data CLEC and followed these same procedures, that obviously there would be no problem?

A That is correct.

Q Now, have you all ever used this process?

A I don't know, I didn't investigate that.

Q Do you know of anybody who has ever used this process?

A I haven't investigated that, sir.

Q How is this letter of authorization submitted to BellSouth when it is a voice ALEC and a data ALEC who wished to enter into this arrangement?

A I think that the clearest description starts on about Page 8. We send the LOAs to BellSouth's webmaster.

Q So would you surmise that that is some kind of a holding database where these letters of authorization are maintained?

A Correct.

Q So that when a request comes in from a data CLEC to line share or line split with an ALEC, somebody can look at that database and see whether it is authorized or not?

A That would be one thing. The other thing -- and I think probably what I would be doing if I were running this, would be preloading the permission tables that I discussed

earlier with that DLEC X has permission from ALEC Y to use the high frequency portion. There are permission databases out there, and that would be how I would do it and how I believe BellSouth has done it.

Q Do you think that there is a database out there where BellSouth maintains the permissions that the voice ALECs have gotten or given to allow data CLECs on their UNE-Ps and UNE-Ls? I'm sorry, did you answer?

A I haven't answered. I haven't gone to confirm whether there is or not. I don't know. That would be the logical way to have done this. I do know that there is work underway similarly to create such a database on a broader scope for customer service record access. I know the work there is underway. I can't conceive that BellSouth wouldn't have done similar work here.

Q But you don't know how many times this has occurred yet, so you don't know whether there has been any need for a database yet, correct?

A I don't know, sir.

Q Were you present during Mr. Gillan's deposition?

A Yes, sir, I was here.

Q And you know how to pronounce ancillary, correct?

A I'm not even going to try to figure out whether my tongue will go in circles or not.

Q Do you recall that he and I were discussing a CLEC

that might choose to provide voice and broadband service itself to some of its customers, but choose to use BellSouth's FastAccess for others of its customers?

A I remember that discussion, and again it is a scenario that is not part of the complaint that we have here. But if you have got a hypothetical, I will be glad to talk about it.

Q Well, what I'm trying to do is figure out the ease with which this database that you are talking about could be constructed, okay? I am interested in this database. Do I need to lay out the scenario again for you or do you recall it?

A You will need to lay it out again for me, sir.

Q All right. Let's assume that there is an ALEC in Florida who provides voice service to its customers and it also provides its own DSL service to its customers, to some of its customers, because it only has DSLAMs in certain portions of the state. In other portions of the state, if the Commission orders us to do what the FCCA is seeking, it will want BellSouth to provide FastAccess to its customers? All right. Are you with me on the example?

A I think the second half is in other parts of the state it doesn't have DSLAMs.

Q Yes. In the other parts of the state it does not have its own DSLAMs, it is going to have to use BellSouth's facilities.

A Well, we are not about trying to use BellSouth's facilities here. That is not part of the scenario.

Q I'm sorry, then let me state it differently. In places where the ALEC does not have its own DSLAMs, it wants customers to be able to use BellSouth's FastAccess service. Does that clear it up?

A I would agree to that, but I'm not sure that I would say that in areas where it has DSLAMs that it doesn't want BellSouth. In those other areas, we haven't said I'm serving -- I have DSLAMs in that area, BellSouth, you can't serve my customers. I don't recall that that is part of our request here at all.

Q Well, let's talk about that. Let's say that this ALEC has DSLAMs, and for some of its customers it wishes to use its own DSLAM to provide DSL service to the customers and for other customers, others of its voice customers it wants to send the voice customers to BellSouth's FastAccess service.

A Again, I'm not sending any customers to BellSouth's FastAccess service. That is not part of what FCCA is asking for here.

Q Well, I'm still just trying to get to your database. Will you concede at least that it is a possibility that an ALEC that provides its own DSL service will want to provide some customers with its own DSL service and might want not to provide DSL service to other of its voice customers. Will you

concede that?

A No. I will concede that wherever an ALEC has DSLAMs it will try its best to market its service in that area. If it doesn't have DSLAMs, it can't market its service. But in both areas the FCCA's position would grant BellSouth permission to use the high frequency portion of the loop. I don't understand the scenario.

Q Well, let's see if I can try it this way. Let's suppose that an ALEC has its own voice and data service, period, and it wants to provide DSL service to all of its customers. Can you accept that scenario?

A Yes.

Q Suppose one of its customers says I don't care, I want BellSouth's FastAccess service. Now, in that scenario, does BellSouth get to use the high frequency portion of that ALEC's loop without that ALEC's permission and without compensating that ALEC?

A Not without permission, which we are saying the FCC position here is we will grant you that permission. But, yes, without charge.

Q Okay. So this database that we are talking about in addition to everything else it has, it will also have to have a list of the ALECs that won't grant permission for BellSouth to use the upper portion of their spectrum, won't it?

A Again, it's a matter of how you construct the

databases. If you use what I typically see BellSouth doing, a database that says permission has been granted, then by default if it is not granted -- if it hasn't been granted, it is not granted and you don't have any entry for that ALEC.

Q All right. Now, humor me for a moment and suppose the ALEC that Mr. Gillan and I discussed that wants some of its customers to have its DSL service and some of its customers not to have its DSL service exists. Then the database would have to keep the lines separated in order to avoid --

A But that is not part of any of the scenarios that the FCCA has presented here.

Q Do you ever think about the logical consequences of what FCCA is asking for in this proceeding?

A I don't see that there is any difference here. The FCCA's position has said we will grant you, BellSouth, on a company basis permission to use the high frequency portion of the loop, okay. It doesn't mean that if I can also use the high frequency portion of the loop, I won't do my best to sell the customer my service. If he has got my service, that's fine. If you are able to convince him that he should have your service, the permission to use the high frequency portion of the loop is still there. No, you don't have to have the lines to sell your database.

Q Do you know what the nonrecurring cost is when a CLEC uses LENS to access LFACS for loop makeup data?

A No.

Q Would you agree that whatever that nonrecurring charge is, that that nonrecurring charge would also be appropriately charged to a BellSouth FastAccess customer whose request necessitated BellSouth accessing LFACS?

A You are outside my area of expertise. I don't know how you charge yourself for using your own databases.

Q Well, you want us to charge the same thing to ourselves that we charge to the ALECs, don't you?

A I'm sorry, you are outside my ability to respond.

Q Well, you want parity, don't you?

A You're asking me about rates. I haven't testified to anything about rates. I don't know a thing about what you are asking me.

Q Do you know anything about parity?

MS. KAUFMAN: I'm going to object. I mean, if you have a specific question -- that's pretty broad.

MR. LACKEY: All right.

BY MR. LACKEY:

Q Do you wish the ALECs in Florida in this situation to have parity with BellSouth's offerings in this area in Florida?

MS. KAUFMAN: I'm going to object again. I don't know --

A It's not part of my testimony, sir.

Q Is there another witness testifying for the FCCA in

this case that can address the question of parity among these various options that you know of?

A Not that I know of. I'm not aware that that is an issue in this case.

Q Well, let me ask you hypothetically, then. If the nonrecurring cost for accessing LFACS for loop makeup is $100, and the nonrecurring cost for accessing LQS is $30, you would agree that everybody who accesses LFACS should pay the same $100 and everybody who accesses the same LQS should pay the $30, right?

MS. KAUFMAN: I'm going to object, Mr. Lackey. I think that Mr. Bradbury has testified that is outside his area. Those are policy questions, they should have been addressed to Mr. Gillan.

MR. LACKEY: Well, I asked him if there was anybody who knew and he couldn't identify anybody. I didn't know Gillan could testify about that. I will save them for him, then. Could I have just a minute, please. I will be right back with you.

(Pause.)

MR. LACKEY: I'm back. It didn't take a minute.

BY MR. LACKEY:

Q I asked Mr. Gillan this, and I want to make sure that I have the same understanding with you. If a customer comes into the State of Florida, has never been a BellSouth customer

before, signs up with AT&T for his local and long distance service, but doesn't choose any broadband service, goes into service, and six months later decides that that customer wants broadband, it is your position that BellSouth should be required to provide FastAccess service to that customer?

A It is our position that BellSouth should not be allowed to refuse to serve that customer if it would otherwise serve that customer if it had BellSouth voice.

Q Okay. And AT&T in my example already had the voice customer, right?

A That is correct.

Q And your position in this case is that BellSouth's DSL policy is anticompetitive because it keeps people from moving to the ALEC's voice service, isn't it?

A That is one of the issues, yes.

Q And if the customer is already with the ALEC in the scenario I painted, clearly BellSouth's policy doesn't prevent the customer from moving there, does it?

A No.

Q If I understand your position, and -- I will tell you what, let me find of the place in your testimony before we go to it. It's on Page 9 of my copy, and it is the paragraph that begins, "While Mr. Gillan is the economist."

A Yes, sir.

Q And when we get to the hearing, I will have a copy of

the testimony that matches your page numbers, I promise.

A This is on Page 9.

Q Good. Do you see the line that begins, "Willfully disconnecting revenue paying customers from in service investments in the first instance and refusing to place installed investments into revenue producing service in the second is a decision that makes no sense." Do you see that?

A I do, yes, sir.

Q Can you tell me whether AT&T has imposed minimum charges on its long distance customers who do not make a sufficient number of long distance calls?

MS. KAUFMAN: I'm going to object. That is totally irrelevant to this case.

MR. LACKEY: I don't see how it could possibly be irrelevant, since he says doing what I just described doesn't make sense. It is on Page 9 of his testimony.

MS. KAUFMAN: Mr. Bradbury, you can answer if you know the answer.

THE WITNESS: I don't see a relationship between your question and my testimony, sir.

BY MR. LACKEY:

Q That wasn't my question. Does AT&T have minimum charges for long distance customers who don't make a sufficient number of calls in AT&T's opinion?

A I truthfully don't know.

(Off the record.)

MR. LACKEY: I'll tell you what, Mr. Bradbury, I will just save the rest of my questions for later. Thank you very much.

THE WITNESS: Thank you, sir. Look forward to seeing you.

MR. LACKEY: You're under oath now, Mr. Bradbury.

THE WITNESS: It's the truth.

MS. CHRISTENSEN: Did we miss any -- do we have any unconcluded business?

MS. KAUFMAN: Can I just consult with him about the late-filed?

MS. CHRISTENSEN: Yes, please.

(Off the record.)

MS. CHRISTENSEN: Back on the record. I guess we are concluded. And the late-filed exhibit is going to be produced Tuesday. Okay. And I think unless anybody has any more questions, we are concluded.

(The deposition concluded at 4:40 p.m.)

ERRATA SHEET
DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE

IN RE: DOCKET NO. 020507-TL
NAME: JAY BRADBURY
DATE: January 22, 2003

PAGE	LINE	CHANGE

Under penalties of perjury, I declare that I have read my deposition and that it is true and correct subject to any changes in form or substance entered here.

DATE JAY BRADBURY

STATE OF FLORIDA)
: CERTIFICATE OF OATH
COUNTY OF LEON)

I, the undersigned authority, certify that JAY BRADBURY personally appeared before me and was duly sworn.

WITNESS my hand and official seal this 30th day of January, 2003.

JANE FAUROT
Notary Public - State of Florida

Jane Faurot
MY COMMISSION # DD033610 EXPIRES
July 16, 2005
BONDED THRU TROY FAIN INSURANCE, INC.

STATE OF FLORIDA)
:
COUNTY OF LEON)

CERTIFICATE OF REPORTER

I, JANE FAUROT, Official FPSC Commission Reporter, do hereby certify that I was authorized to and did stenographically report the foregoing deposition at the time and place herein stated.

I FURTHER CERTIFY that this transcript, consisting of 66 pages, constitutes a true record of the testimony given by the witness.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 30th day of January, 2003.

JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

Loop validation for DSL services (pre-ordering)

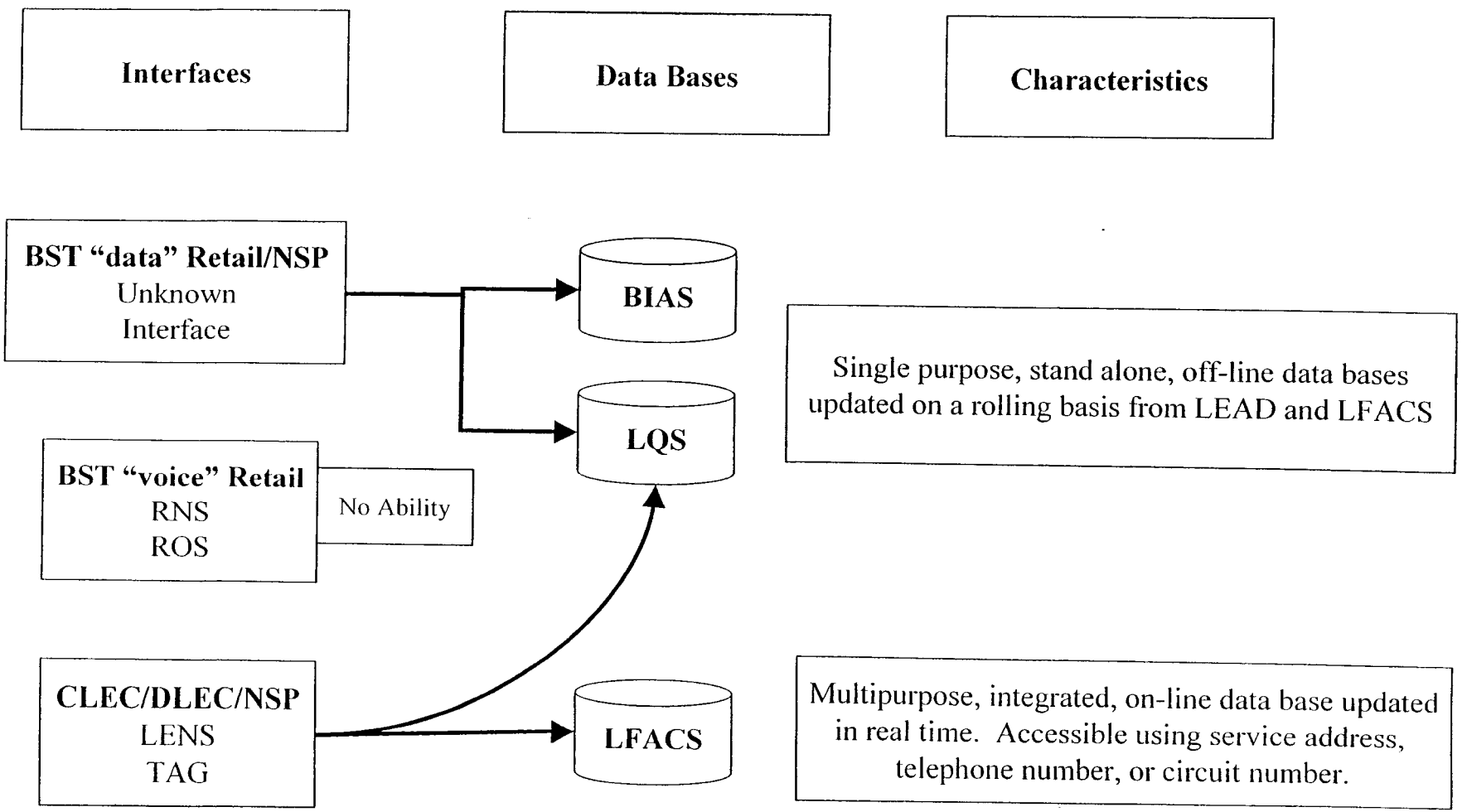
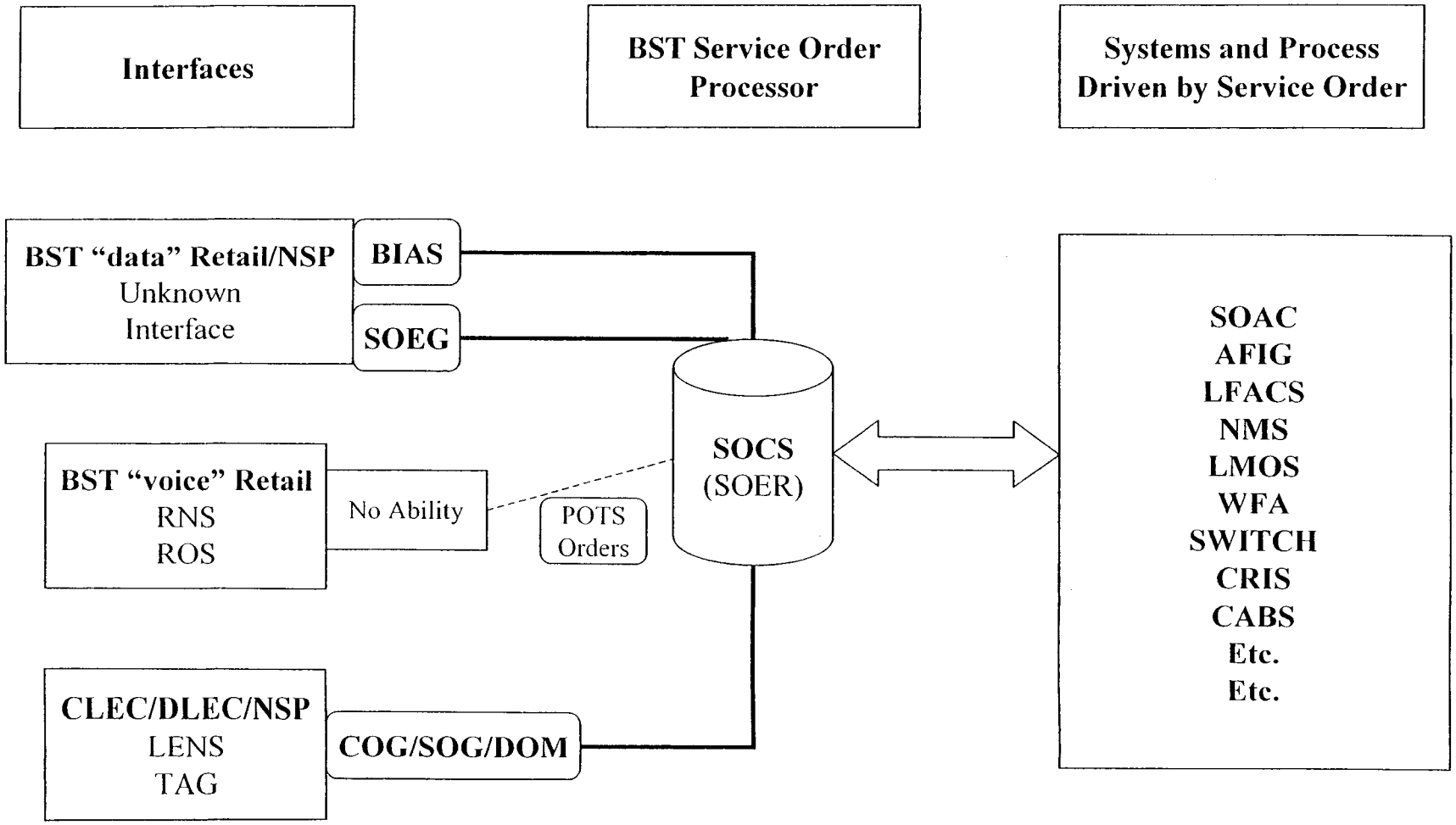


EXHIBIT
1

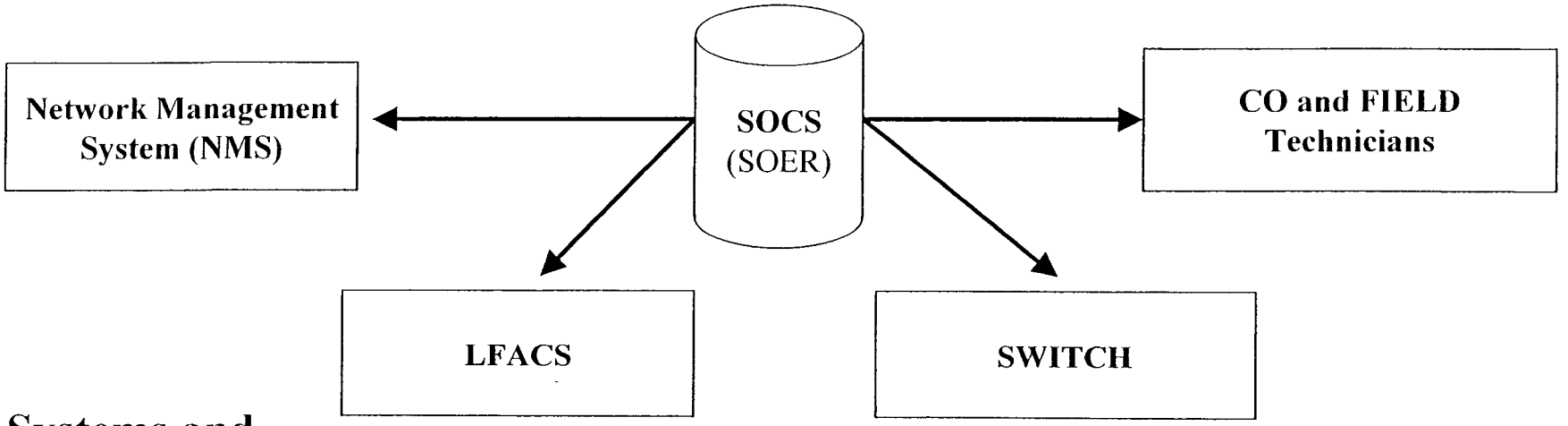
040000

DSL services ordering



000071

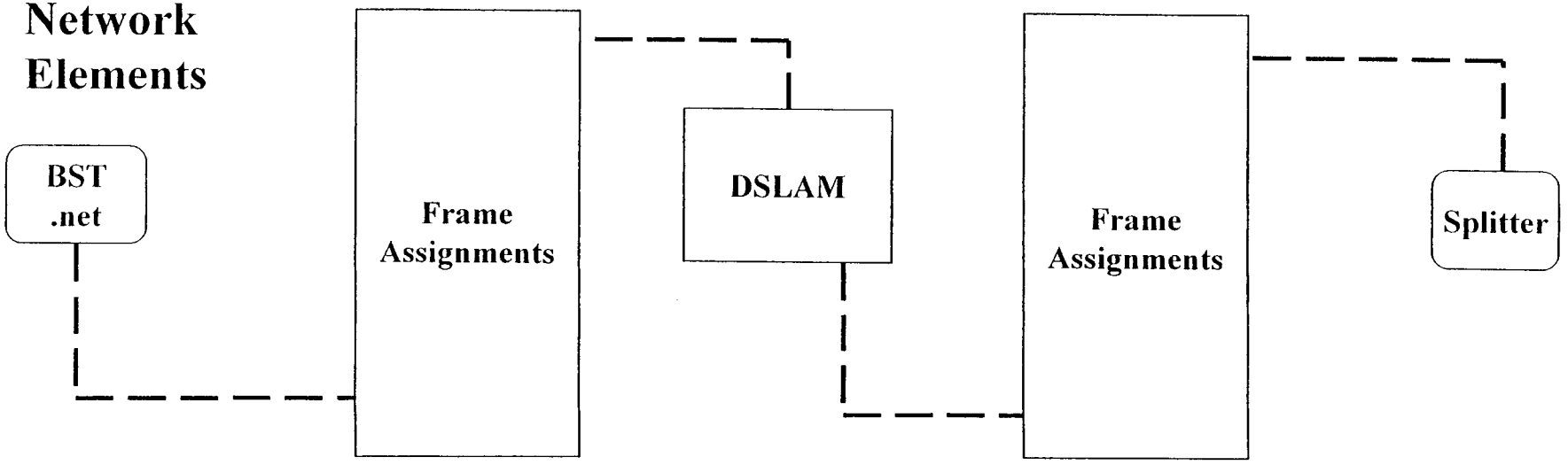
DSL services - data implementation



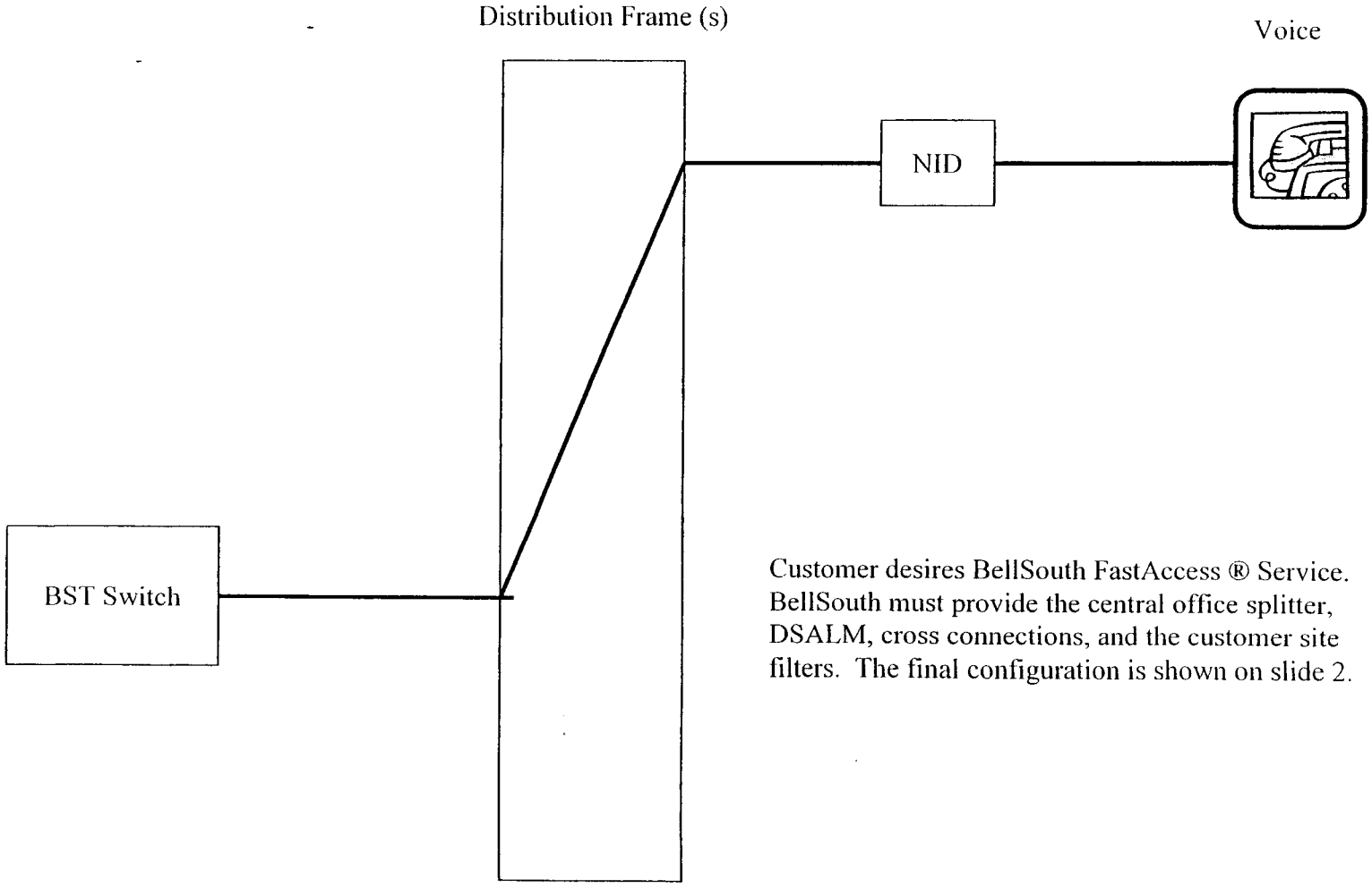
270000

Systems and Processes

Network Elements



Existing BellSouth retail customer without BellSouth FastAccess® Service

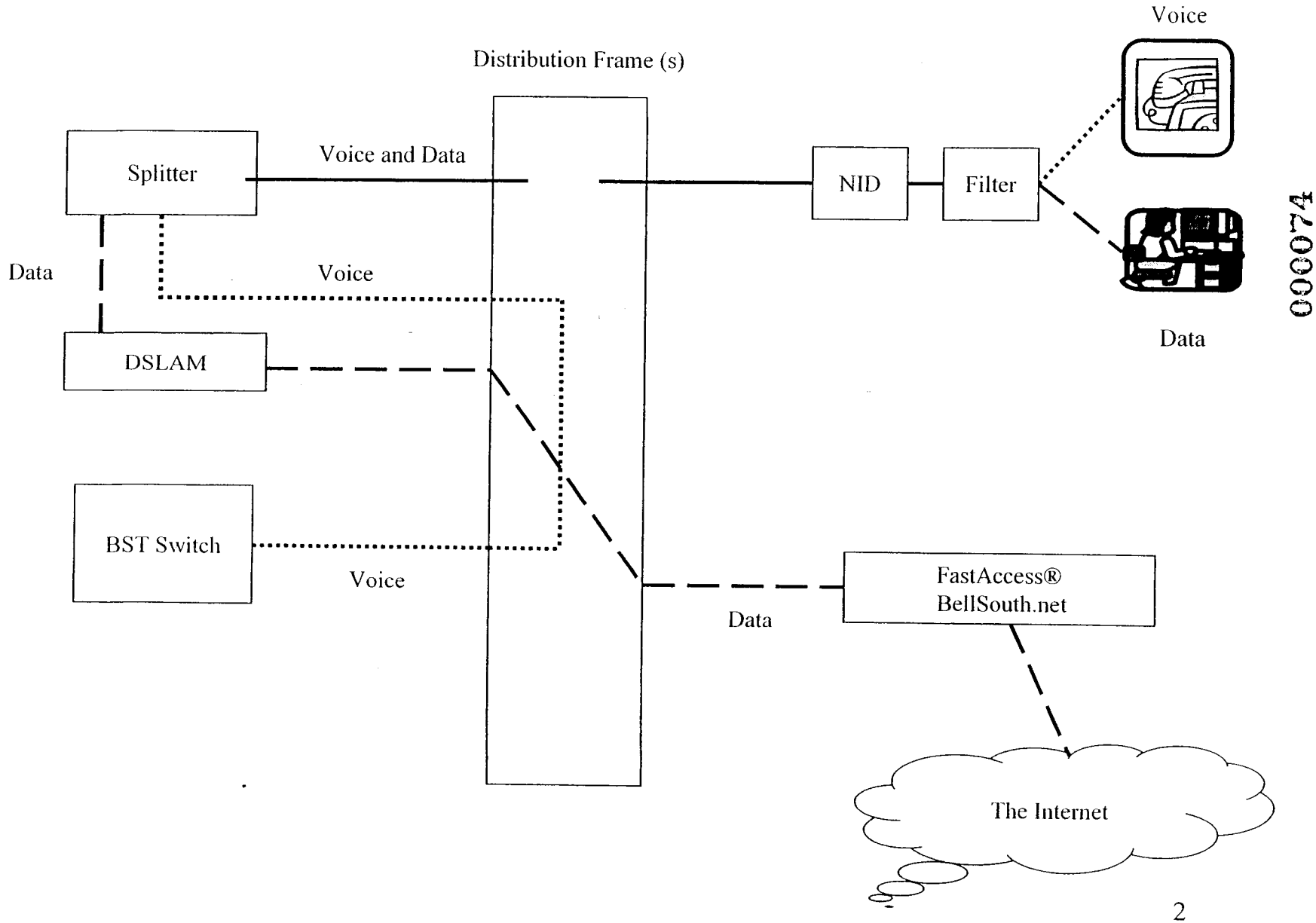


Customer desires BellSouth FastAccess ® Service. BellSouth must provide the central office splitter, DSALM, cross connections, and the customer site filters. The final configuration is shown on slide 2.

000073

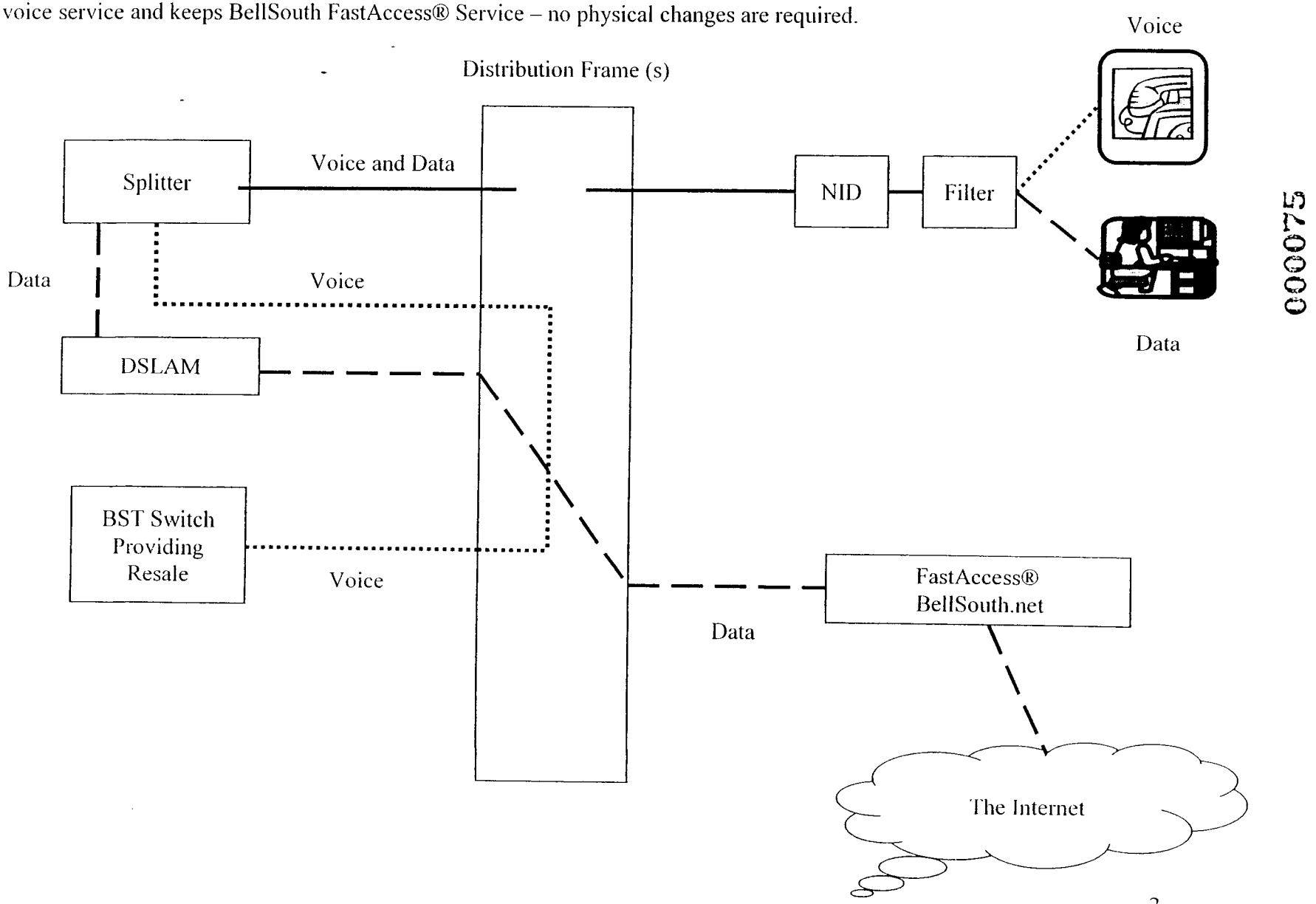
EXHIBIT 2

Existing BellSouth retail customer with BellSouth FastAccess® Service



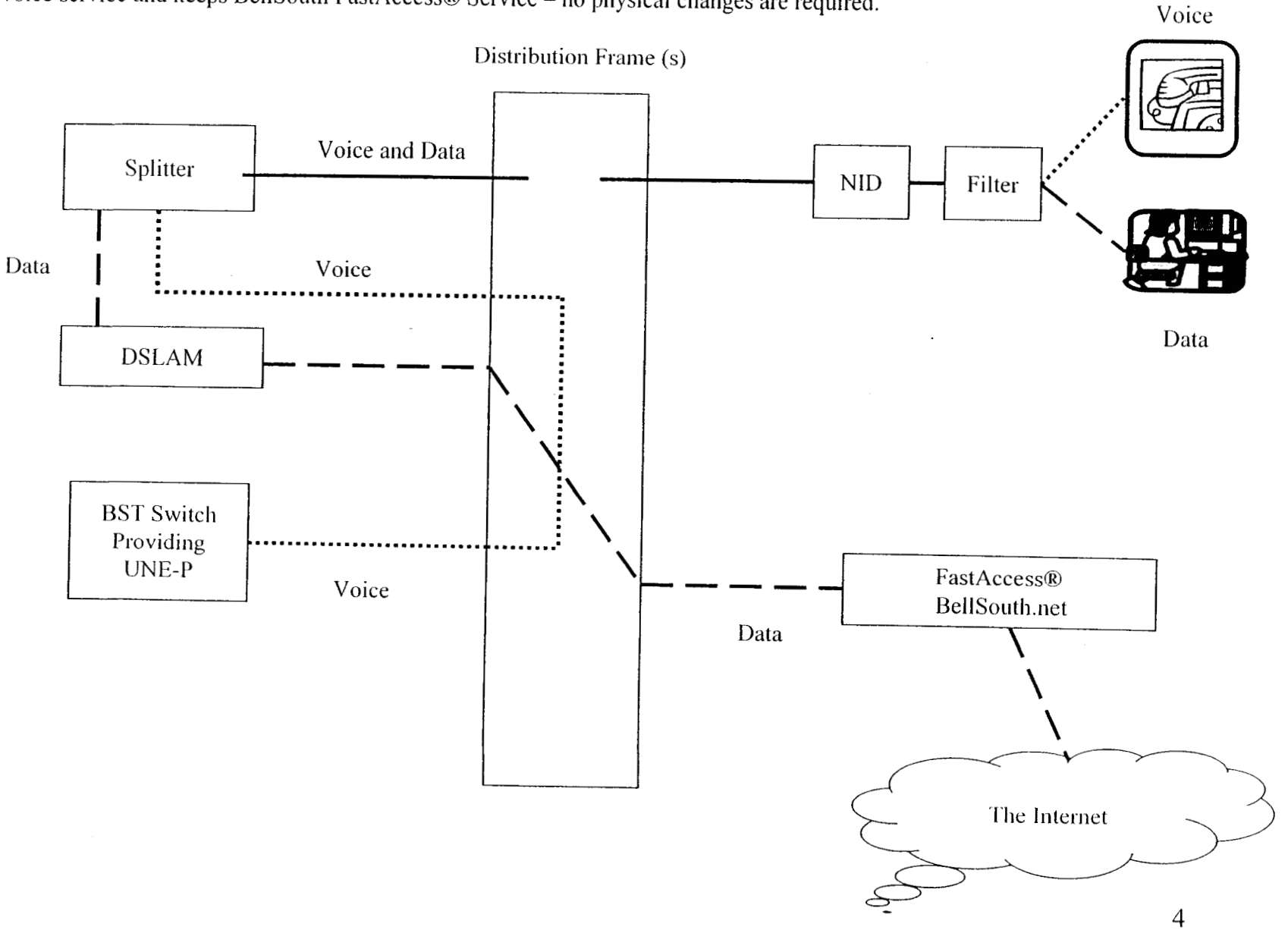
000074

Existing BellSouth retail customer with BellSouth FastAccess® Service – Migrates to ALEC using **Resale** for voice service and keeps BellSouth FastAccess® Service – no physical changes are required.



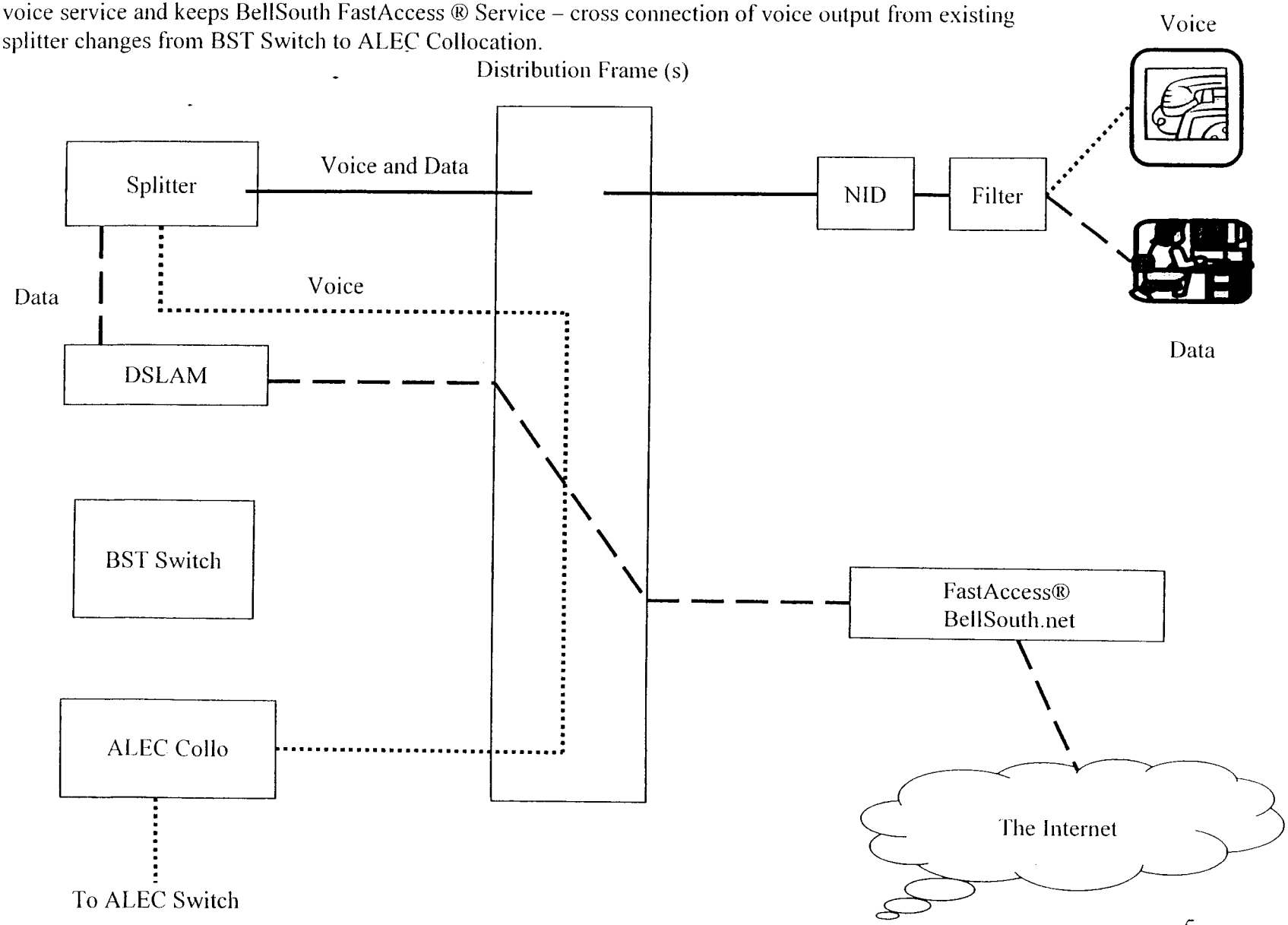
000075

Existing BellSouth retail customer with BellSouth FastAccess® Service – Migrates to ALEC using **UNE-P** for voice service and keeps BellSouth FastAccess® Service – no physical changes are required.

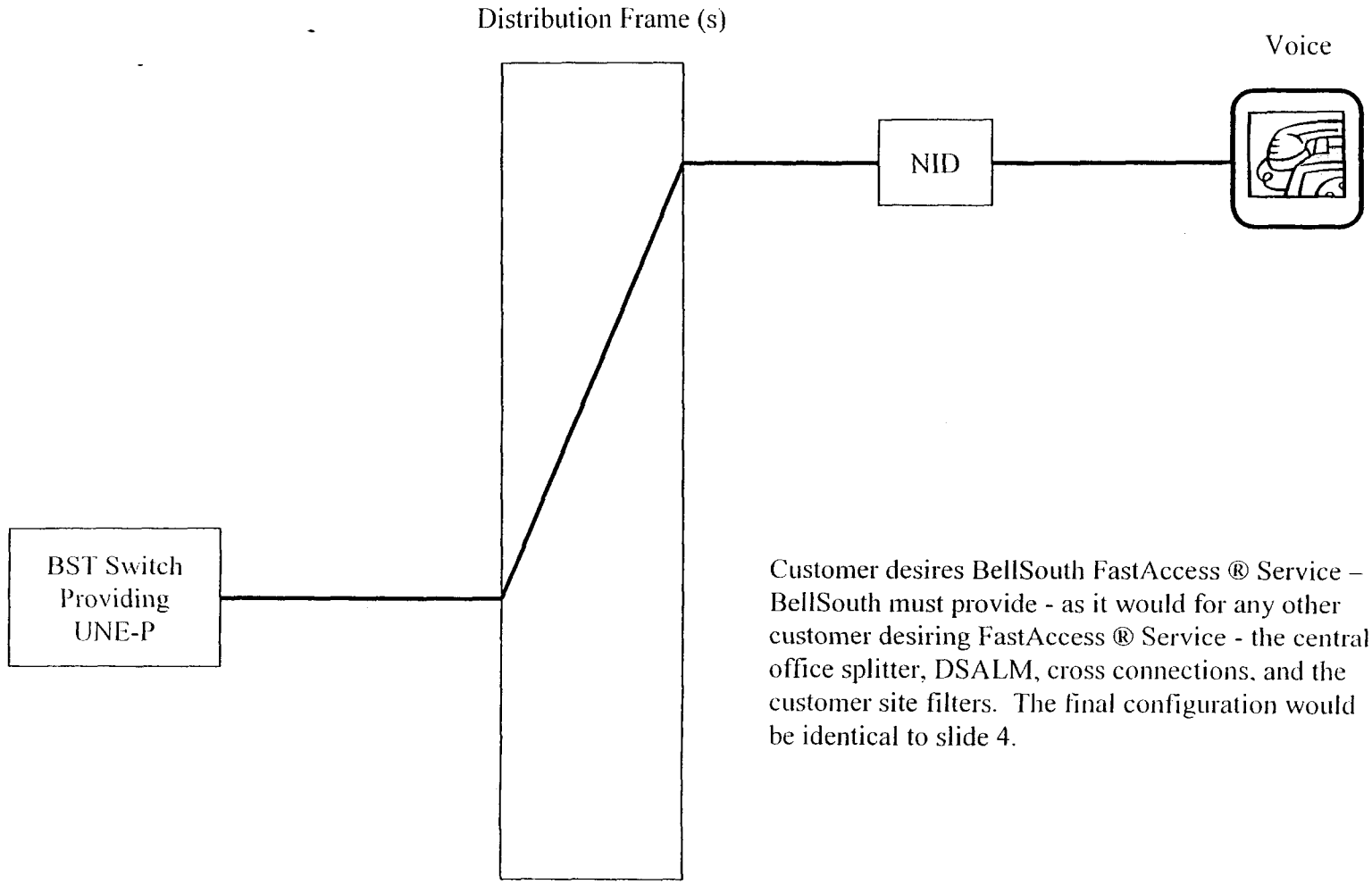


000076

Existing BellSouth retail customer with BellSouth FastAccess® Service -- Migrates to ALEC using **UNE-L** for voice service and keeps BellSouth FastAccess ® Service – cross connection of voice output from existing splitter changes from BST Switch to ALEC Collocation.



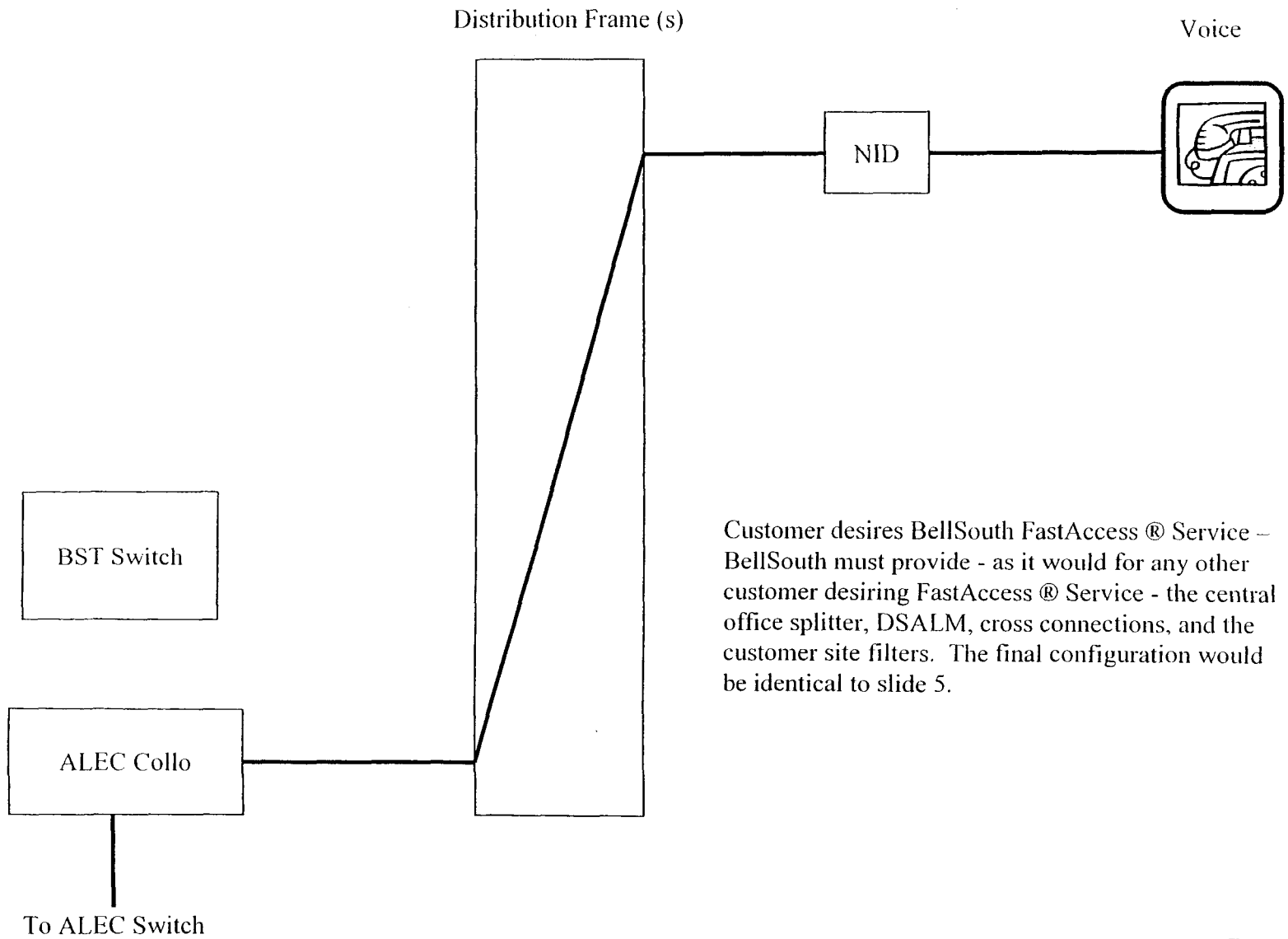
Existing ALEC subscriber using **UNE-P** for voice service.



Customer desires BellSouth FastAccess ® Service – BellSouth must provide - as it would for any other customer desiring FastAccess ® Service - the central office splitter, DSALM, cross connections, and the customer site filters. The final configuration would be identical to slide 4.

870000

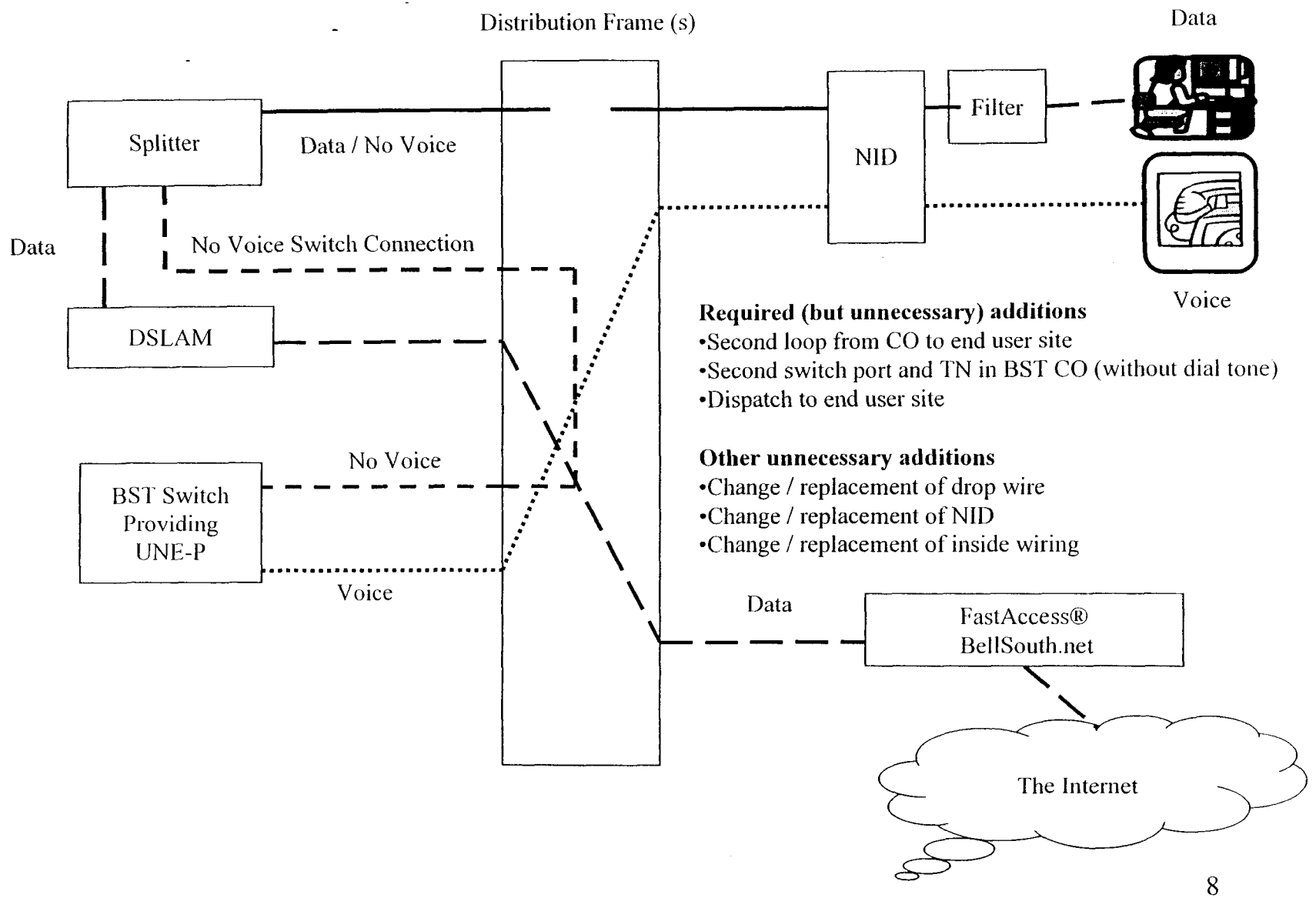
Existing ALEC subscriber using **UNE-L** for voice service.



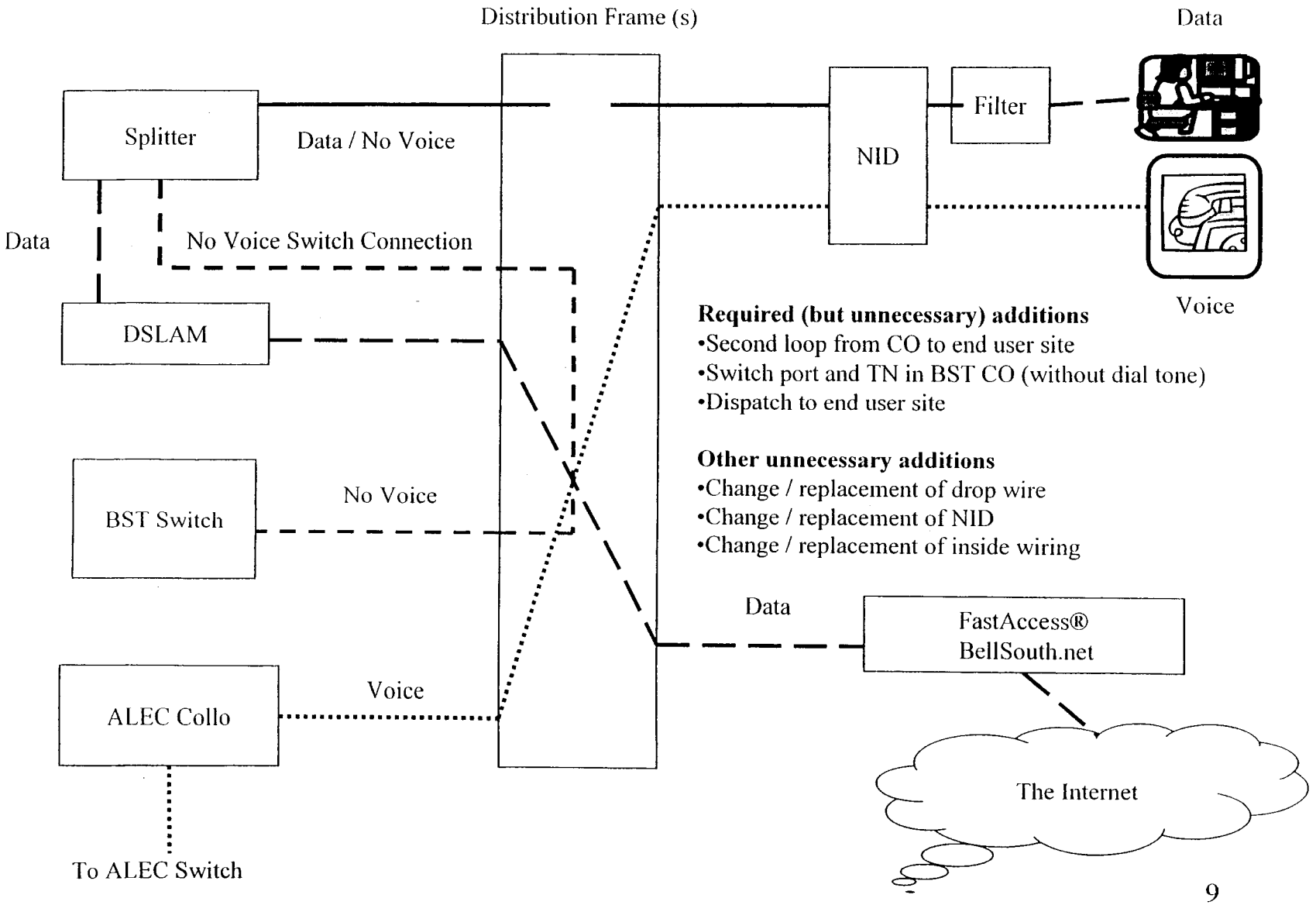
Customer desires BellSouth FastAccess ® Service – BellSouth must provide - as it would for any other customer desiring FastAccess ® Service - the central office splitter, DSALM, cross connections, and the customer site filters. The final configuration would be identical to slide 5.

670079

- BellSouth's "two loop" (or "stand alone") solution to provide **UNE-P** and BellSouth FastAccess® Service – significant unnecessary physical changes are required.



BellSouth's "two loop" (or "stand alone")solution to provide **UNE-L** and BellSouth FastAccess® Service – significant unnecessary physical changes are required.



000031

BELLSOUTH

Customer Guide
CG-OPEU-001
Issue 2, July, 2001

Operational Understanding

Network & Carrier Services

Docket No. 020507-TP
Late-Filed Exhibit No. 3 to
Deposition of Jay Bradbury
Page 1 of 50

Copyright

March, 2000 - July, 2001

© BellSouth Telecommunications

Patsy Smith
404 927–7005

Contents

Subject	Page
Purpose	v
Purpose	v
Version Information	v
1. General	1
1.1 General	1
2. Document Change Control	3
2.1 Document Change Control	3
3. Assumptions	5
3.1 Assumptions	5
4. Communication Interfaces	7
4.1 Communication Interfaces	7
5. Maintenance Of Local Service Responsibilities and Procedures	9
5.1 Maintenance Of Local Service Responsibilities and Procedures	9
6. Protecting Proprietary Information	17
6.1 Protecting Proprietary Information	17
Appendix A. Workcenter Escalation Procedures for Local Services	19
A.1 Objective	19
A.2 BellSouth	19
A.3 BellSouth Escalation Contacts	20
Appendix B. CLEC Maintenance Repair Guide for UNEs and Resold Services	23
B.1 CLEC Maintenance Repair Guide for UNEs and Resold Services	23
Appendix C. CLEC & BST Workcenter Disaster Recovery for Local Services	27
C.1 Examples of Disasters:	27
C.2 BellSouth Disaster Recovery Planning For CLECs	28
C.2.1 Purpose	28
C.2.2 Single Point of Contact	28
C.2.3 Identifying The Problem	28
C.2.3.1 Site Control	29
C.2.3.2 Environmental Concerns	29
C.2.3.3 The Emergency Control Center (ECC)	30
C.3 Recovery Procedures	31
C.3.1 General	31
C.3.2 CLEC Outage	31
C.3.3 BellSouth Outage	31

C.3.3.1 Loss of a Central Office 32
C.3.3.2 Loss of a Central Office with Serving Wire Center Functions 32
C.3.3.3 Loss of a Central Office with Tandem Functions 32
C.3.3.4 Loss of a Facility Hub 32
C.4 Combined Outage (CLEC and BellSouth Equipment) 33
C.5 T1 Identification Procedures 33
C.6 Acronyms 33
C.7 Hurricane Information 33
C.8 BST Disaster Management Plan 34

Appendix D. CLEC & NMC 35
D.1 General 35
D.2 Roles and Responsibilities 35
D.2.1 CLEC 35
D.2.2 BellSouth Network Management Center 35
D.3 FCC Reportable Service Disruptions 35

Appendix E. Testing Parameters 39
E.1 DS1 Testing 39
E.1.1 BRI-ISDN Acceptance and Maintenance Test Criteria – TR-73600/UNE Specific Work Instructions 41
E.1.2 Unbundled Digital Channel Acceptance and Maintenance Test Criteria – TR-73600/ UNE Specific Work Instructions 42
E.1.3 HDSL Capable Loop Acceptance and Maintenance Test Criteria – TR-73600/UNE Specific Work Instructions 42
E.1.4 ADSL Capable Loop Acceptance and Maintenance Test Criteria – TR-73600/UNE Specific Work Instructions 42
E.1.5 Unbundled Copper Loop Acceptance and Maintenance Test Criteria – TR-73600/ UNE Specific Work Instructions 42
E.1.6 Unbundled Copper Loop (Long) Acceptance and Maintenance Test Criteria – TR-73600/UNE Specific Work Instructions 42
E.1.7 Applies to all Designed Voice Grade Loops
SL2 LY**
TR-73600 (Note 2) 43
E.1.8 Unbundled Non-Designed Voice Loop
SL1 TY**
TR-73600 (Note 2) 44

Purpose

Purpose

The purpose of this Operational Understanding (OU) is to establish a foundation for a working relationship between the CLEC MAINTENANCE SERVICE CENTER and BST in support of Local Services. This document seeks to establish the roles and responsibilities for each work center, define the operational requirements needed to perform the assigned responsibilities, and to ensure and facilitate a mutual understanding for the interactive support of Local Services during its implementation and production phases.

The intent of this document is to concentrate only on those roles and responsibilities that cause each work center to interact with the other. This Operational Understanding will define interface tasks and the guidelines to complete those tasks. In addition, it will define what information will be delivered to which organization, when it will be delivered, and how it will be delivered. To that end, it will:

1. Provide a high-level maintenance center description of BellSouth provided Local Service for CLEC Business and Residential End Users located in the BellSouth service area.
2. Describe the responsibilities of the CWINS and the CLEC MAINTENANCE SERVICE CENTER associated with the items to be addressed by the Operational Understanding.
3. Explain the CLEC MAINTENANCE SERVICE CENTERS contact to the end user for maintenance status of CLEC Local Service

Version Information

Table A Revision History

Chapter	Action Request #	Date/Issue	Description
All	N/A	July 28, 2001 / 2	Update for center reorganization, name change and general updates. Patsy Smith
All	N/A	March 1, 2000 / 1	Operational Understanding Base Doc

1. General

1.1 General

This document provides an Operational Understanding (OU) between BellSouth and the CLECfor the maintenance of CLEC Local Services (Resale and UNE) provided pursuant to the CLEC/BellSouth Interconnection Agreement (I.A.).

The CLEC desires to avail itself of the facilities and services of BellSouth Telecommunications (BST) for the time, in the manner, and as set forth in this Operational Understanding, subject to the rates, charges and provisions of the CLEC /BellSouth Interconnection Agreement. Any conflict between the Operational Understanding and the Interconnection Agreement shall be resolved in favor of the Interconnection Agreement.

2. Document Change Control

2.1 Document Change Control

This document will be updated as necessary as the CLEC MAINTENANCE SERVICE CENTERS and/ or the CWINS continue to grow and new services are introduced.

The version number will be increased incrementally by one whole digit for standard updates. Periodically there may be a need to re-issue this document due to a significant change in the SERVICE CENTER elements and environment. A re-issue of this type will increase incrementally the version number by one decimal number

Version	Date	Reason for Change
Generic O.U.	01/16/98	Clarification of Wording.
Generic O.U.	03/01/00	Update for center reorganization update
Generic O.U.	07/28/01	Update for center reorganization, name change and general update

3. Assumptions

3.1 Assumptions

The following is a list of assumptions used in the development of this document:

1. This document is specific only to manual interfaces between the CWINS and the CLEC MAINTENANCE SERVICE CENTER/s. Electronic interfaces are described in electronic documentation.
2. As CLEC MAINTENANCE SERVICE CENTER/s are established, this document will be updated to reflect any changes between the CWINS and the CLECMAINTENANCE SERVICE CENTER/s.
3. Any future BellSouth Maintenance Center restructuring will require an update to this document to reflect interaction with the CLEC MAINTENANCE SERVICE CENTER/s.

4. Communication Interfaces

4.1 Communication Interfaces

The methods of communication between the centers to support the operational needs of CWINS and the CLEC MAINTENANCE SERVICE CENTER/s may include but are not limited to; telephone and electronic data interface.

A Nationwide Toll Free number will be used for calling into theCLEC MAINTENANCE SERVICE CENTER/s for all telephony needs. It is the CLEC MAINTENANCE SERVICE CENTER's responsibility to administer and maintain the Toll Free number, and to provide this information to BellSouth. It is expected that this number will be the CLEC contact number 24x7.

Examples of telephone calls between the CLEC MAINTENANCE SERVICE CENTER and the BST work center include:

- referral of an end user trouble
- clearance of an end user trouble
- status of trouble reports
- rescheduling of an end user dispatch
- reporting of network outages (BellSouth NMC)
- an escalation on a reported problem

BellSouth Customer Wholesale Interconnection Network Services (CWINS)

Below are the BellSouth CWINS contact numbers for:

- Resale
- Unbundled Network Elements
- Combinations of Network Elements

The CWINS centers that handle UNE are located in Atlanta, Birmingham and Fleming Island. CLECs are assigned a specific center and should only call that center when needing assistance.

Table B BellSouth CWINS — UNE Center Telephone Numbers:

Location	Telephone Number
Atlanta	1-800-795-0153
Birmingham	1-800-811-9079
Fleming Island	1-800-817-3053

The CWINS center that handles RESALE is located in Atlanta.

Table C BellSouth CWINS — Resale Center Telephone Number

Location	Telephone Number
Atlanta	1-888-461-0612

These centers are redundant in functionality; therefore, centers may serve as backup for each other during emergency or extreme situations.

5. Maintenance Of Local Service Responsibilities and Procedures

5.1 Maintenance Of Local Service Responsibilities and Procedures

This section provides a description of the maintenance responsibilities of BST and the CLEC MAINTENANCE SERVICE CENTER for residential and business Local Service for end users located in BST serving areas.

The CWINS will provide CLEC certain telephone services pursuant to the Interconnection Agreement; the services and facilities will be at least equal in quality to that provided by BST to itself and its end users.

BELLSOUTH

1. Receive End User trouble reports from CLEC and coordinates internal organizations to resolve troubles and restore local service
2. Ensure all work to restore End User service is completed in accordance with the Interconnection Agreement and Telecommunications Industry standards.
3. Inform CLEC upon service restoral or when repair work is completed with the appropriate trouble closure information and test results, if requested and applicable. BST will provide status, upon request, by CLEC. The status request from CLEC will reflect expired maintenance commitments.

BellSouth will advise CLEC of any central office, facility, or network failure that is known at the time of any inquiry or trouble report by CLEC to any BellSouth maintenance bureau.

BellSouth Network Management Center will provide Network Management Surveillance per the Appendix D of this OU.

4. This section includes scheduled and non-scheduled maintenance.

BellSouth shall provide the CLEC with the same scheduled and non-scheduled maintenance, including, without limitation, required and recommended maintenance intervals and procedures, for all Local Services, Unbundled Network Elements and Combinations provided to CLEC under the Interconnection Agreement that it currently provides for the maintenance of its own network. The CLEC will provide a single point of contact for scheduled maintenance contact/notification by BellSouth.

For services provided through resale, BellSouth agrees to provide CLEC with scheduled maintenance coordination for residence and small business special services. Non-designed services will not be coordinated. Cable throws for Non-Designed circuits will be performed with test sets designed to prevent the End Users from being interrupted during the activity. BellSouth shall monitor individual cut-over work to insure that the service is not in use prior to a service cut.

A. Scheduled –

A1. Company Initiated Activity is considered as scheduled work. Designed Special Services Company Initiated Activity (CIA) activity will be coordinated by the BellSouth CIA Centers. CIA activity

consists of cable throws, carrier/ multiplexer rearrangements, and carrier/ multiplexer replacements. The interface for CIA activity is between the BellSouth CIA Centers and the responsible CLEC center. A CLEC must provide a Single Point of Contact for CIA notification. The BellSouth CIA Centers will handle CLECs in the same method as BellSouth End Users when CIA rearrangements are involved. Non-Designed services are processed as described in the preceding Resale paragraph.

A2. BellSouth Central Office Conversions are coordinated through Network Project teams. The CLEC notifications are provided via the Customer Communications Process (CCP). The CCP Manager enters data into Internet or mail/faxes the notification directly to the CLEC address provided by the BellSouth Account team if required by the contract. Central Office conversions shall be publicized through the media (Internet) and will occur during non-peak hours.

The Internet address for CLEC notification is: http://www.interconnection.bellsouth.com/notifications/carrier

Roles and Responsibilities:

- BellSouth Customer Communications Process
- Determines conversion activity from Network Project teams
- Fax central office conversion notification to CLEC
- Media (Internet) notification per the Interconnection Agreement

CLEC MAINTENANCE SERVICE CENTER

- - Receives BellSouth central office conversion notification
- - Notifies End Users of pending conversion activity

B. Non-Scheduled –

BellSouth normally does not engage in non-scheduled maintenance activity. Non scheduled maintenance is defined as additional activity by BellSouth during a normal repair/alarm process. The nature of the maintenance activity will not allow time for a scheduled maintenance interval or End User notification. These activities would require immediate maintenance action to prevent further service degradation or imminent service interruption.

BellSouth is responsible for non-intrusive post activity testing to confirm the success of this type maintenance procedure. The non-scheduled maintenance is the same process as used for BellSouth End Users.

BellSouth has CWINS Maintenance Center Chronic Groups that perform chronic maintenance analysis from historical trouble ticket reviews. A designed circuit is reviewed by CWINS for chronic analysis when three trouble tickets have been closed within a thirty-day period. If the analysis indicates a chronic condition exists, a chronic maintenance report is initiated. The Chronic Group will then perform a detailed analysis of the chronic report. The chronic resolution process could involve the following:

- Request for service release times

- Circuit monitoring
- Circuit stress testing
- Joint CLEC/BST testing
- Component repair
- Referral to CLEC for resolution

Once the chronic condition is resolved the chronic maintenance report will be closed. If the CLEC is involved in the chronic process, notification will be provided.
When a CLEC determines that a chronic condition exists from their analysis, a chronic request may be made to the CWINS maintenance group for chronic review. The CWINS center will open a chronic maintenance report and perform the same chronic resolution procedure as described above. The CLEC should provide their chronic rational and test results associated with the reported service at the time the chronic request is being made. The chronic process is not intended for resolving immediate trouble conditions. The chronic resolution is a process to resolve obscure or intermittent conditions. The resolution period will vary based on the complexity of isolating the problem. Immediate trouble conditions should be handled through the normal maintenance reporting process. All CLEC initiated chronic requests will be statused and closed with the reporting CLEC.
Chronic Groups are located in each of our operational CWINS Maintenance Centers. BellSouth believes the CLEC's understanding and utilization of the chronic process will be beneficial in providing improved customer service.

CLEC MAINTENANCE SERVICE CENTERS

1. Provide a Point of contact for CLEC End Users and reports screened Local Service troubles to BellSouth.
2. CLEC will be responsible for proper screening and trouble isolation to BST Network. (See Appendix E for proper testing process)
3. Serve as primary end user interface during repair process.
4. Monitors status of trouble reports. Coordinates with BellSouth to perform any necessary test and restore functions.
5. Works cooperatively with BellSouth to restore End User service as soon as possible.
6. Provides a Single Point of Contact for BellSouth to schedule releases of local service if required in the IA between the parties.
7. Provides a Single Point of Contact for the Network Management Center if required in the IA between the parties.
8. Provides contact receipt for BellSouth repair technician calls approving CLEC end user request for additional billable work activity.
9. Provide a CLEC contact/reach number on all maintenance reports, which is available seven days per week, 24 hours per day.
10. Utilizes CHRONIC reporting process for identified CHRONIC maintenance conditions and assist in resolution.

Table D Maintenance Procedures for UNEs and Resold Services

COMPANY	TASK DESCRIPTION
CLEC	Receive inquiries or trouble reports from CLEC End Users
CLEC	Make inquiry to End User to obtain answers to Pre-Screening questions: Telephone Number Being Reported End User Name: Company: Address: City & State Trouble Reported By (End User): Trouble Report Received By (CLEC Agent): CLEC Reach Telephone Number: Premises Access Information: Is End User Out-of-Service? Yes/No Does Problem Occur When End User is: a. Called by Someone Else Yes/No b. Calling a Telephone Number Yes/No If a, (Called), Provide the Calling Telephone Number If b, (Calling), Provide the Called Telephone Number Is the Trouble on All of the End USer Telephones? Yes/No If No, Which Telephone Has Trouble? Trouble Description: Date/Time Report is Received:__/__/__-__:__a.m./p.m. Remarks:
CLEC	Coincident with the initial trouble report, when Special Services non-intrusive testing is requested by the CLEC end user, the CLEC must provide the release time for all testing to begin. Initial trouble reports, on an End User's Non-Design (telephone number format) service, must be referred by the CLEC only when the end user is ready for all types of testing to begin.
CLEC	For electronically submitted trouble reports, the CLEC will propulate the CLEC work order with the information gathered in the Pre-Screening process and refer the trouble to BellSouth using the Electronic Interface. If testing is not included in this interface the CLEC will include their isolation test results.
CLEC	For the manual process, if or when Electronic Interface is not available, the CLEC will contact the appropriate BellSouth Maintenance Center by telephone or using other mutually agreed to processes to refer the trouble.

- continued -

Table D Maintenance Procedures for UNEs and Resold Services (continued)

COMPANY	TASK DESCRIPTION
CLEC	On misdirected calls CLEC shall advise End Users to contact their Local Service Provider and will provide the End User with the Local Service Provider contact number.
CLEC	CLECwill prescreen trouble prior to referral to BellSouth, this includes trouble analysis (CPE, etc.), maintenance testing, etc. The CLEC will resolve non-BST troubles without BSTassistance. The CLEC will provide isolation test results at trouuble receipt. (See Appendix E)
CLEC	The CLECMAINTENANCE SERVICE CENTER and BST shall follow the agreed upon escalation procedures for repair/maintenance trouble reports. See Appendix A of this O.U. for agreed upon escalation procedures.
CLEC	The CLEC MAINTENANCE SERVICE CENTER and BST shall each supply the other with the terms of their DISASTER RECOVERY PLANS for their respective work center. See Appendix C of this O.U. for the Disaster Recovery Plans.
CLEC	Ensure CLEC personnel follow appropriate maintenance escalation procedures.
COMPANY	**TASK DESCRIPTION**
BST	BellSouth will receive trouble report and initiate a circuit or feature test. The BellSouth repair attendant/s will be the contact for CLEC referred trouble report. On the initial call, BellSouth will provide CLEC with the following information: Circuit ID'd formatted services, BellSouth will provide a trouble ticket number Telephone number formatted services, the telephone number will be the CLEC trouble reference. Test Results (if available) Estimated Time to Repair/Maintenance Target
BST	BellSouth provides an Estimated Time To Repair (ETTR) in Appendix B. If any ETTR target differs due to the appointment control process then the new target will be provided, or will be provided at the CLEC's request.
BST	BellSouth will provide CLECs End Users' trouble report priority handling as is done with BellSouth's large business End Users' trouble reports.
BST	Upon request, BST will provide status or accept escalation per Appendix A of this O.U.

- continued -

Table D Maintenance Procedures for UNEs and Resold Services (continued)

COMPANY	TASK DESCRIPTION
BST	BellSouth will notify the CLECof trouble resolution. The reporting maintenance trouble report contact telephone number will receive notification from BellSouth repair forces.
BST	BellSouth will provide CLEC with notification of missed appointments within the same time frames BellSouth provides such notice to itself, its own end users, its affiliates and to any other CLEC.
BST	In the event a CLEC End User requests a dispatch through their local provider, BellSouth will initiate a dispatch upon CLEC's request. CLEC will be responsible for any applicable billing associated with the dispatch request.
BST	Maintenance charges for premises visits by BellSouth repair technicians shall be billed by CLEC to its End User, and not by BellSouth. Authorization for BellSouth repair dispatch to end user premise for repair resolution that results in CPE, CLEC or NTF problems will be considered an implied dispatch by receipt of a trouble report. This is consistent with current BellSouth procedures. BellSouth will bill maintenance charges for premise visits to **CLEC** as per the I.A. The BellSouth technician shall, (i) contact **CLEC** for authorization, unless authorization previously granted by **CLEC**, (ii) provide an estimate of time and materials required, (iii) quote actual time spent at the completion of the repair visit, (iv) notify **CLEC** if a subsequent visit is required.
BST	When maintenance charges are incurred during premises visits, the BellSouth repair technician shall present the End User with a form that is consistent with the General Terms and Conditions of the Interconnection Agreement detailing the time spent, the materials used, and an indication that the trouble has either been resolved, or that additional work will be necessary. If additional premises work is required that cannot be performed on that visit, BellSouth shall call CLECto shcedule another premises visit. Wherever possible, BellSouth will schedule appointments while a technician is at the premises with the Customer on the line so that CLEC can schedule a new appointment with BellSouth and the Customer at the same time. The BellSouth technician will obtain the End User's signature on the proper billing form and will perform the necessary process to generate maintenance charges incurred by BellSouth to CLEC.
BST	On misdirected calls BellSouth shall advise End Users to contact their Local Service Provider and will provide the End User with the Local Service Provider contact number.

- continued -

Table D Maintenance Procedures for UNEs and Resold Services (continued)

COMPANY	TASK DESCRIPTION
BST	The CLEC, until electronic interface exists for maintenance purposes, may call BellSouth to verify central office features and functions. BellSouth will work with CLEC on the initial trouble report to isolate the cause of the trouble and where possible, resolve the feature/ function-related trouble at that time. BellSouth will not be required to perform this function where the CLEC has access to this capability via a BellSouth-provided electronic interface, except as mutually agreed to by the parties.
BST	BellSouth will transfer call or provide the telephone number for the duty supervisor in the repair center if requested by CLEC, see Appendix A.
BST	BST shall follow the agreed upon escalation procedures for repair/ maintenance trouble reports. See Appendix A of this O.U. for agreed upon escalation procedures.
BST	The CLEC SERVICE CENTER/s and BST shall each supply the other with the terms of their DISASTER RECOVERY PLANS for their respective work center. See Appendix C of this O.U. for the Disaster Recovery Plans.

CLEC MAINTENANCE CENTERS HOURS OF OPERATION:

The CLEC MAINTENANCE SERVICE CENTER will be the Point of Contact for end users in response to maintenance of service inquiries, or to report problems with their telephone servicesprovided by BellSouth to CLEC pursuant to the individual interconnection Agreement, long distance service..

24 hours per day, 7 day per week.

BELLSOUTH MAINTENANCE CENTERS HOURS OF OPERATION:

BST hours of operation for maintenance referral is 24 hours per day, 7 day per week

6. Protecting Proprietary Information

6.1 Protecting Proprietary Information

Information furnished or disclosed in connection with this Operational Understanding provided by CLEC and BellSouth to one another will be deemed "Confidential Information" by BST and CLEC pursuant to the Interconnection Agreement and not made available to personnel or contractors outside the CWINS/ CLEC MAINTENANCE SERVICE CENTER without BellSouth and/or CLEC MAINTENANCE SERVICE CENTER permission.

A. Workcenter Escalation Procedures for Local Services

A.1 Objective

The objective of this document is to describe the procedures for escalating local service problems, issues or failed commitments for the maintenance of local service. This document defines the roles and responsibilities of BellSouth and CLEC regarding these escalation procedures. Escalation will be addressed and resolved initially at the CLEC and BellSouth work center interfaces (i.e., SERVICE CENTER).

Escalation is defined as the process to be used when issues, problems and service requests are not meeting maintenance targets/commitments, emergency condition requests (conditions related to: life threatening, police, fire, national security, medical, etc.), and for requests relating to exceptional priority End User conditions. The exceptional priority End User conditions require the mutual agreement of CLEC and BellSouth for processing an escalation.

Each CLEC agrees to provide BellSouth with its internal center contacts for escalations as defined in this document. The CLEC agrees to follow the escalation procedures outlined in this Appendix A.

A.2 BellSouth

BellSouth's role is to maintain and restore local service to the End User (CLEC).

BellSouth responsibilities for escalation include, but are not limited to:

- Deliver accurate, complete and timely maintenance information to CLEC.
- Transfer as requested the call or provide the telephone number for the duty supervisor in the repair center as the first point of escalation. In the event that further escalation is necessary, the BST supervisor/ repair attendant will be responsible for contacting the next escalation on behalf of CLEC. At each escalation hand off, BellSouth will provide CLEC with a proactive status report. This person is also responsible for providing the name and telephone number of the next level in the escalation procedure, if requested.
- Provide CLECa commitment time to resolve the service problem.
- Give appropriate and timely status to CLEC on the escalation.
- Communicate status at CLEC request when BellSouth cannot meet a stated maintenance target.
- Understand CLEC's contractual agreements with BellSouth.
- Ensure the CLEC has the latest BellSouth escalation center contact lists/process and provide updates.
- BellSouth will follow internal escalation procedures and escalate problems to the appropriate internal organization at CLEC 's request, consistent with local BST maintenance center processes.
- BellSouth centers will follow the escalation procedures as Appendix A indicates.

If BellSouth provides status or a new commitment that is acceptable to CLEC, it is reasonable to expect that the next-and following-escalation steps will not occur until the status changes or the new commitment is missed. (Escalation intervals will be at least equal to that provided by BellSouth to itself and its end users.)

A.3 BellSouth Escalation Contacts

BellSouth center escalation lists are contained in the matrix in section 5 of this O.U. The BST Center supervisor will coordinate required internal escalations as stated in the Interconnection Agreement.

The escalation process should not begin until after the given commitments are missed.

Table E CWINS Escalation Process

CONDITION AT CUSTOMER ESCALATION REQUEST	MANAGEMENT NOTIFICATION	CUSTOMER STATUS
CWINS maintenance target not exceeded	NO	Reiterate maintenance target
CWINS maintenance target exceeded; new ETTR provided	NO	Provide new ETTR to customer
CWINS maintenance target exceeded; **NO ETTR** provided Customer requests 1st Level escalation	YES Notify field 1st Level manager for status/ETTR	Provide new ETTR to customer
CWINS ETTR exceeded No ETTR provided	YES Notify next appropriate field management level for status/ETTR	Provide updated ETTR to customer

- continued -

Table E CWINS Escalation Process (continued)

CONDITION AT CUSTOMER ESCALATION REQUEST	MANAGEMENT NOTIFICATION	CUSTOMER STATUS
Common failure identified, repair forces committed & ETTR communicated	NO	Provide ETTR
Natural Disaster of Major Proportions	NO	Provide latest E.O.C. update
*EMERGENCY CONDITION REQUEST	YES Respond to request followed by Center management notification	Provide ETTR to customer
Inappropriate customer escalation	NO Courteously handle; refer to repair center management if resolution required	Reiterate maintenance target

*Emergency Condition Request - BST will accept a customer escalation request for EMERGENCY situations. Emergency situations are defined as life threatening, police, or fire.

B. CLEC Maintenance Repair Guide for UNEs and Resold Services

B.1 CLEC Maintenance Repair Guide for UNEs and Resold Services

Note: For CLEC's use with it's End Users prior to establishing contact with BellSouth. The information below represents guidelines that CLECcan provide to it's local End Users with information re: repair intervals. The guidelines are not interval commitments and do not reflect real time workload, weather conditions or other factors that may affect repair times. The maintenance repair target guide will not be used by CLEC for any interface process with the BellSouth maintenance centers. The BellSouth repair target will be provided to CLEC by BellSouth repair center personnel at the time of trouble receipt for manual reporting or until such time as CLEC utilizes electronic maintenance connectivity. Resale maintenance commitments are the same as comparable service in BellSouth operations. These guidelines do not apply in cases of disaster or other extraordinary events.

RESALE MAINTENANCE TARGET COMMITMENTS

Service Type	Business Day (Mon-Fri) Estimated Repair Interval	Weekend (Sat-Sun) Estimated Repair Interval
Local Exchange Line (Flat/Message/ Measured)- Residence	24	48
Local Exchange Line(Flat/Message/ Measured)- Business	24	48
PBX Trunks (Flat/Message/Measured)	24	48
Remote Call Forwarding (RCF)	24	48
DID	24	48
ISDN - BASIC	24	48
MegaLink - Non-Channelized	4	4
MegaLink - Channel Service	4	4
SynchroNet/ DDS	8	8

The following are the BellSouth Unbundled Network Element Maintenance Targets to be used as service repair targets. These intervals are based on normal business hours as BellSouth defines business hours for its own end users. **(Note: Switched UNE combinations will have targeted repair intervals the same as those offered to BellSouth end users for equivalent retail and resold services).**

Table F UNBUNDLED NETWORK ELEMENT MAINTENANCE TARGETS

UNBUNDLED NETWORK ELEMENTS	Maintenance Target Intervals (in hours)
Unbundled Loops	
2W analog voice grade loop (SL2)	24
2W analog voice grade loop (SL1)	Business
4W analog voice grade loop	Comparison
4W DS1 & PRI digital loop	Offering
2W ISDN digital loop	24
ADSL - 2W asymmetrical digital subscriber line loop	4
HDSL - 2W & 4 w high bit rate digital subscriber line loop	24
Unbundled Cooper Loops (designed/nondesigned)	24
CO Channel Interfaces 4W voice	24
	24
	24
Network Interface Device (DID)	
NID TO NID Cross Connect 2 wire	*
NID To NID Cross Connect 4 wire	*
NID Spare Capacity	*
CCS7 Signaling Transport Service	
A-Link Signaling	4
D-Link Signaling	4
STP	4
Unbundled Interoffice Transport	
Interoffice Transport Analog line grade	24
Interoffice Transport DSO	24
Interoffice Transport DS1	4
Interoffice Transport DS3	2
Digital Cross Connect	
DCS1/0	4
DCS3/1	2
DCS3/0	2
Customized Call Routing (Selective Routing)	24
Unbundled Local Switching	

- continued -

Table F UNBUNDLED NETWORK ELEMENT MAINTENANCE TARGETS (continued)

UNBUNDLED NETWORK ELEMENTS	Maintenance Target Intervals (in hours)
2W analog line port	24
Hunting	24
2W analog DID trunk port	24
2W ISDN digital line side port	24
4W ISDN DSI digital trunk port	4
Local Interconnection (incl. Reciprocal Compensation)	
1 way trunking	24
2 way intermediary	4
Multiple tandem interconnection	4
Switched Local Channel Interconnection	
Analog grade	24
2 wire	24
4 wire	6
DS1	4
DS3	2
RCF - Remote Call Forwarding	24
DID - Direct Inward Dial	24
Line Sharing/Line Splitting	Retail Comparison Offering

Note: *NOTE: Network Interface Devises (NIDs) are only handled through the Service Order Process. CLECS will have to call the LCSC to have a service order issued for a defective stand-alone NID. Stand-alone NID's are only handled through the Service Order Process.

C. CLEC & BST Workcenter Disaster Recovery for Local Services

C.1 Examples of Disasters:

Any natural disaster or incident, which has the potential to or actually causes damage to CLEC Network assets, caused by:

- Earthquake
- Major Fire
- Flooding
- Hurricane
- Tornado
- Civil Unrest
- Vandalism or Terrorism
- Other natural or manmade disasters

Any condition of major proportion caused by hardware and/or software failures or damage, procedural error, or other major system-affecting conditions, such as:

- Computer viruses affecting critical CLEC SERVICE CENTER operating systems
- Unauthorized intrusions into critical CLEC SERVICE CENTER operating systems
- Software problems or errors
- Equipment failures which threaten critical CLEC SERVICE CENTER functions
- The physical destruction of hardware or equipment

Any Network condition which has the potential to or does affect a large geographic, or major metropolitan area, such as:

- Local exchange carrier failure
- Alternate access provider failure
- Cellular carrier failure
- International gateway failure
- Major CLEC Work Center failure
- Major CLEC Computer Center failure
- Failure of CLEC service to vital community facilities, e.g., airports, hospitals, public safety organizations
- Airports (FAA Circuits) will be governed by the FCC TSP coding system.

CLEC will provide BellSouth with its disaster plans for the CLEC centers supporting the maintenance of local services. The CLEC will also provide key contacts to be utilized by BellSouth to interface

with during disaster scenarios including, but not limited to, those described in this Appendix A of the Operational Understanding.

C.2 BellSouth Disaster Recovery Planning For CLECs

C.2.1 Purpose

In the unlikely event of a disaster occurring that affects BellSouth's long-term ability to deliver traffic to a Competitive Local Exchange Carrier (CLEC), general procedures have been developed to hasten the recovery process. Since each location is different and could be affected by an assortment of potential problems, a detailed recovery plan is impractical. However, in the process of reviewing recovery activities for specific locations, some basic procedures emerge that appear to be common in most cases.

These general procedures should apply to any disaster that affects the delivery of traffic for an extended time period. Each CLEC will be given the same consideration during an outage and service will be restored as quickly as possible.

This document will cover the basic recovery procedures that would apply to every CLEC.

C.2.2 Single Point of Contact

When a problem is experienced, regardless of the severity, the BellSouth Network Management Center (NMC) will observe traffic anomalies and begin monitoring the situation. Controls will be appropriately applied to insure the sanity of BellSouth's network; and, in the event that a switch or facility node is lost, the NMC will attempt to circumvent the failure using available reroutes.

BellSouth's NMC will remain in control of the restoration efforts until the problem has been identified as being a long-term outage. At that time, the NMC will contact BellSouth's Emergency Control Center (ECC) and relinquish control of the recovery efforts. Even though the ECC may take charge of the situation, the NMC will continue to monitor the circumstances and restore traffic as soon as damaged network elements are revitalized.

The telephone number for the BellSouth Network Management Center in Atlanta, as published in Telcordia's National Network Management Directory, is 404-321-2516.

C.2.3 Identifying The Problem

During the early stages of problem detection, the NMC will be able to tell which CLECs are affected by the catastrophe. Further analysis and/or first hand observation will determine if the disaster has affected CLEC equipment only; BellSouth equipment only or a combination. The initial restoration activity will be largely determined by the equipment that is affected.
Once the nature of the disaster is determined and after verifying the cause of the problem, the NMC will initiate reroutes and/or transfers that are jointly agreed upon by the affected CLECs' Network Management Center and the BellSouth NMC. The type and percentage of controls used will depend upon available network capacity. Controls necessary to stabilize the situation will be invoked and the NMC will attempt to re-establish as much traffic as possible.

For long term outages, recovery efforts will be coordinated by the Emergency Control Center (ECC). Traffic controls will continue to be applied by the NMC until facilities are re-established. As equipment is made available for service, the ECC will instruct the NMC to begin removing the controls and allow traffic to resume.

C.2.3.1 Site Control

In the total loss of building use scenario, what likely exists will be a smoking pile of rubble. This rubble will contain many components that could be dangerous. It could also contain any personnel on the premises at the time of the disaster. For these reasons, the local fire marshal with the assistance of the police will control the site until the building is no longer a threat to surrounding properties and the companies have secured the site from the general public.

During this time, the majority owner of the building should be arranging for a demolition contractor to mobilize to the site with the primary objective of reaching the cable entrance facility for a damage assessment. The results of this assessment would then dictate immediate plans for restoration, both short term and permanent.

In a less catastrophic event, i.e., the building is still standing and the cable entrance facility is usable, the situation is more complex. The site will initially be controlled by local authorities until the threat to adjacent property has diminished. Once the site is returned to the control of the companies, the following events should occur.

An initial assessment of the main building infrastructure systems (mechanical, electrical, fire & life safety, elevators, and others) will establish building needs. Once these needs are determined, the majority owner should lead the building restoration efforts. There may be situations where the site will not be totally restored within the confines of the building. The companies must individually determine their needs and jointly assess the cost of permanent restoration to determine the overall plan of action.

Multiple restoration trailers from each company will result in the need for designated space and installation order. This layout and control is required to maximize the amount of restoration equipment that can be placed at the site, and the priority of placements.

Care must be taken in this planning to insure other restoration efforts have logistical access to the building. Major components of telephone and building equipment will need to be removed and replaced. A priority for this equipment must also be jointly established to facilitate overall site restoration. (Example: If the AC switchgear has sustained damage, this would be of the highest priority in order to regain power, lighting, and HVAC throughout the building.)

If the site will not accommodate the required restoration equipment, the companies would then need to quickly arrange with local authorities for street closures, rights of way or other possible options available.

C.2.3.2 Environmental Concerns

In the worse case scenario, many environmental concerns must be addressed. Along with the police and fire marshal, the state environmental protection department will be on site to monitor the situation.

Items to be concerned with in a large central office building could include:

1. Emergency engine fuel supply. Damage to the standby equipment and the fuel handling equipment could have created "spill" conditions that have to be handled within state and federal regulations.
2. Asbestos containing materials that may be spread throughout the wreckage. Asbestos could be in many components of building, electrical, mechanical, outside plant distribution, and telephone systems.
3. Lead and acid. These materials could be present in potentially large quantities depending upon the extent of damage to the power room.
4. Mercury and other regulated compounds resident in telephone equipment.
5. Other compounds produced by the fire or heat.

Once a total loss event occurs at a large site, local authorities will control immediate clean up (water placed on the wreckage by the fire department) and site access.

At some point, the companies will become involved with local authorities in the overall planning associated with site clean up and restoration. Depending on the clean up approach taken, delays in the restoration of several hours to several days may occur.

In a less severe disaster, items listed above are more defined and can be addressed individually depending on the damage.

In each case, the majority owner should coordinate building and environmental restoration as well as maintain proper planning and site control.

C.2.3.3 The Emergency Control Center (ECC)

The ECC is located in the Colonnade Building in Birmingham, Alabama. During an emergency, the ECC staff will convene a group of pre-selected experts to inventory the damage and initiate corrective actions. These experts have regional access to BellSouth's personnel and equipment and will assume control of the restoration activity anywhere in the nine-state area.

In the past, the ECC has been involved with restoration activities resulting from hurricanes, ice storms and floods. They have demonstrated their capabilities during these calamities as well as during outages caused by human error or equipment failures. This group has an excellent record of restoring service as quickly as possible.

During a major disaster, the ECC may move emergency equipment to the affected location, direct recovery efforts of local personnel and coordinate service restoration activities with the CLECs. The ECC will attempt to restore service as quickly as possible using whatever means is available; leaving permanent solutions, such as the replacement of damaged buildings or equipment, for local personnel to administer.

Part of the ECC's responsibility, after temporary equipment is in place, is to support the NMC efforts to return service to the CLECs. Once service has been restored, the ECC will return control of the network to normal operational organizations. Any long-term changes required after service is restored will be made in an orderly fashion and will be conducted as normal activity.

C.3 Recovery Procedures

C.3.1 General

The nature and severity of any disaster will influence the recovery procedures. One crucial factor in determining how BellSouth will proceed with restoration is whether or not BellSouth's equipment is incapacitated. Regardless of who's equipment is out of service, BellSouth will move as quickly as possible to aid with service recovery; however, the approach that will be taken may differ depending upon the location of the problem.

C.3.2 CLEC Outage

For a problem limited to one CLEC (or a building with multiple CLECs), BellSouth has several options available for restoring service quickly. For those CLECs that have agreements with other CLECs, BellSouth can immediately start directing traffic to a provisional CLEC for completion. This alternative is dependent upon BellSouth having concurrence from the affected CLECs.

Whether or not the affected CLECs have requested a traffic transfer to another CLEC will not impact BellSouth's resolve to re-establish traffic to the original destination as quickly as possible.

C.3.3 BellSouth Outage

Because BellSouth's equipment has varying degrees of impact on the service provided to the CLECs, restoring service from damaged BellSouth equipment is different. The outage will probably impact a number of Carriers simultaneously. However, the ECC will be able to initiate immediate actions to correct the problem.

A disaster involving any of BellSouth's equipment locations could impact the CLECs, some more than others. A disaster at a Central Office (CO) would only impact the delivery of traffic to and from that one location, but the incident could affect many Carriers. If the Central Office is a Serving Wire Center (SWC), then traffic from the entire area to those Carriers served from that switch would also be impacted. If the switch functions as an Access Tandem, or there is a tandem in the building, traffic from every CO to every CLEC could be interrupted. A disaster that destroys a facility hub could disrupt various traffic flows, even though the switching equipment may be unaffected.

The NMC would be the first group to observe a problem involving BellSouth's equipment. Shortly after a disaster, the NMC will begin applying controls and finding re-routes for the completion of as much traffic as possible. These reroutes may involve delivering traffic to alternate Carriers upon receiving approval from the CLECs involved. In some cases, changes in translations will be required. If the outage is caused by the destruction of equipment, then the ECC will assume control of the restoration.

C.3.3.1 Loss of a Central Office

When BellSouth loses a Central Office, the ECC will

1. Place specialists and emergency equipment on notice;
2. Inventory the damage to determine what equipment and/or functions are lost;
3. Move containerized emergency equipment and facility equipment to the stricken area, if necessary;
4. Begin reconnecting service for Hospitals, Police and other emergency agencies; and
5. Begin restoring service to CLECs and other customers.

C.3.3.2 Loss of a Central Office with Serving Wire Center Functions

The loss of a Central Office that also serves as a Serving Wire Center (SWC) will be restored as described in section 5.2.1.

C.3.3.3 Loss of a Central Office with Tandem Functions

When BellSouth loses a Central Office building that serves as an Access Tandem and as a SWC, the ECC will:

1. Place specialists and emergency equipment on notice;
2. Inventory the damage to determine what equipment and/or functions are lost;
3. Move containerized emergency equipment and facility equipment to the stricken area, if necessary;
4. Begin reconnecting service for Hospitals, Police and other emergency agencies;
5. Re-direct as much traffic as possible to the alternate access tandem (if available) for delivery to those CLECs utilizing a different location as a SWC;
6. Begin aggregating traffic to a location near the damaged building. From this location, begin re-establishing trunk groups to the CLECs for the delivery of traffic normally found on the direct trunk groups. (This aggregation point may be the alternate access tandem location or another CO on a primary facility route.)
7. Begin restoring service to CLECs and other customers.

C.3.3.4 Loss of a Facility Hub

In the event that BellSouth loses a facility hub, the recovery process is much the same as above. Once the NMC has observed the problem and administered the appropriate controls, the ECC will assume authority for the repairs. The recovery effort will include:

1. Placing specialists and emergency equipment on notice;
2. Inventorying the damage to determine what equipment and/or functions are lost;

3. Moving containerized emergency equipment to the stricken area, if necessary;
4. Reconnecting service for Hospitals, Police and other emergency agencies; and
5. Restoring service to CLECs and other customers. If necessary, BellSouth will aggregate the traffic at another location and build temporary facilities. This alternative would be viable for a location that is destroyed and building repairs are required.

C.4 Combined Outage (CLEC and BellSouth Equipment)

In some instances, a disaster may impact BellSouth's equipment as well as the CLECs'. This situation will be handled in much the same way as described in section 3.3.3. Since BellSouth and the CLECs will be utilizing temporary equipment, close coordination will be required.

C.5 T1 Identification Procedures

During the restoration of service after a disaster, BellSouth may be forced to aggregate traffic for delivery to a CLEC. During this process, T1 traffic may be consolidated onto DS3s and may become unidentifiable to the Carrier. Because resources will be limited, BellSouth may be forced to "package" this traffic entirely differently then normally received by the CLECs. Therefore, a method for identifying the T1 traffic on the DS3s and providing the information to the Carriers is required.

C.6 Acronyms

CO	Central Office (BellSouth)
DS3	Facility that carries 28 T1s (672 circuits)
ECC	Emergency Control Center (BellSouth)
CLEC	Competitive Local Exchange Carrier
NMC	Network Management Center
SWC	Serving Wire Center (BellSouth switch)
T1	Facility that carries 24 circuits

C.7 Hurricane Information

During a hurricane, BellSouth will make every effort to keep CLECs updated on the status of our network. Information centers will be set up throughout BellSouth Telecommunications. These centers are not intended to be used for escalations, but rather to keep the CLEC informed of network related issues, area damages and dispatch conditions, etc.

Hurricane-related information can also be found on line at http://www.interconnection.bellsouth.com/network/disaster/index..html . Information concerning Mechanized Disaster Reports can also be found

at this website by clicking on CURRENT MDR REPORTS or by going directly to http://www.interconnection.bellsouth.com/network/disaster/mdrs/mdr.html .

C.8 BST Disaster Management Plan

BellSouth maintenance centers have geographical and redundant communication capabilities. In the event of a disaster removing any maintenance center from service another geographical center would assume maintenance responsibilities. The contact numbers will not change and the transfer will be transparent to the CLEC.

D. CLEC & NMC

D.1 General

Working relationship between CLEC Local's Customer Network Management Center (SERVICE CENTER or equivalent) and the BellSouth for the purpose of notifying CLEC's of outages meeting certain criteria.

D.2 Roles and Responsibilities

D.2.1 CLEC

CLEC will subscribe to email list server in order to receive email notifications of BellSouth service disruptions that meet criteria for FCC reportable events.

D.2.2 BellSouth Network Management Center

The BellSouth NMC is responsible for surveillance of the switched traffic network to ensure network integrity and prevent/minimize service disruptions. This includes Inter-exchange Carriers, Independent Companies, Local Exchange Companies and BellSouth's network. The BellSouth NMC has responsibility for identifying service disruptions that are FCC reportable and filing FCC Initial Service Disruption Reports. For FCC reportable events, the BellSouth NMC will send the subscribing **CLEC**, a notification report containing the same information sent to the FCC. The BellSouth NMC will perform the following steps in the order given below.

- Send the FCC Initial Service Disruption Report to the FCC Watch Officer and confirm receipt.c
- Transcribe FCC Initial Service Disruption report details to a CLEC notification report and email to the CLEC notification list server.
- Send a copy of the FCC Initial Service Disruption report to the BellSouth internal notification list.

D.3 FCC Reportable Service Disruptions

Table G FCC Reportable Service Disruptions

CONDITION	LINES AFFECTED	DURATION	REPORTING PERIOD
E911 Tandem	30,000 to 49,999 if no alternate routing	30 minutes +	72 hours
E911 Tandem	50,000 or more if no alternate routing	30 minutes +	2 hours

Table G FCC Reportable Service Disruptions (continued)

CONDITION	LINES AFFECTED	DURATION	REPORTING PERIOD
Isolation of PSAP(s)	Under 30,000 access lines	24 hours +	2 hours
Isolation of PSAP(s)	30,000 to 49,999 access lines	30 minutes +	72 hours
Isolation of PSAP(s)	50,000 or more access lines	30 minutes +	2 hours
Isolation of end office switch, host/remotes from 911	50,000 or more access lines	30 minutes +	2 hours
Isolation of end office switch, host/remotes from 911	30,000 to 49,999 access lines	30 minutes +	72 hours
End office failure (Includes CCS7 Isolation Only)	30,000 to 49,999 access lines	30 minutes +	72 hours
End office failure (Includes CCS7 Isolation Only)	50,000 or more access lines	30 minutes +	2 hours
Tandem Switch Failure	Blocked Calls Method:5 90,000 to 149,999 blocked calls	30 minutes +	72 hours
Tandem Switch Failure	Historical Method:5 30,000 to 49,999 calls normally carried for period	30 minutes +	72 hours
Tandem Switch Failure	Blocked Calls Method:5 150,000 or more blocked calls	30 minutes +	2 hours
Tandem Switch Failure	Historical Method:5 50,000 or more calls normally carried for period affected	30 minutes +	2 hours
Transmission Failure	30,000 to 49,999 lines affected: 3	30 minutes +	72 hours

- continued -

Table G FCC Reportable Service Disruptions (continued)

CONDITION	LINES AFFECTED	DURATION	REPORTING PERIOD
Transmission Failure	50,000 or more lines affected: 3	30 minutes +	2 hours
Fire-related Incident	1,000 to 49,999 lines affected	30 minutes +	72 hours
Fire-related Incident	50,000 or more lines affected	30 minutes +	2 hours
Major Airport Affected: 4	N/A	N/A	2 hours

Note 1 - Outages are reportable within 2 hours (120 minutes) or 3 days (72 hours) from BellSouth's "first knowledge" that a reportable outage has occurred and no alternate routing has been invoked.
Note 2 - Number of customer lines affected will be based on BellSouth's database of lines served by each PSAP.
Note 3 - Lines affected for transmission failures is calculated by: If you know the circuit fill, lines affected = # trunks x 10 + # special circuits (assumes 10 access lines per trunk) If you do not know the fill, lines affected = # DS0 equivalents available x 4.675 9 (assumes 85% fill, 50% message/50% specials) T1/DS1 = 24 DS0 T3/DS3 = 672 DS0
Note 4 - Outage affecting a "Major Airport" that has received any media attention of which BellSouth's reporting personnel are aware.
Note 5 - Call volumes, both historical and actual, are maintained by the Network Management Center.

E. Testing Parameters

E.1 DS1 Testing

CLEC will be responsible for proper screening and trouble isolation to BST network.
See the following for product specific testing for DS1, XDSL and Voice Loops:
DS1 Maintenance Testing
TR-73600 / ANSI T1.510.1999

TEST	DURATION	E/S LIMITS	REMARKS
QRSS (B8ZS / AMI)	15 minutes	0	E/S Acceptable if met
QRSS (B8ZS / AMI)	15 minutes	<=3	Acceptable if cumulative E/S period criteria is met
QRSS (B8ZS / AMI)	15 minutes	<=5	Acceptable if cumulative E/S period criteria is met
All 1s (B8ZS/ AMI)	5 minutes	0	E/S Acceptable if met
3 in 24 (AMI Only	5 minutes	0	E/S Acceptable if met
1 in 8 (B8ZS / AMI)	5 minutes	0	E/S Acceptable if met
All 0s (B8ZS Only) (See Note 3)	30 seconds	(See note 4)	(See note 4)

NOTE

1. The ANSI Standard requires subsequent 15 minutes E/S test periods if any 15-minute period exceeds limits. This is a cumulative E/S measurement test. A resolution process will be initiated to resolve any error condition exceeding these limits.
2. Trouble isolation and test data must be provided to the CWINS by the CLEC upon receipt of a Trouble Report, longer duration test will require intrusive testing. A trouble report is considered a release of the circuit for testing unless the CLEC specifies specific test periods.
3. The framed all-zeros pattern is only recommended for use on circuits optioned with B8ZS to determine the presence of mis-optioned equipment.
4. As an equipment option check, failure will typically be seen as large error counts. Very low counts, e.g., 1 or 2 errors, are not indicative of an optioning problem.

Chronic DS1 Testing (see note 2)
TR-73600 / ANSI T1.510.1999

TEST	DURATION	E/S LIMITS	REMARKS
QRSS (B8ZS / AMI)	24 hours	<=150	E/S Acceptable if met
All 1s (B8ZS/ AMI)	5 minutes	0	E/S Acceptable if met
3 in 24 (AMI Only)	5 minutes	0	E/S Acceptable if met
1 in 8 (B8ZS / AMI)	5 minutes	0	E/S Acceptable if met
All 0s (B8ZS Only) (See note 3)	30 seconds	(See note 4)	(See note 4)

NOTE

1. The ANSI Standard requires subsequent 15 minutes E/S test periods if any 15-minute period exceeds limits. This is a cumulative E/S measurement test. A resolution process will be initiated to resolve any error condition exceeding these limits.
2. Trouble isolation and test data must be provided to the CWINS by the CLEC upon receipt of a Trouble Report, longer duration test will require intrusive testing. A trouble report is considered a release of the circuit for testing unless the CLEC specifies specific test periods.
3. The framed all-zeros pattern is only recommended for use on circuits optioned with B8ZS to determine the presence of mis-optioned equipment.
4. As an equipment option check, failure will typically be seen as large error counts. Very low counts, e.g., 1 or 2 errors, are not indicative of an optioning problem.

Digital Loop Test Criteria

E.1.1 BRI-ISDN Acceptance and Maintenance Test Criteria – TR-73600/UNE Specific Work Instructions

Maximum Resistance in Ohms	Idle-Channel Noise	Maximum Insertion Loss	Maximum Foreign Voltage (Vac/Vdc) (See Note 1)
1300	20 dBrnC	42db @ 40 kHz(See Note 2)	50 Vacrms6 Vdc

E.1.2 Unbundled Digital Channel Acceptance and Maintenance Test Criteria – TR-73600/UNE Specific Work Instructions

Maximum Resistance in Ohms	Idle-Channel Noise	Maximum Insertion Loss	Maximum Foreign Voltage (Vac/Vdc) (See Note 1)
1300	20 dBrnC	42db @ 40 kHz(See Note 2)	50 Vacrms 6 Vdc

E.1.3 HDSL Capable Loop Acceptance and Maintenance Test Criteria – TR-73600/ UNE Specific Work Instructions

Maximum Resistance in Ohms	Idle-Channel Noise	Maximum Insertion Loss	Maximum Foreign Voltage (Vac/Vdc) (See Note 1)
850	20 dBrnC	35db @ 100kHz	50 Vacrms 6 Vdc

E.1.4 ADSL Capable Loop Acceptance and Maintenance Test Criteria – TR-73600/ UNE Specific Work Instructions

Maximum Resistance in Ohms	Idle-Channel Noise	Maximum Insertion Loss	Maximum Foreign Voltage (Vac/Vdc) (See Note 1)
1300	20 dBrnC	42db @ 40 kHz	50 Vacrms 6 Vdc

E.1.5 Unbundled Copper Loop Acceptance and Maintenance Test Criteria – TR-73600/UNE Specific Work Instructions

Maximum Resistance in Ohms	Idle-Channel Noise	Maximum Insertion Loss	Maximum Foreign Voltage (Vac/Vdc) (See Note 1)
1300	20 dBrnC	46db @ 40 kHz	50 Vacrms 6 Vdc

E.1.6 Unbundled Copper Loop (Long) Acceptance and Maintenance Test Criteria – TR-73600/UNE Specific Work Instructions

Maximum Resistance in Ohms	Idle-Channel Noise	Maximum Insertion Loss	Maximum Foreign Voltage (Vac/Vdc) (See Note 1)
2800	20 dBrnC	None (See Note 3)	50 Vacrms 6 Vdc

Note: 1 Measured with High Impedance Voltmeter

Note: 2 Loops measuring over this limit, but less than 52 dB @ 20 kHz, may be served with range extension devices.

Note: 3 On the UCL Long product, BST only guarantees electrical continuity and balance.

Voice Loop Test Criteria

E.1.7 Applies to all Designed Voice Grade Loops
SL2 LY**
TR-73600 (Note 2)

Maximum Resistance in Ohms (Signaling)	Idle-Channel Noise (Transmission)	Maximum NOISE Loss (measured insertion loss)	Maximum Foreign Voltage (Vac/Vdc)
1500 or when>1500, not to exceed 2800	20 dBrnC or when max. resistance > 1500W, 15dB	10dB @ 1004 Hz or when max. resistance > 1500W, 15dB	50 Vacrms6 Vdc
		- - -	
Max Volt dc (open ckt, Tip - Ring dc volt provided by CLEC	**Current Supplied By CLEC**	**Max noise when measured at -13dB (C-notched noise ration)**	**Voltage supplied by the CLEC (except when in ringing burst)**
Between 42.5 - 80 Vdc	Less than 150 ma	32 dB	Less than 80 Vdc & Never positive with regards to ground

Note: This is a designed circuit. A metallic test point will be provided when available.

E.1.8 Unbundled Non-Designed Voice Loop
SL1 TY**
TR-73600 (Note 2)

Maximum Resistance in Ohms (Signaling)	Idle-Channel Noise (Transmission)	Maximum NOISE Loss (measured insertion loss)	Maximum Foreign Voltage (Vac/Vdc) (See Note 1)
1500 or when>1500, not to exceed 2800	20 dBrnC or when max. resistance > 1500W, 15dB	10dB @ 1004 Hz or when max. resistance > 1500W, 15dB	50 Vacrms 6 Vdc

Note: This is a non-designed circuit and will have no test point.
Note 1 Measured with High Impedance Voltmeter
Note 2 Refer to TR-73600 for interpretation of all data on this sheet.

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

In the Matter of

COMPLAINT OF FLORIDA COMPETITIVE CARRIERS ASSOCIATION AGAINST BELLSOUTH TELECOMMUNICATIONS, INC. REGARDING BELLSOUTH'S PRACTICE OF REFUSING TO PROVIDE FASTACCESS INTERNET SERVICE TO CUSTOMERS WHO RECEIVE VOICE SERVICE FROM A COMPETITIVE VOICE PROVIDER, AND REQUEST FOR EXPEDITED RELIEF.

_____/

ELECTRIC VERSIONS OF THIS TRANSCRIPT ARE A CONVENIENCE COPY ONLY AND ARE NOT THE OFFICIAL TRANSCRIPT OF THE HEARING, THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

TELEPHONIC DEPOSITION OF:	ERIC FOGLE
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
CONDUCTED FROM:	Gerald L. Gunter Building Room 362 2540 Shumard Boulevard Tallahassee, Florida 32399-0850
IME:	Commenced at 9:30 a.m. Concluded at 12:15 p.m.
ATE:	Friday, January 17, 2003
REPORTED BY:	JANE FAUROT, RPR Chief, Office of Hearing Reporter Services FPSC Division of Commission Clerk and Administrative Services (850) 413-6732

APPEARANCES:

MEREDITH MAYS, NANCY B. WHITE, DOUG LACKEY, c/o Nancy Sims, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301, representing BellSouth Telecommunications, Inc., participating telephonically.

DULANEY L. O'ROARK, III, MCI WorldCom, Inc., Six Concourse Parkway, Suite 3200, Atlanta, Georgia 30328, representing MCI WorldCom, Inc., participating telephonically.

VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, Dekker, Kaufman, Arnold & Stee117 S. Gadsden Street, Tallahassee, Florida, representing Florida Competitive Services.

PATTY CHRISTENSEN, FPSC Office of General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing of behalf of the Florida Public Service Commission Staff.

WITNESS

NAME	PAGE NO.
ERIC FOGLE	
Direct Examination by Ms. Christensen	6
Cross Examination by Ms. Kaufman	53

EXHIBITS

NUMBER:		ID.
1	(Late-filed) Supplement of Exhibit EF-2	49

S T I P U L A T I O N

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that counsel present stipulate that the witness is the person he identified himself as; that objections, except as to the form of the question, are reserved until hearing in this cause; and that reading and signing was not waived.

IT IS ALSO STIPULATED that any off-the-record conversations are with the consent of the deponent.

PROCEEDINGS

MS. CHRISTENSEN: Let's go ahead.

(Witness sworn.)

MS. CHRISTENSEN: I will let you guys go ahead and fax it, but why don't we just go ahead and proceed. Okay.

DIRECT EXAMINATION

BY MS. CHRISTENSEN:

Q Can you please state your name for the record?

A My name is Eric Fogle. The last name is spelled F-O-G-L-E.

Q Mr. Fogle, have you participated in depositions before?

A Yes, I have.

Q And we are here in your deposition in the matter of Docket Number 020507, and that is the complaint filed by the FCCA against BellSouth for alleged anticompetitive practices in the provisioning of its FastAccess service. Is that your understanding?

A Yes.

Q And I have a few questions -- and you filed direct testimony in this matter?

A Yes, I did.

Q And also you filed some rebuttal testimony in this matter?

A Yes, I did.

Q The questions that I have for you today pertain to your direct and rebuttal responses. And did you also file some interrogatory responses?

A Yes.

Q So our questions today go to those responses and testimony that you have previously provided and had filed in this proceeding. Do you have a copy of your interrogatories with you, or the responses to the interrogatories that you had?

A I believe we have all of them, but when you get to specific ones I will try to make sure I've got them.

Q Okay, great. What I am specifically referring to is BellSouth's responses to staff's first set of interrogatories, Numbers 1 through 16, and BellSouth's responses to the first set of request for production of documents, 1 through 3?

A Okay.

Q Let me refer you to your response to Interrogatory Number 5. Okay. Do you have that?

A Yes, I do.

Q And these questions relate, the interrogatory questions relate to Page 3, Lines 9 through 12 of your direct testimony where you state, "Another technical challenge for the facility-based ALECs would involve connecting the ALEC loop to the BellSouth equipment to allow the DSL signal to ride on the ALEC loop." Would you agree with me that these questions relate to that testimony?

A I am going to that portion of the testimony right now.

Q Okay.

A Okay. Yes, I agree with you.

Q And would you also agree that the discussion in your direct testimony on Page 3 relates to Issue 5 in this proceeding?

A Yes, I believe it does.

Q Okay. And would you also agree that Issue 5 is should the Commission order BellSouth to provide its FastAccess Internet Service where feasible to any ALEC end user that requests it, is that correct?

A Yes.

Q And you would agree that this issue concerns the provision of BellSouth's FastAccess service, not an ALEC's high speed Internet service, correct?

A Yes.

Q Now, can you look at your response to Interrogatory Number 5, Part A. Does your response presuppose that an ALEC is providing the high speed service rather than BellSouth provisioning the FastAccess over the ALEC's loop?

A I am reviewing it right now.

Q That's fine. Take as much time as you need.

A Thank you. In reviewing this, I think the appropriate response when you go down in A to Number 3 was that

the ALEC would then connect the circuit to a DSLAM data network. It actually should say BellSouth would then connect the circuit to its DSLAM data network. So you are correct in that this is BellSouth's DSL service, not the ALEC's service, so it would be our DSLAM.

Q So that Number 3 would read if you were going to correct it to -- I'm sorry, how would that read again?

A Instead of using the word ALEC, I would say BellSouth. And I apologize for that.

Q Now, turning your attention to Part B of your response to the interrogatory. We just wanted to make sure, are we correct in assuming that your response in Part B provides a high level summary of how BellSouth provisions FastAccess on a BellSouth loop? In other words, where the end user is a BellSouth voice customer or the customer of an ALEC who was reselling BellSouth's voice?

A That is correct, this is a high level process.

Q Okay. And that would only relate to BellSouth's voice customers or a resold ALEC line?

A Give me a second, I will review this just to make sure. This would just be for BellSouth's FastAccess service on either a BellSouth voice circuit or a service that an ALEC is reselling, correct.

Q In looking at those, are we correct in assuming that when a customer requests a professional installation it takes a

total of about 10 to 11 days for BellSouth to provision the FastAccess service on a BellSouth loop?

A It depends on the date that the end user selects for when they want the FastAccess installation to occur, because typically they obviously have to provide access to the location, so it is a date that we actually negotiate with the end user. So the shortest interval we can do is three to four days from a scheduling prospective, but it could be longer if the end user wanted it to be so.

Q Okay. So what you are saying is assuming that the end user was going to give you immediate access to the premises at any point that you deem it necessary, the quickest they could have FastAccess installed, installation into their facility would be three to four days from the time of initiating the call requesting it to the time it actually is installed and working?

A That is correct.

Q Okay. Now, on Part C of your interrogatory response, you state that it will take an extra two days for the process mentioned in Item A. We are not quite clear about this response. What does that mean where BellSouth provisions its FastAccess on an ALEC loop? For example, a UNE loop or a UNE-P loop, would it take two extra days?

A The increase in time that we have estimated at two days is essentially adding into our existing process flow the

time it would take to do any necessary -- provide orders and do cross-connects and other wiring, et cetera, that is necessary for an ALEC loop and the standard for that process. It looks at the initial -- you have to take two processes that currently don't interact and have to put them together, so that would mean a typical interval of one process would be added to the interval of the other process.

Q Okay. You mentioned that there is typically two processes that don't interconnect. Can you tell us more specifically what are those two processes currently that do not interconnect?

A I am referring to the process that we use for provisioning a UNE loop or UNE-P, specifically a UNE loop for an ALEC where we have to obviously go issue an order into the central office to have cross-connect wiring and those types of things done to their switch, versus the process where we have a provisioning of DSL services on BellSouth lines. Those two don't -- since we don't do DSL over UNE loops, those two processes are usually not performed together.

Q And can you explain in a little bit more detail what specifically it is that makes those two processes not compatible from the BellSouth perspective?

A In terms of making -- considering they are not compatible, the simplest answer is that we have two processes, each have been designed to meet a specific end. One is

obviously to provide the UNE loop connection to the voice switch of an ALEC, and the second is to provide a DSL service. And to the degree each one of them is designed to perform a different function, they just have not been designed to work with each other. So it will require a group of subject matter experts to sit down and figure out how to make these two processes work together to really truly determine where there is some synergies or whether there is going to be complications of trying to get these two things to happen at the same time.

Q So let me clarify. The two extra days, what exactly are the additional activities for the DSL service that BellSouth would need to perform, and how much does that compromise the extra two days? Does that make sense? Maybe I can break it down into two different parts.

A Okay.

Q Okay. What exactly are the additional activities that BellSouth would need to do to provision its DSL service over an ALEC's UNE-L or UNE-P loop?

A The number of processes are a lot more than just wiring in the central office. It would start even as early as when an order would come in for service in that the first problem that we would have at BellSouth is that our qualification systems for DSL are based upon being BellSouth lines or resold lines of an ALEC that are all categorized and cataloged by telephone number.

And so the very first problem that would come from the BellSouth perspective, the first one we would have to overcome is working with our qualification systems to be able to even qualify and accept an order from an end user who wanted to have BellSouth DSL service or FastAccess service over their UNE line or UNE loop.

Q In accessing your loop qualification systems is the billing telephone number the only way that you can access it or is there other information that you can use to access loop qualification information?

A The loop qualification information that we use for FastAccess and what we provide to all other ISPs is primarily based on telephone number and for the basic residential product it is only based on telephone number. The telephone number -- not necessarily the billing telephone number, but the telephone number of the location or the actual facility you want the DSL service to be on.

Q But is it impossible for you to access the same information by address information?

A No, it is not impossible. We have a secondary process that we use for our business class lines and for our higher end, higher priced, higher quality service lines called service inquiry, and that service inquiry has the ability to do addresses. The main problem with that is it is an entirely manual process where essentially a service inquiry is sent off

to an engineer and that engineer then reviews the facility to determine if the location can support DSL or not. It is not an automated process that requires a quick response. The typical response of a service inquiry is five days.

Q Okay. So that would add an additional five days onto a business customer?

A That would be those customers who didn't qualify in our automated loop qualification system. If they wanted a service inquiry, the standard interval there is five days.

Q Let me see if I'm understanding this. So if you were to provision this over a UNE-P or a UNE-L line, and because you couldn't do it by phone number -- you are saying you cannot access the UNE-P or UNE-L loop qualification information by telephone number. Is that absolutely impossible?

A No, it is not absolutely impossible. Two things would have to happen. I will take each one of them separately. The UNE-P, because it is using our voice switch, we actually do have in certain databases within BellSouth the telephone numbers associated with UNE-P. Our LQS system today is designed to exclude UNE-Ps from qualifying, so we would have to change the logic in that database to now include UNE-P so they would qualify through LQS by telephone number. So that is an edit in our system that we would have to go about changing.

Q And how much time would that take?

A The complexity around that -- and I wish I could give

a quick answer to that. The complexity unfortunately around that has to do with the complexity of our agreement, our interconnection agreements with ALECs. And the reason I want to talk about that is we have -- in order to change that, it is fairly easy for us to simply take out an edit for all lines and qualify all lines, but we don't necessarily have -- the operational relationship with various ALECs is that they will not give us -- I won't say permission, but many of them have business models that they will want to use their own DSL services and would not want us to provide our DSL services, so the access to the frequency necessary for DSL wouldn't be there. So our loop qualification system would have to incorporate all the complexities of the various interconnection agreements we would have.

Q All right. So let me see if I can simplify this. It wouldn't take you very long to edit out your system if you could do it just as a blanket matter for all UNE-P lines, correct?

A That is correct.

Q But assuming that there are certain ALECs out there that may not want to allow you access to the high frequency portion, based on their current interconnection agreements it would take longer for you to model your program to accept UNE-Ps from the ones that wanted it and, I guess, and keep in place the block for those that didn't want it, is that what you

are saying?

A That is absolutely correct. And there is two levels of complexity there. The first is obviously some CLECs would decide in an entirety they would, A, want lines in or not to be included in the qualification database for the entire ALEC's telephone number data base. There are other ALECs that will want only certain lines to be in or not to be in. So there could be an additional level of complexity that even within an individual ALEC they may choose to have some and not others.

Q Well, let me ask you this. Let's assume for the sake of argument that the Commission were to order that you be able to list this as a blanket matter, okay. How would the ALECs be affected that did not want -- I guess you are arguing they would not want BellSouth to have access to the high frequency end of the loop, and I guess I'm confused as to if your system allowed you to get the telephone number if you did a blanket edit, how would the ALEC be harmed by just doing the blanket edit even if they didn't want you to provide your DSL service over that line for UNE-P?

A I can walk through a scenario for you.

Q That would be helpful.

A There is a particular CLEC or ALEC in Florida that has their own DSLAMs located in central offices that do not have DSLAMs located at remote terminals, which is a different location in the network. What that means is they have the

capability to serve certain customers with their own DSL service and not to other customers simply because they haven't built out a network footprint to serve all customers. In that case that particular ALEC has an interest in where possible using their own facilities. And what they may have done, and have done a lot of is selling DSL along with voice service to an end user as a complete package or bundle.

If we had full access and rights to that high frequency portion, if that end user were to call in and ask for FastAccess service, then we would simply see that it is qualified and then be able to -- would attempt to provision our FastAccess service, our DSL service on top of the same line that that particular ALEC already has their own DSL service provisioned, which would either cause a service interference issue because you would be trying to connect two DSLAMs to the same line, or alternatively one of them would have to end up being disconnected and it would likely be the one for the ALEC. We would be disconnecting a service or not allowing a service through on a UNE loop that they have purchased, which I think that in their case they would not particularly appreciate.

Q Well, I guess the question I was getting back to was you were talking about editing out. You are saying because you would have the information readily available to you in your computer system you wouldn't know that they had DSLAM equipment on there?

A If an ALEC has purchased a UNE loop, we wouldn't know what they are doing with that service at all. They could be running a data service, they could be running, you know, voice services, they could be using up the frequency for DSL, they could be using it for other services. We don't know what they are using that UNE loop for, and so to put our service on top of that could either interfere with their service or just simply disconnect or make their service not available.

Q Okay. Let me go back to a statement you made a little bit earlier regarding residential customers. I think what we were talking about now was the service qualification process, but you had said earlier and I just wanted to make sure that I'm clear, for residential customers is it my understanding that you only use billing telephone numbers to see if the loop is qualified for FastAccess?

A I will walk through it. It is a little more complicated than that. In our DSL service offering we have a number of different types of DSL products. Our FastAccess residential or consumer product that is sold to the average home user, they purchase as an input a particular speed of DSL and it is 1.5 megabit by 256 kilobit speed out of our FCC tariff as an input for our own Internet access service. That particular speed, because of the high volumes associated with it since it is the service speed that all of the ISPs are buying, we do not support service inquiries simply because it

is not something that we want to -- we can't afford the costs associated with that for that particular speed and be competitive in the marketplace.

So the service that our own ISP uses and the other ISPs that are using DSL in that southeast off of BellSouth's network, because of the volume we don't support service inquiries. If they wanted to buy a higher price service, we do support service inquiries there because there is enough margin and there is enough for us to be competitive in the marketplace to be able to support the additional cost.

Q Okay. Now, you had explained I think somewhat what the additional activities would be for relating to those two days for the DSL provisioning aspects of that, and you had -- is there any -- what is the other part of that that would be required? And I'm probably not making myself clear. I know we were going through and you were explaining to me the activities that are associated with those two extra days to provide the DSL service, correct, we were discussing that?

A Yes. The two extra days are specific to an estimate of portions of the process that we think would take extra time. There are obviously many steps throughout the entire process of ordering FastAccess and provisioning FastAccess service that would have to be modified or changed. And, you know, that includes -- we have only talked about --

MS. CHRISTENSEN: Hello. Well, maybe.

MR. LACKEY: We are still here.

MS. CHRISTENSEN: Maybe we only lost the BellSouth people.

(Interruption.)

THE WITNESS: I was talking about how there are multiple aspects of provisioning of services that would be delayed in the provisioning interval, as well as costs that would have to be borne by BellSouth. But we started off when we talked a little bit about the loop qualification system and the modifications that would be necessary there. Once you have changed and modified that system to be able to work with our new service arrangement, the next obvious place would be the order entry systems. We have a system called SOEG, which is our service order entry gateway that would obviously have to be able to accept an order and then be able to transmit that order to downstream systems within the BellSouth processes.

The complexity there is obviously we have been talking about UNE-P and UNE loops. The main issue that we have in this particular area is with UNE loops in that UNE loops are all identified within our internal systems with circuits IDs and not telephone numbers. So our service order entry gateway system would have to be able to be modified to accept orders and then be able to find the appropriate circuit IDs with which to translate for all downstream systems.

That same theme propagates itself through dozens and

dozens and dozens of systems from a provisioning perspective and then also from a service maintenance perspective, and a billing perspective. So, you know, we have to change, again, like I said, our service order entry gateway system, the downstream systems that require -- are used to seeing telephone numbers for DSL orders would have to be modified to accept circuit IDs for UNE loops.

In addition, once we got actually the service provisioned and installed, the follow-up side is in the case of an end user who has a voice service with an ALEC using a UNE loop, if they were to call in to FastAccess because of trouble with a line, the FastAccess folks, the very first question they asked them is what telephone number is the DSL service on. And when the customer answers that, we are not going to have any record of that telephone number in our systems because that telephone number is in the records of the ALEC's systems because it is on their voice switch.

So, again, it would be difficult for us. We would have to completely modify our maintenance systems and our trouble-shooting systems to be able to translate the telephone numbers individuals give us to circuit IDs or alternatively go do research in various systems to try to figure out from a service address what circuit ID might be the one that this customer service is riding on. That may not be terribly difficult in a residence where there is only one or two lines.

You can guess pretty quickly. It can be particularly difficult in a business location where there might be 20 or 30 lines, because there would be no way we would be able to cross-reference or know what circuit ID the DSL service is on based on the phone number the end user gave us. So there is a number of complexities all the way through that we would have to find a way to address as a result of having to put this process together.

BY MS. CHRISTENSEN:

Q Okay. And is the two days a maximum or a conservative estimate on any of the additional processes you are talking about in provisioning?

A My assessment is that two days is probably a conservative estimate of the interval change simply from a provisioning perspective. We didn't really get into or discuss interval changes, or maintenance, or other things that would be caused by other problems that we would have just from trying to get databases to sync up.

Q Okay. Let's turn our attention to Interrogatory Number 7, and this concerns a statement you made on Page 4 of your direct testimony that a loop may initially show as DSL capable but later turn out to be not qualified. Are you with me?

A Yes.

Q Am I correct that this problem is not specific to the

situation where FastAccess is put on an ALEC loop?

A It is not specific to that. And I guess the easiest way to describe it is that one of the things when you work with databases with millions and millions of telephone numbers is that sometimes those databases have errors, and also we are working with a very fluid network. We are constantly making changes, service arrangements and other things to our network. Those things have an effect on our DSL service and affect our FastAccess service.

It would also have to be accounted for and understood as to how those just normal day-to-day business activities and normal issues with databases would be affected by using UNE loops and UNE-Ps. The reason I say that is because obviously when customers put in a service because we did a physical rearrangement in our plant that is something if a customer calls in we have procedures with which to determine that was the cause and then rectify it. Those procedures would have to be modified to be able to accommodate the fact that there could be UNE loops or UNE-Ps involved as opposed to just normal BellSouth lines.

In the case of an incorrect database, again, a similar situation in that if a customer was qualified in our loop qualification system and placed an order and we are out there working the facilities trying to put the order in service and we determine that we actually can't provide the service, we

do some work and do some investigation to see if we can determine how to provide service or to not qualify the line and go back to the customer and say they can't get service. And, again, those processes and methods and procedures would all have to be modified and updated to include and incorporate any complexities associated with UNE-Ps and UNE loops.

Q Okay. Mr. Fogle, could you clarify for me the last clause of the last sentence in your response which reads, "And does not apply to the provisioning of DSL service over UNE-Ps purchased by an ALEC." Does this mean, for example, that an ALEC's existing UNE-P that shows up as being DSL qualified capable will always be correct?

A No, it does not. The issue about inaccurate databases would be the same whether it is a UNE-P, a BellSouth's voice line, a resold line that an ALEC has, or a UNE loop. I mean, once you have large numbers of entries in a database that is just something that is going to be a problem just simply because of the fluidity of the changing data. Not all of it gets entered correctly.

Printing. Probably a better wording would be that the issues are more complex with a UNE loop because of the circuit ID issue and not having telephone numbers and our ability to troubleshoot is very limited or it has to be modified considerably than with a UNE-P where all the components are used in our facilities and our switch.

Q Okay. Can you explain to me precisely what you mean by that statement?

A The easiest way to explain that is through really two main areas. One is one of the first areas we do maintenance and trouble-shooting to determine loop conditions and capabilities to support DSLs, we do a thing called MLT, mechanized loop test. And when we do that that is basically a test that is run off of the BellSouth switch. In the case of a UNE loop, there is no BellSouth switch attached to this line so we can't run an MLT. We have to ask the ALEC to do that for us. So we wouldn't have the advantage of a pretty key test that we use for determining troubles. That is one area that is a pretty significant disadvantage that we would have with a UNE loop over UNE-P.

The second area is simply when you are working with field sources and people out in the network they would have to be working and looking to troubleshoot a circuit ID as opposed to a telephone number, and would have to know that that circuit ID has DSL service riding on it and it would just be a training issue as well as systems issue to make sure that they had all the information they needed to be able to work with a circuit ID and not a telephone number as they go through all of their field exercises to do trouble-shooting and provisioning.

Q Okay. So you're saying it would cause additional training to do that?

A It would require additional training, but I also believe it would require us to modify systems so that we could identify circuit IDs that had DSL service on it.

Q Okay. So what you're saying is you can do the MLT with a UNE-P loop, correct?

A That is correct.

Q But not with the UNE-L loop?

A We could not do it, no.

Q Let's go ahead and turn your attention to Interrogatory Number 8 which relates to questions associated with a statement in your direct testimony on Page 4, Lines 21 through 22, where you talk about additional equipment that will be needed to provision FastAccess on an ALEC loop. Are you with me so far?

A Yes.

Q Okay. In your response to Part A you indicate that this additional equipment is a splitter to connect the ALEC line to the BellSouth's DSLAM. Could you explain to me what the splitter does?

A The first thing I would like is I think in the testimony as I said in my direct that additional equipment will have to be installed in order to connect the BellSouth DSLAM to the ALEC loop. We actually have SMEs that are reviewing that right now, and I believe the appropriate testimony, and we will make a change to this, is it may require additional equipment

or may require a splitter.

Q Okay. So now it is may?

A That is correct. And I can explain where that comes from.

Q Yes. If you could explain why that is being changed to a may that would be helpful.

A The initial concern that our SMEs have, and myself included --

Q SMEs being subject matter experts?

A Yes, subject matter experts. We brought together various teams of folks who have expertise on this particular area and talked through this. The initial concern in a situation where part of it is because of the broadness of what we are talking about here is the situations where an ALEC would have their own DSLAMs and their own DSL services, and the use of a splitter may have been necessary to obviously keep our DSLAM and their DSLAM from essentially getting connected to each other and causing interference and service issues and not understanding why that would be.

So the desire from our subject matter experts was to introduce a splitter so that we could completely isolate the two networks from each other. We are in the process of reviewing if the splitter that we have already have on our DSLAM that we use to split our voice service from our DSL service would be sufficient and could be wired in such a way as

to avoid the need for a new splitter, but we are not sure about that yet.

Q Okay. So there is already a splitter that is contained within the DSLAM? I mean, I'm just trying to make sure I am understanding this correctly. Correct?

A True. When we have a BellSouth voice service and a BellSouth DSL, our splitter is integrated on the same card with the DSLAM so it is an integrated splitter.

Q And what you are saying is it is possible -- what you are checking right now, it is possible that that may be the only splitter that is necessary on the line, even if the ALEC were to have a DSLAM on that same loop?

A That is correct. And we are in the process of investigating that and doing some testing to see if that provides the right level of isolation to protect our DSLAMs and our services obviously from whatever services that the ALEC may have, and vice versa, so protect their services from ours.

Q And do you have an estimate of how long it is going to take for this testing to be concluded?

A I do not at the moment.

Q Okay. Explain a little bit what a splitter does. Could you just go over that again for me.

A Sure. A splitter is a device that essentially its responsibility is to split the signals that come in on a particular copper pair. It takes the voice signal and splits

it off to the wiring that goes off to the voice switch, and then it takes the DSL signal and splits it off to the wiring that goes off to the DSLAM. And so what that essentially does is isolates the DSL from the voice so that the two can go off and be processed independently in the central office or the DSLAM. And then in reverse what it also does is it takes the DSL signal and the voice signal and combines them and puts them on the same copper pair for transmission out to the home.

Q So would you agree that a splitter would be required both where FastAccess is placed on a BellSouth loop and placed on an ALEC loop?

A Yes. A splitter is required anytime you want to do DSL service on the same line as voice service.

Q Okay. Now, assume that a BellSouth voice customer who has FastAccess wishes to retain his FastAccess, but migrates to a different voice provider. Would BellSouth disconnect the existing splitter and require the ALEC to install a new splitter?

A That part we don't know. That is part of what we are investigating. The real question is trying to isolate our switch and our DSLAM from an ALEC switch and an ALEC DSLAM. And, again, the answer to the question would depend. If our splitter is sufficient to do that, we would probably continue to use our splitter. If it is not sufficient, then we would need an additional splitter. And if we determine we do need an

additional splitter, then our expectation would be that the ALEC would pay for it.

Q Okay. So what you are saying is -- let me make sure I'm getting this right. You already have a splitter on the line where you have a voice customer, a BellSouth voice customer and a BellSouth who is also receiving DSL service, and that was already splitting?

A That is correct.

Q And then when they migrate the voice to the ALEC, you would still have the BellSouth intents and purposes splitter on the line, but what you are saying is that it would not maybe be sufficient or enough, that would you need an additional splitter on the line?

A It may not be wired or in the appropriate position to adequately split or segregate the ALEC's network from our network. The easiest way to explain this is that one of the concerns that we have is, again, the particular ALEC who has their own DSL service and their own DSLAMs. If we have a splitter and we have control of the splitter, one of the concerns obviously is that if they are trying to provision their own DSL service down that line, it may either interfere with our DSLAM, or interfere with the splitter itself, or, you know, have other service problems associated with that. And we wouldn't know that that is what the ALEC was attempting to do, but we would still be interfering with their service

unintentionally. By putting a splitter in the ALEC's control then they can obviously decide whether to allow BellSouth's DSL service to be combined on their voice line or not and would be entirely within their control and their decision to do so.

Q Okay.

A And obviously if they were to do that, that would require them to do their own wiring in a splitter they had access to which would not be the integrated splitter on our DSLAM. So it's really a location and a control issue and also position in the network.

Q And specifically, like, where is the position of the splitter? Where are you envisioning the ALEC's splitter being positioned in the scenario that you just gave us? Let me make sure I understand that.

A If the ALECs were required to have a splitter, I would expect them to put that in their collocation space along with their switches and DSLAMs.

Q And what if BellSouth has its DSL located in a remote terminal, where would the splitter have to be located, in the same place, in the collocation space?

A With a remote terminal, the splitter there is at their terminal integrated with the DSLAM in the case of a BellSouth line and a BellSouth voice and ADSL. I don't know -- I would anticipate that we would either have to work out some these issues that we are concerned about right now or the CLECs

may have to install a splitter at that location.

Q Okay. So where a BellSouth customer was being served previously at a remote terminal, it is possible that the splitter would have to be located then at the remote terminal?

A It is possible, yes. The reason I'm -- the complexity there is there are areas where we have homes and businesses that are served by both remote terminals and direct copper out of central offices. And when that happens, the ALEC may have a direct copper line to an end user's location for purposes of providing their own DSL service.

And if an order were to come in from a customer who would want FastAccess, then what we would typically do if we served that area out of the remote terminals, we would do what is called a line station transfer and move that customer's service over to the RT. We would only do that in the situation where we had control of the voice service. So even though the location would qualify and we would have the ability to serve FastAccess, we don't have the ability to do it over that existing facility because the facility doesn't go through our remote terminal. So there are some complexities down in our network that would have to be addressed and worked out as to how to make this happen.

Q Okay. Let's go to your interrogatory response number 10 where you indicated that it would be the responsibility of ALEC to install the splitter if one was needed, correct?

A That is correct.

Q And I think we just discussed that a little bit now. In Part A you also state there are also splitters integrated into the DSLAM, and we talked about that that may be used?

A Uh-huh.

Q And I just want to confirm that you are referring to the BellSouth DSLAM used to provide the FastAccess service to the customers, correct?

A It is actually if the ALEC has their own DSLAM with the integrated splitter they may be able to use that splitter themselves as opposed to having a new splitter. But there could potentially be as many as two splitters available to be used, it's just a matter of understanding the service arrangements as to how that would happen. So they could use an existing splitter, we could potentially make available an existing splitter that we have, or a third splitter may be necessary that is independent of either of the previous. That is part of what we have got some folks looking through right now is that with all the potential various service arrangements between all of the different business models the ALECs have and how we do it within BellSouth, is can we create a single solution that accommodates all the different complexities, and that is what we are trying to determine.

Q Okay. But if BellSouth will not provide a splitter for an ALEC, what relevance is the availability of a splitter

in the BellSouth's DSLAM?

A I think what I referred to there is we would not provide an additional splitter for the ALECs. If the existing splitter is perfectly sufficient, then we would probably create a process to use that splitter.

Q Okay. So, basically what you are saying is where the existing splitter in the DSLAM is sufficient BellSouth is willing to work out an arrangement for just using what is already in the network?

A Yes. That is more efficient for both us and the ALEC.

Q If there were an additional splitter necessary, and let's assume for the sake of argument that the ALEC doesn't have its own DSL equipment with its own splitter already in place. You would expect the ALEC to go ahead and provision that additional splitter, is that correct?

A Yes.

Q All right. Let me ask you this: If an ALEC's voice customer desires to retain BellSouth's FastAccess service, why would the ALEC desire -- why would he need to install its own DSLAM?

A Would you repeat that question again.

Q Sure. If an ALEC voice customer desires to retain the BellSouth FastAccess service, why would the ALEC desire or need to install its own DSLAM?

A The ALEC would not need its own DSLAM if the voice customer is going to continue to be a FastAccess customer. They would continue to use the BellSouth DSLAM for that.

Q Okay. And where BellSouth's facilitates a line sharing arrangement, doesn't BellSouth lease the splitter capacity to an ALEC?

A I believe we do, but I'm not certain on that.

Q Okay. Has BellSouth also agreed to provide splitter capacity for line splitting arrangements, if you are aware of it?

A To tell you the truth, I wouldn't really be aware of that.

Q Okay. In looking at your response to interrogatory number 10, I think you stated that you are willing to -- you have agreed to lease splitter capacity for line sharing and line splitting, but you indicated in the response that you were unwilling to do so where FastAccess is to be provisioned over an ALEC loop. What makes this situation different and warrants BellSouth's refusal?

A The easiest way to try to walk through that is it is not a line of business that we necessarily like to be in. It's not one that generates a lot of opportunity for BellSouth revenue or otherwise and, you know, with the constraints we have on capital, and investment, and our abilities to offer new services, unless ordered to, it is not an area that we would

consider a core area that we want to go into, and it is not an area in today's business environment that we would willingly walk into. So I can't necessarily speak to why decisions were made differently in the past, but I know in today's environment when we look at this it is not something we would necessarily want to do.

Q Okay. The next few questions I have refer to your rebuttal testimony. Looking on Page 3 at Lines 13 through 15. Do you have that?

A Where was that again?

Q Page 3.

A Okay.

Q Lines 13 through 15.

A Okay, I'm there now.

Q Okay. You state that providing both UNE services and FastAccess service over a UNE loop would be a violation of FCC Tariff Number 1. Couldn't BellSouth just change the language of its interstate tariff to remedy this problem?

A We could change the language in the tariff to remedy the problem, but that doesn't do all the things. We would have to change systems, and procedures, and process-wise to be able to support the change in the words. It's fairly easy for us to change words in the tariff, but because our tariff was written that way and that is the way we have designed our service to kind of go hand-in-hand, so as a result to just simply change

the language in the tariff means we would also have to change all the systems and process that we have been talking about to be able to support that change.

Q Okay. So assuming that you work out all of your support system problems, it's not a problem to change the FCC tariff to match that?

A It would be a matter of filing the tariff and having it be approved by the FCC.

Q And do you encounter a lot of difficulty when you file a new tariff at the FCC to your knowledge?

A Not to my knowledge.

Q Okay. So as far as conforming the tariff language to what would be needed or whatever the outcome of this proceeding would be, that is not really a significant problem, would you agree?

A I don't know if I would characterize it as significant or not. I think we would have to obviously -- if we wanted to change that in our tariff, the one question that we would all have to be able to stand up and tell the FCC is that we can support that change in the tariff. And without all the other changes we need to be able to do, I'm not so sure that we could say that.

Q Well, assuming that you could do all the support changes, technical changes, it would not be a big problem to change the language in the FCC tariff to match that, correct?

A The actual rewriting of the tariff and typing the words, et cetera, would not be a very big problem, no.

Q Over to on Page 4 at Lines 5 through 7 -- are you with me there? You state that where an end user does not have two lines to his premises BellSouth will install a second loop on which the FastAccess service will be placed. Will BellSouth assess the end user a nonrecurring charge to install this second loop?

A What page is that on again?

Q We are looking at Page 4 of your rebuttal testimony, Lines 5 through 7.

A Sure.

Q And you talk about in the case that the user does not already have two lines to his premises a second line would be deployed, and there would be no change to the FastAccess service. And what we are asking is would there be an additional charge for the second line, a nonrecurring charge?

A Would there be an additional nonrecurring or recurring charge, I didn't quite hear you?

Q Nonrecurring.

A Nonrecurring. What we are referring to here is a process that we have been discussing and negotiating specifically with FDN as part of our attempt to resolve this matter with them. And they have agreed that we could provision the FastAccess over a new second loop or, alternatively,

provision their new UNE service over a second loop and leave the FastAccess service on the existing loop. That way we could leave it in place and have a minimum amount of changes to the FastAccess. Under that agreement we have agreed to not charge the end user for an activation of that line.

Q Okay. Under either scenario, where you either provision a second line to put your FastAccess service over or where the second line is deployed for UNE-P?

A Under either scenario, that is correct.

Q So there is no recurring cost for that. Now --

A There is no recurring cost we would assess to the end user.

Q The end user. Are you in negotiations for assessing cost to the ALECs?

A No, we are not.

Q Okay. So there would be no recurring cost associated with utilizing a second line whichever way you want to utilize it at this time?

A There would be no recurring cost where we would assess the end user or the ALEC, but BellSouth would be incurring those costs.

Q You will absorb them? Okay. Am I correct that the recurring rates for FastAccess do not provide any loop cost recovery because the FastAccess was designed as an overlay to a customer's voice service?

A That is correct.

Q And where BellSouth installed a second loop on which it placed a stand-alone FastAccess, will BellSouth assess the end user a recurring charge for this loop in addition to the current FastAccess charges?

A Again, under the terms we are negotiating with FDN we would not do that. We would not assess the end user or the ALEC for the recurring charge.

Q Okay.

A Again, for the sake of clarity, there is not a charge or a cost. Those are going to be absorbed, in your language, or incurred by BellSouth.

Q Okay. Now that we are talking about that, do you have an amount that BellSouth is estimating that it would be absorbing by doing the arrangement the way you are talking about now?

A I don't have an amount, but it would be the full cost of the new loop.

Q Okay.

A I think the important thing here is, you know, what is being asked is that in order to make all this work is that BellSouth has to essentially absorb all the costs associated with this arrangement. The systems costs with the changes, the training costs associated with retraining our people, the process methods and procedures development, incurring the cost

of either new loops or rearrangements and rewiring, all of that. So there is a considerable amount of cost all throughout this entire process that is being asked that BellSouth absorb or incur on behalf of the ALECs.

Q Okay. One minute, please. Now, you were talking specifically about FDN and the agreement that you are coming up with FDN. Would that also be the agreement that you would carrying over to the FCCA if you were required to continue to provide FastAccess?

A Could you repeat that, again, please. I didn't quite catch the first part of that question.

Q What you were specifically talking about was the arrangement that you are currently negotiating with FDN to comply with the Commission's order?

A That is correct.

Q Would that also apply to FCCA assuming -- well, let's break it down into two parts. Assuming that you were ordered to basically provide the same FastAccess arrangement that you are currently required to do under the current Commission orders. In other words, for those BellSouth voice customers who migrate to a different ALEC provider who want to keep their FastAccess service, would you have the same arrangement with the other ALECs that you are currently negotiating with FDN?

A I believe, subject to check, that in Florida if we put a term into an interconnection agreement that other ALECs

could choose to adopt it.

Q Okay.

A I'm not the person who manages the interconnection agreements with ALECs, I don't know that to be specific, but I understand that to be the way it works.

Q Okay. Let me ask you this just to clarify. Now, let's assume that the Commission were to go farther and require that you provide FastAccess to any end user that requests it. Would at that point BellSouth be looking to recover either the nonrecurring or recurring charges associated with the second loop?

A To tell you the truth, I don't know right now. We would have to make an assessment of what those costs would be, how long we feel like we would have to support it in that arrangement. We would also have to make an assessment about, you know, right now our view and our assessment show that it is considerably cheaper just to add a second line and keep all of our systems the same as opposed to redoing all of our systems to be able to support this arrangement on the same facility. So, you know, to the degree the orders change or add additional burden to BellSouth, we would have to go through and do an assessment to see what it would take to comply. And I'm not sure what methods that would be right now.

Q Okay. But I guess the question would be would BellSouth eventually be seeking to recover some of that cost to

comply with the order from the ALECs?

A The real challenge interestingly enough in this is that BellSouth is trying to compete and be competitive against a much larger arena than just DSL and with ALECs, and specifically in the broadband arena the dominant provider of broadband in Florida and, in fact, all around the United States is cable. And by having a larger competitor in the marketplace that sets a price ceiling that you can try to compete at, regardless of what you do from a cost perspective you have to be competitive on price for equivalent features and services.

Q I understand that. But I guess the question would be let's assume that you were ordered to go farther than what you currently are required to do and what you are negotiating to do. And I guess the question is would BellSouth be looking to try and recover some of the costs in implementing the Commission's order? I mean, right now you have said that BellSouth is going to be solely absorbing the costs. The question is if you were ordered to do more would BellSouth be of the same opinion, that it would solely absorb the costs, or would it be looking to seek recovery from the ALECs or the end user customers?

A Well, in either case whether we chose to seek recovery from the ALECs or the end users, I think the ALECs themselves wouldn't absorb it, so they would pass it along to the end users. And ultimately what you are talking about doing

is making the DSL service, FastAccess or otherwise, more expensive for end users which would drive them to cable. So the whole point is that if this happens and we get regulated and have all of these additional burdens added to us, it reduces our ability to be competitive or reduces our margins. And to that end, you know, that changes a lot of perspectives in terms of what BellSouth will do with DSL.

We want to recover our costs associated with trying to comply with these orders. I don't believe we have the market power to assess it. So it is a matter of, you know, ultimately what you are talking about is creating a cost structure on a portion of a technology in a competitive marketplace that will essentially allow or force end users to choose to go use a different technology that doesn't have the same cost structures and that will ultimately reduce BellSouth's ability to be competitive and the ALECs to be competitive.

Q Let me refer you then to Page 7 in your rebuttal beginning on Line 17. Are you there?

A Yes.

Q And you discuss BellSouth's preliminary estimates of costs that would be incurred to provision the FastAccess over a UNE loop or a UNE-P loop. And you indicate that Exhibit EF-2 reflects BellSouth's estimates of cost and time required to provide FastAccess service over UNE loop or over a UNE-P loop,

correct?

A That is correct.

Q And Exhibit EF-2 is proprietary and confidential, and we have a few questions about the exhibit, but we will be careful not to reveal any of the details of the exhibit.

A I will try to be as careful, too.

Q Okay, good. Am I correct that the costs shown on this exhibit are primarily costs associated with modifying various BellSouth internal systems?

A The costs that are on this exhibit -- and we are actually going to -- as we talked earlier, we are going to probably modify my testimony -- is that these are only a portion of the systems that have already been assessed or at least have a preliminary assessment, but are in no way a complete review of all systems or all costs associated with providing this. So we will probably add to my testimony that this is simply a portion of the costs as opposed to a complete review of all costs associated with it.

Q Let me ask you this. At some point during this proceeding, do you think that you would have anywhere near a more complete list where you could file it as a late-filed exhibit?

A Actually, as part of I think the latest set of interrogatories, we have a more complete review of all the systems that we believe may be potentially impacted by these

changes. We have not, simply because of the time and the number of systems, had any opportunity to go through and try to assess what the actual costs would be to modify or what the level of impact would be. But we have brought into a considerably larger number of systems that are all potentially affected by these changes that would have to be assessed and potentially modified.

Q And do you know what discover response particularly that you were referring to that it is going to be provided along with?

A I believe it is in the FCCA fifth set of interrogatories. I will have to look to see which one.

Q That's okay. I think that gets us probably closer.

A Okay.

Q Now, aren't the costs that we are looking at here one-time costs as opposed to being recurring costs?

A The costs that you are looking at here on Exhibit EF-2 are one-time costs that are preliminary estimates of the costs it would take to make the change in the system. It does not incorporate any ongoing or recurring costs, although there would be those. It also does not incorporate any training or change in methods and procedures. Excuse me, there is some training costs, but mostly it is the systems changes that are in here.

Q And the updated exhibit that you were talking about,

does that include the recurring costs or the additional training costs as well as the additional one-time costs?

A It does not. The request was simply to provide information on the types and numbers of systems and names of the systems that would have to be assessed and modified, so that is what we have been doing is producing that information in response to the interrogatory.

Q Do you have an estimate of what the recurring costs would be?

A I do not.

Q All right. Let me direct your attention to Lines 19 and 20 of the testimony. This is the same page.

A Okay.

Q And in that part of the testimony you say that the costs associated with providing FastAccess over UNE loops amount to tens of millions of dollars. Can you show me where on Exhibit EF-2 I can find that amount?

A You won't find that amount on Exhibit EF-2. What you will find is a subset of that amount. If you look under the column UNE loop costs, at the bottom it shows a number, a time frame, and that is the number that is essentially for changing approximately four or five systems. We have identified over 100 other systems that would have to be assessed and identified to determine what changes would have to be made.

So essentially when you just get started and you come

across the first four or five systems and you see a number the size that you have there, it's a pretty got assumption to know that if you look at 100 more systems that number is going to multiply considerably.

Q Can you provide that in a late-filed exhibit to the extent that it is not already covered through the FCCA's interrogatories?

A Provide what?

Q An exhibit showing the hundred of other systems that would be required to be changed?

A That is correct. We are actually going to provide a list of the systems that we have identified so far that have to be assessed and have potential modifications and requirements that would have to be changed as a result of complying with this potential order.

Q Okay. So could you possibly -- could you file that as a late-filed exhibit identifying all of the systems so far that you have identified that would need changes plus cost estimates for changing those particular systems? If available. If not --

A The problem is when you are talking about, you know, well over 100 systems at this point, the sheer work volume associated with getting the right subject matter experts associated with each individual system in a room to determine what a cost estimate would be and the impact is incredible and

not something that we can complete in time for an exhibit or for this trial. It is a monumental amount of work just to have that part done.

Q We are fine with that as long as we can get maybe a list of the systems that would be changed. If you have an estimate that would be fine, if you don't have it or cannot have it, just indicate such on the late-filed exhibit. That would be helpful.

A We will be happy to do that.

MS. CHRISTENSEN: I guess we need to give that a short title. Supplement to Exhibit EF-2.

THE WITNESS: That sounds fine.

(Late-filed Exhibit 1 marked for identification.)

BY MS. CHRISTENSEN:

Q Now, can you explain to me what accounts for the costs pertaining to UNE loops being so much greater than those associated with UNE-P loops? And I guess we are talking about specifically UNE-L loops versus UNE-P loops.

A The biggest difference can be -- there are two main areas you can assess the big difference as to why UNE-P, or any loop or combination is less expensive than a UNE loop in a stand-alone. The reason is that the UNE loop or combination or UNE-P you still have a BellSouth voice switch engaged so maintenance systems and a BellSouth provided telephone number are still available in BellSouth's systems somewhere. So the

important thing is that we have can remove some edits, build some databases, and also make changes to try to get access to that information. All of that would cost us several millions dollars and take a considerable amount of time to do that. ' It can be done much easier than what would be necessary to be able to support UNE loops where we don't have a BellSouth voice switch involved. And, therefore, we have to either revamp all of our systems, or work off the circuit ID, or try to find alternative methods in working with ALECs to determine how we could possibly translate circuit IDs and telephone numbers. So we have a number of complexities that are much more complex on UNE loops simply because of the absence of a telephone number in any of BellSouth's systems.

Q Okay. Now, let me refer you to Lines 24 and 25 of your rebuttal where you state that it costs BellSouth a minimum of $150 per stand-alone loop to provide FastAccess on a stand-alone basis. Is the $150 you are referring to a one-time nonrecurring cost?

A It is a preliminary estimate of a one-time nonrecurring cost associated with essentially rearranging the service over to a new loop.

Q And can you say to the best of your knowledge what items that comprise the $150?

A The two main items is first just the activity associated with provisioning the new loop. The normal

activation activity associated with the physical provisioning of the new loop. And the second is the manual activity that will be required to move the FastAccess service over to the new loop and any wiring rearrangements, both inside wire work at the house or small business location in addition to work in various wiring work in DSLAMs and also databases that would have to be updated.

Q And will BellSouth be absorbing this $150 cost or will it be assessed to the end user?

A Another one of those situations where I believe in the work that we are doing with FDN to try to meet that particular order we are going to be absorbing our activation costs internally and not assessing them to the end user. The reason behind that is if you assess that to the end user then one of two things are going to happen. One, they will choose not to move the voice service to FDN because of that cost, which I think is not a desirable outcome. The other choice is they would just decide that they won't keep their FastAccess service, they will just move to cable, which again is not a desirable outcome. So we are going to absorb the cost because that is cheaper and that allows us to do that -- maintain the service without having to redo all of our systems.

MS. CHRISTENSEN: All right. Those are all the questions that I have for you at this time. Let's take a few minute break before we get to Mrs. Kaufman's questions.

(Recess.)

MS. CHRISTENSEN: I guess we are back on the record. And I had concluded my questions, but we had a request from Meredith to, I guess, take attendance. Put all of our appearances on the record. Who is in the room now. Patricia Christensen for the Florida Public Service Commission. And Mr. David Dowds, Florida Public Service Commission staff, and Sue Ollila also for the Florida Public Service Commission staff. And I will let Vicki announce herself.

MS. KAUFMAN: And this is Vicki Gordon Kaufman. I am here with the staff, and I am here on behalf of the Florida Competitive Carriers Association.

MS. CHRISTENSEN: And the court reporter. And that is who is present here. Did you also want to go ahead and announce who is on the phone, as well?

MS. MAYS: Yes, please.

MR. O'ROARK: This is Dee O'Roark (phonetic) with WorldCom.

MS. WHITE: Nancy White, BellSouth.

MS. MAYS: And in Atlanta we have Meredith Mays, Eric Fogle, and Doug Lackey. Is that everybody on the bridge?

MR. BRADBURY: No. This is Jay Bradbury employed by AT&T, witness for FCCA.

MS. CHRISTENSEN: I think that is everybody.

MS. KAUFMAN: All right. Now we have got all the

preliminary things out of the way.

CROSS EXAMINATION

BY MS. KAUFMAN:

Q Mr. Fogle, as I just said, I don't think that we have ever met, but I am Vicki Gordon Kaufman. I am here to ask you some questions on behalf of the FCCA and I look forward to meeting you at the hearing.

A I will look forward to it also.

MS. CHRISTENSEN: We have got somebody else came in the door. Do you want to go ahead and --

MS. KAUFMAN: Mr. Mark Long, the executive director of the FCCA, has joined us.

BY MS. KAUFMAN:

Q Okay, Mr. Fogle. The first thing that I want to get clear is you have filed direct testimony in this case and you have filed rebuttal testimony, correct?

A That is correct.

Q Now, you mentioned, I believe, to Ms. Christensen a change that you are going to be making. Was that in your direct or your rebuttal? Let me see. I know I wrote the page number down. Having to do with changing a word to may, I believe?

A Yes, there was a reference to the use of or the need for a splitter.

Q Yes. Can you direct me to where that change is? I

think it is Page 4, Line 21. I believe that would be your direct testimony.

A You may have found it faster than I did.

Q All I'm trying to do is clarify what your change is going to be to that sentence?

A Yes. The word will in Line 21 I think will be changed to the word may. That is on Page 4.

Q Are there any other changes that you are going to be making to your direct testimony that you are aware of now?

A We mentioned the second one besides the splitter earlier on. I'm trying to remember what it was right now. The other one is we talked about Exhibit EF-2, we are referring to the -- I think it's my rebuttal on Page 7, Lines, I think, 19 and 20. It talks about the costs. It says for UNE-P for loops the range was several million dollars for UNE-P customers and -- excuse me, several millions for UNE-P customers and tens of millions of dollars for UNE loop customers.

Q Right. What is the change that you are making?

A The change is in reference to Exhibit EF-2. I'm not sure of the exact wording of the change, but as opposed to saying that the chart reflects BellSouth's estimates, is the chart reflects a portion or some of the estimates, or preliminary estimates but not a complete set of estimates.

Q Are there any other changes to either your direct or rebuttal exhibits that you are going to make that you are aware

of at this time or is that it?

A I'm looking to see if there is any other that I am aware of at this moment.

Q Okay.

A I believe on my direct there is one more. It's on Page 6, Line 16. It also has to do with the need for a splitter. I think we changed the first word in Line 16 from would to may.

Q Okay. And that's it as far as you know?

A As far as I am aware of at this moment, yes.

Q Thanks. I just want to ask you a couple of preliminary questions, Mr. Fogle, just so I can get this straight in my mind as a result of the some of answers you gave to Ms. Christensen.

A Certainly.

Q You would agree with me, wouldn't you, that FastAccess, which is what we are talking about in this case, is a BellSouth service, correct?

A Yes.

Q It is not a service that the ALECs provide, correct?

A That is correct.

Q And when you provide that service today to a customer, you provide FastAccess to them, do you consider that end user to be a BellSouth customer?

A Yes, I believe so.

Q I am going to try not to reiterate some of the questions Ms. Christensen asked you, but there may be some overlap. As I understand your testimony and, again, some of the answers that you gave, one of the concerns that you have in regard to the request that is the subject of this case has to do with the inability of your systems, for example, for loop qualification, or customer service inquiries, to recognize anything other than the customer's telephone number, is that right?

A That is one of the concerns, yes.

Q Okay. I'm trying to segregate it to make it easier for me to understand, so we are going to talk about that for a second. And in your direct testimony at Page 2, Line 22 -- it's kind of hard not seeing you, so let me know when you are there.

A I'm there.

Q You say Bell would have to change all of its internal systems to qualify and recognize a potential or current DSL customer by means other than the telephone number, correct?

A We would have to make any necessary changes which would be to all systems that would need a change we would have to change.

Q Okay. Well, here is my question and it's not complicated. You say there that would you have to change all of your internal systems to qualify and recognize a potential

DSL customer by a means other than their telephone number, right?

A Yes, I do say that.

Q I want you to list for me, Mr. Fogle, every internal system that you would have to change?

A That could -- well, two things. One, we don't necessarily know all of the systems today because there are literally hundreds of systems within BellSouth that some have been assessed from a preliminary estimate perspective, many others we know they are involved in the provisioning process, or the maintenance processes, or the billing processes but they have not been assessed to determine if there is a necessary change or not.

Q Okay. Well, let me ask you this. You said you would have to change all of your internal systems, but did I just understand you to say you don't know which systems those are?

A We would have to make an assessment of which systems would need a change to be able to work with telephone numbers or circuit IDs of either UNE-Ps or UNE loops.

Q So it might not be all of your internal systems, correct?

A There may be some that would not require a change, that is correct.

Q And as we sit here today you can't tell me which systems we are talking about, correct?

A Which ones do and which ones do not?

Q I'm just asking you to tell me as you have stated in your direct all of these systems that are going to have to be changed.

A We have identified a number of systems already in interrogatories, we are going to continue to identify more systems in interrogatories that will need changes. The ones that I know would need to be changed absolutely are loop qualification systems, LQS, our service order entry gateway system, which is SOEG.

Q Go a little bit slower for me if you can. I got the first two, LQS and SOEG.

A SOEG, yes. There are a number of systems downstream from SOEG.

Q What systems are those, Mr. Fogle?

A There is a system called SOCS, S-O-C-S, search order creation system. A system called SOER, S-O-E-R.

Q What does that stand for? I'm sorry, I'm not familiar with that one.

A I don't actually know what the acronym means.

Q What does that system do?

A Its a service order system and it is involved in some portion of the provisioning process.

Q What portion?

A I don't know.

Q What other systems would have to be changed?

A We would have to make changes to our network management systems, which we call NMS, which is a system that does the logical provisioning of the DSL service and it does it by telephone number. We would have to change our dispatch systems in case we had to do installation work or maintenance repair work we would be able to identify. We --

Q I'm sorry, I didn't mean to interrupt.

A Sure.

Q Your dispatch systems, go ahead and finish, I'm sorry.

A Our dispatch systems, those would be systems like LMOS and WFA and other systems that are involved with ticketing.

Q We are going to have to go system-by-system because I'm just not as technically adept as you. The first one of your dispatch systems is L-M-O-S?

A Yes.

Q And what does that stand for?

A I don't know.

Q What does it do?

A It is a system we use to dispatch technicians to go out on troubles or provisioning work.

Q Okay. Go ahead. You said another one and I can't remember which one you said.

A A system called WFA.

Q Okay.

A It's a work order system which is another system we use for dispatching and putting out work orders to technicians.

Q Can you tell me what the letters are? W what for WFA?

A W-F-A. It stands for work force administration.

Q Okay.

A We have ticketing systems that would have to be changed for maintenance purposes.

Q What systems are those?

A A system called Remedy, R-E-M-E-D-Y.

Q Okay.

A A system called ERepair. We would have to change our billing systems. Those systems are CRIS, C-R-I-S.

Q Yes. I didn't want to interrupt you. I can't tell when you're done.

A That's okay. There are other billing systems. I have only given a sample. We have, I think, over 150 systems that we are going to be identifying in the next interrogatory when we put it together to you.

Q 150 billing systems?

A 150 total systems that we have identified. And that is only a partial list, it is not a complete list.

Q Okay. Are you aware of any other systems that need

to be changed as you answer this question today?

A Yes.

Q And they are? What are they, I should say?

A We would have to change a system called BIAS, it's a broadband inquiry and activation system. That is for inquiry and ordering, it's a front-end system. There is another billing system, service order system called BOCRIS, B-O-C-R-I-S. We have an order mechanization system called BOM, that's B-O-M.

Q That might be as good as BIAS. B-O-M.

A Yes.

Q And what kind of system is that, I'm sorry?

A It's an order mechanization system that takes orders out of the back end of SOEG and hands them downstream to other systems.

Q Is that it?

A No, there is more.

Q Okay. I don't want to keep interrupting you. I want to know as you sit here today every system that you claim would have to be changed.

MS. MAYS: Mr. Kaufman, this is Meredith. I'm going to have to object just to the extent that the witness has already answered this. He has already told you he has identified 150 systems that will be produced in response to FCCA's interrogatories which are due to be filed next week.

Now, if you want to sit here and go through the ones we have, it's going to take obviously a long time. The interrogatory responses aren't due until next week and you will have the complete list.

MS. KAUFMAN: I appreciate that, Ms. Mays. I'm simply asking him about his testimony and I want to know which systems he is referring to in regards to his comment on Page 2, Line 22.

MS. MAYS: And my objection is he has asked and answered that question several times now.

MS. KAUFMAN: Are you directing him not to answer?

MS. MAYS: No, I'm lodging my objection.

MS. KAUFMAN: Thank you. Go ahead, Mr. Fogle.

MR. LACKEY: But tell her these depositions are terminating today.

MS. KAUFMAN: Excuse me?

MR. LACKEY: The depositions are terminating today. So if we sit here and read 150 systems, that is what is going to happen. But that's fine, go ahead.

BY MS. KAUFMAN:

Q Are you reading from something, Mr. Fogle?

A I have in front of me a subset of the interrogatory that we are preparing to deliver to you guys next week. That is a draft version of what we are working from. So these are what has been identified to me so far for me to review.

Q And who is identifying this information and providing it to you?

A I have a team of folks that are working on that. Because as you can imagine, with the number of systems that we have here there is a considerable amount of expertise required across a wide array of the organization, so we are pulling in from different parts of the organization their understanding of what systems would have to be assessed and could have potential impacts associated with this order.

Q Okay. Let me ask you, you keep saying it would have to be assessed. Am I understanding that when you use that word assess, that is not necessarily the same thing as changed?

A No, it's not.

Q So what you are saying is your folks in the know about this are looking at these systems and deciding if they think they need to be changed?

A Right now what our folks that are in the know about these systems are doing is identifying systems that we think may have a problem in being able to comply with this order that may come out. In other words, we may have issues with telephone numbers, we may have issues with edits, a number of things. Because all of these systems over the last several years have been identified to work a certain way with DSL. And we are trying to understand if we have to change the way we offer our DSL service, all the systems that touch that service

have to be looked at. That is a very large effort, very complex and very expensive. So what we are trying to do is in order to be responsive to the interrogatory is touch across the various organizations and subject matter experts to get information to the best of our ability within the time frame we have without also expending a tremendous amount of resource and time on that.

Q And I appreciate that, but I guess my question is again -- my questions are pretty simple. You are making a distinction between systems that your folks are looking at and assessing as opposed to all systems that might have to be changed, am I understanding you? That's all I'm trying to get at.

A Yes.

Q Okay.

A The important thing to understanding here is that all the ones I have mentioned so far are the ones that we have a high degree of confidence will need to have at least some change to them. We have not assessed the degree of that change, or how much that change will cost, how long it will take us to do it. But we do know that those systems perform a function in a certain way today. Specifically they perform a function using the telephone number the DSL service rides on and that will require a modification or a work-around of some sort. And that is what we are in the process of doing and

understanding.

Q Okay. Now, all of these changes that may have to be made, would they have to be made regardless of whether we are talking about a UNE-P situation or a UNE-L situation, or would some changes only apply in either UNE-P or UNE-L?

A I believe some changes would only apply to UNE-P or UNE-L, but the specifics within each individual system I wouldn't know. I would have to refer to the subject matter experts. They would have to assess that once we understood whatever the order comes out to be, if there is one in this case.

Q So when you provide this list it is not going to distinguish between those two scenarios, is that right?

A No, it is not.

Q Okay. I want to try to talk about a situation that Ms. Christensen asked you about, and this is the UNE-P situation, okay. You have a customer, a BellSouth customer, he gets voice from you and he gets FastAccess from you, okay?

A Okay.

Q And he decides for whatever reason he wants to migrate his voice to someone else. And I think you discussed with Ms. Christensen that an edit was made to your systems so that you cannot see the telephone number, is that correct?

A I'm not sure if I discussed it with Ms. Christensen.

Q Okay. Well, I was just trying to save us a little

time. I thought that you had. But isn't it true then that an edit was made to your system that -- the word I use is blocks, blocks you from viewing the telephone number in that situation.

A There are certain groups within BellSouth, because the information, the telephone number and the loop information and the customer information associated with that end user who has moved to a voice service from another -- from an ALEC who is using the UNE-P is something we call CPNI, it's proprietary network information. So that information is not available to everybody in the corporation. It is blocked from view from various groups who don't have a need to see that information in the work they do today.

Q Okay. And, again, all I want to know is you created -- not you personally -- your operational folks created and inserted an edit to block this information for UNE-P, correct?

A I believe we were required to.

Q And if the Commission ordered you to you could reverse the edit?

A If the Commission ordered us to do things we could, it would just cost us the time and the money to do it.

Q And it costs you time and money to create the edit in the first place, right, and institute it?

A That is correct.

Q And don't your BellSouth maintenance folks have

access to these UNE-P telephone numbers today?

A I believe that they do for the purposes of working on UNEs, yes.

Q And it is also true, isn't it, that ALECs order UNE-P from you using telephone number, right?

A I'm not sure how they place orders for UNE-Ps.

Q Who would know that? Or let me ask you this way, do you think Mr. Milner would know that or another Bell witness in this case?

A I don't know, to tell you the truth.

Q Okay. But you don't know?

A That I'm sure of.

Q Okay. That's fair. All right. The second scenario, again remaining with the UNE-P for the moment, is a customer, a new customer moves into the BellSouth territory and they select a competitive voice provider and they want to get FastAccess from Bell. The competitive voice provider provides that service using UNE-P. Are you with me on that?

A Uh-huh.

Q And, again, but for the edit we have discussed, your systems would be able to view the telephone number information, correct?

A It would entirely depend on which systems you are referring to.

Q The systems to which we just made -- I'm sorry, that

was not a coherent sentence. The systems that we just discussed where you inserted the edit to block the telephone number.

A There is not really an edit to block a telephone number. What we have are different work groups have access to information that is appropriate for their work groups and doesn't give them access to information that is not appropriate to the CPNI. That could be a lot more than just the telephone number.

Q Okay. But we're talking about your -- I'm trying to segregate your various problems. We are talking about your concern of not being able to access information without a telephone number, and I think we have established that an edit was made to the system. And, again, if there is a better word than block, you tell me what it is so that that information can no longer be viewed, correct?

A I think where you are trying to go is our loop qualification system, and that system has in it an edit that shows if an end user were to -- or an ISP were to try to place a query against that system against a number that had a UNE-P it would currently show as not qualified. That is the way that system has been designed. And that system would have to be redesigned and modified in order to show that UNE-P is qualified.

Q Right. But, again, I think you are making this

harder than my question anticipates. Prior to this edit you could -- not you, but BellSouth representatives could view the telephone number, correct, and then a change was made and now they can't?

A I apologize if I'm making this harder. I am definitely trying to understand what you are asking to give the best answer possible. In reference specifically to our loop qualification system, the edits were put in place so that we wouldn't improperly qualify DSL services on UNEs, UNE-P or UNE loops or any other type of UNEs, but specifically UNE-Ps. The telephone number is in that system, but it's shown as not qualified and so it responds back to the ISP, including our own FastAccess service, and the ultimate response back to the end user is that it does not qualify for the service. It doesn't say the telephone number is not found. So we did place that edit and, you know, we could potentially remove that edit, but obviously we don't have a service that supports that edit being removed right now.

Q Let's talk for a minute about the UNE-L situation, because I'm trying to keep those separate in my own find if that is okay. And you have got an ALEC that is providing voice via UNE-L?

A Yes.

Q Then that provider, that ALEC assigns the telephone number, correct?

A Yes.

Q Because the ALEC is leasing the loop from Bell, correct?

A And then using their own voice switch, yes.

Q Okay. And so when the ALEC orders UNE-L from you, it could provide you the telephone number, correct?

A I would guess they could, yes.

Q And you could enter the telephone number in your system, correct?

A I don't believe I have any system that has been designed or developed to enter that into.

Q So the only telephone numbers that the BellSouth systems work with are BellSouth generated telephone numbers, and if the UNE-L ALEC said this is the telephone number I am assigning to this loop, you would not be able to enter that into your system?

A Not unless I built the capability to do that, no.

Q Now, you have some wholesale customers, I would say, that are what we call DLECs, right, that don't provide voice at all, that only provide data, is that correct?

A Yes.

Q So there is no telephone number on the loop they buy from you, correct?

A To tell you the truth, I'm not entirely sure as to how they order their services. That is a product line I don't

support. That is supported out of the line sharing/line splitting product team, which is a different group.

Q Okay. In that situation, you would agree, though, wouldn't you, that the loop has to be qualified?

A The facilities that they are going to order have to meet their requirements for the ability to be able to provision their DSL service over. I'm not sure that qualified is a subjective definition that each DSL provider makes. Once they have reviewed the facilities then they can determine whether they believe it is qualified, quote, unquote.

Q Right. I was kind of using that as shorthand for meaning whether the loop was capable of supporting DSL service or not.

A Yes. That would be an analysis that each DLEC would have to do on their own just like we do at BellSouth about whether a facility can support a particular DSL service we are trying to provide.

Q Right. And when they are purchasing that loop or trying to decide if it is qualified, isn't the loop identified by the street address?

A To tell you the truth, I'm not sure how the DLECs go about determining loop information or whether they are qualified or not.

Q Do you know whether another way DLECs do that is by the circuit ID number?

A I do not.

Q You don't know is what you're saying?

A I don't. I don't really know the process which they go through and do their qualification information.

Q Do you know whether the loop that we are talking about could be identified by the BellSouth.net user ID number?

A I'm not familiar with the term BellSouth.net user ID number.

Q You have never heard that before?

A A user ID number?

Q Right.

A No.

Q All right. Let's talk about Page 4, Line 21, and this is where you have made your change to the additional equipment may be required that we talked about a little bit earlier.

A Uh-huh.

Q You have got a customer -- back on the scenario where you have a customer, he is getting voice, he is getting FastAccess from you, everything is up and running. In that scenario the splitter is already in place and working, correct?

A Yes. In the scenario you are talking about where it is BellSouth voice and FastAccess, there is an existing splitter and it is working.

Q If there wasn't a splitter there and it wasn't up and

running, you wouldn't be able to provide FastAccess, right?

A Yes, that is correct.

Q So in that scenario, everything that is needed to provide FastAccess is there?

A In the scenario, again, where it is BellSouth voice and they are providing FastAccess, yes, there is a splitter present, there is a DSLAM present, wiring, et cetera, it's all there.

Q Okay. And in some of your answers to Ms. Christensen, and I may have misunderstood, and if I did I want to understand. I thought that you were telling her that it might be necessary to install an additional splitter, is that correct?

A That is correct, it might be necessary.

Q So you would have two splitters?

A You could potentially have two splitters. It would depend on whether or not the second one was required or not and the second splitter probably wouldn't be used.

Q Sorry. Again, it's so hard when we are not all together. You would have two splitters, but the second splitter would not be used, is that what you said?

A Well, I mean, the purpose and function of a splitter is to split a voice signal and a DSL signal. Once you pass through the first splitter, which would be the new one required potentially for the ALEC to provide -- at that point the voice

signal would have moved off to the voice switch of the ALEC and the DSL signal would be passed over to the DSLAM. Our on-board integrated splitter, the signal would still pass through, but there would be nothing to split. So it would be in the loop and it would be not necessary to split the signal again.

Q So, again, just to understand what you are saying, the BellSouth splitter would be there, but it wouldn't be used and you would want the ALEC to come and put a new splitter in there?

A Yes. And, again, that is maybe, and it depends on the analysis of our team that is responsible for those types of things is doing right now to determine whether splitters would be required or not. And part of that also has to do with control over the facilities. If it is our splitter, ultimately we have control over the facility in terms of whether we choose to split or not. If it is the ALEC's splitter, they have control.

Q Okay. And the splitter, either the first splitter or the second splitter, or both the splitters would not be necessary at all if it were not for the customer's desire to have FastAccess, correct?

A Any DSL service if it is going to ride over the same copper facilities with voice service requires a splitter at some point, whether that is FastAccess or anybody else's DSL service.

Q And even though in the scenario we are postulating this arrangement would be for BellSouth to provide FastAccess to an end use consumer, you would like the ALEC to pay for the second splitter?

A If a second splitter is required to interconnect an ALEC network with our network in a service arrangement we have not designed, then, yes, we would expect them to pay for any additional equipment including, if necessary, a splitter.

Q I'm going to switch quickly to the UNE-L situation. And, again, you have got a voice customer and you have got a BellSouth FastAccess customer, and the customer decide he wants to go to another provider for voice. The voice is provided by that ALEC using UNE-L. Are you with me?

A Yes.

Q Your FastAccess service prior to the migration was in place and working, right?

A Yes.

Q The splitter and the DSLAM would have been there and working, right?

A Yes.

Q Otherwise you couldn't have provisioned the FastAccess, right?

A That's correct.

Q What about the scenario where -- I'm going to digress a little bit. You have got a Bell voice customer, say in West

Palm, and they moved there and they sign up for voice, and that is all they get from you, okay?

A Okay.

Q And six months later they have been persuaded that your FastAc service is fabulous and that they ought to order that, as well, okay?

A Okay.

Q In that scenario, you have to go in, don't you, and insert the splitter and perhaps a DSLAM in order to provide that customer FastAccess service?

A Yes.

Q And that would be the same equipment and work you would have to do in the prior scenario that we talked about in order to get FastAccess running, correct?

A Which prior scenario?

Q Where you have got a customer that moves to the area and wants FastAccess from you and voice from someone else?

A Okay. It would not be the same work, no.

Q You would have to go in -- because assuming that they didn't have FastAccess -- and you would have to put in the splitter, right?

A In the two scenarios, the first one was they have BellSouth voice, the second scenario they have the voice from an ALEC via UNE loop. And you asked, I think, if it was the same scenario to add FastAccess to both types of service, is

that correct?

Q Let me try again because maybe I have confused myself and you, okay?

A Okay.

Q Scenario number one, you have got a customer and they come to you and they are your voice customer only.

A A BellSouth voice customer only.

Q Yes, sir. Later on they decide that they would like to add FastAccess. They are not getting it when they first sign up with you, but they want it later, okay?

A Okay.

Q In that scenario you have to install the splitter so that they can receive the FastAccess, right?

A That is one component of a rather lengthy and complex installation, but, yes, that is correct.

Q And you have to perhaps install a DSLAM?

A Yes.

Q And so that is the first scenario. In the second scenario you have a customer that moves to the area and picks an ALEC for voice and wants FastAccess from you, okay?

A Is that voice via UNE loop or UNE-P?

Q Let's do UNE loop.

A Okay.

Q You would have to, because there is no DSL on there at the time, you would have to do the splitter, put the

splitter on, right?

A There would be a need for a splitter, yes.

Q And perhaps a DSLAM?

A Yes.

Q And that is the same work that you did to provision the service to your voice customer?

A No, it's not.

Q Okay. Why don't you tell us why not?

A Well, in the first scenario where it is a BellSouth voice and would later want to add FastAccess, because of the BellSouth voice line we have that telephone number in all of our systems. And in order to add the FastAccess we would use the process we have developed over the last four to five years and have worked on to be able to provide FastAccess service on BellSouth's voice lines, so we would use our qualification systems, our ordering systems, our provisioning systems as they are currently designed. We would also do all of our wiring in the central office or remote terminal as it currently stands today.

The second scenario, we do not have a telephone number, so we would not be able to qualify the telephone, be able to tell the customer that they can or cannot get service yet. Our service order entry system would reject the order because it can't see it is as a qualified line. Our provisioning systems would have to be modified. And in

addition, when you get into the actual central office or remote terminal we would have to change the methods and procedures of how we wire, because in your first scenario you are wired to a BellSouth voice switch, in the second scenario the loop is actually wired to a collocation cage. So the wiring would have to be different.

Q I'm sorry, were you done?

A Yes, at the moment.

Q Okay. So, that was a long answer, but if I can just break it down. It's kind of where we started your deposition, a number of these concerns have to do with the telephone number and I think you discussed that first?

A That is correct.

Q And then the second one that you talked about in the UNE-L situation is it would be what I would call a rewiring situation. You would have to take down the cross-connect from one place and connect it in another place?

A That is correct.

Q You also talk about on Page 5, Lines 6 through 15, some billing concerns, correct?

A Is it on my direct or my rebuttal?

Q Yes, on your direct, I'm sorry. I think so. Yes.

A Page 5.

Q Beginning at Line 6, you talk about billing issues.

A Yes.

Q Good. And would you agree with me that if the FastAccess customer who wanted to either remain your FastAccess customer or get that service from you permitted you to bill by credit card, that that would take care of many of the problems that you have set out here?

A I am going to read through this real quickly to make sure I answer that properly.

Q Sure, take your time.

A Yes. In terms of the paragraph that starts at Line 9 through Line 15, it specifically says some end users may not want to be billed via credit card. If the end user were to agree to let us bill them via credit card and we believe that they are a worthy customer to be billed via credit card, they meet our credit class requirements, then that would not be a problem.

Q Okay. And I would imagine that a number of your FastAccess customers today pay their bills via credit card, right?

A Yes.

Q Is it also correct, though, that you don't bill every customer via their telephone number, is that right, or using their telephone number as the entry into the billing system?

A No, I think we just said some are billed via credit card.

Q Okay. Are there other ways that you send bills to

your customer in addition to a credit card or using the primary telephone number?

A There are other arrangements that we have done at times that are typically very manually intensive and require manual creation of bills on a monthly basis that we have done, but those are not supportable in any sort of scale or repeatable basis, so that incurs a considerable amount of cost. So our FastAccess service is currently designed with two methods, credit card or via the primary telephone number. That is the only two methods we have that are cost-effective in this business.

Q What other methods have you used to bill other than credit card or telephone number?

A Like I have mentioned, I am only peripherally aware of situations where we have done either third-party billing or manually billing of specific charges, that type of thing. I am not aware of any that we have done specific to FastAccess, but I do know that BellSouth has at times created manual bills to send to customers to handle specific situations.

Q But you can't tell us in any more detail about that?

A No, I am only peripherally aware that it has been done.

Q I want to take just a quick minute to talk also about the two-loop situation, again, I think Ms. Christensen talked to you about on Page 3, Line 5 of your rebuttal. I believe

that is where it is.

A Okay.

Q And if I understand your position it is -- or your company's position, if we have to do this we would rather do it by providing a stand-alone second loop, correct?

A Yes. It is more cost-effective for us to do it on a stand-alone loop than to redo all of our systems.

Q So just so I can understand the configuration, there would be one loop for voice, right, and then there would be a second loop on which you would put your FastAccess service, right?

A That is correct.

Q That second loop for the FastAccess, does that have a telephone number associated with it?

A Yes, it would.

Q It would be what, a number that had no dial tone?

A It would be a telephone number driven facility that we would suppress the dial tone.

Q So you would assign it what I would call a regular telephone number and you would suppress the dial tone?

A That is correct.

Q I think you talked in some of your answers about LFACS, the system L-F-A-C-S?

A Yes.

Q Are you familiar with that system?

A I have some knowledge of that system. I'm not by any means a subject matter expert on it, though.

Q Do you know who the primary users of that system are?

A The primary users are, I believe, the field sources, the people out in the field that are maintaining facilities, because it is a facility assignment system.

Q And isn't that the system used to qualify loops for what I have called DLECs?

A I wouldn't know, to tell you the truth. I would say that LFACS is the repository of loop facility assignment data that I know the DLECs have access to.

Q And I apologize if I have already asked you this, but isn't that information accessed by street address?

A I wouldn't know how they access it.

Q You also mentioned in the beginning when we were trying to go through all of these systems, you mentioned the system BIAS, B-I-A-S, correct?

A Yes.

Q Can you tell me what that stands for?

A Broadband inquiry and activation system.

Q What does that database do, can you describe it?

A It's not really a database; it's more of an interface.

Q Okay.

A It's an interface that allows an Internet service

provider who wants to buy the tariffed DSL service, specifically the business class services, an interface for submitting service inquiries for qualification of DSL that are then sent over to a LFACS engineer for review to see if they can qualify for DSL.

Q So it is used by ISPs for qualification purposes, loop qualification purposes?

A Yes.

Q And what kind of information has to be entered into this system to get that output, to find out if a loop is qualified? Is it by street address or what?

A We require the serving address or location that they want the DSL service, plus the telephone number of the facility they want the service on.

Q So is it correct you can access this system by telephone number or service address?

A We require both. When an Internet service provider comes to us looking for service, we ask for two pieces of information. One is the physical address of the location they want the service in, and second, the telephone number of the actual facility that they want the service to be provisioned on. And both of those pieces of information are then sent to the engineering group for determination if they can qualify the line.

Q I heard you say that you require both pieces of

information?

A That is correct.

Q But is it correct that you could get loop qualification information by just the service address?

A You could put a request in. I don't know if you can in BIAS, but in general you can put a request in by service address. The problem is the engineer wouldn't know which particular facility you want at that service address to qualify, so you wouldn't be able to get a very good answer or response back. So our process right now requires that you provide us both.

Q Well, that would be in the instance of where there was more than one loop, correct?

A That is correct.

Q If you are talking about a residential customer and the service address is submitted, that is not a problem, right?

A Well, our broadband inquiry and activation system, a system known as BIAS, is created specifically for service inquiries associated with the type of DSL called business class. That is a service that is sold at a higher rate, it has a higher quality of service associated with it. And 99.9 percent of them are put in at business locations, so it is a service and a system that is entirely designed for the business customer. That's why it does what it does the way it does it.

Q I understand. And my question is just that you can

access the information with the address as well as with the telephone number, correct?

A Manually, yes.

Q When was this system put in place, do you know?

A BIAS?

Q Yes.

A I believe it was the first half of 2001.

Q And it is still in place and running, I assume?

A Yes, it is.

MS. KAUFMAN: Okay. I'm going to look now at your EF-2.

(Off the record.)

(Transcript continues in separate confidential transcript.)

ERRATA SHEET
DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE

IN RE: DOCKET NO. 020507-TL
NAME: ERIC FOGLE
DATE: January 17, 2003

PAGE	LINE	CHANGE

Under penalties of perjury, I declare that I have read my deposition and that it is true and correct subject to any changes in form or substance entered here.

DATE ERIC FOGLE

FLORIDA)

: CERTIFICATE OF OATH

COUNTY OF LEON)

I, the undersigned authority, certify that _____ Eric Fogle personally appeared before me at _____ 675 W. Peachtree St. and was duly sworn by me to tell the truth.

WITNESS my hand and official seal in the City of _____ Atlanta County of Fulton, State of Georgia, this 17TH Day of January, 2003.

Brenda S Slaughter

Notary Public

State of Georgia

Personally known ✓ OR Produced identification _____

Type of identification produced _____

Brenda S. Slaughter
Public, Rockdale County, Georgia
My Commission Expires July 29, 2006

STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, JANE FAUROT, Official FPSC Commission Reporter, do hereby certify that I was authorized to and did stenographically report the foregoing deposition at the time and place herein stated.

I FURTHER CERTIFY that this transcript, consisting of pages, 86 constitutes a true record of the testimony given by the witness.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 21st day of January, 2003.

JANE FAUROT, RPR
Chief, Office of Hearing and Report Services
Florida Public Service Commission

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TP
Eric Fogle
Late Filed Deposition Exhibit 1
Supplement of EF-2

REQUEST: Please provide an exhibit showing the systems that may be impacted by BellSouth provisioning FastAccess over a UNE loop or a UNE-P loop plus cost estimates, if available, for making necessary systems changes,

RESPONSE: BellSouth has attached hereto its response to the FCCA's 5th Interrogatories, Item No. 15 and its response to the FCCA's 2nd Request for Production of Documents, Item No. 2. BellSouth has attached an updated version of the list produced to FCCA; the updated list includes additional information relating to the system 2WIRE WEBSITE. BellSouth's assessment is ongoing and at this time costs estimates for making necessary systems changes are not available.

ATTACHMENT

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TL
FCCA's 5th Interrogatories
January 3, 2002
Item No. 15

REQUEST: At page 7, lines 22-23, Mr. Milner references "BellSouth's systems (and hundreds of supporting sub-systems"). Identify (i) "all of BellSouth's systems" and (ii) "the hundreds of supporting sub-systems" developed using the telephone number as the "identifier". Provide the summary information about each system or sub-system using the format in the attached matrix.

RESPONSE: A list of systems and subsystems identified to date that use telephone numbers as an identifier is provided in response to BellSouth's response to Request for Production No. 2. This list contains confidential information and will be produced consistent with the terms of the protective agreement in this docket. Please refer also to the deposition testimony of Eric Fogle. BellSouth has not performed end-to-end testing nor has BellSouth assessed whether the data included or accessible within the systems identified contains circuit identification numbers, service addresses, or other identifying data. BellSouth's evaluation of whether the systems identified may be used by inputting circuit identification numbers, service addresses, or other identifying information is ongoing and the list provided in response to Request for Production 2 may be modified accordingly.

RESPONSE PROVIDED BY: Eric Fogle

REQUEST: Provide all documents supporting your responses to Interrogatory Nos. 11-42.

RESPONSE: BellSouth has attached the list of systems identified in response to Interrogatory No. 15. This list is confidential and is produced subject to the terms of the protective agreement in this docket.

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

In the Matter of

COMPLAINT OF FLORIDA COMPETITIVE CARRIERS ASSOCIATION AGAINST BELLSOUTH TELECOMMUNICATIONS, INC. REGARDING BELLSOUTH'S PRACTICE OF REFUSING TO PROVIDE FASTACCESS INTERNET SERVICE TO CUSTOMERS WHO RECEIVE VOICE SERVICE FROM A COMPETITIVE VOICE PROVIDER, AND REQUEST FOR EXPEDITED RELIEF.

_____/

ELECTRIC VERSIONS OF THIS TRANSCRIPT ARE A CONVENIENCE COPY ONLY AND ARE NOT THE OFFICIAL TRANSCRIPT OF THE HEARING, THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

TELEPHONIC DEPOSITION OF:	JOSEPH GILLAN
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
CONDUCTED FROM:	Gerald L. Gunter Building Room 362 2540 Shumard Boulevard Tallahassee, Florida 32399-0850
TIME:	Commenced at 1:00 p.m. Concluded at 2:40 p.m.
DATE:	Wednesday, January 22, 2003
REPORTED BY:	JANE FAUROT, RPR Chief, Office of Hearing Reporter Services FPSC Division of Commission Clerk and Administrative Services (850) 413-6732

000224

APPEARANCES:

MEREDITH MAYS and DOUG LACKEY, c/o Nancy Sims, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301, appearing on behalf of BellSouth Telecommunications, Inc., participating telephonically.

VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, Decker, Kaufman & Arnold, P.A., 117 S. Gadsden Street, Tallahassee, Florida, appearing on behalf of Florida Competitive Carriers Association, participating telephonically.

DULANEY L. O'ROARK, III, MCI WorldCom, Inc., Six Concourse Parkway, Suite 3200, Atlanta, Georgia 30328, appearing on behalf of MCI WorldCom, Inc., participating telephonically.

PATTY CHRISTENSEN, FPSC Office of General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing of behalf of the Florida Public Service Commission Staff.

WITNESS

NAME	PAGE NO.
JOSEPH GILLAN	
Direct Examination by Ms. Christensen	5
Cross Examination by Mr. Lackey	28

S T I P U L A T I O N

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that counsel present stipulate that the witness is the person he identified himself as; that objections, except as to the form of the question, are reserved until hearing in this cause; and that reading and signing was not waived.

IT IS ALSO STIPULATED that any off-the-record conversations are with the consent of the deponent.

PROCEEDINGS

MS. CHRISTENSEN: For the record, it is my understanding that Mr. Gillan does not have a notary readily available to him, and that all the parties have agreed to allow him to be sworn in over the phone, is that correct? Everybody agree to that?

MS. KAUFMAN: Yes.

MS. MAYS: That's what we said as long his body double isn't testifying.

MR. GILLAN: What I would give for a body double.

MS. CHRISTENSEN: So we can go ahead and proceed and have our court reporter go ahead and swear you in.

(Witness sworn telephonically by the court reporter.)

Thereupon,

JOSEPH GILLAN

was called as a witness for FCCA, and having first been sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MS. CHRISTENSEN:

Q Could you please state your name for the record?

A Joseph Gillan, G-I-L-L-A-N.

Q And, Mr. Gillan, have you ever given a deposition before?

A Yes.

Q And so you are familiar with the process?

A Yes.

Q So we will skip that and move right along to the questions. Mr. Gillan, do you have a copy of your testimony with you?

A Yes, I do. Could you identify yourself, though, so I know who I'm talking to.

Q I'm sorry. Patty Christensen for the Florida Public Service Commission. I didn't say that when I began? I apologize. Can you refer to Page 7 of your direct testimony?

A Yes.

Q And looking specifically at Line 10, beginning at Line 10 where it reads BellSouth's estimated market share for DSL service in Florida is 99.3 percent. To clarify, is this market share percentage for BellSouth within the BellSouth service area?

A Yes, I believe so. I hesitate slightly only because the source of the information was a staff recommendation in the Florida Digital Network arbitration, and while that is what I believe those numbers to reflect, I don't have that staff recommendation in front of me to go back to remove any question.

Q Okay.

A But that is my understanding, it was DSL lines of CLECs in the BellSouth territory divided by BellSouth's DSL subscribers.

Q And as you said, that was from the staff recommendation filed in the Upstan (phonetic) arbitration?

A Yes.

Q And do you know when that recommendation was filed?

A Not specifically.

Q Okay. Would you agree, subject to check, that that recommendation would have been filed in December of 2001?

A Yes.

Q And would you also agree, subject to check, that the data that was used was probably for sometime early in 2001?

A I will accept that subject to check.

Q Mr. Gillan, are there products other than DSL that provide high speed Internet access service?

A Yes.

Q Can you please describe what those other types of services are?

A Cable modems are capable of providing high speed Internet access.

Q Are there any other types?

A There is a satellite product on the market that I am aware of. There are some products in some areas using WiFi wireless arrangements.

Q Okay. With all of those different types of high speed Internet access services in mind, in the BellSouth Florida service area, is BellSouth the dominant provider of

high speed Internet access service?

A I don't think it is appropriate to actually characterize that because there are a variety of players out there that that indicates a lot of diversity. I think as a practical matter it is only the cable modem service and the DSL service that are really gaining any significant traction in the marketplace. So with that caveat, can you restate your question.

Q Well, just using, let's say, cable and DSL in the BellSouth area, is BellSouth the predominant provider of the high speed Internet access service?

A I imagine it would vary by geography. In areas where the cable service is available and has a market and head start, I would expect it would have perhaps a larger penetration. In areas for customers where cable is not available, then obviously BellSouth's DSL service would have a larger penetration.

Q Is that a no?

MS. KAUFMAN: Excuse me, I didn't understand what you're --

Q I guess what I'm trying to clarify is -- let me see if I am understanding your response. Your response was that for certain areas, and I'm assuming what we are talking about is in the BellSouth service area, for certain of those areas where the cable market penetration is high, the cable providers

may, in fact, have a larger share of the market. And in other areas, BellSouth would be the higher -- have the higher percentage of high speed Internet access service?

A Yes.

Q So it is not a yes or a no, but a sort of a maybe or a combination?

A Yes, it would depend on conditions in a specific market or in a specific geographic area is what I mean by that.

Q Okay. But let me ask you overall. You have looked at the numbers of BellSouth and their penetration of high speed Internet access service, correct, in their service area?

A I have looked at their DSL penetration and for the purpose of really addressing whether it is reasonable for them to refuse service. I have not attempted to compare BellSouth penetration to cable penetration because I am unaware of any cable company refusing to provide service because of a customer's choice of voice provider. Since there is no complaint pending against any cable company, I did not do any systematic review of their market performance.

Q So, basically in answer to the question, you don't know what percentage of the cable modem provider or what percentage of the high speed Internet access market cable modem providers have?

A That is correct. I didn't view that information as relevant to whether BellSouth was engaged in an unreasonable

practice.

Q Okay. Would you agree that BellSouth's FastAccess service is an enhanced nonregulated nontelecommunications service?

A That is my understanding of its current classification, yes.

Q Is FCCA requesting that this Commission mandate that BellSouth offer an enhanced nonregulated telecommunications service where feasible to any ALEC customer that requests it?

A No. We recognize that they would be in a difficult position to offer that service to customers -- continue to offer that service to their customers where the customer is no longer a BellSouth -- is no longer served on a BellSouth network facility. But we are asking that the Commission direct BellSouth to cease its practice of refusing to serve customers that are on its network merely because the customer changed its voice provider.

Q I'm not sure I understanding the distinction, and I just want to make sure I am understanding the distinction you are drawing. If the customer is already on the BellSouth network, and when you are saying that you are also referring to customers who are being served over a UNE-P or UNE-L type service arrangement, is that correct?

A Yes.

Q And then you said you wouldn't expect the BellSouth

customers to be -- or BellSouth to serve customers who are -- I'm sorry, I missed that.

A I wouldn't expect -- we are not asking that BellSouth be ordered to serve a customer served on an ALEC network so that if the ALEC had the network facility to a customer or, for instance, if a customer was a customer of the Sprint local exchange carrier, or the GTE local exchange carrier, networks that BellSouth does not, cannot deploy its xDSL equipment on, we are not asking that they be required to serve those customers.

We are only asking that the customers that it would otherwise serve if the customer obtained voice service from BellSouth, that they not be permitted to refuse service to those customers merely because the customer changed voice providers, but that the physical network facility is still there for BellSouth to continue to serve its customer with ADSL service, its FastAccess customer service.

Q Okay. But let me ask you, you said you wouldn't expect them to serve when they are being provided service over an ALEC network facility. Can you describe what you consider an ALEC network facility?

A Where the loop is owned by the ALEC and the loop goes from the customer premise to the ALEC's wire center and the provision of service would otherwise require that BellSouth deploy its xDSL equipment in the wire center of the ALEC. We

are only asking that it not treat network elements that is leased to other competitors differently than the same facilities it provides itself.

Q Mr. Gillan, do you know of any ALECs who provide service that way over their own facilities to their own wire centers, and can you give me an example of who those ALECs would be?

A At one time Intermedia in the Tampa area, for instance, would have deployed a fiber ring that connected some buildings back to its switch location and its customers that it was serving were being served on loops that they were providing to themselves on those fiber rings, as well as their switching or routing capability back at their -- in effect, their central office.

Q Does anybody that you aware of do that that is located in the BellSouth service area?

A Yes.

Q Who is that?

A Network Telephone has, I believe, some loop plant installed as well as their own serving wire center. KMC Telecom has some loop network deployed. MCImetro would have some of that network deployed in Florida. I believe AT&T has some of that network deployed in Florida. There are a variety of carriers that would have that kind of network configuration deployed in different areas of BellSouth's serving territory.

Q Okay. Let me ask you this. Is it your opinion that this Commission has the authority to mandate how and to whom a carrier provides a nonregulated telecommunications service?

A Well, maintaining the same -- the general caveat that I am not a lawyer and that overall this issue is really going to be best addressed by lawyers writing a brief, let me answer it in a fine way. I think the Commission has clear jurisdiction to prevent anticompetitive acts that affect regulated services. And that in this instance I think in my own mind that that carries some ancillary jurisdiction. Some ancillary authority to tell BellSouth that it must cease engaging in an anticompetitive act that affects regulated services even if the service that they are using to punish their customers may, in fact, be under other circumstances considered unregulated.

My understanding is that the Commission has already addressed the jurisdictional question at least twice in the context of FDN and Supra. And, of course, I'm sure that we are going to brief it again in this case. But from my own perspective, yes, I believe the Commission does have that ancillary authority. Although admittedly that answer will only definitively be answered by a court somewhere.

Q Mr. Gillan, would you agree that BellSouth's Memory Call is a nonregulated nontelecommunications service?

A I believe that it is. I will agree, subject to

check.

Q And does this Commission dictate to BellSouth to whom it must offer that service?

A I have never reviewed Commission orders with respect to Memory Call. Nor have I ever looked to see whether BellSouth was engaged in the same type of anticompetitive activity that it is engaged in here with FastAccess. So I really don't have the knowledge base to answer your question.

Q Okay. Are you familiar at all with Memory Call, BellSouth's Memory Call?

A Just in very general terms.

Q Are you aware of whether any other -- any state commission has exercised authority over Memory Call?

A I know there were disputes about voicemail service, you know, five or six years ago, in a number of states. My recollection is something occurred in California, but it has been several years and I have no present clear knowledge of what the dispute was or how it was resolved.

Q Would you agree, subject to check, that the FCC preempted the states attempt to exercise jurisdiction over Memory Call?

A Subject to check, I will accept that.

Q Okay. Mr. Gillan, is inside wiring maintenance plans nonregulated services?

A Yes, that is my understanding.

Q And does the Commission -- does this Commission dictate to BellSouth to whom it must offer these services?

A I'm not aware of the issue ever arising.

Q And to your knowledge, does this Commission have jurisdiction over the inside wiring maintenance plans?

A I don't think it has -- I don't think it has exercised jurisdiction. Again, I'm not aware of an issue similar to the FastAccess issue arising in the context of inside wiring, so I'm not sure that the issue has ever -- certainly an issue that would be relevant to this dispute has never been addressed, at least in my background.

Q Mr. Gillan, let me turn your attention to Page 11 of your direct testimony --

A Yes.

Q -- Lines 7 through 10?

A Yes.

Q Okay. Where you contend that BellSouth's FastAccess policy precludes voice competition for customers who desire FastAccess service. Are you there with me?

A Yes.

Q Does BellSouth FastAccess policy preclude voice competition for those customer that are able to obtain ADSL service from a provider other than BellSouth?

A I think the degree of effect would differ somewhat between whether the customer has already made a choice or not.

Clearly, once a customer has subscribed to FastAccess service BellSouth's threat to disrupt that customer's Internet access if they choose a voice provider negatively impacts competition for voice service. For a customer who has not yet made any selection, the impact would be less. But certainly for those that have already chosen it, the impact would be significant. Obviously we know this to be true because BellSouth is refusing to sell the service. They wouldn't be refusing to sell the service if they didn't believe that policy would prevent customers from leaving it.

Q If BellSouth were to say at the beginning when somebody signs up for FastAccess service that it is limited to only their voice customers would that, in your opinion, decrease the negative impacts on voice competition?

A No. I can't imagine any set of warnings that would actually make BellSouth's policy to refuse service a reasonable practice that wouldn't negatively impact competition. I mean, the only reason that BellSouth does it is to negatively impact competition. So, as long as they are pursuing the policy, we know that they believe that it negatively impacts competition or they wouldn't be engaged in it, they would be willing to sell service to people.

Q Okay. Does BellSouth's FastAccess policy preclude voice competition for those customers that are able to obtain cable modem service?

A You know, I guess I don't really believe that whether they are able to get a service somewhere else or not really impacts this equation very much. In a theory, one can debate about whether before a customer has made a decision does threatening to disconnect their service at some point in the future negatively impact their ability to make choices.

But I think as a practical matter in this instance, we already know that it is negatively impacting their choices because that is why they are doing it. I don't think that the fact that there might be some other way for the customer to get service really changes -- it might diminish it somewhat before the customer makes a choice, but even that diminishment I don't think changes the fact that it negatively impacts competition.

Q Would you say then that -- was that a yes or a no to the question?

A It was a no with an explanation, if I recall the question as being does the availability of cable modem services mean that it is okay for BellSouth to refuse to provide FastAccess.

Q Actually that wasn't quite the question. Let me ask you the two questions again and see if I can get you to give me just a simple yes or no answer. Does the BellSouth FastAccess policy preclude voice competition for those customers that are available to obtain cable modem service?

A I am hesitating only because the word preclude is

such a strong verb. I think it diminishes the ability for voice competition to a significant degree. Does it absolutely preclude it? It would depend on the customer's individual weighting of how much emphasis they place on voice versus their Internet access. So I can't give you a simple yes or no to that, but I do believe that it significantly diminishes it.

Q Okay. On the same page starting at Line 10, you state that requiring a customer to choose between local competition and FastAccess forecloses an important customer segment from local competition. Does MCI offer a bundled local service offering in Florida?

A By that do you mean a bundle of local and long distance?

Q Yes. That would be a bundled service, correct.

A Yes.

Q Okay. Let's turn to Page 14 of your direct testimony, Lines 11 through 15. Are you there?

A Yes.

Q Okay. And here you state that BellSouth, A, should not permit -- should not be permitted to install new loop facilities, B, change the service to a different loop arrangement, and, C, make any other network change to the underlying service, is that correct?

A Yes.

Q Then you proceed to assert that, in fact, the

Commission has already decided just this in the FDN arbitration where it found that the transition must be seamless and at no additional cost. Is it your position that this Commission has expressly precluded BellSouth from doing each of these three things?

A I believe the Commission adopted the policy that the transaction be seamless. I don't see how you can do any of those three things without disrupting the arrangement and making the transition nonseamless. So while the Commission didn't specifically address each of these changes, I believe its directive that any transition should be seamless effectively does preclude them, yes.

Q So the answer to that actually would be no, they didn't address specifically those three things. Although, in your opinion you cannot have a seamless transition without those three things, is that correct?

MS. KAUFMAN: I'm just going to object to the form of the question. I'm not sure that is what Mr. Gillan said, but he can explain himself.

A Obviously I would prefer the way I said it, but I'm not going to argue with you that the way you rephrased it is materially different.

Q Okay. And in support of this statement you also refer to the FDN reconsideration order, is that correct?

A Yes.

Q Mr. Gillan, were you present at the agenda conference on October 1st, 2002, when the Commission addressed itself to staff's recommendation pertaining to the motions for reconsideration in the FDN proceeding?

A No.

Q Have you had a chance to read any of the transcripts from that agenda conference?

A The reconsideration agenda conference?

Q Correct.

A No, only the order.

Q Would you accept that, subject to check, in the transcript of the agenda proceeding on Page 29 it is stated that, "Although the transition should be as seamless as possible, no restrictions are placed on how BellSouth can migrate a customer's FastAccess service where the customer changes voice providers." That would be Lines 2 through 21.

A Yes, I will accept that subject to check.

Q So would you also agree that it has not -- that the issue of how the customers are supposed to be transitioned has not been previously resolved?

A Well, I'm not sure on that. Even with the transcript cite that you gave me, which was not what was written in the order, it still says migrate as seamless as possible. I think clearly in a UNE-P arrangement, at least, there is no need for any network rearrangement. So therefore that direction from

the transcript even loosely interrupted would tell me that you couldn't rearrange network facilities. I haven't thought through whether there would be any legitimate rationale for doing it in the case of a UNE-L arrangement, but certainly there would not be one for UNE-P.

Q Let me read you exactly what the transcript says and then maybe you can comment on that.

"Chairman Jaber: I think the bottom line decision we would like to make, David, and Commissioners, you can correct me if I'm wrong, is to say to BellSouth make the transition of the voice customer as seamless as possible. And I don't care how that gets done. But increasing prices and cutting off service does not equate to seamless.

"Commissioner Palecki: I agree, Chairman Jaber. I believe that BellSouth should be able to accomplish this task in any manner they want over a single UNE loop, a second loop.

"Chairman Jaber: Yes. I don't care.

"Commissioner Palecki: If there is some new technology, you know, however that they wanted to do it, whatever is most expedient for them, but it should not include an additional charge to the customer. It should be seamless or transparent.

"Commissioner Jaber: If we can keep as general as that, I wholeheartedly agree."

So, in hearing that, would you agree that the issue

of how seamless the transition should be has not been, per se, resolved at this point?

MS. KAUFMAN: I'm just going to interpose an objection. I'm not going to object to Mr. Gillan answering. He doesn't have the transcript in front of him, and I don't know how difficult or easy it is going for him to answer a question after just having heard it orally, so that would be my objection.

But, Joe, if you think you've got the gist of it and you can answer, I won't object.

A Based on what you just read me, I don't think it is unreasonable to discuss how the migration should occur in this proceeding. I believe that the only way to do it in a manner that would hold true to the tone of those comments, and to the philosophy of those comments, and to the choice of words of seamless and transparent would be for no network disruption. But I can understand why your reading of that transcript cite would lead you to believe that you should at least discuss it in this proceeding.

Q Let's move on to Page 15 of your direct testimony. And there you testified that BellSouth should assess FastAccess to provide to an ALEC end user served via UNE-P the same rates, terms, and conditions applicable to its own retail end user. If BellSouth were to incur any one-time OSS costs in order to provision FastAccess to an ALEC end user, would it be

appropriate for BellSouth to recover those costs from the ALEC customer?

A I can only answer that question after looking at what the OSS costs might be in the following way. BellSouth appears to have deliberately designed its systems to support its anticompetitive conduct. And it seems to me that any OSS costs they incur to unwind those decisions shouldn't be borne by the ALEC community or end users choosing ALECs voice services. If there are OSS costs that would have been incremental to the need to create OSS costs to support FastAccess anyway, then my answer might be different.

But I think at this point as a practical matter you will never be able to figure out what OSS costs they should have incurred had they approached this benignly versus whatever OSS costs they are going to incur because they approached it strategically. And given that, I don't think you should lay the foundation for them attempting to impose costs on users that choose other voice providers versus their FastAccess customers generally.

Q Okay. I just wanted to follow up with a question on your comment. You said that they deliberately designed their OSS system for FastAccess. Is it that you are speaking of to not provide or not to be able to stand alone?

A Yes.

Q Could you possibly elaborate a little bit more on

what you think -- how you think they should have designed their OSS systems?

A I think they should have designed their OSS systems to be able to sell FastAccess to customers whether or not the customers were their voice provider or not. Particularly knowing the type of penetration that UNE-P was going to develop, maybe a little bit less for UNE-L because of the market segment that that entry strategy is used for is generally more complex services, but certainly UNE-P. If they had been behaving as a benign wholesaler they would have, I believe, designed FastAccess to be sold to as many people as possible, including customers that would choose to obtain voice services from other providers.

Q So let me understand this. Is it your position that BellSouth at least as far as its retail service offering should have acted as a benign wholesaler?

A Well, you know, unfortunately there is no distinction inside BellSouth between its wholesale hat and its retail hat, which is a source of a number of problems. In this instance I believe they decided to market and develop their -- to develop the systems that would support FastAccess to support their desire to treat customers in this discriminatory fashion. And so because of that, I think the Commission had to approach any claim regarding the cost of revising their systems now with serious skepticism.

Q You had stated a little bit earlier that BellSouth should have realized the penetration of UNE-P. Are you saying that they should have realized this back in 1998 when they started deploying their DSL network facilities?

A Yes. I mean, they knew that UNE-P was going to be successful, that's why they tried to fight that, as well. So it is not a question of this is some surprise to that management. They understood that the customer segment that FastAccess was going to be offered to was the same customer segment that entrants would be using UNE-P to serve voice needs on.

Q BellSouth argues that the ALECs can go ahead and continue to provide FastAccess to their customers if it is provided over a resold line. Is it your position that that is just not a viable solution to this problem?

A Yes. Every bit of evidence since the Telecom Act was introduced was that the entry strategy known as service resale is not economically viable with the possible limited exception of carriers that offer prepaid phone service to economically disadvantaged groups. But as a practical matter, around the country that entry strategy has shown to be a failure.

Q Okay. Let's assume that it would be more cost-effective for BellSouth to install an ALEC end user's FastAccess on a second loop than to incur one-time OSS costs. Would it be appropriate for BellSouth to assess the ALEC

customer a recurring charge for the use of the loop?

A Well, I'm going to accept your assumption for purposes of this question. There is actually an efficiency gain there, although I would otherwise dispute it particularly for UNE-P. But if they are doing it for their convenience, then, no, they should not charge the ALEC for a cost that they are incurring for their own convenience, particularly given the service disruption that they would be imposing on the customer by taking that choice.

Q Well, let's assume that it is related just practically to higher costs and having to restructure their OSS systems, and that that would it be cost prohibitive and it would actually be much cheaper to provide it over to a second loop. Are you still saying that it would not be appropriate for them to assess the ALEC customer a recurring charge for use of the loop?

A I don't find the hypothetical as practical. But assuming that -- assuming that it is to avoid legitimate OSS costs that can't be traced back to their recalcitrance in this issue to begin with. I mean, as a practical matter if you charge the ALEC or that customer the cost of that second loop, you are, in effect, imposing a price increase that would make the choice impractical for the customer to go with the ALEC.

So, certainly I can't imagine any reason why this would be plausible in a UNE-P environment, and I think even in

a UNE-L environment it would be equally problematic. But that kind of cost increase would effectively negate the customer's choice of a voice provider.

Q I'm not sure you actually answered my question. Should they be allowed to charge for the recurring loop costs?

A No. I cannot put into your hypothetical enough reasonable assumptions under which that outcome would be reasonable.

Q Okay. Let's turn to Page 7 of your rebuttal testimony, looking at Lines 5 through 7.

A Yes.

Q Okay. Here you state that the FCC's existing rules do not require the relief requested by FCCA. By way of clarification, do you agree with BellSouth that under the FCC's current rules its FastAccess policy has been deemed not to be discriminatory?

A No, actually I don't. I only believe that the FCC has determined that under its existing rules that they are not required by those rules to do it. I do not believe that the FCC has ever judge whether or not this is reasonable or unreasonable discrimination. I think the FCC has deliberately punted that issue. It seems the technical punt term.

Q Using the technical punt term?

A Yes. Deferred to a different day.

MS. CHRISTENSEN: All right. I think that actually

concludes all the questions that we had for Mr. Gillan.

MR. GILLAN: Thank you very much.

MS. CHRISTENSEN: BellSouth. Ms. Mays, do you have any questions?

MR. LACKEY: Actually, this is Doug Lackey and I do have some questions.

MS. CHRISTENSEN: Mr. Lackey, excuse me.

MR. LACKEY: Can everybody hear me? Can you hear me, Mr. Gillan?

MR. GILLAN: Yes, Mr. Lackey. But it is Gillan.

MR. LACKEY: Sorry about that.

MR. GILLAN: It's quite all right. We have only been doing this for 15 years.

MR. LACKEY: Yes, but I'm at the point now where I can't remember anything more than five minutes, much less 15 years.

CROSS EXAMINATION

BY MR. LACKEY:

Q If I understand correctly, you agreed with an earlier question that you believe that the Florida Commission does not, in fact, regulate FastAccess in Florida, is that correct?

A I agreed that they don't directly regulate it. I don't agree that there is not ancillary authority or jurisdiction to take actions in order to protect other markets where they do have direct regulatory oversight. So with that

modest distinction, I would agree that they wouldn't otherwise have direct oversight.

Q So if BellSouth wanted to raise the price of FastAccess, it wouldn't have to obtain Commission permission to do so, correct?

A Yes, except insofar as that act would run afoul of what I would consider to be the Commission's ancillary jurisdiction.

Q Ancillary jurisdiction, do you mean?

A Hey, that's what I mean. Thank you.

Q I can't pronounce your name, you can't pronounce ancillary. We're even.

Could BellSouth charge one rate for its FastAccess customers, for its FastAccess customers that buy a bundle of BellSouth services and charge a different rate to BellSouth's customers where the customer only buys a 1FR and FastAccess?

A By that do you mean could they charge a different rate for FastAccess when the customer buys complete choice compared to the price for FastAccess where the customer simply has voice service on the line?

Q That would be a good example. Let me restate the question and use that example. Could BellSouth charge a different price for FastAccess to those customers who purchased BellSouth's FastAccess service -- I'm sorry, its complete choice service as opposed to the price that it would charge to

a customer who simply bought a 1FR?

A I believe in most circumstances that would be reasonable.

Q So if customers take different services from BellSouth, that would be enough of a distinction to allow BellSouth to charge different prices to that customer for its unregulated services?

A I think that could be reasonable in some circumstances, yes.

Q Okay. On Page 8 of your direct testimony -- well, let me try that again. Hold on for a minute, I've got to catch up with myself, Mr. Gillan. On Page 8 of your direct testimony at Line 5 on my copy, you say it is difficult to think of another business where an entity would turn customers away or disconnect service for which they are paying, correct?

A Hold on a second, I need to find it.

Q Okay.

A Yes, that is what it says.

Q Will MCI provide local service to a customer who will not buy MCI's toll service?

A My understanding is that they do.

Q Well, I guess I need to back up. You said your understanding. Do you know that for a fact, or what is the basis for your answer?

A Discussions of access billing arrangements, access

billing issues. You don't have an access billing issue with another interexchange carrier unless by definition you sold them a local -- you have sold a customer a local service and that customer has chosen a different long distance carrier.' Issues involving presubscription which, again, are only relevant if, in fact, customers are choosing one customer (sic) for local and another customer -- carrier for long distance. So the fact that I have come across those issues over the past several years would indicate to me that those situations exist.

Q Okay. I'm sorry, but I think I got lost in your answer, so let me try it again. Let's assume that I am a MCI long distance customer. I'm sorry, let me try that again. Let's assume that I want to subscribe to MCI's local service, but I wish to stay PIC'd to AT&T for my long distance service. Is it your testimony that MCI will allow me to purchase their local service?

A It is my understanding that at least for certain of MCI's products that that choice is available, yes.

Q Which of MCI's products is that choice available?

A I don't have a complete catalog of them. My prior answer -- and I will try to make it clearer -- is that over the course of the past several years I have become aware of intercarrier disputes involving MCI that could only arise in situations where MCI was the local provider and somebody else was the long distance carrier for customers that MCI was

providing local service to. It is based on that that I conclude that MCI does, in fact, allow customers to use a different interexchange carrier.

Q All right. So then can I assume that you have not looked at the terms and conditions of MCI's local offerings to determine whether that, in fact, remains the case, if it was the case based on your prior experience?

A Yes.

Q Now, let's just move then to a hypothetical situation. Suppose MCI took the position that it would not sell its local service to a customer, a local customer, unless the local customer also subscribed to MCI's toll service. Would that be okay with you?

A Yes, I think that that would. MCI doesn't have any kind of market power in any kind of market, so because of that I don't think it raises any of the issues that we are wrestling with here.

Q Well, suppose the customer had a very favorable MCI rate that the customer had enjoyed for some time and really wanted it, but MCI -- I'm sorry, that goes the other way. Nevermind, I will skip that. I will save that one for later.

If a customer in Florida moves to MCI and is served by UNE-P, and the customer at the time of the move does not have BellSouth's FastAccess service, but six months later decides that the customer would like BellSouth's FastAccess

service, is it the FCCA's position that BellSouth should be required to provide that FastAccess service to that customer?

A Yes.

Q So the issue is not simply whether BellSouth's DSL policy prevents the migration of customers to competitive voice providers, I take it?

A That is correct. The refusal to deal concern applies to both customers who have already signed and customers that want to obtain the service.

Q Okay. Suppose BellSouth in that same situation refused to provide inside wire coverage to a customer who moved to MCI. Is it your testimony that BellSouth should be required by the Commission to provide inside wire maintenance service to MCI's customers who desire it?

A I have not offered any testimony on inside wire.

Q I understand, but you understand that is an unregulated service, don't you?

A Yes, I understand that. I have just not offered any testimony whatsoever on what is or is not reasonable behavior.

Q I understand. I want to understand whether your philosophy extends to all unregulated services or just FastAccess.

A It is not a philosophy, Mr. Lackey, it is a complaint about actual specific market behavior involving FastAccess.

Q Fine. Could you answer my question?

A No.

MR. LACKEY: Ms. Kaufman?

MS. KAUFMAN: Mr. Lackey, I think that Mr. Gillan has answered your question. His testimony doesn't address this.

MR. LACKEY: I don't believe that is an appropriate answer to a direct question.

THE WITNESS: Do you want to restate the question, Doug, Mr. Lackey, and I will try and --

MR. LACKEY: Sure.

BY MR. LACKEY:

Q Is it your position that if a customer moved from BellSouth to MCI and was served by MCI using a UNE-P that the Commission could require BellSouth to provide inside wire maintenance to that MCI customer?

A I have no position on that question. I have not looked at it at all.

Q Okay. Now, there was a question earlier about Memory Call, and I'm not quite sure where it ended up, but Memory Call is, in fact, an intrastate service, isn't it?

A I don't know.

Q Okay. Let's pose another hypothetical. Let's assume that instead of talking about broadband that what we were talking about was dial-up service, and BellSouth adopted a policy that it would not provide dial-up service to its ISP to any customer that did not take BellSouth's voice service.

Would that conduct, in your opinion, be anticompetitive?

A Like my answers for voicemail and inside wire, I have not thought about that type of an arrangement.

Q Well, can you apply the principles that you have applied to the broad-band situation to the situation involving a dial-up that I just posed?

MS. KAUFMAN: Mr. Lackey, I'm going to object. I think Mr. Gillan said that he hasn't considered this scenario, so I'm not sure that he can do that.

MR. GILLAN: Well, if he can't, that's fine, but I just asked --

MS. KAUFMAN: I thought that is what he said, but you can ask again.

MR. LACKEY: No, he didn't say that. I asked him if he could apply the principles that he has announced to that situation. And if he can't, that's fine.

THE WITNESS: I can't do it readily. It would require further thought and probably additional information.

BY MR. LACKEY:

Q Can you turn to Page 3 of your direct testimony. Beginning at Line 18 of the testimony, you have a sentence that says, "Fourth, the strategy represents a classic tying arrangement enabling BellSouth to cross-leverage its market position," and it goes on. First of all, we have already established or you have established that you are not a lawyer,

correct?

A Yes.

Q Now, have you ever previously given testimony in a court or in a Commission relating to classic tying arrangements?

A Never before a court.

Q Okay. Are you still thinking?

A Yes, actually. During debates about how and under what conditions the intraLATA toll market should either be open to competition or redefined as local calling, that debate may have raised -- may have caused me to give opinions on whether that market was being tied to local services. I do not have a specific recollection, but it is the only area of prior testimony over the past 15 years that I can think of that would raise similar -- or raise that kind of issue. Unfortunately, I'm just not able to rule out all of those instances.

Q All right. Let me try to phase the question in a positive manner, then. You can't recall any time that you have ever done that before?

A Correct. Outside of the refusal to sell FastAccess cases, no, that is correct.

Q And that is the Georgia case and this case, right?

A That is correct.

Q Now, will you agree that the phrase tying arrangement is a term that is used most often in connection with matters

dealing with antitrust litigation?

A It is certainly used in that context. As to frequency, I don't know, but it is certainly used in that context.

Q Will you agree that in a classic tying arrangement there is a tying product and a tied product?

A Yes.

Q And will you agree that in order to buy the tying product, one first has to agree to purchase the tied product?

A In its textbook discussion, yes.

Q Now, are all tying arrangements, in your opinion, inappropriate?

A No.

Q Do you agree that in order to constitute a classic tying arrangement the party advocating that there is a tying arrangement has to prove that the person or party accused of using a tying arrangement has coerced the buyer into buying the tied product?

A In a context of antitrust law, I don't know the answer to that question. In the context here, which is really anticompetitive conduct under state public utility statute, I don't believe that the conduct -- that that needs to be found in order for the company's conduct to be found anticompetitive.

Q And is that just your opinion or do you have some basis other than what you have just stated for that conclusion?

If that question was confusing, I will restate it.

A It was confusing.

Q Well, it worked then. The question I'm asking you is what is the basis for your conclusion that the use of the term classic tying arrangement in an antitrust litigation might be different than the definition of a classic tying arrangement used in a regulatory proceeding? Was that clearer?

A Yes. Well, over the past 20-some-odds that I have been addressing these kinds of issues and doing this kind of work, I think a general conclusion in a wide variety of proceedings has always been that state public utility commissions and the statutes that grant them jurisdiction aren't intended to be replacements for the antitrust courts, and that, therefore, the things that one must demonstrate in order to obtain antitrust relief have always generally been different than the types of arguments and types of findings that administrative agencies are held to in order to effect policies found in their state laws.

So, I can't point you to a single case, it is just over the past 20 years of my doing this I have typically bumped into incumbents saying, "I'm not guilty of this unless I am guilty -- unless I am found guilty by a court applying antitrust standards." And I have generally found that administrative agencies charged with a broader public purpose have found reduced standards at greater concern than those

standards held in antitrust courts.

Q Are you aware of any Commission decision in Florida that defines or interprets what you are calling a classic tying arrangement, period?

A No, I have not researched that question.

Q So when you say that it is a different standard in terms of regulatory agencies, you don't have anything in Florida that you can point to with regard to tying arrangements to support that conclusion?

A Not specifically, no.

Q I guess we ought to clarify since I sort of glossed over it. In this arrangement, which is the tying product and which is the tied product?

A You know, in this arrangement I don't know that that distinction is relevant, because I think here what we have is a situation where BellSouth admittedly developed its DSL footprint by taking advantages of its voice monopoly and is now refusing to sell that DSL service in circumstances that would have no effect but to strengthen its voice market position.

So I personally feel that the appropriate view here is to not try and break this into its traditional antitrust components and apply antitrust law, but to look at the situation more holistically as to what is going on here and should the Commission sanction it. And in that framework I think that there is much greater boring (phonetic) between what

is the tying and what is the tied product because you have clearly used your market position in one to gain your position in the other and now you want to continue that cycle. And at least that is how I view the anticompetitive conduct in this proceeding.

Q Well, Mr. Gillan, are you still at Page 3 of your testimony?

A Yes.

Q You did state that the strategy represents a classic tying arrangement, didn't you?

A Yes. And in the rest of that sentence I refer to the fact that it is a cross-leverage of your market position, which is actually not the classic antitrust definition. But I have tried to make it clear to you that what I believe to be occurring here is that you used your voice position incumbency to gain your DSL footprint and now you want to use your DSL footprint to further entrench that voice position. And in my mind the most important phrase in that sentence is this cross-leverage of your market position.

Q Well, let me close this out then. Is it your testimony today that you are not opining that there is a tied product and a tying product in this relationship?

A No, it's actually that that isn't how I was thinking about it and isn't the important framework to look at it. If we want to break it down -- scratch that. It is the fact that

you actually cross-leverage position in both markets that I find to be the most disturbing in your application here.

Q I hope that wasn't my question, but let me see if I can clarify it. All I want you to do is if you are of the opinion that in this classic tying arrangement there is a tied product and a tying product, all I want you to do is identify them. And if you want to say you have not thought of that or you haven't decided between them, that's fine, too. I just want to know.

A I haven't focused on it from that perspective. If you will given me a second, let me think if I can give you a more complete answer.

Q That would be fine.

A I think if I was to push it into that framework the tied product would be local and the tying product would be the FastAccess.

Q Okay. Thank you. In order to have a classic tying arrangement, does the party offering the tying arrangement have to have market power in the tying product market?

A I think in a textbook example that would be the case. I think in this case things are much -- I think you have to look at your position in both markets, understanding how they interoperated together to get you where you are.

Q All right. Well, then what do you define as market power?

A Well, I think your refusal to provide FastAccess if a customer changes voice service is a clear example of market power in that you would only do that if you believe -- you would only play chicken with your own customers if you believed that by threatening to the disconnection of FastAccess you were more likely to retain the voice business than to lose both businesses. So in that sense I think that is evidence of market power.

Q Let me pose another situation to you. Suppose as a matter of fact there wasn't enough margin in a stand-alone FastAccess offering to allow the company to earn a reasonable return on its investment if it was required to offer it as a stand-alone product. Would that be a reason for not offering it?

A That might be a defense on your part. It is not one that you have shown here, but that might be something that you would try to use as a defense. Of course, for that to be true that would imply that you can improve -- that voice service, voice residential voice service produces sufficient margin to offset that shortfall, which would be an interesting position to contrast with all of your other positions in universal service in another context. So, at least in my mind you haven't raised that, so we don't need to try and empirically demonstrate it, but I can understand why you might try to claim it.

Q Well, all I wanted to know was whether that might possibly be an explanation if it were, in fact, true. Do you have an opinion on that?

A It might be an explanation if it were, in fact, true and significant.

Q I'm sorry, what has significance got to do with it?

A Well, you would have to be able to demonstrate that there was a margin shortfall if offered. And we shouldn't say on a stand-alone basis, because at no time are you ever offering FastAccess on a stand-alone basis, because it is always being offered in the circumstances we are talking about in connection with selling a UNE and as part of the overall BellSouth family of services.

But you would have to be able to demonstrate that offering it without the added revenue and profitability of residential voice service it was economically -- I guess you would have to be able to prove that you were offering it at a loss, an incremental loss without that residential voice profit to support it.

Q Let's pursue this for a moment. If we are actually required to provide this service to an MCI customer who is providing the service using an UNE-P, the revenue that BellSouth gets from MCI is whatever the cost per month of the UNE-P is, correct?

A Well, it gets that, but you are not offering it to an

MCI customer, you are offering it to your customer who is also then getting voice service from MCI. Your revenue streams from that transaction are revenue from MCI for UNE-P and revenue from the customer for FastAccess. So long as the customer's FastAccess revenue is greater than its incremental cost, then you are better off keeping that customer than losing them. And that is why I am so -- I will accept your hypothetical that it could be that your FastAccess revenue is below your FastAccess incremental cost in such a way that somehow providing it with voice changes that equation, but I fail to see how it is possible. But I am only accepting it as a hypothetical.

Q Well, suppose BellSouth decided that it wanted a 25 percent return on its investment in FastAccess, and providing FastAccess to a customer who used MCI's voice service wouldn't allow BellSouth to earn that return on that unregulated product. Would that be a reason not to offer the service?

A The necessary return would have been included in my description of your incremental cost.

Q I didn't understand that answer. Is the answer yes or no?

A Restate the question, please.

Q Yes. Suppose BellSouth has a policy of requiring that its unregulated products return 25 percent to the company on the investment or it won't engage in the unregulated product. And the return when BellSouth has to provide

FastAccess to an MCI customer as we are talking about here, doesn't yield that return. Would that be an adequate reason not to require BellSouth to provide that service?

A Only if you could get the 25 percent return on FastAccess by also having the customer select voice service from you. And that is the part of this that I'm not seeing as possible, much less plausible. The only reason you would refuse to sell it to a customer based on whether they got voice service from you or MCI would be if the voice decision materially changed the FastAccess economics, and I don't see how that is possible.

I can see why you wouldn't sell to a customer that didn't provide a necessary return. What I don't understand and what I think the Commission should reject as a working assumption is that somehow who the customer chooses for voice service is what decides whether FastAccess produces the correct return to you. Your problem with FastAccess should be your problem with FastAccess. Whatever the price you set for it should either compensate you or should not compensate you. There is no linkage here to explain how the customer's voice decision materially changes your FastAccess return.

Q Turn to Page 12 of your rebuttal testimony beginning at line -- well, it's in the paragraph that begins at Line 16.

A Just one second, Mr. Lackey.

Q Sure.

A All right. I'm on Page 12, and where do you want me to go?

Q It's my Line 16. The paragraph that begins, "As to the ALEC's ability to resell."

A Yes.

Q And if I understand correctly, in that paragraph you are explaining why resale isn't viable, and you say it wouldn't enable competitors to introduce innovative new services, such as MCI's neighborhood offering, correct?

A Yes, that is one of the failings.

Q Now, MCI's neighborhood offering is a bundled offering, isn't it?

A Yes.

Q It has got local and it's got toll in it?

A Yes.

Q And if MCI couldn't offer all of those components using UNEs, apparently MCI wouldn't be able to make that offering, is that correct?

A Yes.

Q So at least in some instances bundling generates more of a profit for the person offering the bundle than offering the elements on a stand-alone basis, correct?

A In that instance, yes. In FastAccess that would not be true, because the CLECs in pursuing this complaint are offering to let you continue to use the loop for free. So they

are giving you back 100 percent of the synergy of offering FastAccess in combination with a customer obtaining voice service on that loop by giving you use of that loop for free. And that rather significant concession assures you that all the facility synergy remains squarely in your FastAccess arrangement.

Q Well, you said the -- I think you said the ALECs are offering to let us use the upper frequency portion of the loop for free. Now, is that something you have been told or have you actually made such an inquiry of the ALECs in Florida?

A I asked all the ALECs pursuing this complaint if the relief we sought, namely that the Commission would require that you continue to provide FastAccess to carriers who agree to give you that loop use for free, is the relief we were seeking. So the action we are asking the Commission to take would be one which would only require you to provide FastAccess to CLECs that are willing to give you that, to your customers whose voice service is shifted to CLECs who are willing to allow you to have the high frequency spectrum for free.

Q And you are testifying that you asked all the ALECs pursuing this action about whether they would agree to that, and they said they would?

A Yes.

Q Do you happen to know whether Supra is a member of the FCCA?

A Yes.

Q Well, I guess I asked the question incorrectly. Is Supra a member of the FCCA?

A My understanding is that it is.

Q And did you ask Supra whether Supra was willing to allow BellSouth to use the upper frequency portion of these loops for free?

A The position was circulated to all members. And to my knowledge, nobody objected. It is certainly only my testimony that that is the relief that I am recommending that the Commission grant. I am not aware of a single member of the association that dissented on that position or expressed dissent.

Q I didn't mean to interrupt you, and apologize. I must have misunderstood. I thought you said you asked them?

A I did. The question was posed to them and my understanding is that there was no dissent to the position I was taking in the testimony.

Q Did you pose the question to them?

A I think logistically I asked that the question be posed to them. I don't recall if I specifically sent the e-mail or not. It is certainly my testimony that the relief that the FCCA is seeking the Commission order is that specific relief.

Q And I assume from your answer that you did not get an

affirmative response from every player. What you got was silence.

A I am assuming that with everything else in my life I did not get 100 percent affirmative anything, but that everyone was given knowledge of the position and there was no dissent. And as I sit here today being deposed by you, that is what my testimony is recommending, the action the Commission is recommending to be taken.

Q Is FDN a member of Supra? I'm sorry, a member of the FCCA?

A No.

Q Do you know whether FDN was asked the same question?

A No, I do not. I only know that what we are asking the Commission to do presupposes that the CLECs whose customers would choose them for voice service, in order for you to have an obligation to continue to provide FastAccess, they would be required to give you access back to the high frequency spectrum at no price.

Q Let me offer up a hypothetical, if you will. Let's assume that we have got an ALEC in Florida who in some circumstances provides its own DSL service to its customers, and in other situations wants the Commission to require BellSouth to provide its FastAccess to that ALEC's customers. Do you have any problem with the hypothetical so far?

A No.

Q Let's suppose that the reason that has happened is the ALEC has put some DSLAMs in in some parts of its service area, but not in others. That would be one possible reason why something like that would happen, correct?

A It could be. I will accept it as a hypothetical.

Q All right. Now, let's suppose that one of these ALEC customers who is served in an area where the ALEC does offer its own DSL service calls BellSouth and wants BellSouth's FastAccess service. Is it your position that that ALEC wouldn't be able to object to BellSouth providing FastAccess to that customer?

A I'm sorry, Mr. Lackey, you have actually lost me.

Q I'm sorry, I get lost in my own thoughts sometimes. What I'm trying to do is ask you this. We have agreed hypothetically that there could be an ALEC that has its own DSL offering in some areas and not in others. And that might be because they purchased a DSLAM that they have got in one area but they don't have them in all areas. A DSLAM is necessary to provide DSL service, correct?

A Yes.

Q And what I'm trying to ask you is if one of the customers of that ALEC who lives in an area where the customer could draw the ALEC's DSL service using the ALEC's DSLAM elects to call BellSouth's instead and ask for FastAccess, is it your position that BellSouth ought to be able to provide that

FastAccess service to that customer over that ALEC's objection?

A With just that set of facts in front of me, yes. But it is not clear to me, quite frankly, what facilities you are talking about or what real hypothetical you are suggesting. Obviously, if a customer wants to buy service from BellSouth, ALECs typically aren't in a position to prevent that from happening.

Q I understand. But maybe my example wasn't clear; I thought it was. You will agree with me that there are some ALECs in Florida that are actually providing their own DSL service to customers, won't you?

A Yes.

Q Are some of those ALECs providing DSL service to their own customers also providing voice service to customers?

A Yes.

Q And what I want you to assume is that that ALEC buys a UNE-P from BellSouth to provide voice service to a customer, okay?

A Yes.

Q Now, the customer wakes up one morning and wants broadband service. The customer has at least two choices. One of the choices is to buy broadband from the ALEC using the ALEC's DSLAM and presumably the rest of the ALEC's network, correct?

A Yes.

Q If FCCA gets its way, the other choice the customer will have is buy DSL service from BellSouth; correct, FastAccess from BellSouth; correct?

A Well, specifically the FCCA complaint would be that BellSouth would not be permitted to refuse to provide service.

Q Okay. So the answer is yes. One of the other choices was if the FCCA gets its way the customer will be able to buy FastAccess from BellSouth in that situation?

A Well, BellSouth would not be able to refuse to provide service to a customer where the ALEC is willing to allow BellSouth to use the loop at no charge for the high frequency spectrum.

Q That's getting to the heart of my question. What I want to know is under your -- is it your position under my hypothetical that the ALEC who has its own DSL facilities could refuse to let BellSouth have the upper band, the upper spectrum to provide DSL for that customer?

A We haven't raised that issue in our complaint.

Q I understand, but I want to know if that is your position or not?

A I have no position on it. I haven't thought at all about whether CLECs that have bought loops should be required, absent the relief sought here, which is that if you are willing to give BellSouth free use of the loop should BellSouth be permitted to refuse service to a customer. That is the only

situation that we have raised in the complaint. That is the only behavior that we are addressing, so I really haven't thought at all about the hypothetical you are raising and it is not relevant to this.

Q Well, let's see if it is or isn't. Let's suppose that BellSouth gets a call from a customer one day. The customer says I want to purchase your FastAccess service. I happen to be a voice customer of FDN, but I want to buy your voice service. I'm sorry, I want to buy your FastAccess service. I get myself confused here. What I am concerned about, and I want to know if you are concerned about, is how BellSouth is going to know whether FDN, who is providing its own DSL service, is going to let BellSouth have access to that upper frequency spectrum or not?

A BellSouth would have to have knowledge of what the interconnection agreement permits.

Q Okay. So BellSouth would have to maintain a database, and in that database it would have to somehow or another separate those ALECs that would let us have access to the upper band spectrum and those ALECs that would not, is that correct?

A Yes.

Q Okay. There was some discussion in the earlier part of deposition about cable, and I think you had said you hadn't studied the availability of broadband using cable in Florida,

is that correct?

A Yes.

Q So just to ask the obvious question, then, if I were to ask you how the availability of cable modem service laid down with BellSouth's DSL service availability in Florida, you wouldn't know the answer to that?

A That is correct.

Q Are you, yourself, a broadband customer of someone?

A No.

Q You don't have broadband service?

A Correct.

MR. LACKEY: Can I have just a minute, please. I'm trying to go through the questions and end this.

(Pause.)

MR. LACKEY: I'm sorry, I did miss a question.

BY MR. LACKEY:

Q If BellSouth's DSL policy kept a single customer from moving (phone noise) -- are you still there, Mr. Gillan?

A Yes, I am still here.

MR. LACKEY: You folks in Florida still there?

MS. CHRISTENSEN: Yes, we're still here.

MR. LACKEY: I'm sorry, I got a buzz on the line.

BY MR. LACKEY:

Q If BellSouth's DSL policy kept a single customer from moving to an alternative voice provider, would that be enough

in your opinion to require -- or to have the Commission require BellSouth to abandon its policy?

A One customer?

Q Yes.

A No.

Q What I'm trying to do is I'm trying to figure out whether there is a threshold below which the policy is okay and above which you have a problem with it, okay? And I take it from your answer there is a threshold?

A Well, there is a threshold in the sense of saying that you would have to change your policy because some de minimis amount of customers -- I'm not an unreasonable man, but in terms of this -- can I give you a quantified threshold?

Q As long as you don't let my silence indicate that I agreed with your comment. Go ahead.

A Well, I will point out that you weren't silent, but you still didn't register a disagreement to my comment.

Q Go ahead.

A I was finished.

Q I thought you were going to explain to me, other than the fact that you consider yourself not to be an unreasonable person, how you might measure that threshold?

A Well, I don't think in this case we really need to get into that, because it seems to me that when you look at the breadth of this practice and the motivation, it is quite clear

that BellSouth is engaged in this solely for one purpose. It knows that by threatening to discontinue service to customers for FastAccess the customer's voice will remain.

It only makes sense to you because it is a successful anticompetitive practice, and trying to debate around the edges of that is to at what point would this be a de minimis number of customers, it is the point at which it would not longer be a valuable anticompetitive practice to you. We are nowhere near that boundary. I haven't tried to think about where numerically it would be.

Q Do you happen to know how many lines are served by ALECs in Florida today? A reasonable approximation of that number?

A No.

Q Well, in your testimony you do have a number of what it is in June of 2002?

A That is true. It didn't include lines to the voice customers served over ALEC loops, however.

Q Okay. But then it would say that it is somewhere north of three-quarters of a million lines?

A Yes.

Q But we don't know how much above three-quarters of a million lines because we don't know how many ALECs are serving customers using their own facilities?

A That would be true. Although I would think that by

and large the lion's share of analog customers for which the debate we are having today is relevant, it wouldn't be very far north of the UNE-P customers.

Q All right. And that number, three-quarters of a million, I think is from June of 2002, correct?

A That is the total. I was focussing in on UNE-P. But, yes, that is from June of 2002. And then there is a larger number in terms of UNE-P lines, at least, as of September 30th, which would be about, roughly half a million UNE-P lines in Florida.

Q So we can agree that the number of lines served by competitors continues to grow in Florida?

A Yes.

Q Do you know how many lines there are where BellSouth provides FastAccess service to its current voice customers?

A Not off the top of my head.

Q Do you know how many customers have refused to move to an alternative voice carrier because of BellSouth's DSL policy?

A No.

Q Are there any ALECs in Florida, left in Florida whose primary business is providing DSL service, to your knowledge?

A I believe that Covad is still active in Florida, but I have not actually investigated it to determine if that is true.

Q Well, then, that may answer my next question, and that was going to be whether Covad was a client of yours?

A No.

Q And so I take it you didn't consult with Covad about your position regarding DSL in this proceeding?

A That is correct.

Q Do you think that a provider of DSL service like Covad would agree with the FCCA's position in this proceeding?

A I'm not aware of them ever disagreeing with it. I don't see any reason why they would disagree with it.

Q Well, they are in competition with BellSouth for DSL customers, aren't they?

A Yes. But at least in my experience, Covad and others have been more interested in making it easier for them to sell their own services by reducing operational and pricing barriers to their products rather than attempting to make it more difficult for customers to continue to get DSL from an alternative. So I have just never seen any indication that this issue would present them a concern. Obviously not in this docket.

Q Well, any DSL customer who wanted broadband service who was forced off BellSouth's FastAccess service would be a potential candidate for COVAD's DSL service, wouldn't it?

A Not necessarily. I'm not sure that customers get forced off. I believe they get forced into not making voice

choices.

Q Is it your position that customers are not leaving BellSouth and going to alternative voice providers because of this DSL -- let me rephrase that question. Is it your position that no BellSouth customers who are receiving DSL are leaving BellSouth, becoming former BellSouth customers because of this DSL policy?

A None?

Q Yes, none.

A Extreme answers are seldom correct, so I would expect that none would not be accurate.

Q But you don't know how many BellSouth DSL customers have, in fact, left BellSouth to go to an alternative voice provider, notwithstanding BellSouth's DSL policy?

A Correct. I can only presume that it would be the lion's share. Because if the consumer reaction to BellSouth's refusal to continue to provide DSL was that BellSouth lost both the DSL and the voice, then BellSouth would change the policy. The fact that you are adamant about the policy demonstrates the effectiveness.

Q Have you inquired of any of your clients, members of the FCCA about that particular issue, whether they have gotten BellSouth customers who left their DSL offering?

A The general understanding I have from my broad group of clients is that when their salespeople discover a customer

that has DSL service in a state where this type of policy is in effect, their salespeople are told to drop the marketing. That it is just not worth the time to try and convince a customer they should rip out their DSL to get the voice. That is my general understanding of the market reaction to your policy.

Q Okay. So at least part of the reason why some customers may not move is that when your clients' sales reps encounter DSL, they just quit pursuing the customer?

A But because of the learned behavior of customer -- trying to get a customer who has gone through all of the aggravation of getting DSL operational are not likely to want to rego through that experience in order to obtain voice from a different provider. You know, basically your strategy is effective.

MR. LACKEY: Well, that is good to know, I guess. Can I have just one minute? Thank you, Mr. Gillan. That's all the questions I have.

THE WITNESS: Thank you, Mr. Lackey.

MS. CHRISTENSEN: I think we are done with Mr. Gillan.

MS. KAUFMAN: Yes. I don't have any redirect.

(The deposition concluded at 1:40 p.m.)

ERRATA SHEET
DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE

IN RE: DOCKET NO. 020507-TL
NAME: JOSEPH GILLAN
DATE: January 22, 2003

PAGE	LINE	CHANGE

STATE OF FLORIDA)
: CERTIFICATE OF OATH
COUNTY OF LEON)

I, the undersigned authority, certify that JOSEPH GILLAN appeared telephonically before me and was duly sworn.

WITNESS my hand and official seal this 30th day of January, 2001.

JANE FAUROT
Notary Public - State of Florida

Jane Faurot
MY COMMISSION # DD033610 EXPIRES
July 16, 2005
BONDED THRU TROY FAIN INSURANCE, INC.

STATE OF FLORIDA)
:
COUNTY OF LEON)

CERTIFICATE OF REPORTER

I, JANE FAUROT, Official FPSC Commission Reporter, do hereby certify that I was authorized to and did stenographically report the foregoing deposition at the time and place herein stated.

I FURTHER CERTIFY that this transcript, consisting of 61 pages, constitutes a true record of the testimony given by the witness.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 30th day of January, 2003.

JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

000286

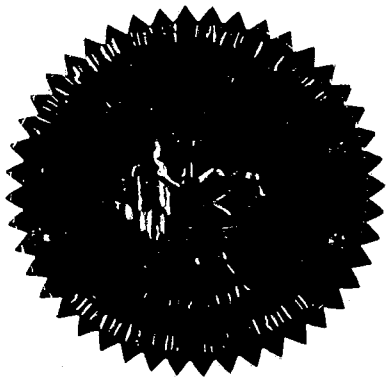
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

In the Matter of

COMPLAINT OF FLORIDA COMPETITIVE CARRIERS ASSOCIATION AGAINST BELLSOUTH TELECOMMUNICATIONS, INC. REGARDING BELLSOUTH'S PRACTICE OF REFUSING TO PROVIDE FASTACCESS INTERNET SERVICE TO CUSTOMERS WHO RECEIVE VOICE SERVICE FROM A COMPETITIVE VOICE PROVIDER, AND REQUEST FOR EXPEDITED RELIEF.

_____/



ELECTRIC VERSIONS OF THIS TRANSCRIPT ARE A CONVENIENCE COPY ONLY AND ARE NOT THE OFFICIAL TRANSCRIPT OF THE HEARING, THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

TELEPHONIC DEPOSITION OF:	W. KEITH MILNER
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
CONDUCTED FROM:	Gerald L. Gunter Building Room 362 2540 Shumard Boulevard Tallahassee, Florida 32399-0850
IME:	Commenced at 2:15 p.m. Concluded at 4:51 p.m.
ATE:	Friday, January 17, 2003
REPORTED BY:	JANE FAUROT, RPR Chief, Office of Hearing Reporter Services FPSC Division of Commission Clerk and Administrative Services (850) 413-6732

APPEARANCES:

MEREDITH MAYS, NANCY B. WHITE, DOUG LACKEY, c/o Nancy Sims, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301, representing BellSouth Telecommunications, Inc., participating telephonically.

DULANEY L. O'ROARK, III, MCI WorldCom, Inc., Six Concourse Parkway, Suite 3200, Atlanta, Georgia 30328, representing MCI WorldCom, Inc., participating telephonically.

VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, Dekker, Kaufman, Arnold & Steel17 S. Gadsden Street, Tallahassee, Florida, representing Florida Competitive Services.

PATTY CHRISTENSEN, FPSC Office of General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing of behalf of the Florida Public Service Commission Staff.

WITNESS

NAME	PAGE NO.
W. KEITH MILNER	
Direct Examination by Ms. Christensen	6
Cross Examination by Mr. O'Roark	28
Cross Examination by Mr. Kaufman	66
Redirect Examination by Ms. Christensen	87

EXHIBITS

NUMBER:		ID.
1	Public Disclosure Document	37
2	Revised Rebuttal Testimony and Direct Testimony of Mr. Heck	74

S T I P U L A T I O N

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that counsel present stipulate that the witness is the person he identified himself as; that objections, except as to the form of the question, are reserved until hearing in this cause; and that reading and signing was not waived.

IT IS ALSO STIPULATED that any off-the-record conversations are with the consent of the deponent.

PROCEEDINGS

Thereupon,

W. KEITH MILNER

was called as a witness for BellSouth Telecommunications, Inc., and having first been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MS. CHRISTENSEN:

Q Can you please state your name for the record?

A Yes. My name is W. Keith Milner.

Q And, Mr. Milner, I know you have done depositions before, but I will go ahead and ask. You have done this before, correct?

A Yes, I have.

Q And, Mr. Milner, did you file direct and rebuttal testimony in this? I believe you did.

A That is correct, I did.

Q Give me one second. Okay. Mr. Milner, could you turn to Page 4 of your direct testimony, please?

A Okay, I'm there.

Q Okay. And on Page 4, beginning with Line 2, you state that a wholesale DSL virtual circuit must terminate on an intraLATA ATM circuit. Am I correct that the ATM circuit itself is not part of BellSouth's tariffed interstate ADSL transport offering, but something that is purchased separately?

A I'm sorry. I tell you what, I'm having a little bit of trouble hearing. I'm going to move closer to the speaker or we can move that down here, whichever is easier. I'm sorry.

Q Do you need me to repeat the question for you?

A Okay.

Q Okay. Starting at Line 2 of your direct testimony you state that a wholesale DSL virtual circuit must terminate on an intraLATA ATM circuit. Am I correct that the ATM circuit itself is not part of, for example, BellSouth's tariffed interstate ADSL transport offering, but is something that is purchased separately?

A Yes, I think you are correct that there are different price elements for each of those two things.

Q Okay. Well, then turning over to Page 7 of your direct testimony --

A I'm there.

Q -- you note that BellSouth is not entitled to access the high frequency portion of a loop when it is not the voice provider without permission from the CLEC?

A Yes.

Q And beginning at Line 10 you state, "Additionally, BellSouth would be forced to negotiate prices with these ALECs for access to the HFPL," and I assume that is the high frequency portion of the loop?

A Yes.

Q -- "to provide a service that BellSouth does not wish to provide."

A Correct.

Q Okay. And absent some provision requiring all ALECs to provide BellSouth with access to the affected spectrum -- absent, sorry, some provision requiring all ALECs to provide BellSouth with access to the affected spectrum without cost --

A Yes.

Q -- if this Commission required ALECs to provide BellSouth access to their UNE loops or UNE-P at no charge in order for their customers to obtain BellSouth FastAccess service, would this issue go away?

A Well, that portion of this issue would go away, yes. The point that I was making here is that a number of ALECs in Florida potentially are affected by this ruling, and I have read the testimony in this proceeding where some of the witnesses have said that their respective companies would be willing to provide BellSouth access to the high frequency portion at no cost, but those companies do not represent all ALECs, of course. And so the question would remain, you know, when do we have free access and when do we not. If the Commission were to order that all ALECs must provide the high frequency portion to BellSouth at no cost, then that portion of this issue goes away.

Q Right. And we are talking about only in order to get

FastAccess, correct?

A Yes, correct.

Q Now, going back to Page 9 at Lines 18 through 21.

A Okay, I'm there.

Q Okay. In there you state that if a BellSouth switch does not provide the dial tone, the mechanized maintenance and trouble isolation features are not available.

A Yes.

Q Where an ALEC switch provides dial tone to a UNE loop obtained from BellSouth, is there a way that the ALEC can offer access to BellSouth to its MLT information?

A I have never seen that done. Let me answer your question in two ways. First of all, my statement really relates to those mechanized systems that BellSouth provides via its own switches. So if you uncouple the loop from BellSouth's switches, then any feature that is activated or effectuated by the BellSouth switch is no longer possible. That is not to say that an ALEC might not be able to provide similar functionality from its own switches. So, yes, an ALEC might choose to replicate some or all of BellSouth's maintenance systems. To my knowledge none of them have done so so far, but that is certainly possible.

The second part of your question, I think, if I am mistaken I will stop, but I think what the second part of your question was getting at could an ALEC, for example, connect its

switch to BellSouth's MLT system and still do those same kinds of tests?

Q That is correct.

A I suppose that if BellSouth and the ALEC could agree on rates, and terms, and conditions for such a thing, then that might be possible. But technically it would depend a great deal on what vintage of switch they bought, what manufacturer, so I can't tell you that any vendor's switch would work with BellSouth's MLT. We know for sure that the switches we buy do, because that is one of the requirements that we place on manufacturers. But, you know, I am certainly not privy to all ALEC choices of switching gear, and so I can't say that any or all of that switching equipment is compatible with BellSouth's MLT. We will have to look at it on a case-by-case basis.

Q Mr. Milner, could you turn to Page 6 of your rebuttal testimony.

A Okay, I'm there.

Q And starting at Line 19 you say that DSL technology became available to ALECs and ILECs alike at the same time.

A Yes.

Q Can you tell us when approximately that was?

A It was several years ago.

Q Do you have a more specific, like a year?

A Well, I would say that the -- let me see if I can trace it backwards. Probably in the 1998 sort of time frame is

when I started reading about DSLAMs and how they worked and that sort of thing, so roughly in that time frame.

Q So was it clearly after the Act was initiated, after 1996?

A That what we have come to know as ADSL -- yes, that is my recollection is that after the Act was when DSL services were widely advertised and companies like BellSouth began to build their networks.

Q Other than the FCCA members reflected in your Exhibit WKM-1, are you aware of any other ALECs that are providing DSL or similar services in BellSouth Florida's service area?

A In your area?

Q In your area.

A In our area, rather.

Q Uh-huh.

A I have to admit to you that I have not looked at all the other ALECs that operate in Florida and looked at their website. My interest was to see what the FCCA members had said via their websites about their service offerings. So I really don't know. I do know of some ALECs in other states that BellSouth operates in that claim to be providing DSL service, but frankly I just didn't look beyond the FCCA members in Florida.

Q Okay. Are you aware of any providers who are purchasing BellSouth's tariffed interstate ADSL transport

offering to provide a highspeed Internet access service analogous to FastAccess?

A None comes to mind. When you say FastAccess, I am interpreting that to mean an ADSL, that is asymmetric DSL type service. Some ALECs are using other transport services that BellSouth provides to offer other versions of DSL, but not ADSL. So, no, none comes to mind regarding ADSL.

Q But we are talking providers, not just CLECs, but also any other types of providers. ISPs in particular. Are you aware of any?

A No. But, again, frankly, I haven't looked to see if there are or are not. But I guess your question is are there ISPs out there who are buying transport services and then bundling that with their Internet access?

Q Uh-huh.

A I don't really know.

Q Mr. Milner, are you familiar with the rebuttal testimony of FCCA Witness Bradbury?

A Yes, ma'am.

Q We have some questions about some assertions that Mr. Bradbury made. Do you have a copy of that testimony available to you?

A I do. Give me just a moment. Yes, I have got it here.

Q Okey-dokey. Can you turn to Page 7 of Witness

Bradbury's testimony?

A I'm there.

Q And starting at Line 7, he contends that identifying which ALEC serves a particular UNE loop or UNE-P is not a major issue. He further says that for most UNE-Ps the telephone number has not changed, that even where it has, the number will reside in the BellSouth switch in various provisioning and maintenance and billing databases in exactly the same way as a BellSouth retail number or a resale number. Is determining the ALECs associated with a given UNE-P as straightforward and unproblematic as he contends?

A No. I think Mr. Bradbury and I would disagree over the level of complexity of what that one step would entail. This discussion is in the context of the question we talked about before about, you know, who controls the high frequency portion of the loop. Presuming that the call -- let's say one of AT&T's customers called into BellSouth's FastAccess, you know, order taking service, and said I'm a customer of AT&T, but I would like to -- I would like to sign up for BellSouth's FastAccess to run on my AT&T voice service. Then those people taking that order would have to figure out, okay, is AT&T operating as an ALEC in this regard, do they have their own facilities, let me go figure that out. So, yes, for that part of the business it would take some time for that service representative to figure out -- however the records were

arranged, to figure out which ALEC is providing service and whether or not that ALEC has given permission to BellSouth to use that high frequency portion. So we disagree over the amount of work that that would entail.

Q Okay. And Witness Bradbury continues that with respect to a UNE loop it is more likely that the link between a loop and a telephone number no longer exists. However, he asserts this is not a significant problem because the loop circuit identification and the end user survey address reside in the BellSouth database that also contain the identification of the ALEC serving the end user. Either one of these pieces of information is sufficient to make use of this BellSouth database required to qualify, provision, and maintain the FastAccess service.

Is he correct that the telephone numbers and the circuit IDs are essentially interchangeable so that there is no insurmountable object?

A No, I don't believe he is correct. Mr. Bradbury was careful there on Line 15 of his testimony to say the loops circuit identification which, you know, may or may not be analogous to a telephone number. In many instances where the ALEC uses the loop and provides its own switching, the circuit identification is not the telephone number. So, he was careful, and I appreciate his being careful to say circuit identification rather than telephone number. So there is a

disconnection between that circuit ID and the telephone number that the customer is using. Here again we disagree over what it would take to relate those two pieces of information. I think later in his testimony Mr. Bradbury outlined some ways that you might use directory assistance listings or you might use 911 information to start populating information such that you could do that look-up. That work has not been done. In my mind that is a considerable amount of work. Your question was is it insurmountable. Well, you know, few things that the human mind can conceive are impossible given enough time and money, and I think this is one of those situations.

Q I guess what we are looking for is from your standpoint -- he basically contends it is really not a big problem to convert the systems. That is there is already systems in place that would allow BellSouth without too much trouble or rewriting its systems to be able to provide its FastAccess over a UNE or a UNE-P loop. And I guess my question to you is do you agree with that conclusion, and if not, specifically what types of things do you feel create much more of an obstacle?

A First of all, I don't agree with his conclusion that it is insignificant. And, of course, if I were spending somebody else's money it would be easy for me to say that is not very much and you ought to have to do it. I mean, that is what he is proposing. What we are going to have to do is come

up with some mechanization that will link all of this information together. And it raises a question about who is going to pay for that. We have identified a number of systems that would have to be modified to some degree to accommodate what Mr. Bradbury is talking about. Nowhere in his testimony did I read where Mr. Bradbury said BellSouth ought to have to do that, but FCCA is willing to pay for it. And he didn't provide any estimates of how much time he thought that was going to take or what it would cost. Mr. Fogle and I have worked together and he has come up with some costs and some timeframes and some systems that would be required to be modified. So I completely disagree with the notion that it is insignificant or trivial.

Q Okay. Looking at Page 11 at Line 8, Witness Bradbury states that BellSouth is able to generate bills for customers without working telephone numbers in certain circumstances. To your knowledge is that correct?

A Well, yes, we produce bills for customers that don't have telephone numbers associated, for example, private line services that run from one bank location to another don't have telephone numbers and we generate bills.

Q And how do you go about doing that? Do you assign a number or how do you go about it?

A We assign some circuit identification to it, a circuit ID we call it.

Q A circuit ID number?

A Yes.

Q And how does that work with the systems that you currently have in place for generating a bill?

A Well, different systems key on one or the other. Some systems were built using telephone numbers as the identifier. Other systems such as those that we use for our access services and special services use circuit identifications instead. You generally don't have one system that accommodates both. If it doesn't accommodate both then you have got programming work to make it do that.

Q Okay. So then looking at Witness Bradbury's testimony, rebuttal testimony beginning at Line 9, when he asserts that all -- virtually all of BellSouth's operational support systems and associated databases can be used with equal effectiveness when presented with any one of three key identifiers, the telephone number, a circuit identifier number, or the service address, what you are saying is that is not necessarily correct for all the databases?

A No, it is not correct, because there needs to be some other -- there would need to be some other software device that translated from one into another. In other words, let's say that BellSouth has a system that uses the telephone number as the identifier. And let's say that the ALEC is only taking unbundled loops and that the telephone number is not

appropriate, but a circuit identification is. Somehow you would have to take that circuit ID, translate it into some 7 or 10-digit telephone number like format that the first system could recognize and know what to do. But that work has not been done yet and it would take a lot of work to do it.

Q Understanding that. So what you would be saying is you need to create some sort of interface program that would allow you to basically populate a telephone driven database with kind of a dummy telephone number?

A That is one way to do it. Or the other way would be to go into the original program, set new field delimiters such that it could use circuit IDs instead of telephone numbers, and other indicators that would tell the system which is was responding to so you could either adapt to the existing system or you could put some sort of translation system or some combination of those two.

Q Okay. I guess I'm just wondering since it would seem intuitively that it would be a lot easier to come up with some sort of -- for lack of a better term, a dummy telephone translation program than it would be to rewrite all the BellSouth current programs. Would you agree that that would probably end up being more cost efficient?

A Not necessarily and here is why. Some of these systems are quite old, some of them already have lots of edits to verify that the telephone number being keyed in is a

reasonable telephone number, for example. It would look to see that it had the right number of digits, that were there no alphabetic characters, maybe even that the telephone number being entered was a legitimate area code for the state that the service was being supplied to. So it really all depends on the age of the system, the ease with which the programming could be done, you know, as to drive you to one decision or to the decision about whether you adapt the system that you have got and do that sort of translation work inside the four corners of that system, or if you make it interact with another system that would do that translation for it. So really it all depends. And some of these systems are quite old.

Q And assuming that you could do even a dummy telephone, you would have maybe -- what you are saying is you would have maybe problems with other programs down the line?

A Well, you may very well. I mean, that is the nature of the beast in developing software programs is that you get to make sure that every other system that you interact with still operates correctly.

Q Well, let me turn your attention to Page 13 of Witness Bradbury's testimony.

A Okay, I'm there.

Q He states that the LFACS --

A I'm sorry?

Q LFACS.

A You're on Line 3, I take it?

Q Line 7.

A Okay.

Q Can be accessed by using any one of the above three identifiers, which was the telephone number, circuit identification number, service address, is that correct?

A That is one system that can. There are lots of them that cannot.

Q And on Page 14, Bradbury notes starting at Line 20. Let me let you get there. To meet the FCCA request, BellSouth simply needs to follow the procedures in this, the BellSouth line splitting information packet and other documents as if BellSouth's FastAccess service were any other DLEC providing DSL to an end user over an ALEC UNE-P or UNE-L arrangement. Is this as simple as he contends?

A Certainly not. I mean, let me say it a different way what Mr. Bradbury is saying. What he says is make all the service, whether it is BellSouth's voice service or an ALEC's voice service operate as if it were all BellSouth voice service and then all of these problems go away. I mean, that is basically what he is getting at. He is really saying if you treat these things as if it doesn't matter whether it is BellSouth's voice service or an ALEC's voice service, then you don't have all of these problems. Well, that is a little misleading because it is all of this work that we have been

talking about to modifying these systems that would put you in that sort of a position. So he kind of assumes all of that away and says, well, if the world were different and, BellSouth, if you treated ALEC voice service as if it was your own then you wouldn't have these problems. Well, to do all of that you would have to do all the work we have been discussing to get you to the point that that would be a true statement.

Q In looking at Page 15, which is I think the carry over of that, starting at Line 7, the FCCA witness disputes that mechanized loop testing systems cannot be used on a UNE-L. Do you agree with that?

A Let me read his statement there. On Line 7?

Q Uh-huh. Starting with Line 7, yes.

A Well, it's hard to disagree with that statement. I mean, basically he is saying that these systems could be modified and once they are modified then they will work the way FCCA would like them to. He says, you know, you have got the capability, but you would have to make changes such that these UNE-L arrangements could be accommodated. I mean, he and I are saying the same thing. He is assuming that they have been done and now that they are done, you know, there is no difference. And I'm saying that is not where we are. All of that work would have to be done at considerable cost and time to put you in the position to make that a true statement.

Q Okay. Witness Bradbury also contends that the

Louisiana Commission also rejected BellSouth's policy by adopting its staff's recommendations that BellSouth be ordered to provide FastAccess service over loops used by ALECs. Are you familiar with that decision?

A I'm sorry, say that again. Where are we?

Q Page 16.

A Okay.

Q And we are talking specifically about the Louisiana Commission order. Are you familiar with that?

A I am, yes.

Q And Witness Bradbury asserts that the Louisiana Commission also rejected BellSouth's policy by adopting its staff's recommendations that BellSouth be ordered to provide FastAccess service over loops used by ALECs. And you said you were familiar with this decision, correct? (Phone static.) Was that a yes?

A Well, I am familiar with the decision. I have not read the order yet. I'm not sure if it has been released. Although I have had conversations with BellSouth's attorneys in Louisiana about what happened in that agenda session, but I have not read the order and the order will give us the details of what it really was.

Q Okay. But would you agree with the basic premise of that statement that that is what the Louisiana Commission ordered?

A Not having read the order, no, I can't say if that is a fair depiction of what they want to happen or not.

Q Okay. Do you know has any other Commission in the nine state BellSouth region rendered any decision pertaining to BellSouth's provisioning of its FastAccess service?

A Well, the Florida Commission did.

Q Any other states other than Florida and Louisiana that we may not be aware of?

A I recall that in the context of the arbitration between BellSouth and Cinergy (phonetic) that the Kentucky Commission did likewise render a decision.

Q And do you recall -- well, what was the decision that they made?

A Well, I'm not sure -- well, I handled one of the issues in that case, and the question there was whether or not ALECs were impaired in their ability to provide their own DSLAMs. And I recall that -- I believe, if memory serves, that the Kentucky Commission agreed with us on that point. The other issues that I was not that close to really went to the question of whether BellSouth had to provide its FastAccess even in cases where BellSouth was not the voice provider. I'm not clear on that. I believe the answer was that, yes, they did, but I'm not sure about that.

Q Okay. Do you have a case number, a cite?

A Well, I can give you the proceeding number.

Q Okay. That will work.

A But I don't have the order with me. All I've got is my testimony and some testimony of Synergy's witnesses. But in Kentucky the docket number was 2001-432.

Q And that was decided in an arbitration?

A Yes.

Q And let me just make sure I am understanding. The outcome of that was that BellSouth was, in fact, required to provide its FastAccess?

A In some fashion I think that was the decision.

Q In some fashion?

A Again, I'm not real clear on what the outcome was there, but I am more clear with what happened about the specific unbundling of DSLAMs.

Q And when was that decision made?

A Well, let me see. I don't have that order. Let me see if I can -- the testimony was filed in -- well, this was I think direct testimony back in March of 2002, so it was fairly early on in 2002.

Q Let me ask you this. The Kentucky decision, which basically required that BellSouth provide its FastAccess service in some fashion or another, did BellSouth face similar operational systems problems?

A Yes, our systems are the same throughout our nine states.

Q So that that was an issue that that Commission looked at?

A I don't recall that it was gone into nearly into the level that we have here. I don't recall the discussion on specific operations of systems, and I just don't think that we got into that level of detail.

Q In both Louisiana and Kentucky was BellSouth -- when it was provisioning its FastAccess service was it the same basic policy, that FastAccess service would not be provisioned to anybody but a BellSouth voice customer or a resold ALEC line?

A Yes, that was our position as it is here, yes.

Q And has any public service commission explicitly rejected BellSouth's argument or contention that it was too onerous or expensive to change its system?

A Let me try to answer, and if I don't get to your question let me know. As I pointed out, I have not yet read the Louisiana order, so to the degree that they looked at systems, you know, I can't tell you what weight they gave to the arguments. I do recall in Florida in the FDN case that the Florida Commission was concerned about what, you know, how this would be handled, what systems would have to be modified, what rights, you know, ALECs would have to give up to allow BellSouth and other ILECs to use the high frequency portion of the loop. So I think the Florida Commission in that earlier

case did get into a lot of these questions.

Q Well, let me ask you this. I will flip the question around. Has any other state commission rejected or explicitly rejected requiring FastAccess, BellSouth's FastAccess service be provided to other ALECs? Well, let me rephrase that slightly. Has any other commission said, BellSouth, you don't have to provide your FastAccess service to an ALEC customer who receives an ALEC voice service?

A Well, I'm still not clear if I got the question or not. Let me take a run at it. Let me take some of the negatives out. I think what -- well, to turn it around, are you saying has any commission ordered BellSouth to provide its FastAccess even in cases where it is not the voice provider?

Q Well, that would be one side of the question, and I think if I am understanding correctly in Louisiana and Kentucky, yes would be the answer, correct?

A Yes, that is my understanding.

Q Have there been any commissions where they have said, no, BellSouth, you don't have to provide your FastAccess service to a customer who is an ALEC voice service customer?

A Well, I think the Florida Commission said that in the FDN case and the FCC said it in several proceedings before them, mostly in the context of BellSouth's Section 271 cases.

Q Okay. So it is your position that the FCC in the 271 proceedings has actually ruled that BellSouth does not have to

provide its FastAccess service to customers who are receiving their voice service from ALECs?

A Yes. That was an issue in, as far as I can remember, all of our 271 applications. That issue always arose and I recall that the FCC always reaffirmed its decision earlier that BellSouth did not have to do that. And further, that BellSouth did not have to unbundle its packet network, which includes the DSLAMs.

Q And would that be with the exception of migrations, correct? They didn't address the issue of migration, correct?

A I'm not sure what you mean by migrations.

Q Where a customer was receiving BellSouth voice service and had FastAccess service and migrated its voice service to an ALEC?

A I don't recall any distinction like that.

Q Okay.

A I don't recall the FCC ever making that sort of distinction that it applied in one case but not in another.

Q And as far as Florida is concerned that was the distinction that was made here in Florida, there was -- you know, you had said that Florida did not require BellSouth to provide its FastAccess service except for those migration?

A That's right. The Florida Commission did make a distinction, but I don't recall that the FCC made that same distinction.

Q Was that even addressed at the FCC level?

A I don't recall that it was, no.

MS. CHRISTENSEN: I have no further questions.

THE WITNESS: Thank you.

MS. KAUFMAN: Dee, I think -- are you there?

MR. O'ROARK: I'm here. I am prepared to go forward.

MS. KAUFMAN: Maybe you might want to -- if you think it's wise, explain on the record what is going on here if that is okay to everybody.

MR. O'ROARK: I will be happy to do that.

CROSS EXAMINATION

BY MR. O'ROARK:

Q Good afternoon, Mr. Milner. I'm Dee O'Roark with WorldCom.

A Good afternoon.

Q We've met several times before. Mr. Ross and I have agreed that this deposition can be used both for purposes of a Florida proceeding and the Georgia DSL proceeding that has been brought by MCI against BellSouth.

MS. MAYS: Can I get a clarification, Dee, because I may have missed it. But are you asking questions on behalf of the FCCA in Florida or are you just saying you can use this Florida deposition in Georgia? In other words, is Vicki going to ask questions and you are going to ask questions?

MR. O'ROARK: Yes, I am asking questions on behalf of

MCI for the Georgia proceeding, but we can use it in either Georgia or Florida. That way if Ms. Kaufman has questions that I have asked she doesn't have to repeat them.

MR. ROSS: And, Dee, this is Ben. Let me also just state for the record that the actual agreement is that any of the depositions that are taken in connection with the Florida proceeding can be used in the Georgia proceeding. I think we simply agreed to allow you to depose Mr. Milner at the same time he is being deposed by the Florida staff so that we don't have to do it twice.

MS. KAUFMAN: Maybe we need to go off the record for a second so I can -- I'm sorry, so I can understand. Is that all right with everyone?

MR. O'ROARK: That's fine by me.

(Off the record.)

BY MR. O'ROARK:

Q Mr. Milner, as we just discussed, your deposition can be used both in Florida and in Georgia. And let me ask you as a background question with respect to the technical and operational issues that you are talking about today, are there any significant differences in the discussion between Georgia and Florida?

A No. I mean, the issues are largely the same.

Q I want to walk through a few scenarios with you. And the first one is a case where we have got a BellSouth voice

customer that has FastAccess service, and I'm going to distinguish that from wholesale DSL which we will get to in awhile. So a BellSouth voice customer with FastAccess wants to migrate to a CLEC's UNE-P voice service. Do you have that scenario in mind?

A Yes.

Q All right. My following questions are all going to relate to that. I know that you have got some other issues that concern loops and so forth, but let me just ask you to restrict your comments to this scenario for now.

A Okay.

Q One of the concerns that BellSouth has raised is that it has edits in place that causes an order for a BellSouth voice customer with FastAccess service to be rejected, is that right?

A Yes, that's true.

Q And the reason that those edits are in place is that if they are not in place that order is going to flow through, the customer is going to migrate to the UNE-P CLEC, and then BellSouth is either going to require that the CLEC -- that the customer, rather, be returned to BellSouth for its voice service or that the customer remove its DSL service?

A Well, I will answer your question, but, first of all, let me say that the words flow through have some very specific meaning in certain context, so the order may or may not have

flowed through in the first place.

Q Let me strike my question and re-ask it.

A I don't want to get into a whole big discussion of what flow through is all about.

Q I take your point. Let me try to ask it a little bit better. The reason the edits are in place is the concern that if they are not in place that the customer's order will be provisioned and that the CLEC will then have the voice business of a customer that has BellSouth's FastAccess service?

A Yes. Edits are put in place to prevent the further processing of that order. The order may or may not have processed successfully had those edits not been there.

Q And if that order does get provisioned, if it were to get provisioned then BellSouth is going to require either that the customer return to BellSouth for its voice service or that the customer terminate its FastAccess service?

A Yes.

Q Now, all BellSouth would have to do to address this particular provisioning problem, that is with the edits, is to remove the edits, is that correct?

A Yes and no. Those edits would have to be removed to allow further processing of the order. Removing the edits doesn't make all the problems go away. But, yes, that is at least one step that would have to be done to allow processing of those orders.

Q Are there any other ordering and provisioning problems that would occur once those edits are taken out specifically with respect to the FastAccess issue?

A Yes, there are. In terms of provisioning, changes would have to be made to allow the passing of certain information from the -- well, let me say it differently. Changes would have to be made at certain systems to allow the information to flow down into the provisioning processes for FastAccess. That is largely through the big system called CRIS and some other provisioning systems associated with that.

Q So the provisioning issues would relate to BellSouth's DSL operation support systems?

A Yes. All of the information needed to establish and maintain that service in all of those systems that maintain DSL-related information would have to be adapted.

Q And let me follow up because since we are talking about a situation where the customer already has FastAccess service, what information are you talking about?

A Well, essentially the provisioning, in terms of provisioning, if this customer already had FastAccess and if the Commission required that the customer could keep FastAccess even if it migrated its voice service, I don't know what provisioning, you know, process would have to be adapted, if any, for that part. What would have to be adapted, though, would be the maintenance provisions for FastAccess service, who

that customer would call, how those people would use information out of BellSouth systems.

Q And the next thing I want to talk about is maintenance and repair, but before we leave ordering and provisioning, are there any other specifically ordering and provisioning issues or concerns that BellSouth has again for this scenario other than having to take out the edits that we have discussed?

A There are the billing systems. If you want to call that part of provisioning and ordering or not, but there are changes that would have to be made in the billing processes to bill a customer who was no longer a BellSouth voice customer.

Q And we will discuss billing also. Anything else besides the concerns you have raised specifically with respect to ordering and provisioning?

A No.

Q And it would not be terribly difficult for BellSouth to remove those edits, would it?

A Well, I'm not a software engineer, so I can't talk about how many lines of code would have to be written and the difficulty of adding or removing.

(Interruption.)

BY MR. O'ROARK:

Q Mr. Milner, can you complete your answer, please.

A Yes, I will pick up from there. The difficulty in

either adding or removing edits is to make sure that those changes don't have unintended effects in that system or other systems. So there is a rigorous testing of the software before and after you change any of the edits to make sure it still does what you thought it was supposed to do. The only way you know for sure that you did that is to run test orders through all of those systems that may have been affected by that change and make sure that they still process correctly. So what you don't do is just go in and take three lines of code out because it pointed to an edit and then presume that everything is okay. It's a lot more rigorous and involved process than that.

Q Is it fair to say that sitting here today you don't know how difficult or easy it would be to remove the edits?

A Not with specificity, but I can tell you that I have been in this part of the business for, you know, a lot of years, I've got over 30 years experience, and a lot of that is in dealing with BellSouth's operation systems. And I can tell you that over time some of the biggest calamities that we have had happen to us were in the context where we made changes to systems that we thought were pretty minor and we found out that there were lots of unintended things that happened that caused disasters. No, I can't tell you with specificity how big a project it would be, but I will tell with you certainty that it would be entered into very carefully and very systematically to make sure it is handled correctly.

Q Mr. Milner, are you aware that through the change management process a change was made in BellSouth's systems on or about December 29th, 2002 that permitted these orders to go through BellSouth's systems?

A When was the date, I'm sorry?

Q December 29th, 2002.

A I'm not familiar with that. I'm not familiar with that.

Q I gather that BellSouth has removed these edits for resale orders?

A Either the edits were not there or they were removed, but the situation is different in the context of resale than it is in the context of UNE-P.

Q How so, please?

A Well, in the context of resale, the service that is being resold is the voice service. And because of that you don't get involved in questions about who has access to the high frequency portion of the loop and that sort of thing, because the service that the ALEC is providing its service is only the voice service and that is characteristically different from UNE-P where potentially any service that the switch is capable of offering is one that the ALEC can and in some cases will provide to its end user.

Q With respect to removing the edits, though, you wouldn't expect any differences between resale and UNE-P, would

you?

A Well, I don't know because I don't know how with specificity we accommodate the resale customers who get their FastAccess service.

Q Let's talk about maintenance and repair, Mr. Milner. Again, we are sticking with the same scenario, a BellSouth voice and FastAccess customer that wants to migrate the voice to a UNE-P provider.

A Okay.

Q And perhaps to facilitate this a bit, I'm going to hand you a three-page excerpt from BellSouth's responses to MCI's interrogatories in Georgia.

MR. O'ROARK: Mr. Ross, this is Pages 7 through 9 of the public disclosure document that is BellSouth's response to MCI's second interrogatories. And I am referring specifically to interrogatory number 9.

BY MR. O'ROARK:

Q Mr. Milner, I am going to put that in front of you. I have one extra for counsel here. You will see that there is an entry there for DSL maintenance, Mr. Milner?

A Yes.

Q I am going to give you a chance to look at that just so you can refresh your memory on BellSouth's position on this.

MR. LACKEY: Can we stop for one minute?

MR. O'ROARK: Yes.

(Off the record.)

BY MR. O'ROARK:

Q Mr. Milner, do you have in front of you an excerpt of BellSouth's interrogatory responses to MCI's second interrogatories including Pages 7, 8, and 9?

A Yes, I have seen this before.

Q And do you understand that the court reporter will mark the faxed copy of this as Milner Deposition Exhibit 1?

A Yes, that is fine.

(Exhibit 1 marked for identification.)

BY MR. O'ROARK:

Q Now we are going to talk about maintenance and repair. And I gather that there are at least three situations that you can face if you had a customer that had UNE-P voice service and BellSouth FastAccess service. You could have the voice portion of the line down, you could have the DSL portion of the line down, or you could have the whole line down. Does that cover the waterfront?

A Yes, those are all possibilities.

Q And I gather that the concern that BellSouth has expressed is that the customer might get confused and end up calling the wrong company to deal with the problem?

A Yes, that is our concern.

Q Isn't the solution to the problem for the company receiving the call in error to transfer the call to the correct

company?

A Well, you said isn't that the solution, that is one solution, I suppose. I mean, there may be others. I mean, the two service providers could bridge each other on, that would be another possibility, or you could tell the customer to hang up and call the right service provider would be another possibility. I'm not sure which of those is the correct one, but those are all possibilities.

Q How does BellSouth handle a situation when, for example, a BellSouth FastAccess customer called the BellSouth voice unit?

A The call is transferred I understand.

Q And the reverse situation is also true, if a customer calls the DSL unit by mistake the DSL unit will transfer the call to the BellSouth voice unit?

A I presume so. I don't know. I have BellSouth voice service, I have done the first, but not the second. I have never called the DSL help desk and asked to be transferred to a service rep that could handle my voice needs. So I don't know the answer to that.

Q How does BellSouth handle a situation when a CLEC resale customer calls BellSouth's DSL unit by mistake? And I'm talking about a situation obviously where the reseller customer also has BellSouth's FastAccess service? Let me back up and ask the question again. In a situation where, you know, a CLEC

reseller and the reseller's customer also has BellSouth's FastAccess. And that customer calls the BellSouth DSL unit by mistake when it should have called the CLEC for the problem with the voice service. How does BellSouth handle that situation?

A I presume the same way I answered your previous question, the call would be transferred. I don't know that for sure.

Q And you would presume the same thing when the call went to the CLEC reseller rather than BellSouth's DSL unit?

A Well, I can't comment on what CLEC practices are for the in-bound calls from its customers. I can't know that. In other words, if the reseller, if the end user, the customer calls the ALEC, I don't know what their practices are about whether they transfer that call or whether they would instruct me to hang up and call again. And potentially each of them have a different practice.

Q In either case, BellSouth's DSL unit would accept the call and effect whatever maintenance repair measures are necessary?

A Yes, so long as that customer was a BellSouth voice customer or is a customer of an ALEC who was reselling BellSouth's voice service.

Q There was some discussion earlier in the day about mechanized loop testing. In the situation where we have got,

could have a CLEC voice customer and a BellSouth FastAccess customer, and, again, the voice customer being served by UNE-P. Is it possible for BellSouth to do mechanized loop testing on that line?

A Yes, in that case because the switch that that customer is being served over is BellSouth's switch. The discussion earlier was, you know, what possibilities are there when it is the ALECs switch that is providing dial tone service and whether or not BellSouth's MLT could be attached to that ALEC's switch. And the answer to your question, yes, because that is still BellSouth's switch that is providing service and BellSouth's switch interacts with MLT.

Q And staying within the same scenario that we have been discussing, are there any other maintenance and repair problems or issues that you know of?

A Well, at the top level, any system that is used in the maintenance and repair processes would have to be examined to see what, if any, changes were required to effectively handle those maintenance and repair transactions when the end user was not either a BellSouth voice customer or the customer of someone who is reselling BellSouth's voice. So you would still have to look at those systems to make sure that all the right information was being populated.

Q Is all the right information populated in the case where you have got a CLEC voice reseller and a FastAccess

customer using the same line?

A Yes, it is.

Q Do you know of any specific problems that arise when the situation is a CLEC UNE-P voice customer?

A Well, kind of the same question. Yes. I mean, any system that is operated in the context of maintenance and repair transactions would have to be examined to make sure that it works properly in that context where BellSouth is not the voice provider or is not reselling that service. You would still have to look at all of those systems to make sure that the system had the information that it needs to complete the transaction.

Q So BellSouth in this interrogatory response that we have been discussing has provided the problems that it knows about now, and you are saying, I think, that if you were required to allow UNE-P customers to have FastAccess, that further review would be required to see if there were any other maintenance and repair issues?

A Yes.

Q And I think you are telling me that as you sit here today, you don't know whether, in fact, there would be additional maintenance and repair issues?

A Not with certainty. However, these are complex systems, as we talked about earlier, some of them have been around for quite awhile. When you try to introduce new

information into them you get to decision points as to how best to do that by creating new fields in the record base that that system uses or creating external records bases that are accessed or some combination of those two. You would have to get into it in pretty detail to know the answer as to how best to accommodate that information.

Q Let me pursue that one step further, if I may. The customer started out as having BellSouth voice and BellSouth FastAccess. And in that state of affairs, the BellSouth DSL folks had all the information that they needed to do the maintenance repair on this customer's line, is that right?

A Yes.

Q And that customer's DSL service is staying exactly as it was, only the voice service is being migrated, why is it that the DSL folks need any additional information to do the maintenance and repair on the line?

A I'm not sure that they need additional information. They need the same type of information. In the processing of the order to change that customer service from BellSouth's voice service or resale to UNE-P, all of these other things took place, to change the party of record for the bill, to change how the records were going to be kept in BellSouth's systems, all of those type things. So there is not additional information, but you do need to make sure that all of that information is preserved in the context you describe, that is

where BellSouth's FastAccess is put on UNE-P customers lines.

Q Is there a separate reservoir of customer information in BellSouth's DSL OSS or is there interplay between the DSL OSS and the voice OSS?

A There is interplay between those two systems in that certain information is passed downstream into those systems at the time of order processing, whether it is initial establishment of service for a BellSouth voice customer or whether it is processing transitions of that service to UNE-P.

Q As I understand it, the DSL systems are driven by customer telephone number, is that accurate?

A Well, many of the data bases are referenced by the telephone number, yes.

Q So if a customer becomes a UNE-P customer and keeps his or her telephone number, aren't the DSL maintenance and repair systems going to be able to work as before?

A Presuming that none of the information was changed during the processing of the order that changed it from BellSouth's voice to UNE-P the answer is yes. That is the question at hand. In addition to the edits that we talked about, what other records were changed during that process, the changes that would have to be undone to allow that information to stay there in the context that we are talking about here.

Q And so, again, it sounds as though what you are saying is that there could be changes, you are not sure what

they are, that could give rise to some problems in maintenance and repair?

A Yes.

Q Other than what we have discussed, do you have any other maintenance and repair issues for this scenario?

A No, we have touched on the main category.

Q Now, let's move on to billing, which is something else that you raised as another subject that is addressed in response to interrogatory Number 9 and Milner Deposition Exhibit 1. I gather from an earlier deposition today, that BellSouth's FastAccess group today offers customers the option of being billed through a credit card?

A I don't know. I have not heard that. In the context of my testimony, I don't think it matters too much whether that is true or not. If BellSouth is the voice provider, it is rendering a bill already, by mail usually. Some people handle their bill online via e-mail. And credit card approvals are one possibility, checks are another way, electronic checks are another way. But the point is that BellSouth already has a billing process. And what we are talking about here is creating a separate billing process in the case where the customer gets FastAccess from BellSouth but not voice service. So however you do it, whether it is with credit card or any other way, it is going to create a parallel process that is going to have cost to it and it is going to have to be

maintained.

Q You say a parallel process, but you are not familiar enough with how the FastAccess group does business to know their current processes for billing customers?

A Well, yes, I do know that because I am a FastAccess customer. I paid my telephone bill yesterday. I paid electronically, and I paid for my voice service and my DSL service at the same time. It was all on the same bill. I could scan that bill and see what I was being charged for the various parts of the total, but I could view it online and I could pay it online.

But what you are suggesting is that if I were to change my voice service to that of an ALEC under UNE-P, I would have two different processes that I, as the end user, would have to do. To handle the voice service I would pay that one way, and I would pay for my FastAccess service a different way. BellSouth has economies by doing it all at once for its voice and FastAccess service customers like me, for example.

Q And if the Commission required BellSouth to allow UNE-P customers to have FastAccess, then the customer would have to decide whether it wanted to stay with BellSouth and get everything on one bill or migrate and get a credit card bill from BellSouth?

A That would be some of the criteria that a customer would consider, yes.

Q Do you know of any other billing issues that arise again under this scenario that we have been talking about all along?

A No, that is our main issue.

Q How does BellSouth handle the billing for a customer that receives CLEC resale voice service and also has FastAccess?

A I don't know. Again, what you have asked me about is the billing practices of a number of different ALECs. What their individual practices are, I don't know.

Q Okay. Let me be more specific in my question, then. My question really goes to how BellSouth handles its billing for the FastAccess service in the situation where you have got a CLEC reseller whose customer has FastAccess?

A Okay.

Q How does the BellSouth FastAccess group handle the billing in that situation?

A Well, the customer of that FastAccess service is no longer the end user, but rather the ALEC. So BellSouth would bill to that ALEC whatever those charges are. What that ALEC does with those charges and how they appear on the customers' bills, I don't know.

Q Let me make sure I understood what you just said, because I would have thought in the situation we are talking about, a CLEC reseller customer who receives FastAccess, is not

the CLEC's customer the end user customer for BellSouth's FastAccess product?

A Oh, I'm sorry, yes. In that context, yes. The end user is the customer for the FastAccess part, but is not the customer of record for the voice part.

Q So how does the FastAccess group bill its end user customers in that situation?

A I presume they bill them directly.

Q And how? Via a credit card?

A I'm not sure of all of their options, but that is possible, yes.

Q Another issue that BellSouth described in response to interrogatory Number 9 is recordkeeping. And I gather the concern here is that BellSouth feels it would need a system to track which CLECs have given BellSouth permission to use a high frequency portion of the CLEC loop spectrum, is that fair?

A Yes. Absent some Commission mandate that all ALECs had to give BellSouth access to that frequency for free or for some fixed charge, whatever the decision was. If there is variability, then some ALECs would give it to BellSouth, others would want to charge for it. And so, you know, you would have to have a way to determine which ALEC you were dealing with and what the terms and conditions were.

Q Do you know of any UNE-P CLECs that have said they would not give permission to BellSouth?

A No. I have read of one or two who said we are willing to do that. But the one or two that I have heard from don't represent all the ALECs. I don't know about the rest, whether they want to be paid for it or are willing to provide it for free or something in between.

Q Well, let's talk about the situation that we would have if the Commission were to say, BellSouth, you have to let your FastAccess customers migrate to voice service if they want to. As BellSouth systems are today, a CLEC that wanted to migrate that voice customer is going to know that when it submits its orders that it is going to be getting a UNE-P loop that has the high frequency portion of the loop in use? Do you want me to rephrase?

A Well, let me see if I understand your question. If we need to, I will ask you to. I think what you are saying is that the customer now receives his voice service from BellSouth and has FastAccess?

Q Yes.

A And if WorldCom, for example, wanted that customer's business, then WorldCom would understand that the high frequency portion was already in use because that customer had FastAccess. Is that what you are asking?

Q That is what I'm asking.

A The answer is yes.

Q So when that CLEC migrated the line over, it would be

agreeing to let the customer keep his FastAccess service, wouldn't it?

A Not necessarily. I mean, the ALEC may very well say I am going to migrate your service, and, oh, by the way, BellSouth, I should get a $1.52 a month for your use of my high frequency portion. Ms. Lichtenberg said on behalf of WorldCom, for example, that WorldCom didn't expect to be paid for that, but she doesn't represent all ALECs. And that is the point of this fourth item is that unless the Commission says all ALECs in all situations have to provide that high frequency portion of the spectrum for free, then there is a decision point or there is a decision to be made. Who said you could use it for free, who said you couldn't, and the only way to do that is to look it up and find out. There may be some ALECs who say, BellSouth, I would like to have $20 a month for that. You are making good money on FastAccess, and I want a pretty good chunk of that, and we might say we are not going to provide service to that customer in that situation.

Q If the Georgia and Florida commissions were to say any CLEC that accepts the migration of a UNE-P loop in this scenario has got to agree to let BellSouth use the high frequency portion of the loop for free then this issue goes away?

A That portion of this issue goes away.

Q What do you mean by this portion?

A The recordkeeping item about having to determine, you know, who the ALEC is and whether that ALEC is granted permission to use it for free or not. That part of this issue goes away.

Q What remains?

A Well, all the other issues about provisioning and maintenance that we talked about earlier.

Q Okay. Let me ask the question just in the context of the recordkeeping category?

A Okay. Yes, limited to that, then the recordkeeping part that I discussed on Item 4 here about recordkeeping, that is resolved.

Q I am about to leave this scenario, but let me ask you -- I'm trying to walk through the issues that I can see have been identified by BellSouth. As you sit here today, do you know of any other technical, operational, or OSS issues that we haven't discussed yet?

A No. I mean, we have talked about technical and operational, there is certainly the policy issues that Mr. Ruscilli and others have talked about, but that is the technical and operational issues.

Q Let's move to another scenario that is just slightly different. We have been talking about a FastAccess customer. Now, let's move over and talk about BellSouth's wholesale DSL system. Let's take an EarthLink customer just so we can put a

name on it.

A Okay.

Q And let's assume EarthLink is using BellSouth's wholesale DSL service to provide the ISP service to the end user customer?

A Okay.

Q Otherwise the situation is the same, the BellSouth voice customer being migrated to a CLEC UNE-P customer, do you have that scenario in mind?

A Yes.

Q Does that change in the scenario change any of the issues that we have just been discussing with respect to ordering, provisioning, maintenance/repair, billing, recordkeeping or any other OSS technical operational issues?

A No.

Q Let's move on to another scenario. Now we have been talking about the case of migration, let's move over and let's talk about a case where we have got a CLEC UNE-P customer. The CLEC won the customer, the customer did not have FastAccess?

A Okay.

Q And now that CLEC UNE-P end user customer is calling the BellSouth FastAccess group and wanting BellSouth's DSL service.

A Okay.

Q My next question will relate to that scenario. Do

you have that in mind?

A Yes.

Q Let's talk first about ordering and provisioning and kind of go through these the same way. We're talking about a situation where the customer is calling the BellSouth FastAccess group and says he wants DSL service. I gather that the BellSouth DSL systems, ordering and provisions systems are driven by the customer's telephone number?

A They are.

Q Let's assume that the UNE-P customer kept his telephone number.

A Okay.

Q The first step that BellSouth is going to need to take in an attempt to qualify the customer's line to see whether it will be eligible to get BellSouth's FastAccess service, is that right?

A Well, that would have to be done. Whether that is the first thing done or not, we can debate. I would think that the service rep would first realize that that is not a BellSouth voice customer and that would be the end of that conversation until the Commission orders otherwise.

Q Touche. Let's assume that the Commission has said, BellSouth, you have to do this.

A Okay.

Q One of the first things that BellSouth would have to

do is qualify the loop?

A That is correct.

Q And I gather that there are some edits in the loop qualification system that currently would prohibit BellSouth from being able to qualify a UNE-P loop?

A Well, in that process -- well, yes and no. I mean, the loop characteristics are what they are whether they are for a BellSouth customer or a UNE-P customer. But, yes, there are edits in place to prevent the provisioning of an order such as we are talking about. But the information that is in that system is the same. I mean, the loop is what the loop is. It either is capable of supporting DSL service or it is not.

Q So to comply with such a Commission order, BellSouth would have to remove the edits on the loop qualification system?

A It would have to remove all of those processing edits that today prevent information from flowing into the FastAccess provisioning systems for UNE-P orders, yes.

Q And these are the edits that BellSouth put in in the first place to keep this information from being accessible?

A I wouldn't phrase it quite that way, but they are edits that BellSouth put in place when it developed its FastAccess service and in the context that BellSouth believed it would be operating under which was that BellSouth's voice services would be used in conjunction with FastAccess service.

Q Do you know how much time or money would be involved in removing the edits?

A No, that is sort of circling back to where we were awhile ago. I can tell you generally the systems that would have to be examined, but with specificity, no. Mr. Fogle and I looked at a number of systems, he developed prices and I think that they are in one of the data requests responses, but that was sort of at a high level view and the numbers were fairly significant.

Q Once those edits are taken out, BellSouth could do the loop qualification for most UNE-P loops?

A We could perform the task of determining whether the loop would support DSL service or not. If your question is do most loops support DSL service whether they are used for BellSouth voice or UNE-P, that is a different question.

Q And that was not the question I intended to ask. I believe you answered my question. Let's talk about what I assume is a fairly rare case of a UNE-P customers that for whatever reason has a different telephone number than the customer had when the customer was with BellSouth.

A Okay.

Q In that situation, can BellSouth qualify the loop?

A Well, with appropriate systems changes, yes. Again, the characteristics of the loop are what they are. So regardless of the telephone number, whether it is the same as

was used when the customer was a BellSouth customer or if that customer decided he or she wanted a new telephone number at the time of that migration, then, yes, once all of these systems are modified or adapted then the answer to your question is' yes. But not before. But, yes.

Q Would a work-around be for the customer in that rare instance to give BellSouth its old telephone number, would that work?

A I don't know what you mean by give. Do you mean that that customer will have two telephones numbers now?

Q No, sir. Let me try my question again. We are talking about the CLEC customer that has got a new telephone number calling BellSouth trying to get FastAccess service. It has ascertained that the customer has got a new number. Could BellSouth not ask the customer for the customer's old telephone number and then qualify the loop by using the customer's old telephone number?

A No, because that old telephone number may already be reassigned to another customer.

Q Could BellSouth then qualify the loop by using the customer's street address?

A Yes. Again, with modifications to the system then BellSouth could either enter the street address, validate the street address once the street address was validated, then BellSouth would know what loops are available at that address

and could determine which if any of those that served that address are suitable for DSL service.

Q Again, it is BellSouth's position that if you have got to do that that would be pretty expensive, or is it?

A Well, all of these system modifications that we are talking about are expensive, yes.

Q Well, let me ask you a layman's question. If we are trying to come up with ways to deal with this, could the customer simply provide his next door neighbor's telephone number?

A No, because the loop makeup to that next door neighbor might be a different complement. Again, let me give you an example. You and I live on the same street, we are next door neighbors, but for historic reasons the street used to not go as far down as it does now and I'm a part of that new section. You are served by one set of equipment and the new part of that street that I live on, even though we are side-by-side is served by an entirely different loop makeup and yours qualifies and mine does not. So, no, that wouldn't always work.

Q Going back to the situation where the UNE-P customer has kept his number, so we have still got a valid number in BellSouth's system.

A Okay.

Q We qualified the loop and the loop can be used for

DSL service.

A Okay.

Q Would BellSouth then be able to install the DSL service? I don't mean to limit that to a situation where BellSouth would have to roll a truck. Would BellSouth be able to then complete its installation process whether that involves mailing the modem to the customer or what have you?

A Maybe or maybe not. Let's say that my loop is qualified and the DSLAM that serves my neighborhood is already at its capacity. I either have to wait for somebody else in my neighbor to disconnect their service so I could use that port on the DSLAM or wait for BellSouth to install the new equipment. So the answer is in some cases yes and in some other cases no.

Q The situation you just described would apply to a BellSouth voice customer or a CLEC UNE-P customer?

A It could, yes.

Q Let's assume that that situation isn't the case, that there is capacity?

A Okay.

Q Is there any reason that BellSouth couldn't then proceed with the installation of the CLEC UNE-P customer?

A No, with a number of predicates. A, that the Commission ordered this; B, that all of those system changes that we talked about have been made. Then, yes, then the

service could be provisioned.

Q You refer to all the system changes that we were talking about. Just limited now to the ordering and provisioning process, the scenario that we are talking about?

A So am I.

Q And I thought what we had discussed was that BellSouth would be able to use the customer's telephone number to go through the loop qualification process?

A Correct.

Q And that the one change you described was having to remove the edits that are in place?

A And that is what I am referring to, yes.

Q I thought you referred to all the changes that we talked about. Is that the only one?

A Well, in general that is what I am talking about. Removing the edits, making whatever changes are required in the system such that all the information that is needed to flow into the FastAccess provisioning systems would go there. And then once that is done, then BellSouth could provision that service.

Q This may relate to our previous discussion. You said all the information that would have to flow into the FastAccess system, and does that relate back to the discussion we had about the interplay between the BellSouth voice OSS and the DSL OSS when a BellSouth voice customer migrates to a CLEC for

UNE-P service?

A Well, in either case there would have to be an interaction between what we are loosely calling the voice systems and the FastAccess service such that in the FastAccess systems, for example, it will build private virtual channels through, you know, through the DSLAM and into the Internet service provider's network such that, you know, all of that part is provisioned. So there is information that flows as part of the service order processing that gets into the FastAccess systems that kick off all the work that they have to do related to providing the DSL service itself over that same loop.

Q What you said before was as you sit here today you don't really know whether there is a problem with that information flow or not that would have to be checked out?

A Well, that flow is impeded right now. Were those edits removed then we would have to do those analyses to make sure that it worked the way we wanted it to.

Q And you don't know now whether it would or not?

A No, but you would have to look at all of those systems to determine whether it would or not.

Q How does BellSouth today handle the situation where you have got a CLEC resale customer who orders FastAccess?

A In that case the information we are talking about flows into the FastAccess provisioning systems and kick off a

number of processes. One is the mailing of the modem and the band pass filters in the case of self-installs. It also creates orders for technicians to go out and make changes in the remote terminal if that is where the DSLAMs are to attach my loop to that equipment. Changes that make the mappings through the DSLAMs, what we call the private virtual channels, or PVCs. So all of that is kicked off as a result of that information flowing into the FastAccess provisioning systems.

Q And BellSouth has been able to cause that to happen for resale customers?

A Yes.

Q And I gather that you have also been able to deal with the loop qualification edits with respect to resale customers?

A Yes.

Q And going back to the situation where the UNE-P customer has gotten a new telephone number. I gather then you would have the same kind of issues you described before as far as installing that customer's service, that is, since you no longer had the telephone number there would have to be some way of taking the customer's address and using that for purposes of your installation systems?

A Yes. Some mechanism that would either use that telephone number somehow, even though it had been changed from the other information, such as street address. The bottom line

being to identify the loop that had to be provisioned and make some linkage back between that loop and a certain voice service, whether it is BellSouth's or someone else's.

Q Is there ever a situation where there is a resale customer that changes his phone number?

A There probably are.

Q And how does BellSouth handle those customers? Are those numbers from BellSouth's pool so that the changed number is fed into BellSouth's systems?

A Yes. I mean, first of all, BellSouth doesn't have a pool of its own numbers under number porting and that sort of thing. And especially with number pooling we have less and less groups of -- or smaller and smaller groups of numbers that are ours exclusively. But, yes, in that context BellSouth would have disconnected the old number in its records, assigned a new telephone number, the new one in its place. So it is still keying on a telephone number that works in BellSouth's system even though it had changed from the old telephone number.

Q Have we exhausted the ordering and provisioning issue that you know about for this scenario?

A Well, I am pretty exhausted. Sorry. I mean, we have talked about the major issues. They are the ones I laid out in my testimony. They are the ones we have talked about here. Those are our concerns.

Q Moving on to maintenance and repair in this scenario which again is the CLEC UNE-P customer that is ordering BellSouth FastAccess.

A Okay.

Q Assuming the UNE-P customer keeps the telephone number, is it true that there would be no additional maintenance/repair issues beyond what we discussed in the previous scenarios?

A That is correct, yes.

Q Just to cover all the bases, if the customer changes the number then we may have a different situation?

A Possibly.

Q When we move on to billing we have got the same issue as we had for the other scenarios, that is with BellSouth needing to come up with some other way to bill the customer, such as by credit card?

A Yes.

Q Any other billing issues in this situation?

A No. I mean, it's the same issue about whether you have got one billing stream or two.

Q When we move on to recordkeeping, BellSouth has the exact same concern that was described before, that some CLECs might not give permission for BellSouth to use the high frequency portion of the loops?

A That would be the same situation, yes.

Q Any other recordkeeping issues that we haven't discussed in connection with the other scenarios?

A No.

Q Any other technical, operational, or OSS issues that arise in connection with this scenario, you know, that we have just discussed?

A What do you mean by this scenario?

Q This scenario, again, is the UNE-P CLEC customer who is ordering FastAccess.

A Okay. No, the issues are the same.

Q And then the last scenario I think we can cover pretty quickly. This is the UNE-P CLEC customer that calls EarthLink, say, and Earthlink uses BellSouth's wholesale DSL service to provide its ISP service.

A If I make a parallel to the last scenario it is a UNE-P customer that at that moment does not have DSL service?

Q Correct.

A Okay. Then they request it from EarthLink?

Q Yes. And so the question is is there any difference there, any additional technical, operational, or OSS issues that arise that we didn't just discuss when we were talking about FastAccess?

A No, it's the same issues.

Q Mr. Milner, in early 2001 BellSouth migrated 718 customers with BellSouth's DSL service to UNE-P providers. You

are aware of that?

A Yes.

Q And those customers were scattered throughout the BellSouth region?

A I'm not sure of that. I'm not sure what the dispersion was. But I have seen that number before, so I know that's right, but I'm not sure where they were all located.

Q Let me ask it another way. Is that a region-wide number?

A I believe it is, yes.

Q To your knowledge were there any ordering or provisioning problems that arose in connection with those customers?

A To my knowledge there were not ordering or provisioning problems. There may have been problems that developed over time that we don't know about simply because we undid those situations.

Q And roughly how long did those customers have UNE-P voice service and BellSouth DSL service?

A I don't know with precision how long that was. I will guess, you know, a few weeks to a month or two, but I really don't know.

Q Was there any reported difficulty providing maintenance/repair services for those customers during that time?

A Not to my knowledge. But that is the point that I was just making was that had those arrangements stayed in place there may very well have been when those customers called in with maintenance requests and confusion arose as to who they should have called, what do you do with the call now that it is apparently in the wrong center.

Q Did BellSouth bill for its DSL service during that time?

A I believe we did, yes.

Q How did you do that?

A That part I don't know, I'm not sure.

Q Did any of the CLECs involved object to BellSouth using the high frequency portion of their lines?

A Not to my knowledge, no.

Q What was the final resolution for those customers, did they all return to BellSouth?

A That I don't know, either. I know the decision that was given -- I mean, or the proposition, the proposal that was made, but I don't know how each of those customers decided as to, you know, what service they wanted to move to or keep. I don't know.

Q What was the proposal that was made?

A Well, basically it was, you know, if you want to stay with that ALEC's voice service, then we are going to take away the FastAccess service. Now, of those customers which decided

to come back, which decided to give up their FastAccess, I don't know.

Q Do you know whether all the customers had FastAccess service or whether some of them had other ISP service?

A That is a very good question. I'm not sure. The numbers, that number 718 has just generally been referred to as DSL service. So you're right, some of it may have been via our wholesale offer and other companies like EarthLink provided the Internet access or it might have been FastAccess.

MR. O'ROARK: Thank you, Mr. Milner. No further questions.

THE WITNESS: Thank you.

MS. KAUFMAN: I guess it's up to me. Do you all want to keep going or do you need to take another five-minute break?

THE WITNESS: I'm fine, if you would like to continue.

MS. KAUFMAN: Okay. Everyone seems to want to keep going. I was just asking.

CROSS EXAMINATION

BY MS. KAUFMAN:

Q Mr. Milner, I'm Vicki Kaufman on behalf of the FCCA.

A Good afternoon.

Q How are you?

A Good.

Q Mr. O'Roark has gone a pretty thorough job, and I

know we have had a long day here, so I am going to keep this pretty brief. The main topic that I want to talk to you about, Mr. Milner, has to do with your rebuttal testimony.

A Okay.

Q And specifically I want to talk to you about -- let me find the page -- for shorthand, the business case that you talk about. I believe it begins on Page 8 of your rebuttal.

A Okay, I'm there.

Q Okay. So you know what I am referring to. And you have an exhibit attached to your rebuttal also, WKM-3, that is three pages that is illustrative of this business case you discuss in the text, correct?

A Yes.

Q And I want to ask you some questions about that if that is all right.

A Certainly.

Q Now, you talk about a business case that a Kentucky ALEC used in an arbitration, correct?

A Yes, ma'am.

Q Who was the ALEC, Mr. Milner?

A The company that developed this business case initially was a company call Cinergy.

Q And I am assuming that they conducted an arbitration with BellSouth?

A Yes, that is the docket number that I referenced

earlier. I can give it to you again if you would like.

Q Would you, please?

A Yes. The Kentucky case is 2001-432.

Q Okay. Did this case go to hearing?

A It did, yes.

Q And when was that?

A Oh, let's see if I've got my -- I don't have my pocket calendar with me. The testimony was filed in the March/April time frame, and I generally recall it was in the May time frame that it went to hearing, but in 2002.

Q So you think March/April '02 for the testimony and it went to hearing May '02 or thereabouts?

A Thereabouts. I'm sure of the testimony filing date because I'm looking at a copy of the testimony. It was filed -- well, the legal department in -- our legal department in Kentucky received the over side's testimony on March the 8th to be precise.

Q And when was your testimony filed?

A We filed the same day, if I recall. Let me see if I've got my testimony. I do not have my testimony in that case, but I'm pretty sure we both filed on the same date.

Q Do you have documents from that case in front of you that you are referring to?

A Yes.

Q Can you tell me what you are looking at, please?

A Well, what I have is two sets of testimony. They are both Cinergy Communication Company's witness, Mr. Pat Heck, H-E-C-K, and what I have is his direct testimony, and I believe I also have his -- he has got what he called his revised rebuttal testimony. I have that, as well. And that --

Q I'm sorry, go ahead.

A I was going to say that was filed on May the 15th, so the hearing would have been sometime after that date.

Q Okay. Do you have before you any testimony that Bell filed in that case?

A Well, there were a number of witnesses. In front of me I do not have my testimony. But I can tell you that the business case as I adjusted them in Kentucky are the same as I presented here in the FCCA case.

Q I understand, Mr. Milner. What Bell witnesses testified in that case?

A Let me see if I can do this from memory. Well, I did. I believe that Mr. Tommy Williams was there to talk generally about line sharing, line splitting. I don't recall if Mr. Jerry Latham was there, who is one of BellSouth's product managers. And either Mr. Ruscilli or Ms. Cox, I just can't recall. But none of them addressed this business case, per se.

Q What issues did you address in that case, Mr. Milner?

A Generally, the issue of whether BellSouth should be

required to unbundle its DSLAMs, and then as sort of a part of that, whether a CLEC was impaired in its ability to provide its own DSL services if it had to acquire its own DSLAMs rather than use BellSouth's on an unbundled basis.

Q And Cinergy had Mr. Heck. Did they have any other witnesses?

A I recall that they did, I don't recall their names, unfortunately.

Q Do you know how many other witnesses they had?

A I recall that they had at least one other, because they had sort of their policy witness as either Mr. Ruscilli or Ms. Cox would have been for BellSouth. And it seems to me that they had one other person who was -- I can't recall if his job was as their chief financial officer or what role he played within their company. So they had, I seem to recall at least three witnesses.

Q And what was Mr. Heck's role in the case?

A Well, his role, I guess, and I hate to characterize, you know, what his role was, but basically his position was that his company was impaired in its ability to provide DSL services using their own DSLAMs because it was financially prohibitive for them to do so. In other words, that the cost of their providing their own DSLAMs and associated equipment would not allow them a reasonable rate of return on the investment for having done so.

Q What was his position with Cinergy?

A He is chief technology officer.

Q Now, the exhibit that we have been discussing, or that we are going to discuss, WKM-3, I want to talk to you about that.

A Okay.

Q This document -- or there are actually three pages to it, was it an exhibit to someone's testimony, or where did it come from?

A Let me see if I understand. Do you mean Exhibit WKM-3?

Q Right. Let me preface my question and tell you what I understand about this document and you correct me.

A Okay.

Q I understand that you made a change to this document in regard to the cost of the DSLAM. But other than that, it is a document that Cinergy provided?

A Yes. All the other assumptions and the costs that are here are those that Cinergy developed for its version of its business case. And you are exactly right, what I did was substitute DSLAM costs and associated costs, such as annual maintenance on the DSLAMs themselves, for those inputs that Mr. Heck had made, and then I recast the rest of the number, the calculations, and developed a different internal rate of return than had Mr. Heck.

Q Okay. So, putting aside for a moment the changes that you made to the DSLAM costs, were these three pages used -- were they an exhibit to Mr. Heck's testimony, were they received in discovery, how were they utilized in this Kentucky case?

A They were attached to his -- I believe to his direct testimony. Let me see if that is correct. They were attached to his testimony either as -- here they are. They were attached to Mr. Heck's revised rebuttal testimony as Exhibit PHR-12.

Q And you are looking now at Mr. Heck's revised rebuttal that has this document attached to it?

A Yes, ma'am.

Q I'm going to make a request that you provide that as a late-filed exhibit, Mr. Milner.

MS. MAYS: I believe that to the extent it is called for in pending discovery, if it is, I don't have the discovery questions in front of me, that we would do so. But I believe discovery has ended as to FCCA's ability to ask new questions at this point in the proceeding.

MS. CHRISTENSEN: Actually discovery terminates a week before the hearing, so --

MS. KAUFMAN: The 23rd.

MS. CHRISTENSEN: -- which would be 23rd.

MS. MAYS: Okay. Well, the only other thing we would

say is to the extent this is a public document, FCCA can certainly download it from the Kentucky -- or access it from the Kentucky Commission itself.

MS. KAUFMAN: I would ask that it be provided as a late-filed exhibit. Am I hearing that Bell is not willing to do that?

MS. MAYS: What you are hearing is to the extent this is a publicly available document we believe you can get the document yourself.

MS. CHRISTENSEN: So, in other words, no, you are not going to provide it?

MS. MAYS: I will check to see if the document is publicly available. If it is publicly available, I will tell you how you can get the document yourself.

MS. KAUFMAN: Just so that the record is clear, Ms. Mays, I am requesting that it be provided. And, you know, I'm not sure that whether or not it is a public document is relevant or not. Mr. Milner has got it in front of him, as I understand it, and he is looking at it right now. We request that it be provided. And I will just ask for a number so that the record is clear, and, you know, if you intend to object or whatever the record will reflect that. So Late-filed Exhibit Number 2 will be the direct -- and I think, Mr. Milner, you said revised rebuttal testimony of Mr. Heck?

THE WITNESS: Yes.

MS. CHRISTENSEN: Do you want the whole revised rebuttal or just this exhibit?

MS. KAUFMAN: I want the whole revised rebuttal and the direct testimony of Mr. Heck.

MS. CHRISTENSEN: Okay.

(Late-filed Exhibit 2 marked for identification.)

BY MS. KAUFMAN:

Q Now, back on the same WKM-3, Mr. Heck prepared this exhibit?

A No, I prepared this exhibit. I used Mr. Heck's inputs for all lines except for DSLAM costs and maintenance of those DSLAMs, and then I recast the numbers that were related to those costs and other costs.

Q I'm sorry, I misspoke. Let's put aside the DSLAM costs. Other than that, is it correct that Mr. Heck was responsible for all the other inputs on this exhibit other than the DSLAM cost and I think you said the recasting of the -- what was the second part, I'm sorry?

A Well, there are two costs that I substituted for those that he had used. You know, the first cost are the DSLAMs themselves and the annual maintenance costs of those DSLAMs, which the vendors I contacted supplied to me.

Q I understand.

A All of the other costs inputs he supplied, that is, I didn't change them. Then I recalculated all the numbers below

that to show, for example, cash gross margins, cash contribution margins, cash operating margins, and internal rate of returns.

Q Okay.

A So all the math I reran using my new costs in addition to the costs that he had input.

Q Okay, I understand. Putting aside the DSLAM costs and your recalculation of the cash operating margin and the numbers that go below that, Mr. Heck provided all of the numbers that are in WKM-3, right?

A That is correct, yes.

Q Did you have any input into any of the costs or assumptions that are used in Mr. Heck's exhibit other than the DSLAM costs and maintenance of the DSLAMs?

A No, I took all of his other inputs at face value. I don't necessarily agree with them. For example, he had assumed a split between business and residential customers that would take DSL service from Cinergy. I disagreed with that breakdown, but I used it nonetheless.

Q What is the status of this case now, has there been a final order rendered?

A If there has been, I have not seen it.

Q So let me just -- I just want to be clear. For example, there are some assumptions, and I am squinting here because my copy of this is very difficult to read. So if I am

hesitating, that is what it is. And everyone in the room is looking at me putting my nose to this document. There are some assumptions made, for example, about how many customers are going to be served in year one, and in year two, and in year three, et cetera, correct?

A Yes. And those are Mr. Heck's assumptions.

Q Okay. And similarly there are revenue assumptions here, correct?

A And those are his assumptions, yes.

Q And there are start-up costs, correct?

A And except for the DSLAM costs, those are his assumptions.

Q Okay. Do you know, for example, why he calculated that he would serve 250 customers in year two?

A I heard his explanation that that was the goal of their business was to serve that many customers with DSL service from a given either central office or remote terminal.

Q Okay. And similarly, I guess, just to pick another line item that I am squinting at here, there are some numbers given on -- it's about 75 percent of the way down under sales costs?

A Yes, I see them.

Q And the very first one is a one-time commission.

A Correct.

Q Again, that was a number that you had no input into,

correct?

A That is correct. That is what Cinergy said it was willing to pay its salespeople for DSL sales, so I took that at face value.

Q Now, you said that you made some changes to the DSLAM costs that Mr. Heck had in his exhibit because you thought his costs -- I think you used the word -- I want to look back and not quote you incorrectly. I thought that you said they were inflated. Yes. At Page 8, Line 18, you said they were significantly inflated, correct?

A Yes, I said that.

Q So you changed those costs, correct?

A I substituted those with costs that I received from three different vendors, and those were their list prices which are generally higher than the price that BellSouth would actually pay because we often get volume discounts from the vendors that we use. So I asked them and received list prices for their equipment to serve 250 customers as Mr. Heck had assumed in his version of this business case.

Q Did you discuss with Mr. Heck whether he was comfortable with the changes you made to his exhibit?

A I filed -- no, I did not discuss with Mr. Heck beforehand what testimony I was going to file in this case. He had filed, you know, his version of his business case, I made adjustments to it. Frankly, I doubt he agrees with my

adjustments, so we disagree on that point.

Q Fair enough. Let me ask you if you know, does this scenario, this WKM-3, does it assume that services are being provided from a central office or from a remote terminal?

A I presume that he means from a central office because of the fact that he has got loop costs and other things in here that would be different from a remote terminal. Most of the costs would be the same regardless, though. But basically he was using a central office based collocation approach.

Q Okay. You said that you presume that, but you don't know for sure, is that correct?

A Well, I don't know how he arrived at those costs, no. For the purposes of the business case it really didn't matter. Again, I took his inputs at face value and recast the numbers and rates of return with different lower DSLAM costs.

Q And then I think you said that -- I thought you said that you reran his exhibits, is that correct?

A Well, yes. Look down, for example, maybe two-thirds of the way down. Do you see a line that says cash gross margin, dollar sign?

Q Yes.

A Okay. I recalculated that number. Mathematically you derive that answer by taking total direct costs -- do you see that one line above?

Q Yes.

A Minus -- let's see here. I can't read my own note here. Less total cash inflows, which is about -- towards the top. So basically what this is is you take what you receive in terms of revenue and you subtract out your total direct costs and that is how you get cash gross margin. Because DSLAM cost is one of the direct costs, I had to recalculate that line. And similarly for cash operating margin, which is gross margin minus total sales cost and so on and so forth. So I used the same calculation method that he had, but used different cost inputs.

Q And is this some kind of an Excel spreadsheet program or what kind of a program was used to calculate these scenarios?

A I don't know what Mr. Heck used. I would presume he did it in Excel, that's what I did. But our math is exactly the same.

Q But you don't know what kind of an economic model was used to make these calculations?

A Well, yes, I do, because everything about this business case is on this one piece of paper. Apart from however he arrived at his assumption as to what, you know, what he was going to charge his customers per line. But in terms of how this is calculated, it's all right here on this one page.

Q And I think you said that you don't know how he arrived at his assumptions, correct?

A No. And frankly it's irrelevant to the point I was trying to make. I mean, taking his inputs at face value, using more realistic DSLAM costs resulted in pretty healthy internal rates of return. That is the point I was trying to make.

Q Is Cinergy a party to this case to your knowledge?

A To the --

Q To the case we are here talking about today?

A I don't know. I don't believe so.

Q Okay. Let me just ask you a couple of more questions about this. And I'm just looking at WKM-3, Page 1 of 3.

A Okay.

Q And in this scenario, looking at the bottom, the part that is in the box?

A Yes.

Q Tell me if I am understanding this correctly. The entry a couple of lines up from the bottom, net cash flow to date?

A Right.

Q And I think we said that -- or you said that the customer, the number of customers served in those things are the assumptions of Cinergy. This would show that -- and I think this is about $121,000 being lost in year one?

A In year one, yes.

Q And in year two, about 73. I can't tell what it is, around $73,000?

A Yes. And how you get there, if you notice you ended up year one with a net loss of roughly 121,000. In year two you actually made money, you made 47,547. So your net cash flow position at the end of the second year is that you are only in the hole by 73,000 roughly. The next year you made close to 88,000, so now you are in a cash positive situation. You stayed in a cash positive situation for years four and five.

Q And to turn to Page 2 of 3?

A Okay.

Q In that scenario you have got a negative cash flow there for three years, correct?

A That is correct, using different DSLAMs. These three pages, the only difference is in the DSLAM cost that I attributed to the business case. The first page uses DSLAMs manufactured by a company called Copper Mountain. A lot of ALECs choose that equivalent. The second page is the use of Alcatel DSLAMs. BellSouth uses Alcatel DSLAMs. And then the third page is using a DSLAM produced by a company called Net to Net. So all the math is the same. My point was I'm not just going to go out and find the cheapest DSLAM on the planet. Here are three pretty popular choices, and if you use the right first costs for them, you can make money using any of the three.

Q And on the third page there you have got the first

three years you are losing money, correct?

A Yes, and then you go positive over the course of five years. Which, by the way, is pretty short capitalization window, but even at the end of five years you're in a positive 25 percent rate of return. That is pretty healthy.

Q Would you agree with me, Mr. Milner, that to the extent some of the assumptions used in here that you had no input into are incorrect, that that could certainly change the bottom line on these three pages?

A That is true of any business case. But the point that Cinergy was trying to make was that they couldn't make money if they had to buy their own DSLAMs. And I will presume that Mr. Heck found the most pessimistic example of each one of these costs that he could. So these are his costs, not mine, except for DSLAM costs. I've showed where I got my costs because I showed you in the exhibit the price quote that I got from the vendors. But, yes, if he messed up and then introduced, you know, wrong costs along the way, then the bottom line is wrong.

Q And just to be clear, this was an arbitration between you and Cinergy. Would I be correct to assume that there were no other ALECs that participated in this case?

A That is correct.

Q And these three pages that we have been discussing, they don't address, for example, how the ALEC or where the ALEC

would borrow money to finance this business case, do they?

A No. This is a cash flow analysis. You know, this is a commonly used approach to figure out the relative profitability of one project held in isolation. And that is what are the costs attributable to that project, what are the revenues attributable to that project, and does that make economic sense to do it or not. I mean, I used to have a job like this and that is exactly how BellSouth does it.

Q Okay. You might have answered my question yes, but I just want to be clear. It doesn't address, for example, whether or not this plan could be financed, right?

A No, it doesn't look at Synergy's capitalization structure, and how much debt they have got, and whether they borrowed money short-term or long-term to pay for this, or whether they floated bonds, or stocks, or how they did it. And it doesn't matter. The question that was trying to be answered was on a cash flow basis does this make economic sense or not. It is sort of like should I be driving a Lamborghini. I might prove mathematically that I ought to be able to do that, but economically in my house I couldn't afford to do it. But the question that was being posed was do the numbers make sense or not, and Mr. Heck said no and I said yes.

Q And I appreciate that. It also doesn't take into account, for example, income taxes?

A No, it does not.

Q It doesn't take into account depreciation?

A Cash flow analyses don't look at any of those things. They don't look at cost of money, they don't look at depreciation or tax liabilities.

Q And they don't look at debt service and they don't look at interest rate, correct?

A No. What you do is hold all of those things in isolation and assume that all of those things are what they are. And then you look at the project in isolation and say do the revenues that I would receive by doing this make sense for the kinds of outlays that I have to make. Regardless of where I got that money, does it make sense or not.

Q Now, I think that you said that you presumed that this scenario is based on a central office premise, correct?

A Yes.

Q And I also think you said that this is to serve 250 customers, correct?

A That's right. And, by the way, if you see up on the -- on the top line you can see the take rate that Mr. Heck presumed. For example, in the first year he said he would take 132, he would add 114 more in year two, and that he would hold that constant at 250 for the remainder of the years. So not only does he show how many lines of DSL service he expects, he shows you how quickly he thinks they will acquire those.

Q And he also assumes, doesn't he, that 250 number is

going to remain constant, correct, after year one?

A Yes. Well, let me amplify. Probably why he made that assumption was that he was using equipment that has a capacity of about that much. So, you know, what he is really saying is once I fill up that equipment, you know, can I make money or not for that piece of equipment. If he has got more than 250 customers out of a given location, then his new question is, you know, I have already got collocation costs, does the incremental cost of more DSLAMs make sense for me to do that given the new revenue that I would get for customers above 250.

Q Right. And how many -- let me ask you this. In a central office where you provide your FastAccess service, how many customers can you serve out of there?

A It all depends. You know, are we talking about downtown Atlanta or are we talking about Hahira, Georgia? I mean, there is quite a difference in the number of lines that are served by a given central office. From a relatively small number like maybe a 1,000 or less to, you know, 50,000.

Q What central office does this scenario presume?

A It presumes any central office. It presumes a situation where Cinergy thinks it can gain 250 customers within two years. So any central office that had 250 or more DSL customers is a target for application for this business case.

Q Okay. And if this business case were to be expanded

to the number of central offices in which BellSouth has DSL capability, which I think we said with another witness was 191 minus 8, so if we could just round the numbers and say at 180 central offices?

A In Florida, yes.

Q Yes, let's speak about Florida. The loss that is projected in these business cases would be magnified greatly, correct?

A According to Mr. Heck's version, or amplified significantly by my assumptions.

Q And I would be correct to assume that BellSouth serves a lot more than 250 DSL customers in Florida, correct?

A Yes.

Q Mr. Milner, does Cinergy or Mr. Heck, are they aware that you have utilized this in this proceeding, their business case scenario?

A I don't know whether they are or are not. I think they are aware. Well, I don't know.

Q And you certainly didn't check with them, is that fair to say?

A No, I didn't see any reason to check. This is public information. This is sworn testimony.

Q I understand. I just want to understand the process that you went through. You did not check with them or discuss this with them?

A Outside of the context of the Kentucky hearing, no. Or the Kentucky proceeding, no.

Q Do you know when Mr. Heck prepared his exhibit, putting aside, again, the changes that you have made?

A Well, sometime before May the -- sometime before May 15 of 2002, because that is the date that he filed it on.

Q Do you know from whom he collected the information on which he based the assumptions in this exhibit?

A No, he didn't say and I didn't ask him.

MS. KAUFMAN: I think that's all I have, Mr. Milner. Thank you.

THE WITNESS: Thank you.

MS. CHRISTENSEN: Mr. Milner, I have just like one or two follow-up questions.

THE WITNESS: Sure.

REDIRECT EXAMINATION

BY MS. CHRISTENSEN:

Q Okay. Are you familiar with Mr. Fogle and his Exhibit EF-2?

A You will have to help me with that.

Q That is the exhibit that has all the numbers which talk about the costs for changing the systems?

A Oh. My lawyer is pulling out a copy. Yes, I am familiar with this.

Q Okay. Are those Florida-specific numbers or a

BellSouth regional number?

A Probably a little bit of both, because in some cases there is more than one processor of a given system. Generally, these are regional levels, but, for example, if you had -- let me look down here. If you had more than one processor, for example, that -- well, let's just say LFACS. There are a number of different LFACS processors around BellSouth's region. In other words, we don't have one big supercomputer that handles all of that.

So you would you have two different kinds of costs. You would have the cost of developing the software, and that is what is captured mostly on this page. You would have other incremental costs for the extra numbers of LFACS machines that you had to load the software in. You wouldn't have been to pay for it -- if you had an LFACS processors you wouldn't pay for it eight, but you would have some expense associated with loading the software into the LFACS machines beyond the first one.

Q Okay.

A But generally what I'm looking at here is region level software development costs.

Q Okay. So following up on that, to the extent that you have already been ordered to make these changes by the Louisiana order and the Kentucky order, changes to your systems, what portion of that cost would be Florida-specific?

MS. MAYS: I'm going to have to object as to facts not in evidence. I don't think we have established what exactly those orders state. Subject to the objection, you can answer.

THE WITNESS: Well, as to how these costs would be attributed across BellSouth's nine states, I don't know the answer to that. You know, I'm not a finance expert, so I don't know how the company would show these costs on its books, whether it would show it as some sort of overhead that was, you know, attributable to all nine states collectively, or if it would try to parse out this and send a part of it to Florida and a different part to North Carolina. I don't know.

BY MS. CHRISTENSEN:

Q Okay. But to the extent that -- okay. So let me see if I understand. There certainly would have to be programs written to address this on a regional basis, correct?

A Yes, and that is what Mr. Fogle, I believe, was trying to capture here.

Q Okay. And those costs capture the regional cost associated with rewriting all the programs?

A Did you says those -- say what you just said a minute ago.

Q The costs that are identified in that exhibit --

A Right.

Q -- reflect a regional cost to change those programs?

A That's right. And then you might have some other costs for, you know, the cost of deploying that software once it was developed in all the various machines. There might be some hardware you would have to buy or expand which would be Florida-specific, but that is not what is on here.

Q But Florida-specific -- let's assume for sake of argument that those costs could be spread over the nine state region.

A Okay.

Q Those cost would end up being significantly lower than what is reflected in that -- of course, Florida, I'm talking, attributable to Florida?

A However you attributed it, yes, what would be attributed to Florida would be less than this total.

MS. CHRISTENSEN: That clears up that question for me. Thank you. I think that's it.

MS. KAUFMAN: Do you want to get a date for the late-filed?

MS. CHRISTENSEN: Yes, I guess we should get a date for the late-filed exhibit. Why don't we make it the cutoff date for discovery, one week from -- I don't know, less than a week. But what is that, January 23rd? Is that doable, BellSouth?

MS. MAYS: January 23rd?

MS. CHRISTENSEN: Yes, which is the cutoff date for

discovery.

MS. MAYS: That's fine.

MS. CHRISTENSEN: Okay. That would be good. I think that's it.

MS. MAYS: We are going to want to read and sign with Mr. Milner, also.

MS. CHRISTENSEN: Okay. And I think we had a total of three late-filed exhibits so far. I mean, two for this deposition and maybe one for another one, I think.

MS. KAUFMAN: We're just trying to do housekeeping here. It's one for Fogle and one for Mr. Milner.

MS. CHRISTENSEN: Okay. So two late-filed exhibits for next Thursday. Okay.

(The deposition concluded at 4:51 p.m.)

ERRATA SHEET
DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE

IN RE: DOCKET NO. 020507-TL
NAME: W. Keith Milner
DATE: January 17, 2003

PAGE	LINE	CHANGE

Under penalties of perjury, I declare that I have read my deposition and that it is true and correct subject to any changes in form or substance entered here.

DATE W. KEITH MILNER

FLORIDA)

: CERTIFICATE OF OATH

COUNTY OF LEON)

I, the undersigned authority, certify that _____

W. Keith Milner personally appeared before me at _____

675 W. Peachtree St. and was duly sworn by me

to tell the truth.

WITNESS my hand and official seal in the City of _____

Atlanta, County of Fulton, State of Georgia,

this 17TH Day of JANUARY, 2003.

Brenda S. Slaughter

Notary Public

State of Georgia

Personally known ✓ OR Produced identification _____.

Type of identification produced _____.

Brenda S. Slaughter
Notary Public, Rockdale County, Georgia
My Commission Expires July 29, 2006

CC0370

STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, JANE FAUORT, Official FPSC Commission Reporter, do hereby certify that I was authorized to and did stenographically report the foregoing deposition at the time and place herein stated.

I FURTHER CERTIFY that this transcript, consisting of 91 pages, constitutes a true record of the testimony given by the witness.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 21st day of January, 2003.

JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

a. The number of central offices in which BellSouth will deploy DSL and the total number of central offices in BellSouth's territory;

b. The number of remote terminals that BellSouth will fit with DSL functionality and the total number of remote terminals in BellSouth's territory;

c. The number of Georgia residential access lines for which BellSouth will be capable of providing DSL service and the total number of residential access lines in BellSouth's Georgia territory; and

d. The number of Georgia business access lines for which BellSouth will be capable of providing DSL service and the total number of business access lines in BellSouth's Georgia territory.

RESPONSE: The information responsive to this request is proprietary and is being provided subject to the protective agreement between the parties in this docket.

a. By the end of 2002, BellSouth will have deployed DSL in ___ of its ___ central offices in Georgia. 2003 figures are not yet available.

b. By the end of 2002, BellSouth will have deployed DSL functionality in ___ of its ___ remote terminals in Georgia. 2003 figures are not yet available.

c. By the end of 2002, BellSouth will be capable of providing DSL service on _____ residential access lines in Georgia out of a total of _____ residential access lines in the State. 2003 figures are not yet available.

d. By the end of 2002, BellSouth will be capable of providing DSL service on _____ business access lines in Georgia out of a total of _____ business access lines in the State. 2003 figures are not yet available.

INTERROGATORY NO. 8: At pages 6 and 7 of his Direct Testimony, Mr. Milner expresses concern about determining whether CLECs have provided authorization to use the high frequency portion of their loops. Please explain why BellSouth believes (if in fact it does) that it



PUBLIC DISCLOSURE DOCUMENT

is currently incapable of determining whether a potential FastAccess or BellSouth wholesale DSL end user customer is served via an MCI UNE-P line.

RESPONSE: BellSouth's retail systems used in connection with FastAccess and billed DSL do not have access to MCI carrier information. In addition, BellSouth DSL systems, as designed today, are not capable of determining whether a potential FastAccess or BellSouth wholesale DSL end-user customer is served via an MCI UNE-P line.

In BellSouth's Loop Qualification System (LQS), UNE-P telephone numbers are currently not qualified consistent with the requirement in BellSouth's interstate tariff that DSL must be provided over a telephone company owned facility. Additionally, the CLEC of record is not captured in the LQS database. The CLEC of record may be in any one of many Interconnection Services (ICS) systems. In order to determine if a DSL end user is served via an MCI UNE-P line, interfaces would need to be built between LQS and the appropriate ICS systems.

INTERROGATORY NO. 9: At page 7 of his Direct Testimony, Mr. Milner states that BellSouth uses the customer's telephone number to drive DSL provisioning, maintenance, billing and record keeping. Please state the DSL provisioning, maintenance, billing and record keeping problems, if any, that arise from providing DSL service to an MCI UNE-P customer who retains his or her telephone number.

RESPONSE: The problems that exist for providing DSL service to an MCI UNE-P customer in each category are as follows:

1. DSL Provisioning – Various edits would need to be removed from BellSouth systems to enable UNE-P numbers to be entered into BellSouth's ordering and provisioning systems. These edits currently are in place to comply with the requirement in BellSouth's interstate tariff that DSL must be provided over a telephone company owned facility

2. DSL Maintenance – If BellSouth's DSL service were available over UNE-P lines, there would be a great deal of confusion regarding whom to call for maintenance and repairs. The end user would need to call the CLEC for maintenance on the voice portion of the line, but BellSouth for the DSL portion of the line. If both were not working because of a problem with the line, the customer would not know whom to contact, and the issue would take much longer than necessary to resolve.

3. DSL Billing – End users who do not have BellSouth voice service do not receive a BellSouth bill. Therefore, BellSouth's FastAccess group must charge these end users

via credit card. If a credit card is not available as an option then these end users cannot get service.

4. Record Keeping – If BellSouth were given permission by some CLECs to use the upper portion of the spectrum on the CLEC loop but not given permission by others, an entire system would need to be developed to track and use this information to qualify and service customers. The creation of this record keeping system would be time consuming and burdensome.

INTERROGATORY NO. 11 [sic]: At page 7 of his Direct Testimony, Mr. Milner states than when a CLEC acquires a UNE-P loop, "there no longer is a working BellSouth telephone number in some of BellSouth's systems." Please identify all BellSouth systems in which there is no longer a working telephone number when MCI acquires a UNE-P customer, and, with respect to each such system, state the practical consequence of there not being a working telephone number with regard to (a) the customer's voice service; and (b) the customer's DSL service.

RESPONSE:

a. BellSouth has not contended that there is a problem with voice service. The problem, instead, is with the association of the telephone number with DSL in the context of unbundled loops and UNE-P.

b. Exhibit 1, "DSL Systems and UNE-P," lists the systems and problems identified in those systems, as a consequence of there not being a working telephone number associated with the customer's DSL service. The attached document is proprietary and is being provided subject to the terms and conditions of the nondisclosure agreement between the parties in this docket.

RECEIVED
MAR 8 - 2002
LEGAL DEPT (KY.)

BEFORE THE PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY

IN THE MATTER OF: PETITION OF CINERGY COMMUNICATIONS COMPANY FOR ARBITRATIONS OF AN INTERCONNECTION AGREEMENT WITH BELLSOUTH TELECOMMUNICATIONS, INC. PURSUANT TO U.S.C. SECTION 252	)	DOCKET NO. 2001-432

TESTIMONY OF PAT HECK
ON BEHALF OF CINERGY COMMUNICATIONS COMPANY

Henry Walker
Boult, Cummings, Conners & Berry PLC
414 Union Street
Suite 1600
Nashville, Tennessee 37219
Phone: (615) 252-2363
Fax: (615) 252-6363
email: hwalker@boultcummings.com

C. Kent Hatfield
Middleton Reutlinger
2500 Brown & Williamson Tower
Louisville, Kentucky 40202
Phone: (502) 584-1135
Fax: (502) 561-0442
email: khatfield@middreut.com

COUNSEL FOR CINERGY COMMUNICATIONS COMPANY

000384

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TP
Keith Milner
Late Filed Deposition Exhibit 2
Revised Rebuttal Testimony and
Direct Testimony of Mr. Heck

REQUEST: Please produce copies of the direct testimony and the revised rebuttal testimony of Mr. Patrick Heck filed in connection with Case No. 2001-432 before the Kentucky Public Service Commission.

RESPONSE: See attached documents.

Q. Please state your name and business address.

A. My name is Pat Heck. My business address is 1419 Lloyd Expressway, Suite 101, Evansville, Indiana 47710.

Q. Who do you work for?

A. I am Chief Technology Officer for Cinergy Communications Company (CCC).

Q. What are your responsibilities as CTO of CCC?

A. I am responsible for the development and marketing of all residential services. On the commercial side, I oversee our data delivery infrastructure including our core data network services, hosting services, and new product development. I also oversee research and development of most telecommunication services.

Q. Please briefly outline your educational background and related experience.

A. I graduated from the University of Evansville in 1985 with a degree in Computer Science and earned a Masters Degree in Computer Science from the University of Virginia in 1988. I was accepted into the Ph.D. program at the University of Virginia and have completed all required courses. From 1991 to 1994 I served as an assistant professor at the University of Evansville and continued working on required research projects at the University of Virginia. In August of 1994 I, with the help of some Evansville area businessmen, started World Connection Services, a

000003

successful residential and commercial Internet Service Provider where I served as the President from 1994 to 2000. Under my direction, World Connection Services grew from a small ISP serving Evansville into a regional ISP serving Southwestern Indiana and Western Kentucky with approximately 8,000 subscribers. In 1998, World Connection Services was acquired by Q-Comm Corporation, the parent company of CCC. In 2000, World Connection Services, then named Network WCS, was merged into CCC and I took on the responsibilities of the Chief Technology Officer.

Q. Have you previously testified in a regulatory proceeding before a state utility commission, the FCC or a hearing officer?

A. No.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to offer the factual basis for the Public Service Commission to order BellSouth to unbundle its high-speed packet switching services, including intralata transport service, so that CCC can offer important and necessary telecommunication services on a ubiquitous basis to the residential and small business markets in the state of Kentucky.

Q. Please provide a brief overview of CCC's position regarding the need for unbundled packet switching.

A. CCC seeks the ability to offer its customers a bundle of advanced telecommunication services and high-speed internet access on a single bill in order to effectively compete with BellSouth across the entire BellSouth service area in the state of Kentucky. BellSouth has been able to use its ADSL transport service to put CCC and other CLECs at a tremendous competitive disadvantage. Lack of unbundled access to BellSouth's ADSL transport service has materially impaired CCC's ability to provide telecommunication services in the state of Kentucky. Access to BellSouth's high-speed packet switching services, in accordance with applicable law, is essential for CCC to offer bundled and advanced telecommunication services on a ubiquitous basis in the state of Kentucky.

Q. What is ADSL?

A. DSL, short for *D*igital *S*ubscriber *L*ine, is a technology that enables high-speed data transmission over traditional copper loop facilities at rates far exceeding those typically achieved by traditional "dial-up" modems. At the customer premise end of the loop is a DSL modem and at the carrier facility end of the loop is a DSLAM ("Digital Subscriber Line Access Multiplexer") which is capable of serving many DSL connections simultaneously. To provide a viable DSL transmission service, the loop between the customer and the carrier's equipment must typically be shorter than 18,000 feet, free of bridged tap, load coils and repeaters, and free from interference caused by nearby fiber-based telecommunications. DSL can be used to transmit packet-switched voice as well as data. ADSL

000386

is a cost-effective and popular form of DSL. ADSL is widely available in the BellSouth territory. According the BellSouth press releases, BellSouth's DSL service is now available to 70% of the households served by BellSouth.[1]

Q. Why should the Commission care whether CCC is able to provide these services to its customers and potential customers in Kentucky?

A. BellSouth is currently the only company offering a facilities-based bundled high speed data and local voice product to the residential and small business market in the state of Kentucky. This lack of a competitive alternative puts Kentucky citizens at a disadvantage. Competition promotes lower prices, more services and higher quality. Without robust competition, BellSouth will remonopolize the market for local telephone service. Once that occurs, there will be no incentive for BellSouth to invest in its infrastructure.

Q. What is the relevant background leading to CCC's request for unbundled packet switching?

A. CCC has been using BellSouth's UNE products in Kentucky for the purpose of building a customer base in order to justify the building of facilities. The most important of these UNE products has been the availability of UNE-P facilities (also known as the Unbundled Network

[1] BellSouth press release dated January 22, 2002 – see http://bellsouthcorp.com/proactive/newsroom/release.vtml?id=38903

C00389

Element Platform) for the purpose of providing voice services to small businesses in the state of Kentucky. CCC has focused most of its efforts on providing competitive telecommunication services to small businesses in underserved areas. As CCC has developed a customer base in certain markets, CCC has undertaken the building of facilities. To date, CCC has built collocation facilities in Owensboro, Henderson, Madisonville, Bowling Green, Louisville, and Paducah and is beginning to utilize other UNE products, including unbundled copper loops and UNE DS1s, so that CCC is less dependent on the use of BellSouth's UNE-P facilities. Additionally, CCC, through our sister company Kentucky Data Link, has built its own long-haul fiber optic network linking many cities in Kentucky including Bowling Green, Louisville, Lexington, Madisonville, Owensboro, Paducah, Henderson, and Winchester. It remains CCC's intention to build collocation facilities in all of the Kentucky BellSouth Central Offices.

The introduction of UNE-P in Kentucky in the fall of 2000 enabled CCC to build a viable business plan to become a facilities-based telecommunications provider in the state of Kentucky, and CCC has been successful in moving forward with this business plan. However, BellSouth's recent introduction of high-speed Internet service via their ADSL transport service (from this point on referred to as ADSL Internet service) throughout their service area in the state and their refusal to allow

000390

us to use this ADSL transport in a cost-effective manner has put CCC at a tremendous competitive disadvantage.

Q. Could you please provide an overview of how BellSouth provides ADSL service to its own customers?

A. To fully understand how BellSouth uses their ADSL Internet service to put CCC at a competitive disadvantage and materially impair CCC requires a thorough explanation of how BellSouth provides ADSL Internet service. BellSouth's FastAccess® ADSL Internet service is Internet service provided via BellSouth Telecommunication's federally tariffed ADSL transport product. This ADSL transport product is a high-speed packet switching service that is capable of operating across the same copper line that also carries POTS (Plain Old Telephone Service). The ADSL transport operates at a different frequency than POTS making it possible for high-speed packets to traverse across the copper line at the same time the POTS service is in use (e.g., a user can browse the Internet at the same time he is having a telephone conversation). The fact that ADSL uses the same copper as POTS is what makes the technology attractive from a cost perspective. In and of itself ADSL has no purpose other than serving as a high-speed transport service capable of carrying many different types of telecommunication services including local exchange service, long distance service, Internet service, and video services. DSL transport services have become a preferred mechanism for

000391

delivering a variety of voice and data services because of its cost-effectiveness and reliability.

BellSouth has deployed DSLAMs (carrier-side equipment used to provide different types of DSL service including ADSL) in 80 Kentucky BellSouth Central Offices. Additionally, BellSouth has deployed DSLAMs in 138 RTs in Kentucky. The deployed DSLAMs are networked together via an ATM network that spans across each LATA. BellSouth uses its ADSL transport service to provide a connection from a customer premise out to the Internet. BellSouth markets their FastAccess ADSL Internet service through the same retail channels used for local exchange services. Customers of BellSouth's FastAccess ADSL Internet service are billed via their BellSouth telephone bill.

Q. Does BellSouth make this ADSL service available to competitors?

A. BellSouth does make its underlying ADSL packet switching transport service available to other carriers and markets this service mainly to independent Internet Service Providers (ISPs) under BellSouth's Wholesale ADSL program. An ISP seeking to use the wholesale ADSL transport service is required to connect to BellSouth's ATM network at one point within each LATA the ISP seeks to serve. BellSouth provides end-to-end packet switching between the end user and the ISP. BellSouth bills the ISP for the ADSL transport service and the ISP bills the end user for the services provided over the ADSL transport. The most common

service that is provided across the ADSL transport is Internet service, but I have personal knowledge of ISPs also providing other telecommunication services including such services as Data Virtual Private Networking, Voice Virtual Private Networking (which allows a multi-location company to route inter-office telephone calls across a public packet switching network), Network Monitoring, and Application Services.

Q. Couldn't CCC use this wholesale service to provide the telecommunications services it seeks to provide to its customers?

A. On the surface it would appear that CCC could use BellSouth's wholesale ADSL service as a way to deliver telecommunication services, including Internet service and advanced voice services, and then be able to compete effectively with BellSouth. In fact, CCC has attempted exactly that. However, BellSouth's intentionally restrictive policy on the deployment of ADSL has done just the opposite and has left CCC in an imperiled state. Specifically, BellSouth's policy is that it will only provision ADSL transport service over BellSouth voice lines. BellSouth voice lines include voice lines billed by BellSouth to end users and voice lines billed by CLECs, but provisioned under resale. BellSouth refuses to provision their ADSL transport service over lines provisioned under UNE-P. BellSouth's widespread deployment of ADSL coupled with this anticompetitive policy is absolutely a CLEC killer and I believe will lead to the remonopolization of voice services in BellSouth's Kentucky service area.

000393

It is worth noting that CCC felt that it had received some relief from the BellSouth policy when the Commission released the Deaveraged Rates for Unbundled Network Elements Order on December 18, 2001. [2] On page 36, the Commission wrote:

> The Commission also makes clear in this Order that ordinarily combined UNEs must also be made available where line-splitting occurs. Line-splitting must be made available to all CLECs on a nondiscriminatory basis. Moreover, BellSouth may not discontinue the provision of line-splitting when a CLEC provides voice service through UNE-P, regardless of which xDSL provider is used.

CCC was hopeful that this would allow us to provision BellSouth's Wholesale ADSL service on UNE-P provisioned voice lines. BellSouth, however, believes that this ruling applies only to cases where the xDSL provider is someone other than BellSouth. BellSouth claims that if they are the provider of xDSL on the UNE-P line then line-sharing rules, as opposed to line-splitting rules, would apply. We disagree.

The FCC distinguished between line splitting and line sharing in the "Line Splitting Order."[3] Line sharing is limited to:

> ...those instances in which the incumbent LEC is providing, and continues to provide, voice service on the particular loop to which the [competing] carrier seeks access. In other words, a competing carrier seeking to provide xDSL service using the unbundled high frequency

[2] Kentucky Public Service Commission Administrative Case No. 382

[3] *In the matter of Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Telecommunications Act of 1996, CC Docket Nos. 98-147,96-98, Third Report and Order*, FCC 01-26, (2001) ("Line Splitting Order).

000394

portion of the loop can do so only if the same loop is used by the incumbent LEC to provide voice service to an end user.[4]

The obligations of the incumbent LEC are much broader under line splitting:

> ...independent of the unbundling obligations associated with the high frequency portion of the loop that are described in the *Line Sharing Order*, incumbent LECs must allow competing carriers to offer both voice and data service over a single unbundled loop. This obligation extends to situations where a competing carrier seeks to provide combined voice and data services on the same loop, or where two competing carriers join to provide voice and data services through line splitting.[5]

According to these definitions, any situation in which a CLEC provides the voice portion of the service is not line sharing; therefore it must be line splitting. We believe that BellSouth ignores the intent of the Commission by refusing to provide its wholesale ADSL service to ISPs when the voice line is converted to UNE-P. Moreover, BellSouth violates KRS 278.170 in that it subjects to "unreasonable prejudice or disadvantage" those customers wishing to subscribe to CCC's UNE-P voice service and gives an "unreasonable preference" to customers of BellSouth's own voice service.

Q. How is BellSouth's policy in this area anticompetitive?

[4] *Id.* at ¶17.

[5] *Id.* at ¶18.

000395

A. Our experience over the past several months really demonstrates this quite clearly in three ways:

First, Facilities-based customers of CCC who call BellSouth and inquire about ADSL Internet service are informed that in order to receive the ADSL service they will need to return their local service to BellSouth. BellSouth then signs up the customer to a 24 or 36 month term "Key Customer" contract for local exchange service, effectively locking CCC out from serving the customer. Attached as Exhibit A is an example of a "Win Back" contract for one of CCC's former facilities-based small business customers, Alma Gentry. Alma Gentry was won back by BellSouth when she called to inquire about ADSL.

Second, BellSouth's anticompetitive policy greatly erodes CCC's profit margin on its current customers receiving local service via UNE-P. BellSouth's wholesale ADSL transport service is available to many ISPs and commonly CCC receives a request from an ISP, or from the customer directly, to reprovision local voice lines from UNE-P to local resale so that the ISP can provide Internet service to CCC's voice customer. This leaves CCC in the unenviable position of telling the customer that they can't have the ADSL Internet service from their ISP of choice, or requires CCC to move the lines to resale status. In the first case CCC is essentially telling the customer "No, you can't have Internet service because we'll make less

000396

money – perhaps no money – on the voice service we're providing you." In the second case, CCC is essentially giving up all or nearly all of the gross profit made on the customer each month. Keep in mind that 40% of CCC's business customers have only one or two lines and 70% have five lines or fewer. It may seem on the surface that a two, three, or four line customer may not be so undesirable since only a single line contains the ADSL service, but call hunting on the lines means that CCC has to move all of the lines to resale.

Q. What is Hunting and why is it so important?

A. Hunting is used by most businesses with two or more lines and allows a company to publish a single number that can come in on any available line within the hunt group. If the first line in the hunt group is busy, then the call will hunt to the second line. If the second line is busy, then the incoming call will hunt to the third line. The caller will receive a busy signal only if all of the lines in the hunt group are busy. Hunting is an absolutely essential service for small businesses. Again, BellSouth's internal policy greatly damages competition for voice services. Although it is not a technical issue, BellSouth will not allow lines provisioned under UNE-P to be in the same hunt group as lines provisioned under resale. Since ADSL can only be provisioned on resale lines, then CCC must move every line of the customer in the hunt group to resale status – not a single line in the hunt group can remain provisioned under UNE-P. This

000397

reduces CCC's profit margin to the point that the customer is no longer profitable.

Q. You mentioned there are three examples of how BellSouth's use of ADSL is anticompetitive, what is the third?

A. In addition to the first two problems, BellSouth's ADSL Internet service also prevents CCC from acquiring new customers. If a BellSouth customer who receives ADSL does move their local voice service to CCC's facilities, provisioned under UNE-P, then BellSouth terminates the customer's ADSL Internet service. Once a customer learns that they will lose their ADSL Internet service by moving to CCC's local voice service they are no longer willing to become a customer of CCC. Again, CCC's alternative is to provision these new lines under resale, but doing so is unprofitable to CCC.

The net effect of BellSouth's rapid deployment of ADSL Internet service and their anticompetitive policy is that BellSouth is remonopolizing the regulated voice market through attrition of competitive local exchange carriers who cannot compete due to the inability to sell a combination voice and high-speed Internet service.

Q. What is the difference between ADSL transport service and ADSL Internet service?

000398

A. We believe that it is important to understand that ADSL is simply a telecommunications transport service. Anytime that someone talks about providing ADSL Internet service, they are talking about taking an ADSL transport service and using it to deliver Internet service. As stated earlier, Internet is only one of many different telecommunication and information services can be delivered via ADSL. Local voice is another telecommunication service that can be delivered via ADSL. In this respect, ADSL is performing the same function as a DS1 which is available to CCC on an unbundled basis to our medium and large business customers. In our strongest words we state that ADSL is not Internet service, but a high-speed transport service.

Q. Why is CCC asking for unbundled packet switching instead of unbundled ADSL Service?

A. CCC does seek to use BellSouth's ADSL network, but we strongly believe that the Public Service Commission should grant CCC access to all high-speed packet switching transport services deployed by BellSouth primarily because BellSouth is our principal competitor. BellSouth, because of its size and resources, could easily replace its ADSL network with a similar but different technology in a fairly short timeframe. In fact, BellSouth's competitive position towards CCC and other CLECs makes it likely that it would begin deploying another competing technology. Examples of viable competing technologies include other types of DSL (e.g., SDSL, IDSL)

000399

and fixed wireless technologies (e.g., MMDS, LMDS). A narrow ruling on ADSL transport services is likely to be a short-lived victory for CCC.

Q. What is unbundled packet switching and what components should be included in unbundled packet switching?

A. The FCC defined packet switching in the UNE Remand Order as "the function of routing individual data units, or "packets," based on address or other routing information contained in the packets. The packet switching network element includes the necessary electronics (e.g. routers and DSLAMs)."[6] The FCC went on to specifically recognize that unbundled packet switching was a network element, stating: "We find that packet switching qualifies as a network element because it includes "all features, functions and capabilities. . . sufficient. . . for transmission, routing or other provision of a telecommunications service."[7] Unbundled packet switching should be an end-to-end solution that includes transport from the end user location all the way to a single meet point within each serving LATA. This model mirrors BellSouth's current wholesale ADSL transport service. BellSouth currently provides this service so there are no technical limitations or billing issues which would prevent the immediate implementation of this service as soon as it is ordered by the Commission.

[6] *Implementation of the Local Competition Provision of the Telecommunications Act of 1996, CC Docket No. 96-98, Third Report and Order*, 15 FCC Rcd. 3696, ¶304 (1999) ("UNE Remand Order).

[7] *Id.*

000400

Additionally, requiring CCC, or any other CLEC, to interconnect with BellSouth in each Central Office serviced will prevent CCC from offering service on a ubiquitous and timely basis. It is imperative for ubiquitous deployment of advanced telecommunication services and data services that CCC be permitted to interconnect with BellSouth's packet switching network at a single meet point within each LATA. CCC would then be able to immediately begin offering services in LATA 464 (the Western parts of Kentucky) and would be able to offer services across the remainder of the BellSouth service area in Kentucky within 45 days of a favorable ruling.

Q. How will access to unbundled packet switching enable CCC to compete fairly, effectively and ubiquitously in the state of Kentucky?

A. With access to unbundled packet switching, CCC will be able to offer a combined voice and high-speed data access service ubiquitously and cost effectively to the residential and small business markets in the state of Kentucky. This bundling will compete with BellSouth's current offering. Prior to BellSouth's introduction of ADSL transport service, UNE-P was sufficient as a mechanism for aiding CCC in our business plan execution, ultimately leading to a build-out of our own facilities. Because BellSouth uses its ADSL transport service in anticompetitive ways, it is essential that the unbundling of packet switching give CCC instant ubiquity in the same way UNE-P gave CCC instant ubiquity for basic local voice services.

000401

CCC will also roll out advanced telephony services such as IP Centrex which is not offered by BellSouth or any other competitive carrier in the state of Kentucky. CCC is already planning to roll-out these advanced telephony services in Indiana in August of this year. Access to unbundled packet switching, initially via BellSouth's ADSL network, is CCC's only viable option to roll out advanced telephony services on any scale that ensures CCC's success in the state of Kentucky. CCC would begin rolling out these same services in Kentucky during the third quarter of this year if unbundled packet switching is made available.

One of the key challenges of offering facilities-based voice services to small business and residential customers via UNE-P is "price squeeze." This situation arises when the TELRIC rate established for UNE-P local exchange service is near and often higher than the retail price of the retail service provided by BellSouth. BellSouth offers residential local exchange service for between $14.10 and $18.40 depending on the rate group. Features such as Call Waiting and Caller ID may add a few more dollars to the total. The TELRIC rate recently established in Administrative Case No. 382 for UNE-P local service is $10.79 in Danville, Louisville, Maysville, Owensboro, and Paducah – zone 1 localities. The TELRIC rate for UNE-P local voice is $15.52 in most other medium size localities such as Bowling Green, Hopkinsville, Frankfort,

000102

the outlying areas surrounding Louisville and 20 other localities. However, it is $31.74 in Benton, Bedford, Cadiz, Princeton and 128 other cities. You do have a few CLECs selling residential UNE-P in the Zone 1 localities, but there isn't much of a business plan to offer local exchange service in Zone 2 or Zone 3 because of the "price squeeze," and the margins in Zone 1 are not sufficient to meet CCC's criteria for profitability. However, if CCC has access to a fairly priced unbundled packet switching, we believe we can offer a very compelling and competitive product that overcomes this "price squeeze" in the more than 150 localities listed as Zone 2 or Zone 3.

For purposes of constructing a business plan overview, let's assume the price for unbundled packet switching is $21.22. By bundling unbundled packet switching with a basic ADSL compatible loop ($12.87 in Zone 3), CCC has a viable business plan in zone 3 since recurring costs are $34.09. CCC can sell a bundled service consisting of local voice and high-speed internet access for somewhere between $55 and $65 and this compares very favorably to services BellSouth is able to offer residential customers. Once a sufficient number of customers are provisioned out of a single Central Office, CCC may install its own DSLAM to improve margins further.

000403

Q. In your example, you used a price of $21.22 for unbundled packet switching. Could you explain why you believe this would be a fair interim price for BellSouth to charge for this UNE?

Arguing for a price of somewhere between $21 and $22 for unbundled packet switching is easy to justify. The current price to ISPs and CLECs for the BellSouth Telecommunications Wholesale ADSL residential-class service is $33. In order to deploy ADSL across a BellSouth voice line, BellSouth must install a splitter. The TELRIC monthly recurring charge for a Line Sharing Splitter is $7.43.[8] Subtracting $7.43 leaves $25.57. Applying the 17% resale discount to $25.57 leaves $21.22 – a conservative interim approach to determining a fair price for the ADSL service. CCC would expect to pay the splitter charge when using the UNE DSL service over a BellSouth local exchange line or a UNE-P provisioned local exchange line. We need the option of determining which option would suit the needs of each individual customer and do not want to be forced to pay for a splitter if one is not necessary.

Q. What options are available to CCC if the KPSC does not unbundle packet switching?

A. CCC has made the investment in the technology to provide advanced telephony services to its customers. From a practical standpoint, lack of

[8] Kentucky Public Service Commission Administrative Case No. 382

030401

access to unbundled packet switching will force CCC to focus efforts in those markets where CCC can exploit this investment.

Q. Does CCC have access to unbundled packet switching as a UNE in any other markets in which it operates?

A. In the state of Indiana CCC already has access to unbundled packet switching via SBC Ameritech's UNE-D product. This product became available to CCC in the Fall of 2001 when the Indiana Utility Regulatory Commission ("IURC") finalized an arbitration between AT&T and SBC Ameritech which, in part, requires SBC Ameritech to offer a bundled UNE combo of voice and high-speed data transport referred to as UNE-D (for Unbundled Network Element – Digital platform). CCC recently adopted the relevant portion of that agreement and will soon be able to offer voice and high-speed data services to its customers over a single loop. This UNE-D combo consists of a 2 Wire Loop and Port with ATM Transport. It allows CCC to provide facilities-based voice via UNE-P and high-speed data access via DSL data transport as a UNE. This offering also gives CCC the ability to provide advanced telephony and data services to its residential and small customers on a ubiquitous basis in the state of Indiana. CCC pays $38 for the SBC Ameritech UNE-D product – a combination price that's still below what I've proposed for Kentucky (i.e., $21.22 for ADSL transport, $7.43 for the splitter, $10.79 for UNE-P voice in Zone 1 totals $39.44).

000405

Q. What features will CCC be able to provide to the residential and small business market with IP Centrex if it is granted access to unbundled packet switching as a UNE?

A. CCC is currently testing advanced IP Centrex telephony services in the Evansville, Indiana market where CCC has access to a UNE DSL service similar to that which we are requesting in this arbitration. Personal services (available to residential and business customers) in this offering include Anonymous and Selective Call Rejection, Call Return, Call Waiting, Do Not Disturb, Flash Call Transfer, N-Way Calling, Last Number Redial, Speed-Dial, Selective Call Acceptance, Advanced Call Reporting (inbound and outbound), Simultaneous Ring (aggressive find-me/follow-me service), unified messaging (fax, email, voicemail), and multiple voice message notification options (stutter dial tone, paging, message waiting indicator). Business customers would also have access to many advanced group functions including Auto Attendant Services (Extension and Name Dialing/Transfer, Group Mailbox, and Name Recording/Playback), Account Codes, Authorization Codes, Call Center Support, Call Intercept, Configurable Extension Dialing, Configurable Feature Codes, Multiple Hunt Groups, Instant N-Way conferencing, and Loudspeaker paging. Additionally, all of these services can be managed and self-provisioned via the web. See Exhibit B for a complete list of the services that CCC is currently testing. Additionally, Exhibit C

CCC20

demonstrates how CCC would deliver IP Centrex services over broadband connections.

Most of these services/features currently are available only with the purchase of very expensive telephony equipment and therefore are deployed almost exclusively by large commercial businesses. We believe that deploying these services to the small business market is economically viable and will enable small businesses in the state of Kentucky to remain competitive in a marketplace that increasingly favors large businesses over small. As stated earlier, we hope to roll out these services in the state of Kentucky during the third quarter of 2002.

Q. **Could you provide the Commission an example of how this service might work for a small business owner.**

A. Sure. Imagine a real estate agent who spends an equal amount of time in and out of the office. Most likely he has a business phone line and a cell phone. He has voicemail attached to each of these. One of the features he'll have available is Sim Ring (simultaneous ring). He can specify from a web portal that he'd like to have his cell phone ring in addition to his office phone whenever a client calls his office phone, but only between the hours of 7am and 10pm. So now when someone does call him between these hours, both his cell phone and office phone will ring. Whichever he picks up first is where the call is delivered. If he doesn't pick up either, the caller is dropped into the voicemail box associated with his office phone –

thus he doesn't have to worry about checking voicemail on two different voicemail systems any longer. When in the office he can turn off his cell phone and just use his office phone, but when he walks out the door he can turn on his cell phone – unless he doesn't want to be bothered.

The second feature that he can use to his benefit is Remote Office. Imagine he has a sick child and needs to work from home. From his web portal he can turn on Remote Office to signify that his home phone is now his office phone. Incoming calls get routed to his home phone – just like call forwarding -- but the handling of his out-bound calls is the attractive feature. Assuming he has an Internet connection, he can use his web portal to dial the call. Remote Office will turn and dial his home phone. Once he's picked up, Remote Office will then dial his destination. This has a couple of advantages. First, if the call is a long-distance call, the charges will be billed to his office phone instead of his home phone. Second, the Caller-ID information passed to the person he called will be his office phone number instead of his home phone number. To the person he called it looks like he's at the office. He doesn't have to worry about the person he called now having his home phone number – and perhaps calling it another day when he really is in the office.

Q. Does the Kentucky Public Service Commission have the authority to establish an unbundled packet switching UNE as requested by CCC?

000403

A. Yes. I am not an attorney, but it is my understanding that Section 251(d)(3) of the Telecommunications Act of 1996 expressly authorizes state commissions to establish additional unbundling obligations. In its order adopting the national list of UNEs, the FCC explicitly found that:

> section 251(d)(3) of the Communications Act grants state public utility commissions the authority to impose additional obligations upon incumbent LECs beyond those imposed by the national list, as long as they meet the requirements of section 251 and the national policy framework instituted in this Order.[9]

The FCC was even more explicit regarding the ability of states to add UNEs that the FCC declined to place on the national list in its discussion of packet switching. The FCC found that it did not have a record before it that justified nationwide unbundling of the frame relay network element. The FCC went on to say, however, that CLECs

> are free to demonstrate to a state commission that lack of unbundled access to the incumbent's frame relay network element [a form of packet switching] impairs their ability to provide the services they seek to offer. A state commission is empowered to require incumbent LECs to unbundle specific network elements used to provide frame relay service, consistent with the principles set forth in this order.[10]

The *Line Sharing Order*, which sought to promote unbundled CLEC access to DSL, further encouraged state commissions "to impose

---

[9] *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order and Fourth Further Notice of Proposed Rulemaking, 13 FCC Rcd 3696, ¶ 154 (1999) ("*FCC UNE Remand Order*").

[10] *Id.* ¶ 312.

000409

additional, pro-competitive requirements consistent with the national framework established in this order."[11]

Q. Please explain the federal unbundling framework?

A. The federal unbundling framework has two basic layers – a list of national minimum network elements (that must be offered everywhere),[12] and a mechanism for States to require additional unbundling. Where a State requires additional unbundling under the authority of the federal Act, however, FCC rules require that certain standards be met.[13] Specifically, a State must conclude (for non-proprietary network elements)[14] that CLECs would be "impaired" without access to the network element in question.

Q. Has the FCC provided guidance as to what constitutes "impairment"?

A. Yes. Acting in response to the U.S. Supreme Court's remand of its initial interconnection rules, the FCC adopted rules to give greater definition to

---

[11] *Deployment of Wireline Services Offering Advanced Telecommunications Capability*, CC Docket No. 98-147, Third Report and Order, 14 FCC Rcd. 20912, at ¶ 159 (1999)("Line Sharing Order")

[12] This list of federally mandated minimums is codified in the Code of Federal Regulations at 47 C.F.R. §51.319.

[13] 47 C.F.R. §51.317(b)(4) states: A state commission must comply with the standards set forth in this Sec 51.317 when considering whether to require the unbundling of additional network elements.

[14] BellSouth has never claimed, to my knowledge, that any aspect of the local switching network element is proprietary.

000419

what is meant by "impairment." Under this framework, impairment is defined as follows:

> A requesting carrier's ability to provide service is "impaired" if, taking into consideration the availability of alternative elements outside the incumbent LEC's network, including self-provisioning by a requesting carrier or acquiring an alternative from a third-party supplier, lack of access to that element materially diminishes a requesting carrier's ability to provide the services it seeks to offer. The Commission will consider the totality of the circumstances to determine whether an alternative to the incumbent LEC's network element is available in such a manner that a requesting carrier can provide service using the alternative.[15]

Further, in judging whether alternatives (either self-provisioned or obtained from a third-party) are available to the entrant, States are directed to consider whether alternatives are "...available as a practical, economic, and operational matter:

> (i) Cost, including all costs that requesting carriers may incur when using the alternative element to provide the services it seeks to offer;
>
> (ii) Timeliness, including the time associated with entering a market as well as the time to expand service to more customers;
>
> (iii)
>
> (iv) Quality;
>
> (v) Ubiquity, including whether the alternatives are available ubiquitously;
>
> (vi) Impact on network operations."[16]

[15] 47 C.F.R. §51.317(b)(1), emphasis added.

[16] 47 C.F.R. §51.317(b)(2).

C00411

Q. Are there other factors that the Authority may consider when determining whether a particular network element should be offered in accordance with the federal Act?

A. Yes. The FCC also enumerated a number of other factors that a State may consider when conducting an unbundling review under the federal Act, including the following:

(i) Whether unbundling of a network element promotes the rapid introduction of competition;

(ii) Whether unbundling of a network element promotes facilities-based competition, investment, and innovation;

(iii) Whether unbundling of a network element promotes reduced regulation;

(iv) Whether unbundling of a network element provides certainty to requesting carriers regarding the availability of the element;

Q. Is CCC impaired under the standard you just outlined?

A. Yes. Lack of access to unbundled packet switching materially diminishes our ability to provide IP Centrex to residential and small business customers in Kentucky. CCC has invested in this technology and can provide a facilities-based, feature-rich product to its customers that BellSouth cannot offer at any price. CCC has also invested in the network and the back office operations necessary to support this service. CCC

00412

only lacks a mechanism to bridge the "last mile" from its network to the customer. Without unbundled packet switching CCC cannot cost-effectively provide this service to the small business and residential markets.

In addition, CCC is impaired in providing traditional POTS service to its customers. Customers are demanding high-speed internet access and CCC cannot offer this to the small business and residential market without access to unbundled packet switching. BellSouth's anticompetitive policies preclude any other cost-effective alternatives and encourage the customer to switch back to BellSouth. Access to unbundled packet switching for internet access would allow CCC to bundle voice and high-speed Internet and offer the customer one bill in the same fashion that BellSouth currently bills its own customers. If CCC cannot offer bundled services on a single bill, we are simply not an attractive competitor to the BellSouth monopoly.

Q. Are there any alternatives available to CCC that would allow CCC to provide its IP Centrex service or a bundled service of voice and high speed Internet access to its customers?

A. No other viable option exists that will enable CCC to quickly, cost-effectively, and ubiquitously provide high-speed data services and other advanced voice services. CCC has looked at all available options. First, CCC has considered installing DSLAMs across BellSouth's Central

Offices and Remote Terminals. Second, CCC has considered partnering with a Data LEC ("DLEC"). Third, CCC has considered using BellSouth's UNE DS1 service. Fourth, CCC has considered using BellSouth's wholesale DSL product combined with BellSouth's resale local exchange services. None of these options enable CCC to provide high-speed data services and other advanced services ubiquitously in the state of Kentucky.

Q. Why is self-provisioning of DSLAMs not a viable option?

A. First, it is cost prohibitive. Installing DSLAMs in Central Offices and Remote Terminals without a customer base to support them is a business plan that is certain to fail. The cost of build-out and DSLAM installation will take a first-year investment of more than $12,000,000. Assuming that CCC installs 84 customers per month (approximately 1,000 per year) the operation does not achieve positive operational cash flow until the 23rd month and still leaves CCC with a loss of more than $783,000 after 8 years – even with nearly 100% of the DSLAM ports serving customers. This is such a poor business plan that were we to undertake this plan, the commission should then consider revoking our Certificate of Public Convenience and Necessity because we'll certainly just be one of the next CLEC's to file bankruptcy and create real problems for its customers.

The second problem is timeliness. CCC does not have enough experienced personnel, nor access to experienced personnel, sufficient to build out

000414

more than 100 facilities in less than 1 year. Across all markets (Indiana, Kentucky, Tennessee, Ohio, Illinois), CCC is able to install approximately 24 ILEC collocations per year. If all resources were focused on BellSouth's territory in Kentucky, it would still take 3 to 4 years to complete the installations. By this time BellSouth would have effectively locked CCC out of the DSL market in most parts of the state of Kentucky.

The third problem is ubiquity. If it takes CCC 3 to 4 years to complete the DSLAM installations, our service would be a patchwork quilt in the interim, and we would not be able to effectively compete within our territory. Also, we would not be able to service our current customers who desire advanced services. If BellSouth is successful in winning back all of these customers during our build-out, there may be no customers left to build to.

Finally, the FCC has already determined that the collocation required to provide packet switching constitutes an impairment:

> "Collocating in incumbent LEC central offices imposes material costs and delays on a requesting carrier and materially diminishes a requesting carrier's ability to provide the services it seeks to offer. As discussed above, we identified the costs and delays associated with collocation as factors that impair a requesting carrier's ability to self-provision circuit switches to serve residential and business market [sic]. We see no reason to distinguish a requesting carrier's collocation-related costs and delays to provide circuit-switched services from those collocation costs and delays incurred by requesting carriers to provide packet switched services. These

costs and delays lead us to find that competitors are impaired in their ability to offer advanced services without access to incumbent LEC facilities.[17]

Q. Why is partnering with a DLEC not a viable option?

A. In the UNE Remand Order, the FCC relied quite heavily on the availability of DLECs such as Rhythms, Northpoint and Covad in refusing to unbundle packet switching at that time.[18] However, the FCC could not have foreseen the economic meltdown in the telecommunications industry that has occurred since the UNE Remand Order was released. All of the aforementioned DLECs have filed bankruptcy and only Covad has emerged intact. Although Covad offers some service in Louisville, CCC is not aware of any DLEC or any combination of DLECs with which we could partner in order to provide ubiquitous access in Kentucky.

Q. Why isn't UNE DS1 a viable option?

A. A UNE DS1 is the only UNE transport service currently available to CCC, and CCC uses DS1 service to provide voice and data services to our large and medium sized business customers. The Kentucky TELRIC pricing for UNE DS1 service in the state of Kentucky is too expensive to use as an option for serving residential and small businesses. The recurring costs for UNE DS1's in zones 1, 2, and 3 are $86, $114, and $297, respectively. In

[17] *Implementation of the Local Competition Provision of the Telecommunications Act of 1996, CC Docket No. 96-98, Third Report and Order*, 15 FCC Rcd. 3696, ¶*309* (1999) ("UNE Remand Order).

[18] Id. at ¶ 307

CCC416

order to provide service over a UNE DS1, CCC is required to collocate in the BellSouth Central Office which serves the customer. It would be impossible for CCC to collocate with BellSouth rapidly so that CCC could utilize UNE DS1 loops on a ubiquitous basis in CCC's territory. Even if CCC were collocated within each Central Office, it would be difficult to build a sound business case in zone 1 for serving small business and impossible to build a business case for serving residential customers. The cost of the zone 1 UNE DS1 loop itself is greater than what most residential customers and single-line small business customers currently pay for a combination of local exchange service and ADSL Internet service. CCC would be unable to offer a competitively priced product.

Q. **You mentioned that you are currently able to provide voice and data services to your large and medium sized business customers using DS1. Isn't ADSL substantially similar in function to DS1?**

A. Yes. The nuts and bolts of how the two work is quite different. However, in both cases we use these "pipes" to reach our customers. We are then able to provide services to our customers over these pipes. You can think of the advanced voice and data services we provide to our customers as water that is being sent down these large pipes.

Q. **Why isn't BellSouth's wholesale ADSL transport service a viable option to unbundled packet switching as a UNE?**

A. BellSouth's wholesale ADSL transport service just isn't a viable solution for residential and small businesses due to the requirement that the lines be

C00417

converted to resale as outlined earlier in my testimony. However, it may be worth looking at the detailed economics of this. CCC's primary customer base is residential and small businesses with four lines or fewer. The amount of gross profit generated in serving these customers with BellSouth's wholesale ADSL product combined with BellSouth's resale local exchange service is inadequate to cover CCC's operational expenses. A few examples will illustrate this.

CCC receives a 17% discount on resale service. BellSouth's retail rate for residential phone service is $14.10 which sets CCC's cost at $11.70. CCC pays $33 per month for wholesale ADSL. In addition to these costs, the utilization of the wholesale ADSL product requires a significant investment in equipment, DS3 connectivity to BellSouth in each LATA served, and available Internet bandwidth. If the capital costs are amortized over 5 years and the non-ADSL recurring expenses are amortized over 2,000 customers, this adds an additional $2.05 to the total cost. Assuming that CCC offered residential customers a combination of local exchange service plus ADSL internet access at a rate that was 10% below BellSouth's retail rate, the total price would be $57.65. The direct costs associated with providing the service would be $46.75. The gross profit would be $10.90 and the gross margin would be only 19%.

000418

A typical two-line business customer yields similar unattractive results. Since generally both lines for the small business are in a common hunt group, both lines must be provisioned under resale. Two lines arranged in hunt retail for approximately $45 each and cost CCC $37.35 each. The ADSL loop remains $33, but the additional Internet bandwidth costs associated with business users raises the additional costs of providing ADSL by another $7.32. BellSouth's retail price for ADSL Internet access to small businesses is $79.95. Using the same logic we applied to the residential business case gives us a product that CCC sells for $152.96 and which has direct costs of $115.05. This yields $37.91 in gross profit and 25% in gross margin. The small profit margins generated in these two very typical examples are inadequate to cover CCC's other costs including billing, customer service, provisioning, sales, and marketing. This business plan makes it very difficult for CCC to generate enough cash to justify building new facilities.

Q. **In addition to the federal rules, are there any rules specific to Kentucky that would support unbundled packet switching as a UNE?**

A. Yes. KRS 278.170 provides that "No utility shall, as to rates or service, give any unreasonable preference or advantage to any person or subject any person to an unreasonable prejudice or disadvantage, or establish or maintain any unreasonable difference between localities or between classes of service for doing a like and contemporaneous service under the same or substantially the same conditions." Based upon BellSouth's

000419

tactics it seems to me that BellSouth has violated this rule. BellSouth is clearly attempting to remonopolize local dial tone by leveraging its unregulated ADSL service. BellSouth has already admitted in proceedings pending in Tennessee that it has illegally engaged in winback activities, which as I have previously said, often arise as a result of ADSL requests. The only remedy to this is the unbundling of packet switching.

Q. Have any other states ordered unbundled packet switching as a UNE?

A. As I stated earlier, CCC currently has access to UNE-D in the state of Indiana which gives us access to unbundled packet switching. We are also considering allocating resources to Illinois which has also recently created the broadband loop with packet switching functionality as a UNE.[19] In addition several other states, such as Florida, are considering this issue. The Florida staff recently determined that there should be an unbundled Broadband UNE in Florida. The Broadband UNE is substantially the same as the unbundled packet switching UNE requested by CCC. I have attached a copy of the Florida staff's Memorandum to my testimony as Exhibit D for the Commission's convenience.

[19] *See* Arbitration Decision on Rehearing, *In the Matter of Petition for Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Amendment for Line Sharing to the Interconnection Agreement with Illinois Bell Telephone Company d/b/a Ameritech Illinois, and for an Expedited Arbitration Award on Certain core Issues, et al.* Illinois Commerce Commission, Docket Nos. 00-0312 and 00-0313 (Illinois Commerce Commission, Feb. 15, 2001)("Illinois Pronto Arbitration Order"); see also *In the Matter of Illinois Bell Company Proposed Implementation of High Frequency Portion of Loop (HFPL)/Line Sharing Services,* Illinois Commerce Commission, Docket No. 00-0393, Order (Ill. Commerce Commission Mar. 14, 2001).

000420

Q. Are there any jurisdictional issues that would prevent the KPSC from requiring the unbundling of packet switching as a UNE?

A. No. This is a purely local issue over which the KPSC has jurisdiction. The ADSL packet switching solution is no different for a small business than a DS1 is for a large business from a jurisdictional point of view. Both are merely transmission methods for voice calls. Likewise, both are capable of carrying data or connecting to the Internet.

This Commission has previously determined that "Although DSL is used to connect to the Internet, other uses for this service exist and will evolve as a broadband infrastructure is deployed throughout the Commonwealth."[20] CCC's IP Centrex product is precisely the type of non-Internet use that the Commission was predicting. The customer's voice is converted into packets and transported across DSL to CCC's facilities where CCC interconnects with the publicly switched telephone network (PSTN). The call originates and terminates within the Commonwealth of Kentucky. This is no different than an analog local call except that advanced technology is employed. Based upon this logic, this Commission previously determined that "The development of a broadband infrastructure and the resulting high-speed access market is critically important to Kentucky's economic future. Pursuant to KRS Chapter 278,

[20] Iglou v. BellSouth Telecommunications, Inc., Case No. 99-484

000421

this agency has been entrusted with oversight of this [DSL] market, and we have specific authority to address complaints in regard to it and to ensure that unreasonable and discriminatory practices do not impede its development."[21]

Q. **Could you briefly summarize for the Commission the overall policy reason why unbundled packet switching should be made available to CCC as a UNE?**

A. BellSouth has engaged in a deliberate campaign to restrict CLECs from gaining broadband access over the copper loop. BellSouth knows that one day in the near future all voice will be carried in packets because this transmission method is much more efficient than analog and also provides more feature capabilities. Voice traffic is carried across the backbones of fiber networks in packets today. The only thing preventing packetized voice throughout the entire network today is the "last mile" over which BellSouth is trying to regain monopoly control. The purpose of the Telecommunications Act of 1996 was to open up the infrastructure that was a gift to BellSouth from the ratepayers. BellSouth has altered that legacy network for its own purposes and is profiting greatly from its ability to provide voice and high speed Internet access. If CCC is not allowed to provide IP Centrex to our customers over ADSL, CCC will be denied nondiscriminatory access to the transport infrastructure that should be open to all competitors. The Commission should remedy this situation

[21] Id.

000422

and stimulate competition within Kentucky by ordering unbundled packet switching as a UNE as requested by CCC.

000423

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been mailed to the parties listed below via U.S. Mail, postage prepaid on this the 7th day of March, 2002.

C. Kent Hatfield

C. Kent Hatfield

Fred Gerwing
Regulatory Vice President
BellSouth Telecommunications, Inc.
601 West Chestnut Street, 4NE
P.O. Box 32410
Louisville, KY 40232

Creighton Mershon, Esquire
BellSouth Telecommunications, Inc.
601 West Chestnut Street, 4NE
P.O. Box 32410
Louisville, KY 40232

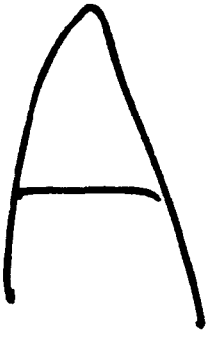
Hon. Henry Walker
Boult, Cummings, Conners & Berry, PLC
414 Union Street, Suite 1600
P.O. Box 198062
Nashville, TN 37219

John Greensbank
Cinergy Communications Company
1419 W. Lloyd Expressway, Suite 101
Evansville, IN 47710

Mr. Robert Bye
Cinergy Communications Company
8829 Bond Street
Overland Park, Kansas 66214

Amy E. Dougherty, Esquire
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Louisville, Kentucky 40602-0615

Paul Shapiro, Esquire
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Louisville, Kentucky 40602-0615



BELLSOUTH
TELECOMMUNICATIONS

Win Back Program Subscriber Term Contract

The undersigned Subscriber desires to participate in the BellSouth Advantage Plus or Business Medallion Programs (the "Program"), and agrees to the following:

Subscriber is a former BellSouth customer within the last two years of enrollment and currently does not have service with BellSouth, wants to return to BellSouth, and anticipates having a minimum of Seventy dollars and a maximum of Twelve Thousand Five Hundred dollars in total billed BellSouth revenue* per month. Subscriber agrees to keep local services with BellSouth under its General Subscriber Services Tariff or Private Line Services Tariff for a minimum of twenty-four (24) or thirty-six (36) months from the enrollment date in the Program. The enrollment date shall be determined by the first billing cycle date in which Subscriber receives the discount off its BellSouth regulated charges as set forth in paragraph 1, below.

1. Subscriber agrees to the following term and discount (Check One):

Monthly BellSouth Total Billed Revenue*			
$70.00 - $12,500.00	Months 1 - 7	Months 8 - 18	Months 19 -24
( ) Twenty Four (24) Month	10%	15%	20%
	Months 1 -12	Months 13 -24	Months 25 - 36
(x) Thirty Six (36) Month	15%	20%	25%

* The total billed BellSouth revenue is based upon the applicable BellSouth tariffs and consists of end-user monthly total billed BellSouth account revenue at the customer's locations excluding: nonregulated charges, taxes, late payment charges, charges billed pursuant to federal or state access service tariffs, charges collected on behalf of municipalities (including, but not limited to services for 911 service and dual party relay services), and charges for services provided by other companies.

2. For each month during which this Election is in effect, Subscriber will receive the discount associated with Subscriber's total billed BellSouth revenue* for that particular month in each state as approved by appropriate regulatory authority. If Subscriber's total billed BellSouth revenue* falls below the minimum revenue per month, discounts will not be applied for that customer. The applied discounts will appear as a credit in the Other Charges and Credits (OC&C) section of the Subscriber's bill. All business local service will continue after the Election term has expired, after which Subscriber agrees to pay full tariffed charges.

3. In the event Subscriber discontinues business local service with BellSouth prior to the expiration of the term, Subscriber shall pay to BellSouth the amount of discounted charges for its local services that the Subscriber had received as a result of Subscriber's participation in the Program. Subscriber is responsible for repayment of all discounts received associated with this Election. In addition to the reimbursement of the discounts, termination liability charges for individual services pursuant to tariff may apply.

4. In the event Subscriber is switched without authorization by another carrier for business local service, Subscriber must call its BellSouth Small Business Office to continue the Program once the improperly switched account has been returned to BellSouth.

5. In the event Subscriber changes service locations for business local service, Subscriber shall notify its BellSouth Small Business Office to advise of the change in service location.

6. This Election is subject to and controlled by the provisions of BellSouth's lawfully filed tariffs and promotions, including any changes therein as may be made from time to time.

Subscriber: Investment Planners Inc
(Full Legal Business Name)

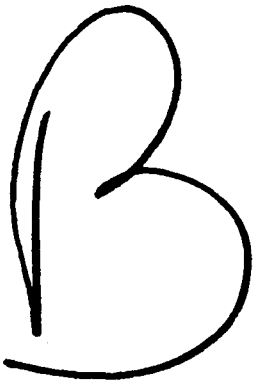
By: _____
Authorized Signature

Name: Alma Gentry
Title: Executive Director
(Additional Business Telephone Number (s))
Rep Name: D. William Wessels
Date: December 13, 2001
Fax this completed and signed form to:
502 582-2779

191 W professional park
(Business Address)
Bowling Green , KY 42104
(City/State Zip)
E-mail Address (optional)
270 393-7001
(Business Telephone number)

Telephone number for questions: 1 800 947-8398 ext 14740
CUID: BFDHMMH **Version** 031500
OR Mail to: D. William Wessels
Service Representative
534 Armory Pl
3w
Louisville, KY 40204

000426



CINERGY. COMMUNICATIONS

Advanced Voice Services

Planned September 2002

Group Administration

Web-based administration
Self-provisioning

Group Services

Auto Attendant

- Extension & Name Dialing/Transfer
- Group Mailbox
- Name Recording & Playback

Group Services

- Account Codes
- Authorization Codes
- Call Capacity Management
- Call Center Support
- Call Intercept
- Calling Group ID Delivery
- Calling Plans
- Incoming, Outgoing, Fwd/Transferred
- Configurable Extension Dialing
- Configurable Feature Codes
- Device Inventory
- Hunt Groups
- Incoming/Outgoing Calling Plans
- Instant Conferencing (n-way)
- Instant Messaging & Presence Mgmt
- Loudspeaker Paging
- Series Completion
- Simultaneous Ring—Group
- Voice Messaging – Group

Personal Services

Web-based Call Management

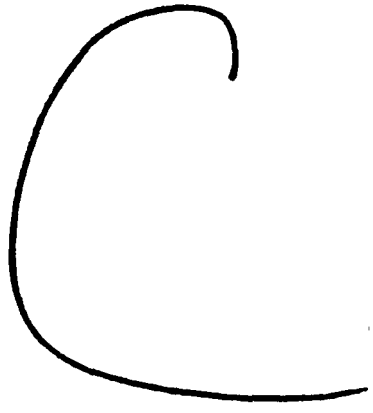
- Dial, Answer, Release, Hold, Retrieve, Blind Transfer, Transfer with Consultation
- Three-Way Calling
- Calling Line ID Delivery
- Phone Lists -- Personal, Business Group, Recent Calls
- Outlook Integration

Personal Services

- Anonymous & Selective Call Rejection
- Call Forwarding -- Always, Busy, No Answer, Selective
- Call Notify
- Call Park & Call Pickup
- Call Return
- Call Waiting & Cancel Call Waiting
- Calling Line ID Blocking
- Distinctive & Priority Alert/Ringing
- Do Not Disturb
- Extension Dialing
- Flash Call Transfer
- Flash Three-Way Call
- IP Phone Support
- Last Number Redial
- Remote Office
- Selective Call Acceptance
- Simultaneous Ring, Advanced Follow-Me/Find-Me

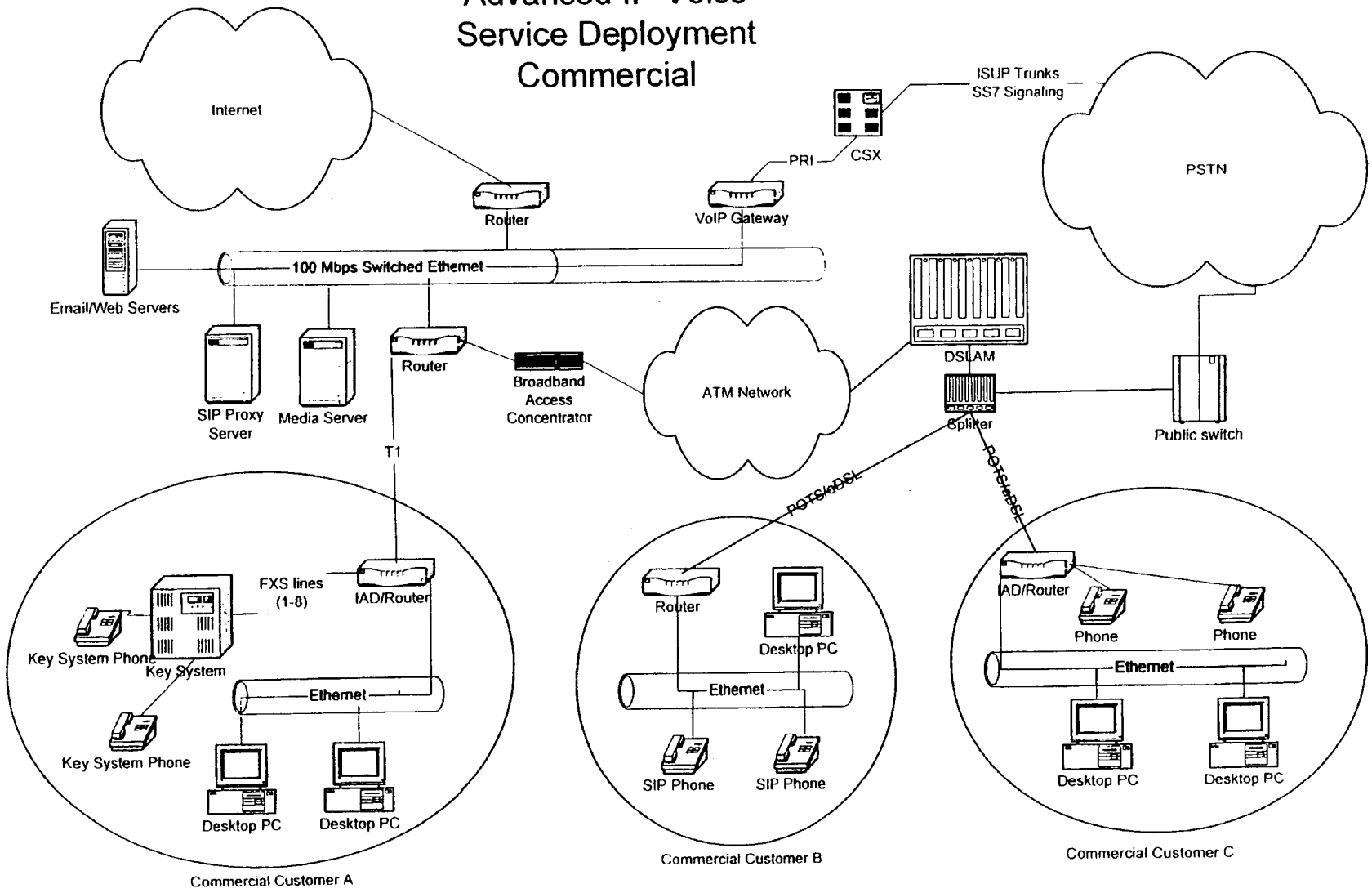
Voice Messaging

- Retrieval from E-Mail
- Retrieval from Phone
- Message Waiting Indicator
- Personal Greeting
- Voice Message Waiting Indication
- Voice Messaging Notification

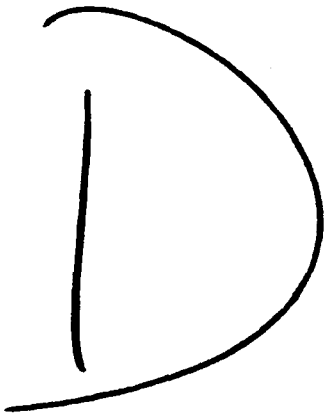


CINERGY. COMMUNICATIONS

Advanced IP Voice Service Deployment Commercial



02-E-0233



State of Florida

REVISED

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: FEBRUARY 21, 2002

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF COMPETITIVE MARKETS AND ENFORCEMENT (DOWDS)
OFFICE OF MARKET MONITORING & STRATEGIC ANALYSIS (OLLILA, BETHEA)
OFFICE OF GENERAL COUNSEL (BANKS, FUDGE)

RE: DOCKET NO. 010098-TP - PETITION BY FLORIDA DIGITAL NETWORK, INC. FOR ARBITRATION OF CERTAIN TERMS AND CONDITIONS OF PROPOSED INTERCONNECTION AND RESALE AGREEMENT WITH BELLSOUTH TELECOMMUNICATIONS, INC. UNDER THE TELECOMMUNICATIONS ACT OF 1996.

AGENDA: 03/05/02 - REGULAR AGENDA - POST HEARING DECISION - PARTICIPATION IS LIMITED TO COMMISSIONERS AND STAFF

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\010098b.RCM

CASE BACKGROUND

Pursuant to Section 252 of the Telecommunications Act of 1996 (Act), Florida Digital Network, Inc. (FDN) petitioned for arbitration with BellSouth Telecommunications, Inc. (BellSouth) on January 24, 2001. On February 19, 2001, BellSouth filed its Response to FDN's petition for arbitration. On April 9, 2001, FDN filed a Motion to Amend Arbitration Petition (Motion). On April 16, 2001, BellSouth filed its Response In Opposition to the Motion (Response). FDN filed its **Reply to BellSouth's Opposition to Motion to Amend Arbitration Petition on April 30, 2001. On May 22, 2001, Order No.** PSC-01-1168-PCO-TP was issued granting FDN's Motion to Amend Arbitration Petition.

At the issue identification meeting, ten issues were

identified by the parties to be arbitrated. Prior to the administrative hearing, the parties resolved or agreed to stipulate to all of those issues except for one. The administrative hearing was held on August 15, 2001. On September 26, 2001, FDN filed a Motion to Supplement Record of Proceeding. BellSouth filed a timely opposition to FDN's motion on October 3, 2001. On December 6,2001, Order No. PSC-01-2351-PCO-TP was issued denying FDN's Motion to Supplement Record of Proceeding. This is staff's recommendation on the one remaining issue in this proceeding. Staff notes that the Commission's jurisdiction is addressed in Issue A.

DISCUSSION OF ISSUES

LEGAL ISSUE A: What is the Commission's jurisdiction in this matter?

RECOMMENDATION: Staff believes that the Commission has jurisdiction pursuant to Chapter 364, Florida Statutes, and Section 252 of the Federal Telecommunications Act of 1996 (Act) to arbitrate interconnection agreements, and may implement the processes and procedures necessary to do so in accordance with Section 120.80 (13)(d), Florida Statutes. Section 252 states that a State Commission shall resolve each issue set forth in the petition and response, if any, by imposing the appropriate conditions required. This section requires this Commission to conclude the resolution of any unresolved issues not later than nine months after the date on which the ILEC received the request under this section. In this case, however, the parties have explicitly waived the nine-month requirement set forth in the Act.

Further, staff believes that while Section 252(e) of the Act reserves the state's authority to impose additional conditions and terms in an arbitration not inconsistent with the Act and its interpretation by the FCC and the courts, the Commission should use discretion in the exercise of such authority. **(BANKS)**

POSITION OF PARTIES

FDN: The Commission's jurisdiction is set forth in Section 252 of the Federal Telecommunications Act of 1996 and Chapter 364, Florida Statutes.

BELLSOUTH: BellSouth did not provide a position on this issue in its brief.

STAFF ANALYSIS

In its brief, FDN states that the Commission's jurisdiction is set forth in Section 252 of the Act and Chapter 364, Florida Statutes. (BR 1) BellSouth did not address the Commission's jurisdiction in its brief. Therefore, BellSouth has waived any objection to the Commission's jurisdiction in this matter. However, in its brief, BellSouth states that the Commission must resolve disputed issues in a manner that ensures that the requirements of Sections 251 and 252 of the Act are met. (BR 2) Staff notes that it appears that the parties agree that the Commission has jurisdiction to arbitrate this proceeding.

Pursuant to Chapter 364, Florida Statutes, and Section 252 of

the Act, staff believes that the Commission has jurisdiction to arbitrate interconnection agreements, and may implement the processes and procedures necessary to do so in accordance with Section 120.80 (13)(d), Florida Statutes. Section 252 states that a State Commission shall resolve each issue set forth in the petition and response, if any, by imposing the appropriate conditions required. This section requires this Commission to conclude the resolution of any unresolved issues not later than nine months after the date on which the ILEC received the request under this section. In this case, however, the parties have explicitly waived the nine-month requirement set forth in the Act.

Further, staff believes that while Section 252(e) of the Act reserves the state's authority to impose additional conditions and terms in an arbitration not inconsistent with the Act and its interpretation by the FCC and the courts, the Commission should use discretion in the exercise of such authority.

ISSUE 1: For purposes of the new interconnection agreement, should BellSouth be required to provide xDSL service over UNE loops when FDN is providing voice service over that loop?

RECOMMENDATION: (a) Staff recommends that for the purposes of the new interconnection agreement, where BellSouth has deployed a DSLAM

in the remote terminal for the purposes of providing DSL service to customers served by that remote terminal, BellSouth should be required to provide a broadband UNE that includes unbundled DSL-capable transmission facilities between the customer's Network Interface Device and BellSouth's central office, including attached electronics that perform DSL multiplexing and splitting functionalities in the remote terminal. (b) Staff recommends the Commission not require BellSouth to offer either its FastAccess Internet Service or its DSL transport service to FDN for resale in the new BellSouth/FDN interconnection agreement. (c) Finally, staff recommends the Commission not require BellSouth to continue to provide its FastAccess Internet Service to end users who obtain voice service from FDN over UNE loops. **(DOWDS, BETHEA, OLLILA, BANKS)**

POSITION OF PARTIES

FDN: Yes. The Commission should require BellSouth to offer a UNE broadband product as set forth in FDN's testimony and pleadings. BellSouth must also be required to resell BellSouth's high-speed data services to FDN and must be required to provide BellSouth-branded xDSL services to any end users receiving FDN voice service.

BELLSOUTH: BellSouth is not required to provide DSL service over a loop if BellSouth is not providing voice service over that loop. Nor is BellSouth required to: provide access to a DSLAM BellSouth has placed in a remote terminal; or offer its federally-tariffed DSL service to FDN at the wholesale discount.

STAFF ANALYSIS

Staff would like to acknowledge the good faith efforts of the parties to continue the negotiation process throughout this proceeding. Although this docket initially included ten issues to be arbitrated by the Commission, BellSouth and FDN were able to settle nine of those issues prior to the August 15, 2001, hearing. Staff commends the parties for their work.

The remaining issue to be arbitrated involves the provision of digital subscriber line (DSL) service in a network environment where BellSouth has deployed digital loop carrier (DLC) systems in remote terminals (RT). DSL is a technology that enables high-speed data transmission over traditional copper loop facilities by placing DSL modems on each end of a copper loop. This copper loop between the customer's DSL modem and the carrier's digital subscriber line access multiplexer (DSLAM) must typically be shorter than 18,000 feet, and free of bridged tap, load coils, and

repeaters in order to provide a viable DSL transmission service. (FDN Gallagher TR 30)

FDN witness Gallagher states that FDN is collocated in more than half of BellSouth's central offices in the state of Florida, and is able to offer voice services to 100% of the consumers served by those offices. (TR 30-31) In addition, witness Gallagher states that FDN is able to provide DSL service to some end users by collocating its DSLAM in BellSouth central offices. However, he contends that FDN is precluded from providing DSL service where BellSouth has deployed DLC systems. (TR 29) Witness Gallagher states that in the past, and still today in much of the country, the majority of last mile loops consisted of "home run" copper facilities between the customer and the central office. However, as Florida's population grew in the last quarter-century, BellSouth has deployed DLCs at remote terminals in its distribution network. (TR 31)

Witness Gallagher explains that the DLC performs an analog to digital conversion that aggregates traffic from individual customer subloops onto a shared transmission facility to the central office. (TR 31) This shared transmission facility from the DLC to the central office (feeder loop) typically consists of fiber or copper T-1 facilities. (TR 325, 339) He states that DSL cannot be transmitted through a DLC unless it is first multiplexed at the RT for digital transmission to the central office; therefore, the carrier must locate a DSLAM at the remote terminal. (TR 31)

Witness Gallagher contends that it will be very difficult for FDN to sustain its long-term viability as the demand for DSL increases, if it is limited to providing DSL only on non-DLC loops. He explains:

> In most Florida central offices, more so than in most of the rest of the nation, FDN will not be able to succeed in the voice or data market if it is limited to providing DSL service only to end users who can be served from the central office. As I stated previously, more than 60% of BellSouth's Florida access lines pass through DLCs and cannot be served from the central office. Of the remaining 30-40% of the end-user base, many cannot receive central office based DSL due to excessive loop lengths, the presence of bridged taps, load coils or repeaters, or other factors. With such a high percentage of the DSL market closed to central-office-only strategies, CLECs will not be able to compete. Furthermore, if BellSouth is the only carrier that can

> provide DSL to a substantial percentage of consumers, it can leverage its market power to suppress competition for voice services, as I have indicated above. (TR 32-33)

Witness Gallagher states that a growing number of residential and business customers are seeking carriers that can satisfy their voice and high-speed data needs through a single point of contact. He contends that if FDN is "unable to provide high-speed data services, it will not only lose opportunities in the data market, but it will also be unable to remain competitive in the voice local exchange and interexchange markets in Florida." (TR 33) Witness Gallagher explains:

> To illustrate, if a prospective FDN customer today is obtaining both voice and data services from BellSouth, they are not able to migrate their local exchange voice service to FDN's facilities-based voice service without having BellSouth disconnect their data service . . . . Because FDN is unable in most cases to offer DSL service to the customer on the same telephone line, the customer is likely to lose interest in obtaining voice telephone services from FDN, even when FDN is able to offer superior pricing and service. (TR 34-35)

In this arbitration, FDN requests that the Commission order BellSouth to: (1) unbundle the packet switching functionality of the DSLAMs that BellSouth has deployed in remote terminal facilities throughout its network and offer a broadband unbundled network element (UNE) consisting of the entire transmission facility from the customer's premises to the central office; (2) permit the resale of the DSL transmission services that BellSouth provides to Florida consumers at retail; and (3) end the practice of insisting that consumers who buy BellSouth DSL also purchase BellSouth voice. (BR 3) Staff will address these three requests separately in this recommendation.

Broadband UNE Loop

FDN witness Gallagher requests that BellSouth be required to offer an unbundled broadband loop as a UNE. (TR 36) The point of controversy centers around the fact that FDN's proposed broadband loop would include the packet switching functionality of the DSLAM located in the remote terminal. (Gallagher TR 53) BellSouth witness Williams argues that "FDN's proposed new broadband UNE is not recognized by the FCC, nor the industry, and includes functionality which the FCC and this Commission have been very clear in their intent not to require ILECs to provide on a UNE

000438

basis." (TR 309)

BellSouth witness Ruscilli cites the FCC's 1999 *UNE Remand Order,*[1] in which the FCC stated that "[t]he packet switching network element includes the necessary electronics (e.g., routers and DSLAMs)." (TR 186, *UNE Remand Order* at ¶304) He asserts that the "FCC then expressly stated 'we decline at this time to unbundle the packet switching functionality, except in limited circumstances'." (Emphasis added by witness)(TR 186, *UNE Remand Order* at ¶306) The "limited circumstances" in which ILECs are required by the FCC to unbundle packet switching are contained in 47 C.F.R. Section 51.319 (Rule 51.319). Rule 51.319(c)(5) states:

> (5) An incumbent LEC shall be required to provide nondiscriminatory access to unbundled packet switching capability only where each of the following conditions are satisfied.
>
> > (i) The incumbent LEC has deployed digital loop carrier systems [DLC], including but not limited to, integrated digital loop carrier or universal digital loop carrier systems; or has deployed any other system in which fiber optic facilities replace copper facilities in the distribution section (e.g., end office to remote terminal, pedestal or environmentally controlled vault);
> >
> > (ii) There are no spare copper loops capable of supporting xDSL services the requesting carrier seeks to offer;
> >
> > (iii) The incumbent LEC has not permitted a requesting carrier to deploy a Digital Subscriber Line Access Multiplexer in the remote terminal, pedestal or environmentally controlled vault or other interconnection point, nor has the requesting carrier obtained

[1] Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Third Report and Order, Order No. FCC 99-238; 15 FCC Rcd 3696 (1999).

> a virtual collocation arrangement at these subloop interconnection points as defined by paragraph (b) of this section; and
>
> (iv) The incumbent LEC has deployed packet switching capability for its own use.

BellSouth witness Ruscilli argues that BellSouth should not be required to unbundle its packet switching functionality except when these specific conditions are met. (TR 210) He contends that the FCC "clearly stated that an incumbent has no obligation to unbundle packet switching functionality 'if it permits a requesting carrier to collocate its DSLAM in the incumbent's remote terminal, on the same terms and conditions that apply to its own DSLAM'." (emphasis added by witness)(TR 200, *UNE Remand Order* at ¶313) Witness Ruscilli states that BellSouth will permit FDN to collocate its own DSLAM at a BellSouth RT, and if BellSouth is unable to accommodate such a collocation it will then unbundle packet switching functionality at that RT. (TR 201) BellSouth witness Williams explains:

> Through the collocation process, currently offered by BellSouth, an ALEC that wants to provide xDSL where DLC is deployed also can collocate DSLAM equipment at BellSouth DLC remote terminal ("RT") sites. This will allow the ALEC to provide the high speed data access in the same manner as BellSouth. BellSouth will attempt in good faith to accommodate any ALEC requesting such collocation access at a BellSouth DLC RT site that contains a BellSouth DSLAM. In the very unlikely event that BellSouth cannot accommodate collocation at a particular RT, where a BellSouth DSLAM is located, BellSouth will unbundle the BellSouth packet switching functionality at that RT in accordance with FCC requirements. BellSouth therefore, provides ALECs the same opportunity to offer DSL service where DLC is deployed as BellSouth provides itself. (TR 289-290)

FDN witness Gallagher acknowledges that the FCC has established a four-part test, but states that this is merely "one set of circumstances where packet switching clearly must be unbundled." (emphasis added)(TR 53) However, he states that nothing in the *UNE Remand Order* suggests that packet switching may not be unbundled in other situations. (TR 53-54) Nevertheless, witness Gallagher contends that all four of these conditions are met in BellSouth's network. In particular, witness Gallagher disagrees that ALECs are afforded the ability to collocate DSLAMs

at RTs on the same terms and conditions as BellSouth's DSLAM. (TR 55) He argues that although BellSouth "nominally allows" ALECs to collocate DSLAMs in RTs, such collocation is subject to untenable terms and conditions. Witness Gallagher contends that BellSouth refuses to allow ALECs to connect DSLAMs to lit fiber that is used to carry BellSouth's traffic to the central office. He argues that since dark fiber is often not available, FDN's DSLAM would be stranded at the RT. For these reasons, witness Gallagher claims that BellSouth does not permit collocation of DSLAMs at RTs on the same terms and conditions applicable to BellSouth's DSLAM functionality. (TR 55)

However, witness Gallagher suggests that the Commission is not required to apply the four-part *UNE Remand Order* test before establishing a broadband UNE. (TR 56-57) Witness Gallagher contends that "the Florida Commission can and should order unbundling of packet switching if it finds that [ALECs] would be impaired without such access, pursuant to the terms of FCC Rule 51.317." (emphasis added) (TR 57) In this proceeding, FDN witness Gallagher actually requests that the Commission establish a new UNE. He explains:

> At the time that the current national list of UNEs was established in the FCC's *UNE Remand Order* in 1999, the FCC formalized as UNEs only the network elements needed for local exchange and DSL service in an ILEC network in which the predominant last mile connections are home run copper loops. BellSouth's existing network in Florida is very different from the FCC's conceived model, with more far more [sic] fiber and DLCs. Due to the differences between BellSouth's DLC dominated Florida network and other ILEC's copper-based distribution systems, it is necessary to establish additional UNEs and/or apply the FCC's standard to unbundle packet switching in order to ensure that [ALECs] can provide ubiquitous xDSL service in Florida using UNEs. (TR 36-37)

Witness Gallagher states that the Commission has been granted the authority to establish new or additional UNEs by Section 251(d)(3) of the Act. (TR 37)

Witness Gallagher describes the new UNE that FDN is requesting as a "broadband loop." (TR 38) He explains that where BellSouth has deployed DLC facilities, "FDN requests access to unbundled DSL-capable transmission facilities between the customer's Network Interface Device (NID) and the BellSouth distribution frame in its central offices, including all attached electronics that perform DSL multiplexing and splitting functionalities." (TR 37-38) Witness

Gallagher explains that the difference between the "broadband loop" and the DSL-capable loop that is already classified as a UNE, is that the broadband loop includes the packet switching and splitter functionalities performed by BellSouth equipment in RTs. (TR 38)

BellSouth witness Ruscilli disagrees that the FCC's *UNE Remand Order* was based upon a model that did not take into account the deployment of DLCs, as FDN witness Gallagher contends. Witness Ruscilli cites the *UNE Remand Order*, at ¶218, which states in part:

> [C]ompetitors seeking to offer services using xDSL technology need to access the copper wire portion of the loop. In cases where the incumbent multiplexes its copper loops at a remote terminal to transport the traffic to the central office over fiber DLC facilities, a requesting carrier's ability to offer xDSL service to customers served over those facilities will be precluded, unless the competitor can gain access to the customer's copper loop before the traffic on the loop is multiplexed. Thus, we note that the remote terminal has, to a substantial degree, assumed the role and significance traditionally associated with the central office. (footnotes omitted) (TR 189-190)

Witness Ruscilli argues that in light of these facts, the FCC expressly declined to unbundle packet switching functionality except in limited circumstances. He contends that the FCC made this decision after carefully considering the manner in which proposed UNEs would affect an ALEC's ability to provide advanced services, such as DSL, where the incumbent has deployed DLC systems at RTs. (TR 190)

Nevertheless, witness Ruscilli acknowledges that the Commission has been granted the authority to establish additional UNEs. However, he argues that the Commission "may establish a new UNE only if the carrier seeking the new UNE carries the burden of proving the impairment test set forth in the FCC's *UNE Remand Order*." (TR 195) FDN witness Gallagher agrees, stating that the legal standard to be used by the Commission when creating a new UNE is prescribed in FCC Rule 51.317. (TR 41) Staff would note that the standard set forth in the *UNE Remand Order*, as referred to by BellSouth witness Ruscilli, and that set forth in FCC Rule 51.317 are one and the same. FDN witness Gallagher explains:

> FCC Rule 51.317 prescribes the legal standard to be used by state commissions when creating new UNEs. When prospective UNEs implicate specified proprietary rights of the ILECs, a state must find that access to that

> element is "necessary." When no proprietary rights are implicated, the state need only find that [ALECs] would be "impaired" without access to the element. (footnote omitted) (TR 41)

The *UNE Remand Order*, in paragraph 305, states that packet switching is not proprietary and is to be examined under the "impair" standard as set forth in Rule 51.317. Rule 51.317(b)(1) states in part:

> A requesting carrier's ability to provide service is "impaired" if, taking into consideration the availability of alternative elements outside the incumbent LEC's network, including self-provisioning by a requesting carrier or acquiring an alternative from a third-party supplier, lack of access to that element materially diminishes a requesting carrier's ability to provide the services it seeks to offer.

The rule states that if the state commission "determines that lack of access to an element impairs a requesting carrier's ability to provide service, it may require the unbundling of that element. . . ." (Rule 51.317(b)(1))

In considering whether lack of access to a network element "materially diminishes" a requesting carrier's ability to provide service, state commissions are to consider whether alternatives in the market are available as a practical, economic, and operational matter. In doing so, the state commissions are to rely on factors such as cost, timeliness, quality, ubiquity, and impact on network operations to determine whether alternative network elements are available. (Rule 51.317(b)(2)) State commissions may also consider additional factors such as whether unbundling of a network element promotes the rapid introduction of competition; facilities-based competition, investment and innovation; and reduced regulation. The state commission may also consider whether unbundling the network element will provide certainty to requesting carriers regarding the availability of the element, and whether it is administratively practical to apply. (Rule 51.317(b)(3))

FDN witness Gallagher argues that there are no viable alternatives available. He asserts that if there were alternatives available, "FDN would be selling DSL today to customers served by DLC loops in Florida." (TR 43) However, BellSouth witness Williams disagrees. He states that there are several alternatives available, including collocating a DSLAM at the RT, locating available 'home-run' copper loops, and entering line splitting agreements with other ALECs. (TR 297-298)

Witness Williams contends that if sufficient space exists, "BellSouth will allow an ALEC to collocate its DSLAM in the RT, regardless of whether BellSouth has installed its own DSLAM at that RT." (TR 293) He states that once FDN collocates its DSLAM in the RT, BellSouth offers UNEs that allow FDN to offer high-speed data service on a ubiquitous basis over the same UNE loops that it uses to provide voice service to its customers. (TR 313) BellSouth witness Ruscilli explains:

> BellSouth offers UNEs that allow FDN to transport data from its packet switch to a DSLAM it collocates at a remote terminal, and BellSouth provides UNEs that allow FDN to transport data from a DSLAM it collocates at a remote terminal to its end user's premises. BellSouth, therefore, offers FDN all the UNEs it needs to provide its own xDSL service in Florida. (TR 192)

However, FDN witness Gallagher argues that the "cost of providing ubiquitous service throughout the state of Florida by collocating DSLAMs at remote terminals would be staggeringly expensive, and well beyond the capability of FDN or other [ALECs]." (TR 43-44) He states that FDN has spent millions of dollars to collocate equipment in 100 of BellSouth's 196 central offices in Florida. With over 12,000 remote terminals in BellSouth's network, witness Gallagher contends that collocation on that scale would be financially impossible for FDN. (TR 44) BellSouth witness Williams confirms that as of May 23, 2001, there are 12,037 remote terminals in BellSouth's Florida network. (TR 323) Witness Gallagher also contends that it would be prohibitively time-consuming to collocate a DSLAM in a RT. He states that "the process in my estimation would require well more than one year before FDN could start to provide service, and perhaps much longer." (TR 49-50)

In addition, FDN witness Gallagher argues that collocation at even a single RT is precluded by numerous other factors, as evidenced by the fact that not a single ALEC has collocated at a BellSouth RT in the entire state. (TR 44) Witness Gallagher explains that even if FDN were to collocate a DSLAM in a RT, in most cases there would be no dark fiber available to transport traffic back to FDN's central office collocation. (TR 44) He states that it is unlikely it would be able to obtain dark fiber from third parties, and it would be prohibitively costly and time-consuming for FDN to self-provision dark fiber between BellSouth's RT and central office. (TR 44-45)

000441

BellSouth witness Ruscilli challenges FDN's position that it would have to collocate DSLAMs in over 12,000 remote terminals. He argues that BellSouth has not even deployed DSLAMs in all of its remote terminals. (TR 252) BellSouth witness Williams confirms that BellSouth plans to have 3,249 DSLAMs deployed in remote terminals by the end of 2001. (TR 329) Witness Ruscilli explains that "BellSouth doesn't have 12,000 DSLAMs. It only has [3,249] DSLAMs, and we didn't get those yesterday. We've been building those up over four years based on a market model." (TR 252)

BellSouth witness Williams argues that "it is no more expensive or time-consuming for FDN to collocate a DSLAM at an RT than it would be for BellSouth to accomplish the same thing." (TR 301) Witness Williams also calls into question the argument that FDN would have to construct its own transport facilities from the RT to the central office. He explains:

> While that would be one method available to FDN, BellSouth offers several sub-loop feeder UNEs that allow ALECs to connect from the RT to the CO. To the extent that it is available, BellSouth offers dark fiber feeder to connect the ALEC's optical equipment collocated at the remote site to the CO. Regardless of whether dark fiber feeder is available, BellSouth also offers a DS1 sub-loop feeder UNE that allows ALECs to connect from the RT to the CO. Beginning in August 2001, BellSouth will offer a DS3 and OC3 feeder UNE. (TR 299-300)

Another alternative proposed by BellSouth for providing DSL service to consumers served by a DLC loop is utilizing an available "home run" copper loop. Witness Williams explains that FDN could perform an electronic Loop Make-Up and locate an available home-run copper loop from the customer's NID all the way to FDN's central office collocation space. FDN would then reserve this loop and place an order for that home-run copper loop. (TR 290) BellSouth would then do a loop change to move FDN to an all-copper loop. (TR 338)

However, FDN witness Gallagher argues that in many BellSouth service areas, no copper facilities are available for DSL. In addition, he states that many DLCs are deployed where copper loops are longer than 18,000 feet. At that distance they are not capable of carrying DSL transmission. He contends that "[e]ven where home run copper loops are DSL-capable, the quality of the DSL transmissions would be inferior to DLC loops and therefore would not be competitive in the consumer market." (TR 51)

Witness Gallagher argues that FDN is not able to offer DSL service over DLC loops using only the presently existing UNEs. He explains:

> In the *UNE Remand Order*, the FCC determined that [ALECs] could place their own DSLAMs in ILEC central offices on the same terms and conditions that the ILEC located its own DSLAM, and that they were therefore not impaired by a lack of unbundled access to ILEC DSLAMs in the central office . . . .[ALECs] are not able to self-provision or otherwise obtain DSLAM functionality at ILEC remote terminals on an equivalent basis. Even in rare cases where such provisioning may be technically feasible, the option is financially impossible for FDN and other [ALECs]. Therefore . . . [ALECs] would be impaired if DSLAM functionality is not included as part of the broadband loop UNE. (TR 38-39)

In addition, witness Gallagher states that there is regulatory precedent for requiring incumbents to provide a broadband UNE. He cites the SBC-Ameritech merger proceedings, in which the FCC required SBC to offer a "Broadband Offering" that is functionally equivalent to the broadband loop requested by FDN in this arbitration. (TR 39) He also refers to a recent Illinois Commerce Commission (ICC) decision that established the broadband loop with packet switching functionality as a new UNE. (TR 40) FDN contends that in its decision, the ICC determined that it would not be possible for competitors to collocate in the 2,100 remote terminals that SBC planned to deploy, and therefore would be impaired without access to the DSLAM functionality of SBC's next-generation DLC (NGDLC) equipment. (BR 24)

However, BellSouth witness Williams argues that SBC utilizes architectures, technologies, and equipment that are different from those that BellSouth has deployed. (TR 295) He explains that SBC has not chosen to unbundle its packet switched network, but rather has chosen an architecture that uses a NGDLC system with combo cards. He states that "[t]his allows [SBC] to provide a tariffed end-to-end broadband service to their wholesale customers, which coincidentally uses their switched packet network as a part of the total offering. What they are offering is NOT an unbundling of their switched packet network on a UNE basis." (emphasis in original)(TR 294-295) He argues that even if SBC chooses to use NGDLC and allow ALECs to place a combo card in that equipment, that does not obligate BellSouth to do so. (TR 306) Witness Williams states:

> Approximately seven percent of BellSouth's access lines are served by NGDLC systems. Of these NGDLC systems, only a very small number (which are used for technology testing) are equipped with the necessary functionality to make use of combo cards. As I mentioned above, BellSouth does not use the combo cards for its xDSL service. (TR 293)

BellSouth witness Ruscilli contends that FDN is not impaired by the fact that BellSouth does not provide packet switching functionality or the DSLAM as a UNE because FDN can purchase, install, and utilize these elements just as easily and cost-effectively as BellSouth. (TR 197) In addition, witness Ruscilli argues that in determining whether to create a new broadband UNE, the Commission must consider the effects unbundling will have on investment and innovation in advanced services. He states that an important part of the FCC's reasoning in not unbundling advanced services equipment was to avoid stifling competition and to encourage innovation. (TR 198) He argues that ALECs can choose to install ATM switches and DSLAMs just as BellSouth has done, and they would not be impaired by implementing this strategy. Moreover, he asserts:

> It would be inherently unfair to allow ALECs to simply use the ILEC's equipment as unbundled network elements where the ALEC is not impeded in deploying its own equipment. Indeed, where an ALEC can deploy its own equipment, parity demands that the ALEC should deploy such equipment and not ride the investment and risk of the ILEC. (TR 199)

Furthermore, witness Ruscilli contends that requiring the unbundling of advanced services equipment would have a "chilling effect" on BellSouth's incentives to invest in such equipment. He states that just as ALECs would have no incentive to invest in advanced services equipment, an ILEC's incentive to invest in such equipment would be stifled if its competitors can take advantage of the equipment's use without incurring any of the risk. (TR 199) In essence, BellSouth claims that FDN has sat on the sidelines and observed the results of the risks BellSouth has taken in deploying DSLAMs in remote terminals, and now seeks to reap where it has not sown. (BR 4)

Resale

Although not its preferred means of access to DSLAM functionality in a DLC environment, FDN also requests that

BellSouth be required to offer its DSL service at resale discounts. (TR 58) FDN witness Gallagher contends that "BellSouth and its affiliates are required to offer, on a discounted wholesale basis, all of their retail telecommunications services, including xDSL and other high-speed data services, pursuant to the resale obligations applicable to incumbent local exchange carriers under Section 251(c)(4) of the Federal Act." (TR 57-58) He states that while not a substitute for UNE access, the Act does require BellSouth to offer access to these services through resale. (TR 58)

Section 251(c)(4)(A) states that ILECs have "the duty to offer for resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers." BellSouth witness Ruscilli argues that BellSouth is not obligated to make its Internet access offering available at the resale discount because it is an enhanced, nonregulated, nontelecommunications service. (TR 210) He explains:

> If BellSouth markets DSL to residential and business end users, then the service is clearly a retail offering, and the wholesale discount applies. However, if the DSL service is offered to Internet Service Providers as an input component to the ISP service offering, it is not a retail offering, and the resale requirements of the Act do not apply. BellSouth's Fast Access Internet service falls into the latter category. Fast Access is not a telecommunication service. It is an enhanced, nonregulated, nontelecommunication Internet access service that uses BellSouth's wholesale DSL telecommunication service as one of its components. (TR 209-210)

Witness Ruscilli contends that BellSouth does not offer a tariffed retail DSL service, and has no obligation to make available its wholesale DSL service at the resale discount. (TR 210) In support of his position, witness Ruscilli cites the FCC's *Second Advanced Services Order* in CC Docket No. 98-147[2] (TR 204). The *Second Advanced Services Order* states:

[2] Deployment of Wireline Services Offering Advanced Telecommunications Capability, Second Report and Order, Order No. FCC 99-330; 14 FCC Rcd 19237 (1999).

000448

> Based on the record before us and the fact specific evaluation set out above, we conclude that while an incumbent LEC DSL offering to residential and business end-users is clearly a retail offering designed for and sold to the ultimate end-user, an incumbent LEC offering of DSL services to Internet Service Providers as an input component to the Internet Service Provider's high-speed Internet service offering is not a retail offering. Accordingly, we find that DSL services designed for and sold to residential and business end-users are subject to the discounted resale obligations of section 251(c)(4). We conclude, however, that section 251(c)(4) does not apply where the incumbent LEC offers DSL services as an input component to Internet Service Providers who combine the DSL service with their own Internet service. (footnote omitted)(Order at ¶19)

Witness Ruscilli states that the United States Court of Appeals for the District of Columbia Circuit recently issued a decision that confirms the FCC's ruling.[3] (TR 202) In its decision, the court considered ASCENT's objections to the above mentioned language, and found that the FCC's Order was in all respects reasonable. (TR 203)

However, FDN argues that to qualify for this exclusion, ILEC offerings must be exclusively wholesale offerings. FDN contends that BellSouth's offering is not so narrowly tailored, and thus is not exempt from resale obligations. (BR 29) FDN witness Gallagher contends that BellSouth does sell retail DSL through an ISP that it owns and controls. He maintains that "the BellSouth group of companies, taken together, is the largest retail DSL provider in Florida." (TR 59) He explains:

> BellSouth's ISP obtains DSL from BellSouth's local exchange company. BellSouth promotes and sells its telephony and DSL service using the same advertisements, customer service and sales agents, and Internet sites, including [BellSouth Telecommunications' website]. Revenues from DSL sales and telecommunications services are reported together and accrue for the benefit of the same BellSouth shareholders. If BellSouth were permitted to avoid its Section 251 obligations by selling all of its telecommunications service on a wholesale basis to

[3] Association of Communications Enterprises v. FCC, 253 F.3d 29 (D.C. Cir. 2001). ("*ASCENT II*")

> other affiliates, it would render the unbundling and resale obligations of the Federal Act meaningless. Therefore, retail sales of telecommunications services by any BellSouth affiliate should be attributed to the local exchange carrier operation for the purposes of Section 251. (TR 59-60)

In support of this position, witness Gallagher cites a January 9, 2001, decision by the Unites States Court of Appeals for the District of Columbia Circuit (*ASCENT*)[4], in which he states that the court held that ILECs may not "sideslip § 251(c)'s requirements by simply offering telecommunications services through a wholly owned affiliate." (TR 60) Witness Gallagher argues that the court held that retail sales of telecommunications services by ILEC affiliates are still subject to the ILEC's resale obligations. He explains that although the court's decision in *ASCENT* involved a regulation pertaining to SBC specifically, the logic of the decision should apply to BellSouth as well. (TR 60)

BellSouth witness Ruscilli contends that the *ASCENT* decision does not support FDN's position in this issue. He argues that the *ASCENT* decision deals with regulatory relief granted by the FCC in the Ameritech/SBC merger, regarding the resale of advanced services if offered through a separate affiliate. He states that this ruling does not require BellSouth to offer advanced services at resale. In addition, witness Ruscilli argues that BellSouth does not have a separate affiliate for the sale of advanced services. (TR 205) In its brief, BellSouth explains that BellSouth's FastAccess Internet Service is sold by BellSouth Telecommunications, Inc. as a non-regulated Internet access service offering, that utilizes BellSouth's wholesale DSL service as a component. (BR 34)

---

[4] Association of Communications Enterprises v. FCC, 235 F.3d 662 (D.C. Cir. 2001) ("*ASCENT*")

However, FDN witness Gallagher argues that "BellSouth cannot refuse to separate its [DSL] telecommunications service from its enhanced services for the purpose of denying resale." (TR 61) He contends that "FCC unbundling rules require BellSouth to offer its telecommunications services separately from any enhanced services, even if it only sells them as a bundled product." (TR 61-62) In its brief, FDN refers to an FCC Memorandum Opinion and Order in CC Docket No. 98-79,[5] stating that the "FCC has expressly held that DSL transmission is an interstate telecommunications service that does not lose its character as such simply because it is being used as a component in the provision of a[n enhanced] service that is not subject to Title II." (BR 33) FDN also cites the recent D.C. Circuit Court's *WorldCom* decision,[6] to argue that as long as a carrier "qualifies as a LEC by providing either 'telephone exchange service' or 'exchange access,' then it must resell and unbundle all of its telecommunications offerings, including DSL." (BR 34) FDN witness Gallagher states that FDN does not seek to resell BellSouth's Fast Access Internet service, but rather only the DSL telecommunications transport component of that service. (TR 152)

BellSouth DSL over FDN voice loops

In addition to the establishment of a broadband UNE loop and resale opportunities, FDN also seeks relief from what it claims to be BellSouth's "anticompetitive practice of leveraging its control of the DSL market in Florida to injure competitors in the voice market." (TR 34) FDN witness Gallagher explains that when customers of BellSouth's voice and FastAccess Internet Service seek to switch their voice service to FDN, BellSouth will disconnect their FastAccess Internet Service. He states that because FDN is unable to offer DSL and voice over the same telephone line in most cases, customers are likely to lose interest in obtaining voice services from FDN. (TR 35)

BellSouth witness Ruscilli agrees that BellSouth will not offer its FastAccess Internet Service to a voice customer of another carrier. (TR 250) Witness Ruscilli explains that the only way a voice customer of FDN could obtain, or maintain, BellSouth FastAccess Internet Service would be for FDN to convert that customer from facilities-based service to a resale service, in which FDN would resell BellSouth's voice service to that customer.

[5] GTE Telephone Operating Cos.; GTOC Tariff No. 1; GTOC Transmittal No. 1148, Memorandum Opinion and Order, Order No. FCC 98-292; 13 FCC Rcd 22466 (1998).

[6] WorldCom, Inc. v. FCC, 246 F.3d 690 (D.C. Cir. 2001).

(TR 252-253) BellSouth witness Williams explains that in the situation in which FDN resells BellSouth's voice service, BellSouth would still be considered the voice provider. For that reason, BellSouth would continue to provide FastAccess Internet Service to that customer. (TR 370)

However, witness Williams contends that BellSouth is not required to provide DSL service over a loop if BellSouth is not providing voice service over that loop. (TR 281) In support of this position, he cites the FCC's *Line Sharing Reconsideration Order*[7] which states in ¶26:

> We deny, however, AT&T's request that the Commission clarify that incumbent LECs must continue to provide xDSL service in the event customers choose to obtain service from a competing carrier on the same line because we find that the *Line Sharing Order* contained no such requirement. (TR 281)

Witness Williams states that "the FCC then expressly stated that its *Line Sharing Order* 'does not require that [LECs] provide xDSL service when they are no longer the voice provider'." (TR 281)

Witness Williams also suggests several "business reasons" for BellSouth's decision not to offer DSL over FDN voice loops. First, witness Williams states that the systems BellSouth uses to provide DSL service do not currently accommodate providing DSL service over an ALEC's UNE loop. He states that prior to provisioning DSL service over a given loop, BellSouth must determine whether that loop is DSL capable. (TR 283) He explains:

> In order to make this determination, BellSouth has developed a database that stores loop information for inventoried working telephone numbers. When an ALEC like FDN provides dial tone from its own switch, the ALEC (not the end user) is BellSouth's customer of record, and the ALEC (not BellSouth) assigns a telephone number to the end user. BellSouth's database, therefore, does not

[7] Deployment of Wireline Services Offering Advanced Telecommunications Capability, Order No. FCC 01-26; 16 FCC Rcd 2101 (2001).

> include loop information for facilities-based UNE telephone numbers, and BellSouth cannot use the database to readily determine whether a facilities-based UNE loop is ADSL compatible. (TR 283)

Witness Williams states that BellSouth's troubleshooting, loop provisioning, and loop qualification systems would not contain telephone numbers assigned by ALECs. (TR 365) Therefore, he argues that these mechanized systems do not support the provisioning of DSL service over a UNE loop that an ALEC such as FDN uses to provide voice service. (TR 316) In addition, witness Williams contends that it would be "quite costly to try to take telephone numbers that are not resident in our system today and to put those into those multiple databases." (TR 366)

Further, witness Williams states that processing DSL orders from an end user served by a facilities-based ALEC would be inefficient and costly. (TR 283) He explains that since the ALEC has access to all the features and functionalities of a UNE loop it purchases from BellSouth, for BellSouth to provision DSL it must negotiate with each ALEC for use of the high frequency portion of these loops. (TR 284)

However, FDN witness Gallagher argues that BellSouth's "business reasons" for not providing DSL over ALEC UNE loops are not adequate grounds for denying FDN's request. He contends that when the Telecommunications Act of 1996 was adopted, "the ILECs did not have in place many of the systems that would ultimately be necessary to support the UNEs, interconnection, collocation and resale requirements of the new Act." (TR 80-81) Witness Gallagher argues that these systems were developed in response to the Act's requirements and the development of these support systems should continue to be driven by regulatory decisions and applicable law, not the other way around. (TR 81)

In addition, witness Gallagher challenges BellSouth's reliance upon the *Line Sharing Reconsideration Order*. He states:

> The FCC's *Line Sharing Reconsideration Order* did not address the merits of the underlying issue; rather, it stated that reviewing the issue of ILEC-provided retail xDSL service over ALEC UNE loops was outside the permissible scope of reconsideration because it was not an issue in the final order being reconsidered. (TR 80)

Witness Gallagher contends that BellSouth can offer no reasonable justification for its policy of not providing DSL over ALEC UNE

loops. (TR 64) He states that this practice is apparently designed to leverage its market power in the DSL market as an anticompetitive tool to injure its competitors in the voice market. Witness Gallagher argues that with numerous competitive DSL providers folding or downsizing, if FDN does not obtain the relief it seeks in this proceeding, there is a very real possibility that BellSouth will eventually be the only DSL provider in its incumbent region in Florida. (TR 64-65) He states:

> Therefore, BellSouth's ability to exert unreasonable and unlawful anticompetitive pressures on the voice services market will continue to increase. For these reasons, BellSouth's refusal to offer xDSL service to Florida consumers who purchase facilities-based voice service from [ALECs] is unreasonable and unlawful. (TR 65)

Analysis

Staff believes the most compelling evidence presented in this proceeding revolves around the state of competition in the Florida DSL market, and how that relates to the network architecture deployed by BellSouth. Presently, BellSouth has 133,015 wholesale and retail DSL subscribers in the State of Florida. (EXH 1, p.2) On the other hand, ALECs provide DSL service to approximately 1,000 customers in BellSouth's Florida footprint. (Williams TR 380) In its brief, FDN argues that this difference in customer volume is "not a matter of ALECs being out-marketed or out-hustled by BellSouth. Rather BellSouth simply makes it impossible for ALECs to serve prospective customers." (BR 2)

FDN bases this argument primarily upon the network architecture deployed by BellSouth. BellSouth extensively utilizes remote terminals with DLC equipment in its network, because this architecture makes BellSouth's voice network more efficient. (Williams TR 324) BellSouth serves perhaps as much as 90 percent of its access lines in Florida through the 12,037 remote terminals it had deployed as of May 23, 2001. (Williams TR 323-324) The record indicates that roughly 61% of the remote terminals are served by fiber feeder facilities, with approximately 1.2 million additional customers served through copper-fed DLCs. (TR 345-346; EXH 5, p.5) The existence of fiber-fed DLCs in remote terminals effectively precludes the provisioning of DSL service absent a DSLAM located in the remote terminal. Although in unique situations there may be work-around solutions in the copper-fed scenario, any work-around solution would be limited by overall loop length. In order to effectively provide DSL service in a DLC environment, a DSLAM must be placed in the remote terminal to

multiplex the data prior to traveling over the shared transport facility to the central office. (Williams TR 326-327)

As of July 2001, BellSouth had deployed 2,728 DSLAMs in remote terminals, and plans to have 3,249 DSLAMs deployed in remote terminals by the end of the year. (Williams TR 329) However, presently there are no ALEC DSLAMs collocated in BellSouth remote terminals. (EXH 1, p.22) Staff believes that without collocating a DSLAM at the remote terminal, any ALEC desiring to provide DSL service would be limited to a central office-based strategy in which the ALEC could serve customers over a dedicated all-copper facility from the ALEC's collocation arrangement in the ILEC's central office to the customer's premises. Staff believes this strategy is limited not only by the fact that the vast majority of access lines in BellSouth's territory are served via remote terminals, but also by the fact that DSL requires copper loops no more than 18,000 feet in length (from the end user to the DSLAM) to provide a viable transmission. This loop must also be free of bridged taps, load coils, and repeaters. (Gallagher TR 30)

FDN witness Gallagher states that "[w]ith such a high percentage of the DSL market closed to central-office-only strategies, [ALECs] will not be able to compete. Furthermore, if BellSouth is the only carrier that can provide DSL to a substantial percentage of consumers, it can leverage its market power to suppress competition for voice services . . . ." (TR 32-33) Witness Gallagher explains that when a BellSouth customer desires to switch its voice service to FDN, BellSouth will disconnect the customer's FastAccess Internet Service. He states that since FDN is often unable to provide DSL service to the customer on the same phone line, the customer is likely to lose interest in obtaining voice service from FDN. (TR 35)

BellSouth witness Williams argues that the market is not closed for central office-based strategies, and that at least one ALEC has been successful in this area. (TR 295-296) In addition, witness Williams contends that ALECs have the same opportunity to collocate DSLAMs in remote terminals that BellSouth has. He states that once FDN collocates its DSLAM in the remote terminal, BellSouth offers UNEs that will allow FDN to offer DSL on a ubiquitous basis in Florida over the same UNE loops that it uses to provide voice service. (TR 313)

However, staff is concerned that the evidence in the record, such as no ALEC collocations in RTs and the overwhelming market share of BellSouth, may indicate that the options presently available to ALECs for providing DSL service have not facilitated

meaningful competition in Florida. As such, staff believes it may be appropriate in this proceeding to examine these options and determine if FDN would be impaired in providing the service it seeks to offer without some form of relief being granted by the Commission. As mentioned above, in this arbitration FDN requests that the Commission order BellSouth to: (1) unbundle the packet switching functionality of the DSLAM that BellSouth has deployed in remote terminal facilities throughout its network and offer a broadband unbundled network element (UNE) consisting of the entire transmission facility from the customer's premises to the central office; (2) permit the resale of the DSL transmission services that BellSouth provides to Florida consumers at retail; and (3) end the practice of insisting that consumers who buy BellSouth DSL also purchase BellSouth voice. (BR 3)

Broadband UNE

BellSouth witness Ruscilli states that the FCC has limited unbundling of packet switching to specific situations in which a four-part test is met, as set forth in FCC Rule 51.319(c)(5). (TR 186) FDN witness Gallagher contends that since "these conditions are satisfied in the vast majority, if not all, of BellSouth's DLC deployments, a general unbundling requirement is warranted." (TR 55) Staff disagrees. Staff does not believe that a general unbundling requirement based upon the four-part test contained in Rule 51.319 is appropriate; rather, this rule contemplates a case-by-case analysis of whether these conditions are met at specific remote terminals. Staff agrees with BellSouth witness Ruscilli, who states that "[r]equiring the statewide unbundling of packet switching if an ALEC can find one remote terminal to which this exception applies would impermissibly ignore the FCC's intent by allowing the limited exception to swallow the general rule." (TR 201-202)

There is insufficient evidence in the record to make a determination regarding each of the specific remote terminals deployed in BellSouth's network. Regardless, staff believes that BellSouth does allow for the collocation of DSLAMs in remote terminals. As BellSouth witness Ruscilli explains:

> BellSouth will permit FDN to collocate its DSLAM in BellSouth's remote terminal on the same terms and conditions that apply to BellSouth's own DSLAM. If BellSouth is not able to accommodate such collocations at a given remote terminal, BellSouth will unbundle packet switching functionality at that terminal. (TR 201)

Staff does not believe the record supports a finding that the four-part test contained in Rule 51.319 has been met; therefore, the record does not support unbundling packet switching pursuant to Rule 51.319.

However, as previously mentioned, in this proceeding FDN is not requesting the Commission find that packet switching be identified as a separate UNE. Rather, FDN requests that the Commission create an entirely new UNE, the so-called "broadband loop." (TR 38) FDN witness Gallagher describes this broadband loop as "unbundled DSL-capable transmission facilities between the customer's Network Interface Device and the BellSouth distribution frame in its central office, including all attached electronics that perform DSL multiplexing and splitting functionalities." (TR 37-38) He states that FDN requires access to this broadband loop where BellSouth has deployed DLC facilities in the remote terminal. (TR 37)

The parties agree that the "impair" standard contained in Rule 51.317 is controlling when a state commission determines whether to mandate UNEs in addition to those established by the FCC. (BellSouth TR 195; FDN TR 41) FCC Rule 51.317(b)(1) states:

> A requesting carrier's ability to provide service is "impaired" if, taking into consideration the availability of alternative elements outside the incumbent LEC's network, including self-provisioning by a requesting carrier or acquiring an alternative from a third-party supplier, lack of access to that element materially diminishes a requesting carrier's ability to provide the services it seeks to offer. . . . If the Commission determines that lack of access to an element impairs a requesting carrier's ability to provide service, it may require the unbundling of that element . . . .

In considering whether lack of access to a network element "materially diminishes" a requesting carrier's ability to provide service, state commissions shall consider whether alternatives in the market are available as a practical, economic, and operational matter. In doing so, the state commissions are to rely on factors such as cost, timeliness, quality, ubiquity, and impact on network operations, to determine whether alternative network elements are available. (FCC Rule 51.317(b)(2)) State commissions may also consider additional factors, such as whether unbundling of a network element promotes: the rapid introduction of competition; facilities-based competition, investment and innovation; and reduced regulation. The state commission may also consider whether

unbundling the network element will provide certainty to requesting carriers regarding the availability of the element, and whether it is administratively practical to apply. (FCC Rule 51.317(b)(3))

There is no evidence in the record to support a finding that FDN can obtain the ability to provide the desired functionalities through third parties. However, in the record there are several proposed alternative methods of providing DSL to consumers served by DLC loops when an ALEC is the voice provider. The two primary alternatives raised by BellSouth witness Williams are locating an available "home-run" copper loop and collocating a DSLAM at the remote terminal. (TR 290)

The first alternative is the utilization of home-run copper loops. This option requires locating an all-copper loop from the customer premises to the central office, in essence bypassing the DLC located in the remote terminal. FDN witness Gallagher argues that "in many BellSouth serving areas, no copper facilities remain available for DSL." (TR 51) In addition, witness Gallagher states that "many DLCs are deployed at locations where copper loops are longer than 18,000 feet, and are therefore too long to carry DSL signals. Even where home run copper loops are DSL-capable, the quality of the DSL transmissions would be inferior to DLC loops and therefore would not be competitive in the consumer market." (TR 51) Staff agrees that utilizing an available home-run copper loop would not provide a viable alternative when seeking to provide DSL service over a DLC loop. Staff believes that the quality of this service could be diminished, and that this alternative is not available on a ubiquitous basis. BellSouth witness Williams acknowledges that home-run copper loops could raise quality of service issues due to distance limitations, but suggests that if this is the case, FDN could collocate a DSLAM at the remote terminal. (TR 305)

This second alternative, self-provisioning a DSLAM in a RT, is the predominant matter of contention in this proceeding. BellSouth witness Williams asserts the FCC has already specified that collocating a DSLAM at the remote terminal is the means by which an ALEC is to provide its end users DSL service in a DLC environment. Yet in spite of this, FDN has not even applied to collocate a DSLAM at a BellSouth RT. (TR 300) He argues that "it is no more expensive or time-consuming for FDN to collocate a DSLAM at an RT than it would be for BellSouth to accomplish the same thing." (TR 301)

Witness Williams argues that BellSouth did not initially deploy its data network on a large scale basis. Rather, BellSouth

began with central office-based solutions, and only located DSLAMs in remote terminals when a customer base was built or a prospective base was located. Even then, he explains, BellSouth started with 8-port DSLAMs, and did not increase capacity until the 8-port DSLAM began to fill. He suggests that FDN shouldn't look to collocate DSLAMs in all remote terminals with large equipment and DS-3 feeder facilities until the customer base justifies it. (TR 331-332)

FDN witness Gallagher argues that even installing 8-port DSLAMs would not be a workable solution. Witness Gallagher estimates the cost of collocating an 8-port DSLAM to be $10,000 per remote terminal. He estimates the capital outlay to provide DSL throughout the city of Jacksonville alone would be $11.7 million. Witness Gallagher explains that with an 8-port DSLAM, the expected revenue per unit would be $270, but the recurring costs would be $542 per unit. (EXH 13, p. 2)

While the initial cost of installing a DSLAM in a remote terminal may be similar for FDN and BellSouth, certain advantages may be enjoyed by the first to market. Due to its incumbent customer base and relatively extensive deployment of DSLAMs, it is evident that BellSouth has advantages over other potential providers. FDN witness Gallagher contends that "early entry and early name recognition are crucial to success in markets for new technologies and new services." (TR 34) He states that with each day FDN falls further behind BellSouth in the DSL market. He explains that "BellSouth by the end of April 2001 had 133,015 high-speed data subscribers in the State of Florida, 43,291 of which were added in the first quarter 2001." (TR 34)

Although BellSouth suggests that FDN need not attempt to collocate in all 12,037 RTs, staff believes that the sheer magnitude of collocating in the 3,249 remote terminals in which BellSouth intends to have DSLAMs installed by year-end 2001 would be a daunting task for an ALEC of FDN's size. Notwithstanding the capital expenditure required for such an extensive deployment of DSLAMs, the time and logistical resources required to collocate in 3,249 remote terminals may be prohibitive. In its brief, FDN cites the Illinois Commerce Commission (ICC) decision regarding the Project Pronto deployment associated with the SBC/Ameritech merger. FDN asserts that in this decision the ICC found that ALECs could not possibly collocate in the 2,100 remote terminals that were to be deployed by SBC, and would be impaired without access to SBC's NGDLC equipment. (BR 24) Although there was some discussion in the record regarding BellSouth's deployment of NGDLC equipment (Williams TR 293), staff notes that this recommendation primarily addresses situations in which BellSouth utilizes DLC equipment and

has deployed DSLAMs in remote terminals. Nevertheless, staff believes the ICC's comments regarding the infeasibility of ALEC collocation at numerous remote terminals, as cited by FDN, to be on point.

The FCC determined that the type of customers that a competitive LEC seeks to serve is relevant when determining if the cost of self-provisioning impairs the ability of a requesting carrier to provide the services it seeks to offer. (*UNE Remand Order* at ¶81) In paragraph 82 of the *UNE Remand Order* the FCC states:

> Competitive LECs generally seek to provide service to residential and small business customers and/or to large business customers. The different revenue-generating potential of these different customer groups will often determine whether or not a competitive LEC can afford to incur the costs of self-provisioning a facility or of acquiring it from a third-party supplier, to the extent that it is available from a third-party provider. For example, a model submitted by MCI WorldCom that compares the costs of serving residential customers using unbundled elements from the incumbent LEC with the costs of serving the customers using its own facilities indicates that, at low market penetration levels, the costs of collocation would impair a competitive LEC's ability to serve residential customers using its own facilities. The model further demonstrates, however, that using the incumbent LEC's unbundled network elements, the entrant would be able [to] provide service, even at the same low market-penetration levels. (footnote omitted)

The FCC stated that although MCI WorldCom's model was not dispositive, it did illustrate that a requesting carrier's ability to serve residential and small business customers may be materially diminished without access to the incumbent LEC's network. (*UNE Remand Order* at ¶83) FDN witness Gallagher explains that FDN was founded with the mission of offering packaged services (local, long distance and Internet) to small and medium-sized businesses. (TR 27-28) Witness Gallagher states that with "the relief sought in this proceeding, FDN intends to expand its use of BellSouth UNEs for the provision of competitive local voice and data services to both business and residential users in the State of Florida." (TR 29)

Another matter to be considered when determining whether to

create a new UNE is "timeliness." In paragraph 89 of the *UNE Remand Order*, the FCC states:

> We conclude that delays caused by the unavailability of unbundled network elements that exceed six months to one year may, taken together with other factors, materially diminish the ability of competitive LECs to provide the services that they seek to offer.

FDN witness Gallagher contends that even if FDN had sufficient funding to collocate remote DSLAMs, he estimates that the process would require well more than one year before FDN could start to provide service. (TR 49-50) BellSouth witness Williams argues that it is no more time-consuming for FDN to collocate a DSLAM in the remote terminal than it is for BellSouth to do so. (TR 301) As mentioned above, the record shows that presently no ALEC has collocated a DSLAM in a BellSouth remote terminal. In fact, no ALEC has even applied for such collocations. That being the case, staff believes there is insufficient evidence in the record to determine how long it would take for FDN to collocate a DSLAM in one of BellSouth's remote terminals. However, BellSouth witness Williams states that "BellSouth should be able to accommodate most RT collocation requests well within six months." (TR 304)

The "quality" of the alternative method of providing service should also be considered. As mentioned above, staff believes that the alternative of locating an all-copper loop that would bypass the DLC could be lower in quality than the DSL service provided by utilizing a DSLAM located in a remote terminal. However, staff finds no evidence in the record to suggest that the quality of service would be diminished if FDN were to collocate a DSLAM in a remote terminal.

The FCC also established that states should consider the extent to which an ALEC can serve customers ubiquitously using its own facilities or those of a third party. In its brief, BellSouth argues that "[u]biquity is not the test of impairment, especially with regard to network elements (like DSLAMs) that are not ubiquitously deployed by the ILEC." (BR 19-20) As mentioned above, as of July 2001, BellSouth had deployed 2,728 DSLAMs, and plans to have DSLAMs deployed in 3,249 of its 12,037 remote terminals by the end of the year. (Williams TR 329) Although staff agrees that BellSouth has not deployed DSLAMs in remote terminals in a ubiquitous manner throughout the state, staff believes there is room for discussion regarding the ALEC's ability to offer service on a ubiquitous basis throughout the areas that BellSouth does serve via remotely located DSLAMs. As stated above, staff believes

based on the record that it may very well be cost-prohibitive for an ALEC to collocate DSLAMs, even in only 3,249 remote terminals. As such, an ALEC may be impaired from offering ubiquitous service in the geographic areas where BellSouth has deployed DSLAMs without access to unbundled network elements. In paragraph 98 of the *UNE Remand Order*, the FCC states:

> Denying access to the incumbent's unbundled network elements, when use of alternative sources would materially diminish the competitor's ability to serve their intended geographic area, would be inconsistent with the goal of the 1996 Act to bring competition to the greatest number of customers.

An additional factor to be considered in determining whether a carrier is impaired without access to an unbundled network element is the "impact on network operations." In this evaluation, the Commission is to consider how self-provisioning a network element may affect the technical manner in which the competitor can operate its network. This involves the ALEC's ability to connect the alternative element to either its own network or to other ILEC network elements that it uses to provide service. (*UNE Remand Order* at ¶99) FDN witness Gallagher contends that "even if BellSouth permitted FDN to collocate a DSLAM inside the remote terminal, no fiber feeder will be available to transport the telecommunications back to FDN's collocation site in the central office." (TR 44) He states that in most cases FDN would have to construct its own fiber-optic transport between the remote terminal and the central office. (TR 44-45) However, BellSouth witness Williams argues that "[r]egardless of whether dark fiber feeder is available, BellSouth also offers a DS1 sub-loop feeder UNE that allows ALECs to connect from the RT to the CO. Beginning August 2001, BellSouth will offer a DS3 and OC3 feeder UNE." (TR 299-300) Staff finds no evidence in the record to indicate that there would be a significant negative impact on FDN's network operations if it were to collocate its DSLAM in a BellSouth remote terminal.

As noted above, the FCC has determined that the Commission should consider factors such as cost, timeliness, quality, ubiquity, and impact on network operations when determining whether alternatives to an ILEC's unbundled network elements are available as a practical, economic, and operational matter. (FCC Rule 51.317(b)(2)) However, the FCC has not limited the Commission's consideration to these factors alone. In fact, the FCC states in paragraph 102 of the *UNE Remand Order*:

If Congress had intended to require the incumbent LECs to

> unbundle an element only when it was "necessary" to, or would "impair" the requesting carrier's ability to provide its desired service, Congress would not have used the discretionary phrase "consider at a minimum." Rather, Congress would have required the Commission apply the "necessary" and "impair" standard, without consideration of any additional factors.

As such, the FCC identifies several other factors that also may be considered which further the goals of the Act. The FCC explains that two fundamental goals of the Act are to open the local exchange and exchange access markets to competition, and to promote innovation and investment by all participants in the telecommunications marketplace. (*UNE Remand Order* at ¶103)

The first of these additional factors is the "rapid introduction of competition in all markets." The FCC states:

> We therefore find that we may consider whether an unbundling obligation is likely to encourage requesting carriers to rapidly enter the local market and serve the greatest number of customers. Conversely, we may also consider whether the failure to require unbundling will cause any class of consumers to wait unnecessarily for competitive alternatives. (*UNE Remand Order* at ¶107)

Staff believes that this factor is particularly compelling when examining the DSL market in Florida. BellSouth witness Ruscilli contends that the FCC has acknowledged that there is "burgeoning competition" to provide advanced services, and that this exists without unbundling ILEC advanced services equipment. He asserts that the "existence of this competition alone precludes a finding of impairment." (TR 197) In support of his position, witness Ruscilli cites to paragraph 316 of the *UNE Remand Order* in which the FCC explained that it declined to unbundle packet switching due to its concern that it "not stifle burgeoning competition in the advanced service market." The FCC stated that "[w]e are mindful that, in such a dynamic and evolving market, regulatory restraint on our part may be the most prudent course of action in order to further the Act's goal of encouraging facilities-based investment and innovation." (*UNE Remand Order* at ¶316)

Describing this "burgeoning competition," the FCC stated:

> Both the record in this proceeding, and our findings in the *706 Report*, establish that advanced services providers are actively deploying facilities to offer

> advanced services such as xDSL across the country. Competitive LECs and cable companies appear to be leading the incumbent LECs in their deployment of advanced services. For example, in 1999, Rhythms expects to roll out xDSL services in 1,000 end offices nation wide. Covad's planned network deployment is expected to reach 51 MSAs by the end of 1999. In the past year, NorthPoint deployed facilities capable of transmitting xDSL signals in 17 metropolitan markets. NorthPoint plans to expand its DSL-based local networks from 25 major markets, representing 37 metropolitan statistical areas (MSAs), to 28 markets, or 61 MSAs, by the end of 1999. Qwest announced in August 1999, that it is now providing DSL service in 13 U.S. markets and plans to expand to more than 30 major markets by the end of 1999. In addition, EarthLink has partnered with Sprint to offer nationwide xDSL service. KMC Telecom Inc. announced aggressive rollout of DSL services with plans to introduce additional broadband applications by year-end. Marketplace developments like the ones described above suggest that requesting carriers have been able to secure the necessary inputs to provide advanced services to end users in accordance with their business plans. This evidence indicates that carriers are deploying advanced services to the business market initially as well as the residential and small business markets. (footnotes omitted) (*UNE Remand Order* at ¶307)

While this evidence was clearly convincing from the FCC's perspective at the time it released the *UNE Remand Order* in 1999, staff believes that the status of this prospective competition for DSL service has changed considerably since then. As BellSouth witness Williams conceded during cross examination, the competitors Rhythms, Covad, and NorthPoint have all either declared bankruptcy or been dissolved since the release of the *UNE Remand Order*. In addition, neither Qwest, EarthLink, or KMC are providing DSL service in BellSouth's Florida footprint. (TR 380-382)

As mentioned above, BellSouth has approximately 133,000 wholesale and retail DSL subscribers in Florida, while ALECs serve approximately 1,000 DSL customers in BellSouth's territory. Although the vast majority of BellSouth's access lines are served through remote terminals, not a single ALEC has collocated a DSLAM in a BellSouth remote terminal, which would then enable them to provide DSL service to these end users. Taking all of this into consideration, staff does not believe that Florida has "burgeoning competition" for DSL service. Staff believes the Commission

000464

should consider the FCC's conclusions in the *UNE Remand Order* in light of the current state of DSL competition in Florida, and take action that will promote the rapid introduction of competition in this market.

In its brief, BellSouth argues that granting FDN's request would neither encourage ALECs to rapidly enter the local market and serve the greatest number of customers, or encourage innovation by both incumbents and competitive LECs. First, BellSouth contends that the "universe of end users" who are able to receive both voice and data service over the same line would not increase. (BR 25) In other words, the number of customers who would be able to receive this service from FDN would be limited to the customers that are already able to receive this service from BellSouth. However, in paragraph 107 of the *UNE Remand Order*, the FCC stated:

> Congress has emphasized that a major goal of the 1996 Act is to accelerate the development of local competition. Indeed, the preamble to the Act states that it provides a "pro-competitive de-regulatory national policy framework designed to accelerate rapidly" deployment of advanced telecommunications technologies by opening all markets to competition. (emphasis added)

While the number of customers that can be served via a broadband UNE would be limited to those that are already able to receive DSL service from BellSouth, staff believes that creating the broadband UNE will open this DSL market to meaningful competition. Where presently these customers are limited to choosing BellSouth's DSL service, staff believes that creating a broadband UNE would provide these customers with a competitive alternative.

Staff believes the availability of the broadband UNE could impact FDN's ability to provide competitive facilities-based voice service as well. Staff believes the evidence in the record indicates that customers who subscribe to both BellSouth's voice and DSL service have a disincentive to switch their voice service to FDN due to the fact that their data service would be disconnected. (Gallagher TR 35) BellSouth witness Williams suggests that a customer could retain its DSL service when switching to FDN's voice service, if FDN converts this customer to resale. In that case BellSouth would permit the resale of its DSL as well, since BellSouth would still be considered the voice provider. (TR 370) Staff believes that under BellSouth's proposal there is little, if any, chance that an incentive for facilities-based provisioning will arise. However, were BellSouth to offer

the broadband UNE, the probability of facilities-based provisioning of services increases. Staff believes that just as unbundled local loops are an intermediate strategy that may enable ALECs to develop facilities-based voice strategies, unbundled broadband loops could help facilitate FDN's facilities-based DSL competitive entry into certain markets. In addition, staff believes FDN could continue to expand its competitive, facilities-based voice service without the impediments associated with customers losing their DSL service, due to the fact that FDN would be able to provide its own DSL service to that customer via the broadband UNE.

BellSouth argues that creating a broadband UNE would "have a chilling effect on BellSouth's incentives to invest in the technologies upon which advanced services depend." (BR 26) BellSouth contends that "an ILEC's incentive to invest in new and innovative equipment will be stifled if its competitors, who can just as easily invest in the equipment, can take advantage of the equipment's use without incurring any of the risk." (BR 27) Staff acknowledges BellSouth's argument; however, staff believes that as the market presently stands, without such action competition in the DSL market would be stifled, as FDN would be delayed, if not inhibited, from deploying the required facilities to serve customers in a DLC environment.

An additional factor that may be considered is "certainty in the market." In the *UNE Remand Order*, the FCC states:

> [W]e find that the unbundling requirements we adopt should typically provide the uniformity and predictability new entrants and fledgling competitors need to develop and implement national and regional business plans. In addition, uniform and predictable unbundling rules will provide financial markets with reasonable certainty so that competitive LECs can attract the investment capital they need to execute their business plans. (Order at ¶114)

FDN witness Gallagher states that to survive, a carrier must have a voice and data strategy. (TR 92) Witness Gallagher asserts that he could not represent to investors that FDN has a sustainable business if it did not have a DSL strategy. (TR 111) He explains that FDN does have a voice and data strategy, but in this unique circumstance FDN needs help. (TR 112) Staff believes that the creation of a broadband UNE would permit FDN to establish and implement this voice and data strategy, and effectively pursue the business and residential markets it seeks to serve with a competitive product. Staff believes that without a broadband UNE,

FDN's market potential would be severely limited.

Finally, "reduced regulation" and "administrative practicality" may be considered by the Commission. The record in this proceeding is limited with respect to these factors. However, staff believes that the creation of a broadband UNE for purposes of the new FDN/BellSouth interconnection agreement could conceivably decrease the number of arbitrations the Commission would address regarding this issue.

In the *UNE Remand Order*, the FCC states that "[w]e agree with those parties that argue that we must consider the totality of the circumstances to determine whether an alternative to the incumbent LEC's network element is available in such a manner that a requesting carrier can realistically be expected to actually provide service using the alternative." (footnote omitted) (Order at ¶62) In addition, the FCC states:

> We do not give particular weight to any of the factors we identify. Rather we consider the relationship among the factors we take into account for a particular network element, and determine whether the sum total of the effect of the factors require a finding that the element must be unbundled. Thus, we do not require that all of the factors be met before we decide whether or not to require incumbent LECs to unbundle a particular network element. (*UNE Remand Order* at ¶106)

Staff notes that since the Commission has to this point never considered mandating a UNE in addition to those established by the FCC, this is a case of first impression in determining the threshold for the impair standard to have been met. The record in this case does not compel a single solution.

If the Commission requires BellSouth to provide a broadband UNE for FDN in this arbitration, this requirement will last three years, the term of the interconnection agreement. Once the future arbitrated agreement is approved, other ALECs will be able to adopt the broadband UNE terms contained in the final FDN/BellSouth agreement pursuant to Section 252(i) of the Act, and will likely choose to do so. Staff notes, however, that the adopted terms will terminate on the expiration date of the original underlying agreement, unless otherwise negotiated between BellSouth and the subsequent adopting party. As such, staff believes that the Commission inevitably will be asked to revisit this issue in future proceedings. In the interim, although decisions in arbitrations are

not precedential, granting FDN a broadband UNE in this docket establishes a presumption for doing so that the Commission may be hard pressed to ignore in subsequent arbitrations unless the circumstances of the particular case do clearly justify a different conclusion.

In evaluating FDN's unbundling request, staff believes that the Commission should consider what weight should be given to a goal of encouraging facilities-based investment and innovation. (TR 192) In implementing the Act, the FCC has proceeded with caution in its unbundling requirements. In the UNE Remand Order, the FCC did not require ILECs to unbundle DSLAMs at remote terminals except in limited circumstances, due in part to its concern about the potential such regulatory action would have for stifling facilities-based investment and innovation. (TR 191-192)

Staff shares the concern that, in the nascent xDSL market, unbundling could have a detrimental impact on facilities-based investment and innovation, as noted by BellSouth witness Ruscilli. (TR 199) While unbundling DSLAMs at remote terminals could promote competition in the local exchange market, this might discourage facilities-based competition and innovation. Such an unbundling requirement may, to some extent, impede innovation and deployment of new technologies, not only for ILECs, but for the competitors as well, as indicated by BellSouth witness Williams. (TR 301) Thus, staff believes it is prudent to carefully weigh the potential impact of unbundling a broadband UNE. However, a short-term unbundling requirement may provide a catalyst for market entry and could lead to subsequent deployment of facilities over the long run as ALEC customer bases grow. What short-run strategy will have the best chance of encouraging long-run, sustainable competition is the issue.

Although it appears from the record that the costs to install a DSLAM at a remote terminal are similar for both BellSouth and FDN, FDN witness Gallagher testified that it is a considerable financial burden for a CLEC to install a DSLAM at a BellSouth remote terminal because of FDN's smaller size. (TR 48, 163) Many ALECs and DLECs have gone out of business, and the remainder, including FDN, appear to be financially unable or unwilling to deploy DSLAMs in remote terminals. Although it is understandable that FDN would prefer to use BellSouth's DSLAM rather than install its own, staff believes the Commission should evaluate whether requiring BellSouth to unbundle its DSLAMs in remote terminals is appropriate and consistent with a possible goal of encouraging facilities-based investment and innovation.

000163

Witness Gallagher links his company's future success in the voice market to obtaining access to BellSouth's DSLAMs at its remote terminals. (TR 31-33) He contends that the issue of BellSouth providing a broadband UNE "is of paramount importance for FDN to be able to launch a facilities-based competitive local voice option for residential subscribers." (TR 30) He explains that "FDN will not be able to succeed in the voice or data market if it is limited to providing DSL service only to end-users who can be served from the central office." (TR 32) He further states that "FDN's inability to offer high-speed data to most customers impairs its ability to sell voice services to customers looking for a bundled service offering from a single carrier." (TR 34)

It may prove true, as witness Gallagher contends, that a broadband UNE offering would enhance competitive market entry; however, this is a policy issue with broad ramifications that may affect all market participants. As such, staff believes this issue and related topics should be considered in a generic investigation where all potentially affected parties may be heard. Staff notes that such a proceeding could be completed before the agreement resulting from this arbitration expires. Thus, the parties' successor agreement would reflect the Commission's generic policy decisions on these matters.

An additional concern with creating a broadband UNE is that the ILECs' primary competitors for broadband customers are the cable companies. (TR 297) Forcing BellSouth to create, even temporarily, a broadband UNE relies on BellSouth to incur the investment and risk for DSLAM deployment at remote terminals while sharing the benefits with its competitors. At the same time its primary broadband competitor enjoys a substantial lead over BellSouth, but has no similar requirement.

There was some evidence presented at hearing about assisting competitors through possible alternatives to the creation of a broadband UNE. One alternative would be for FDN to enter into an agreement with a data LEC (DLEC -- e.g., Covad) so that FDN could continue to provide voice service to its customer and provide data service through the DLEC. (TR 334) However, this would require collocation of a competitor's DSLAM at the remote terminal, which witness Gallagher contends that neither FDN or others are willing or able to do. Moreover, at the time of the hearing, no ALEC or DLEC had collocated a DSLAM in a BellSouth remote terminal, and most are either out of business, or in bankruptcy. (TR 91, 355) **While staff believes that the cost of deployment may be an impediment, we believe the record is inconclusive as to whether**

competitors will be financially able to collocate DSLAMs in remote terminals.

A second alternative would have FDN operate as a reseller of BellSouth services so that its voice customers who want to keep BellSouth's DSL could do so. This would enable FDN's voice customers to retain DSL service and could, over time, provide FDN a sufficient customer base that would support facilities-based voice and DSL service. (TR 248) The resale approach was envisioned by the Act as one of three entry strategies. While resale may be a viable option and could resolve one issue in this arbitration, staff would point out that there is no evidence in the record revealing how many of FDN's UNE-based voice lines would have to be converted to resale, which could strand some of FDN's investment in voice facilities.

A third alternative would be for BellSouth and FDN to partner in the installation and subsequent use of DSLAMs. FDN witness Gallagher was asked at the hearing whether FDN had entered into any negotiations with BellSouth whereby FDN would pay some percentage of BellSouth's cost of the DSLAM installation, and in return, FDN would be able to use the DSLAM for its customers. He responded that FDN had not had any such discussions with BellSouth. (TR 99) When asked whether, if FDN installed its own DSLAMs, it would be willing to open its DSLAM to competitors, including BellSouth, FDN witness Gallagher stated that FDN would consider it. (TR 155-156)

A fourth alternative would involve BellSouth and FDN negotiating for FDN's access to BellSouth's DSLAM outside of the provisions of the Act. With an absence of record evidence on pricing and provisioning, it is uncertain whether a broadband UNE will satisfactorily resolve FDN's issue. Perhaps the simplest - and best - solution to FDN's issue regarding a broadband UNE may be for BellSouth and FDN to continue their negotiations on this issue in an effort to reach agreement on a price that will permit FDN to purchase what it needs without regulatory intervention. BellSouth witness Ruscilli stated that he thought it possible that BellSouth would consider an offer to provide access to its DSLAM at "some sort of market rates." (TR 244, 261)

The third and fourth alternatives were discussed at hearing; however, staff does not believe that there is sufficient record evidence for the Commission to order these remedies.

To ensure that the potential policy implications of requiring the provision of a broadband UNE and any related issues industry-wide are carefully analyzed, staff believes that a generic

000470

investigation should be initiated. Staff believes such a generic investigation would be beneficial regardless of the Commission's decision regarding a broadband UNE in this docket. Notwithstanding the prior discussion, staff believes that there are some advantages to creating a broadband UNE in this arbitration:

- FDN witness Gallagher believes that the broadband UNE will open the market to competitors for voice and data. (TR 33, 108-109) If true, a broadband UNE should provide the incentive to innovate and invest in facilities over time as market share is gained. It will also provide valuable data with which to evaluate his assertion.

- Creation of a broadband UNE in this arbitration in conjunction with the initiation of a generic investigation would be an attempt to balance the goal of promoting competition through unbundling DSLAMs at remote terminals with the conflicting long-term goal of encouraging facilities-based competition and innovation. CLECs do appear to be disadvantaged by the sheer number of remote terminals in which they must collocate. However, BellSouth's witness Williams made a good point in describing BellSouth's DSL deployment strategy, which is to deploy first in central offices with potential for enough subscribers to turn a profit and provide a base from which to grow, and then in those remote terminals offering the greatest potential to pay back the amount of investment that would be required. (TR 331-332)

- ALECs have faced a formidable challenge in making investment and having it provide a profit. ILECs, through their existing infrastructure and superior financial stability, have greater ability than upstart companies for widespread deployment of current and next generation technologies. The cable companies' lead in the broadband market is further evidence of the advantage that existing facilities-based companies with large subscriber bases have over competitors. A broadband UNE created in this arbitration proceeding may well provide a period in which data can be gathered that may provide invaluable evidence to test whether or not, as some have suggested, that ILECs, cable, and wireless providers will be the only viable competitors in the residential local exchange and broadband markets.

- FDN witness Gallagher asserts that "BellSouth is able to garner a higher take rate, at least initially, because of its greater name recognition and established relationships with existing customers." (TR 48) If this is true, it also points

to the importance of CLECs penetrating the residential voice market in order to build their own relationships with customers to whom they can sell broadband. Given that witness Gallagher contends that access to the high frequency or broadband-capable portion of the loop is what is needed to spur competition, at the end of the three years the Commission should expect to see not only much higher ALEC residential voice penetration, but a substantial percentage of those with DSL service.

Staff has taken into consideration the totality of circumstances, including but not limited to: quality and ubiquity of all copper facilities; the cost and ubiquity of self-provisioning; the current state of competition in the DSL market; and the prospect of rapid introduction of competition into the market from utilizing a broadband UNE. Although the FCC did not attach any weight to specific factors when determining if a carrier's ability to provide a service is impaired without access to the unbundled element, staff believes the cost of collocating DSLAMs in remote terminals is particularly compelling. Staff believes the cost of collocating DSLAMs in BellSouth remote terminals, when taking into account the extensive deployment of RTs in BellSouth's network, impairs FDN's ability to provide DSL service on a ubiquitous basis to the residential and small to medium sized businesses that FDN targets in its service area.

Accordingly, taking the sum of the effect of the above factors into consideration, staff believes the creation of a broadband UNE is warranted for the purposes of the new FDN/BellSouth interconnection agreement. Therefore, staff recommends that where BellSouth has deployed a DSLAM in a remote terminal for the purposes of providing DSL service to customers served by that remote terminal, BellSouth should be required to provide a broadband UNE that includes unbundled DSL-capable transmission facilities between the customer's Network Interface Device and BellSouth's central office, including attached electronics that perform DSL multiplexing and splitting functionalities in the remote terminal. Moreover, staff believes it would be appropriate to initiate a generic investigation into the broadband UNE and related issues, in order to assess its impact on the competitive marketplace.

Although evidence regarding rates for the broadband UNE was not presented in the record, staff would note that Section 252(d)(1) of the Act states that such rates shall be based on the

cost of providing the network element, shall be nondiscriminatory, and may include a reasonable profit. Therefore, staff believes that if the Commission determines it is appropriate to establish a broadband UNE for the purposes of the new FDN/BellSouth interconnection agreement, it is appropriate for BellSouth to recover its cost of providing this UNE, including a reasonable profit. Although the record in this proceeding does not support establishing rates for the broadband UNE, staff notes that the Commission is addressing rates for a hybrid copper/fiber loop in Docket No. 990649A-TP, BellSouth's 120 day filing in the UNE docket.

Finally, staff notes that the record in this case is based solely on the evidence presented by these two parties; the resulting terms of the arbitrated agreement will be binding only on these two parties and on any carriers that adopt the approved terms pursuant to Section 252(i), consistent with Commission policy regarding arbitrations. See PSC-98-0226-FOF-TP, issued February 5, 1998, in Dockets Nos. 960833-TP, 960757-TP, and 960846-TP. As such, it should not be considered precedential in future arbitration proceedings.

Resale

Although it is not the primary means of relief sought by FDN in this proceeding, FDN requests that the Commission require BellSouth to offer its DSL service for resale by FDN. In this issue the Commission must determine the resale obligations of BellSouth regarding its DSL service. Section 251(c)(4)(A) of the Act states that ILECs have the duty to "offer for resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers." When determining if a particular service is subject to the resale obligations of the Act, the Commission must consider primarily two things: (1) whether the service is a telecommunications service, and (2) whether the service is offered at retail.

BellSouth contends that its FastAccess Internet Service is an "enhanced, nonregulated, nontelecommunication Internet access service" and exempt from the Act's resale provisions. (Ruscilli TR 210) Staff agrees. While BellSouth does in fact sell this service on a retail basis (Ruscilli TR 225-226), staff believes that BellSouth's FastAccess Internet Service is an enhanced, information

service that is not subject to the resale requirements contained in Section 251 of the Act.

However, FDN does not request that the Commission require BellSouth to offer its FastAccess Internet Service at the resale discount; rather, FDN seeks to resell only the DSL component of that service. (Gallagher TR 152) In its brief FDN argues that BellSouth has provided no legal basis for its claim that "bundled," "enhanced" services are exempt from the resale obligation. FDN contends this is because there is no legal basis for BellSouth's claim. On the contrary, FDN asserts that "[f]or the last 20 years, FCC bundling rules have required facilities-based common carriers to offer telecommunications services separately from any enhanced services, even if it only offers them at retail as a bundled product." (footnote omitted) (BR 33)

Staff agrees that the FCC has long required ILECs offering enhanced services to offer the basic service components to other carriers on an unbundled basis; however, staff does not believe this requirement reaches the level of unbundling that FDN seeks. In its Third Computer Inquiry (*Computer III*)[8], the FCC stated:

> [W]e maintain the existing basic and enhanced service categories and impose CEI and Open Network Architecture requirements as the principal conditions on the provision of unseparated enhanced services by AT&T and the BOCs. The CEI standards, which will be in effect on an interim basis pending our approval of a carrier's Open Network Architecture Plan, require a carrier's enhanced services operations to take under tariff the basic services it uses in offering unseparated enhanced services. Such basic services must be available to other enhanced

[8] In the Matters of: 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 an Facilities Authorizations Thereof; Communications Protocols under Section 64.702 of the Commission's Rules and Regulations, 104 FCC 2d 958 (1986)

> services providers and users under the same tariffs on an unbundled and functionally equal basis. (*Computer III* at ¶ 4)

Further, the FCC stated:

> [W]e consider Open Network Architecture to be the overall design of a carrier's basic network facilities and services to permit all users of the basic network, including the enhanced service operations of the carrier and its competitors, to interconnect to specific basic network functions and interfaces on an unbundled and "equal access" basis. A carrier providing enhanced services through Open Network Architecture must unbundle key components of its basic services and offer them to the public under tariff, regardless of whether its enhanced services utilize the unbundled components. (*Computer III* at ¶113)

Staff believes the record shows that BellSouth complies with these obligations when providing its own FastAccess Internet Service. In its brief, BellSouth explains that its "FastAccess Internet Service is a combination of a federally-tariffed wholesale DSL service (which was analogized to a pipe during the hearings) and e-mail, Internet, and other enhanced services (which were analogized to the water that flows through the DSL pipe during the hearings)." (BR 31) While BellSouth offers its DSL service to ISPs at the tariffed wholesale rate, witness Ruscilli argues that BellSouth does not offer a tariffed retail DSL service. (TR 209-210)

Staff believes that BellSouth offers its DSL service as a wholesale tariffed product available to other enhanced service providers pursuant to the unbundling requirements of *Computer III*. As a wholesale product that is only offered to enhanced service providers, staff does not believe BellSouth's DSL service is subject to the resale obligations contained in Section 251(c)(4). As stated by the FCC in its *Second Advanced Services Order*, "an incumbent LEC offering of DSL services to Internet Service Providers as an input component to the Internet Service Provider's high-speed Internet service offering is not a retail offering." (Order at ¶19) Staff notes that the *Second Advanced Services Order* was recently affirmed by the D.C. Circuit Court of Appeals in

ASCENT II[9]. However, in the *ASCENT II* decision the Court stated that

> If in the future an ILEC's offering designed for and sold to ISPs is shown actually to be taken by end-users to a substantial degree, then the Commission might need to modify its regulation to bring its treatment of that offering into alignment with its interpretation of "at retail," but that is a case for another day. (*ASCENT II* at p.32)

Although there has been some discussion regarding the first *ASCENT* decision by the D.C. Circuit Court of Appeals, staff does not believe this decision has any impact on the issue presently before the Commission. FDN witness Gallagher contends that in *ASCENT*, the D.C. Circuit Court found ILECs may not "sideslip §251(c)'s requirements by simply offering telecommunications services through a wholly owned affiliate." (TR 60) Staff agrees that the D.C. Circuit Court found that Section 251 resale requirements extend to ILEC affiliates; however, BellSouth does not offer its DSL service through a separate affiliate. Even if BellSouth was to offer this service through a separate affiliate, the DSL service in question is a wholesale product that would still not be subject to the resale obligations contained in Section 251.

Staff believes that BellSouth's FastAccess Internet Service is an enhanced service that is not subject to Section 251 requirements. In addition, staff believes that BellSouth's DSL service is a federally tariffed wholesale product that is not offered on a retail basis. Since it is not offered on a retail basis, BellSouth's DSL service is not subject to the resale obligations contained in Section 251(c)(4)(A). Therefore, staff recommends that the Commission not require BellSouth to offer either its FastAccess Internet Service or its DSL service to FDN for resale in the new BellSouth/FDN interconnection agreement.

BellSouth DSL over FDN voice loops

The final measure of relief sought by FDN in this proceeding is a requirement that BellSouth continue to provide its FastAccess

[9] Association of Communications Enterprises v. FCC, 253 F.3d 29, 31 (D.C. Cir. 2001)

000476

Internet Service to end users who switch their voice service to FDN. In its brief, FDN requests that the Commission "prevent BellSouth from using its monopoly in the DSL market as leverage to strengthen its already firm grip on the voice market." (BR 38)

Although some operational issues were raised, staff believes the primary matter of contention is whether BellSouth should be required to provide its FastAccess Internet Service to a customer when it is no longer that customer's voice provider. BellSouth relies on the FCC's *Line Sharing Reconsideration Order* to support its position that it is not required to provide this service. (BR 29) In this order, the FCC states:

> [W]e deny AT&T's request for clarification that under the Line Sharing Order, incumbent LECs are not permitted to deny their xDSL services to customers who obtain voice service from a competing carrier where the competing carrier agrees to the use of its loop for that purpose. Although the Line Sharing Order obligates incumbent LECs to make the high frequency portion of the loop separately available to competing carriers on loops where incumbent LECs provide voice service, it does not require that they provide xDSL service when they are not [sic] longer the voice provider. We do not, however, consider in this Order whether, as AT&T alleges, this situation is a violation of sections 201 and/or 202 of the Act. To 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. (*Line Sharing Reconsideration Order* at ¶26)

In its brief, FDN argues that in the *Line Sharing Reconsideration Order* "the FCC did not find that ILECs may lawfully refuse to provide DSL service on lines on which it is not the retail voice carrier." FDN contends that the FCC simply determined that AT&T's request was beyond the scope of a reconsideration order, which was limited to consideration of the ILEC's obligation to provide line sharing as a UNE. (BR 45)

In addition, FDN contends that the Line Sharing Order did not address, as a substantive matter, retail issues. (BR 45) FDN argues that "BellSouth cannot cite the *Line Sharing Orders* as a basis for evading its *retail* obligations. FDN UNE voice customers

who wish to buy FastAccess DSL *at retail* should be permitted to do so." (emphasis in original)(BR 45)

Staff agrees with BellSouth that the *Line Sharing Order*[10], and the subsequent *Line Sharing Reconsideration Order,* contain no requirement that an ILEC continue to provide DSL service over a UNE loop utilized by an ALEC to provide voice service. Staff also agrees with FDN that the *Line Sharing* Orders did not address, in a substantive matter, the ILEC's provision of retail DSL service over loops utilized by ALECs to provide voice service. Instead, these orders merely established the high frequency portion of the loop as a new UNE that ILECs must make available to requesting ALECs. In its *Line Sharing Order* the FCC states:

> In this Order we adopt measures to promote the availability of competitive broadband xDSL-based services, especially to residential and small business customers. We amend our unbundling rules to require incumbent LECs to provide unbundled access to a new network element, the high frequency portion of the local loop. This will enable competitive LECs to compete with incumbent LECs to provide to consumers xDSL based services through telephony lines that the competitive LECs can share with incumbent LECs. (*Line Sharing Order* at ¶4)

The *Line Sharing Order* also provided for a state commission imposing additional line sharing requirements. In the *Line Sharing Order* the FCC states:

> It is impossible to predict every deployment scenario or the difficulties that might arise in the provision of the high frequency loop spectrum network element. States may take action to promote our overarching policies, where it

[10] In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Order No. FCC 99-355; 14 FCC Rcd 20912 (1999)

000478

> is consistent with the rules established in this proceeding. (Order at ¶225)

The FCC also states that "States may, at their discretion, impose additional or modified requirements for access to this unbundled network element, consistent with our national policy framework." (*Line Sharing Order*, 14 FCC Rcd at 20917) While the FCC has provided states the discretion to impose additional line sharing regulations, provided they are consistent with the FCC's policies, this authority appears to apply to the provision of the line sharing UNE only. Staff does not believe this authority extends to an ILEC's obligation to provide its retail ADSL service offering over UNE loops utilized by ALECs to provide voice service.

Staff believes that the fundamental matter that the Commission must determine in this issue is whether an ILEC can be required to provide its ADSL service to a particular end user. More specifically, can BellSouth be required to provide its FastAccess Internet Service to particular end users? BellSouth witness Ruscilli contends that BellSouth's FastAccess Internet Service is an "enhanced, nonregulated, nontelecommunications Internet access service." (TR 210) Staff agrees. That being the case, the Commission must determine if BellSouth can be required to provide an "enhanced" service to a particular end user. In the *Computer II Final Decision*[11], the FCC states:

> Having concluded that there should be no regulatory distinction between enhanced services, we are left with two categories of services - basic and enhanced. The common carrier offering of basic transmission services are regulated under Title II of the Act. This proceeding does not address the nature and degree of regulation exercised over providers of basic services. Insofar as enhanced services are concerned, there are two options - subject all enhanced services to regulation, or refrain from regulating them *in toto*. We believe that, consistent with our overall statutory mandate, enhanced services should not be regulated under the Act. (*Computer II* at ¶114)

Staff believes that BellSouth's FastAccess Internet Service is

[11] In the Matter of Amendment of Section 64.702 of the Commission's Rules and Regulations, (Computer II Final Decision); 77 FCC 2d 384 (1980).

a non-regulated enhanced service. As such, staff believes it is beyond the scope of the Commission's authority to require that BellSouth provide this service to a particular end user, regardless of whether this end user subscribes to BellSouth's or FDN's voice service. Therefore, staff recommends the Commission deny FDN's request that BellSouth be required to provide its FastAccess Internet Service over UNE loops utilized by FDN to provide voice service.

Nevertheless, staff believes that FDN has raised valid concerns regarding possible barriers to competition in the voice market that could result from BellSouth's practice of disconnecting customers' FastAccess Internet Service when they switch to FDN voice service. In its brief, FDN suggests that this practice amounts to unreasonable denial of service pursuant to Section 201 of the Act and Section 364.03(1) of the Florida Statutes. (BR at 40-41) In addition, FDN contends that this practice unreasonably discriminates among customers, citing Section 202(a) of the Act and Sections 364.08(1) and 364.10(1) of the Florida Statutes. (BR at 41) FDN also asserts that BellSouth's requirement that an end user seeking to purchase its FastAccess Internet Service must also purchase BellSouth's voice service is an anticompetitive and illegal tying arrangement, and "a *per se* violation of the antitrust laws." (BR at 42-43)

Staff is troubled with the possibility raised by FDN that BellSouth may utilize its ability to provide its FastAccess Internet Service as leverage to retain voice customers, possibly creating a disincentive for customers to obtain competitive voice service. Staff believes that this practice may be a competitive hurdle in the voice market for carriers that are unable to provide DSL service. However, staff believes that the establishment of a broadband UNE for the purposes of the FDN/BellSouth interconnection agreement may do much to alleviate barriers that FDN may experience due to BellSouth's practice of disconnecting its FastAccess Internet Service when a customer switches its voice service to FDN. In this situation, FDN would be able to provide its own DSL service (utilizing the broadband UNE) to end users wishing to switch to FDN voice service, thereby relieving the disincentive that a loss of DSL service may create.

As for FDN's allegations that this practice rises to the level of anticompetitive behavior, this proceeding is not designed to address such claims. Instead, this proceeding is an arbitration in

000139

which the Commission must resolve the issues raised by parties in the petition for arbitration, and the response thereto. That being the case, for the reasons stated above staff believes the Commission should not require BellSouth to provide its FastAccess Internet Service to any particular end user, whether a BellSouth voice customer or not.

If, however, the Commission believes that the practice of disconnecting FastAccess Internet Service when the customer switches voice providers rises to the level of anticompetitive behavior that it finds should be addressed in this proceeding, staff believes that an argument could be made that the Commission is authorized to remedy the situation by Section 364.01(4)(g), Florida Statutes, which provides, in part, that the Commission shall, "[e]nsure that all providers of telecommunications services are treated fairly, by preventing anticompetitive behavior. . . ."

Furthermore, staff notes that Section 251(d)(3) of the Telecommunications Act provides that the FCC shall not preclude:

> the enforcement of any regulation, order, or policy of a State commission that-
>
> (A) establishes access and interconnection obligations of local carriers;
>
> (B) is consistent with the requirements of this section [251];
>
> (C) does not substantially prevent implementation of the requirements of this section and the purposes of this part.

Thus, arguably, in the interest of promoting competition in accordance with the state statute, the Commission could require BellSouth to continue providing FastAccess even when BellSouth is no longer the voice provider because the underlying purpose of such a requirement would be to encourage competition in the local market, which is consistent with Section 251 of the Act.

Finally, Section 706 of the Telecommunications Act states that the state commissions, as well as the FCC, must encourage deployment of advanced telecommunications capability by using, among other things, "measures that promote competition in the local telecommunications market, or other regulating methods that remove barriers to infrastructure investment." This provision seems to lend additional support to this Commission's authority in this

C00481

area, should the Commission decide to prohibit BellSouth from disconnecting FastAccess simply because a customer has chosen to move his voice service to an ALEC.

Conclusion

(a) Staff recommends that for the purposes of the new interconnection agreement, where BellSouth has deployed a DSLAM in the remote terminal for the purposes of providing DSL service to customers served by that remote terminal, BellSouth should be required to provide a broadband UNE that includes unbundled DSL-capable transmission facilities between the customer's Network Interface Device and BellSouth's central office, including attached electronics that perform DSL multiplexing and splitting functionalities in the remote terminal. (b) Staff recommends that the Commission should not require BellSouth to offer its enhanced FastAccess Internet Service to FDN for resale because it is an enhanced service, not a telecommunications service. In addition, staff does not believe BellSouth's DSL transport service is sold on a retail basis. Therefore, staff recommends the Commission not require BellSouth to offer either its FastAccess Internet Service or its DSL transport service to FDN for resale in the new BellSouth/FDN interconnection agreement. (c) Finally, staff recommends the Commission not require BellSouth to continue to provide its FastAccess Internet Service to end users who obtain voice service from FDN over UNE loops.

03264

ISSUE 11: Should this docket be closed?

RECOMMENDATION: No, the parties should be required to submit a signed agreement that complies with the Commission's decisions in this docket for approval within 30 days of issuance of the Commission's Order. This docket should remain open pending Commission approval of the final arbitration agreement in accordance with Section 252 of the Telecommunications Act of 1996. **(BANKS)**

STAFF ANALYSIS:

The parties should be required to submit a signed agreement that complies with the Commission's decisions in this docket for approval within 30 days of issuance of the Commission's Order. This docket should remain open pending Commission approval of the final arbitration agreement in accordance with Section 252 of the Telecommunications Act of 1996.

000483

MIDDLETON
REUTLINGER

2500
Brown & Williamson
Tower
Louisville, Kentucky
40202
502.584.1135
502 561.0442 fax
www.middreut.com

C. Kent Hatfield
Direct Dial 502-625-2709
khatfield@middreut.com

RECEIVED
MAY 17 2002
LEGAL DEPT. (KY.)

May 15, 2002

Mr. Thomas N. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

RE: Case No. 2001-432

Dear Mr. Dorman:

On behalf of Cinergy Communications Company, please find enclosed the original and 10 copies of the Revised Rebuttal Testimony and Exhibits of Patrick Heck. Mr. Heck's Rebuttal Testimony is the subject of a deposition to be taken at the Commission on May 16, 2002 in the above captioned matter. Cinergy has revised certain assumptions relating to business analysis in the earlier filed Rebuttal Testimony. For the convenience of the Commission and parties, Cinergy is also providing herein a red-lined version of the revised testimony.

In addition, one additional copy of the enclosed filing is included. Please indicate receipt of this filing by your office by placing your file stamp on the extra copy and returning to me by delivery of the extra copy to our runner.

Sincerely,

C. Kent Hatfield

C. Kent Hatfield
Counsel for Cinergy
Communications Company

CKH:jms

enc.

cc: Parties of Record

C00484

Redacted

BEFORE THE PUBLIC SERVICE COMMISSION
COMMONWEALTH OF KENTUCKY

IN THE MATTER OF: PETITION OF CINERGY COMMUNICATIONS COMPANY FOR ARBITRATIONS OF AN INTERCONNECTION AGREEMENT WITH BELLSOUTH TELECOMMUNICATIONS, INC. PURSUANT TO U.S.C. SECTION 252	)))))))	DOCKET NO. 2001-432

REVISED REBUTTALTESTIMONY AND EXHIBITS OF PATRICK HECK ON BEHALF OF CINERGY COMMUNICATIONS COMPANY

Henry Walker
Boult, Cummings, Conners & Berry PLC
414 Union Street
Suite 1600
Nashville, Tennessee 37219
Phone: (615) 252-2363
Fax: (615) 252-6363
email: hwalker@boultcummings.com

C. Kent Hatfield
Middleton Reutlinger
2500 Brown & Williamson Tower
Louisville, Kentucky 40202
Phone: (502) 584-1135
Fax: (502) 561-0442
email: khatfield@middreut.com

COUNSEL FOR CINERGY COMMUNICATIONS COMPANY

Q. What is your name please?

A. My name is Patrick Heck.

Q. Mr. Heck, have you previously provided testimony in this case?

A. Yes, I have.

Q. Did you have an opportunity to review the testimony of the witnesses for BellSouth Telecommunications, Cynthia K. Cox and Thomas G. Williams?

A. Yes, I did review the testimony of both of these individuals and I find much of their testimony inaccurate and problematic. I would like to take this opportunity to rebut the testimony of these witnesses. I will start with Ms. Cox and simply follow her testimony and point out Cinergy Communication Company (CCC)'s position on each issue. There may be times that I digress in order to explain an issue, but I will come back to the primary issue. Thereafter, I will do the same with Mr. Williams' testimony.

Q. Do you disagree with the following statement of Ms. Cox beginning at page 4, line 9 of her testimony: "The FCC concluded that, except in 'one limited exception,' which I will discuss below, CLECs are not impaired without access to unbundled packet switching."

A. I disagree with that statement. The FCC did create one *national* test for determining when the incumbent LEC would be required to unbundle packet switching and that test is set forth in 47 CFR 51.319(c)(5). However, the remainder of that statement is absolutely incorrect.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been mailed to the parties listed below via U.S. Mail, postage prepaid on this the 15 day of May, 2002.

C. Kent Hatfield

C. Kent Hatfield

Fred Gerwing
Regulatory Vice President
BellSouth Telecommunications, Inc.
601 West Chestnut Street, 4NE
P.O. Box 32410
Louisville, KY 40232

Creighton Mershon, Esquire
BellSouth Telecommunications, Inc.
601 West Chestnut Street, 4NE
P.O. Box 32410
Louisville, KY 40232

Hon. Henry Walker
Boult, Cummings, Conners & Berry, PLC
414 Union Street, Suite 1600
P.O. Box 198062
Nashville, TN 37219

John Greensbank
Cinergy Communications Company
1419 W. Lloyd Expressway, Suite 101
Evansville, IN 47710

Mr. Robert Bye
Cinergy Communications Company
8829 Bond Street
Overland Park, Kansas 66214

Amy E. Dougherty, Esquire
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Louisville, Kentucky 40602-0615

Paul Shapiro, Esquire
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Louisville, Kentucky 40602-0615

In the UNE Remand Order, the FCC specifically defined an unbundled packet switching element.[1] Then, the FCC determined that competing carriers were impaired without access to the unbundled packet switching element.[2] The FCC decided not to add unbundled packet switching to the national list, but that decision was made for market reasons and not because CLECs are not impaired without access to the unbundled element as asserted by Ms. Cox:

> We decline at this time to unbundle packet switching functionality, except in limited circumstances. Among other potential factors, we recognize that the presence of multiple requesting carriers providing service with their own packet switches is probative of whether they are impaired without access to unbundled packet switching. The record demonstrates that competitors are actively deploying facilities used to provide advanced services to serve certain segments of the market – namely, medium and large business – and hence they cannot be said to be impaired in their ability to offer service, at least to these segments without access to the incumbent's facilities. In other segments of the market, namely, residential and small business, we conclude that competitors may be impaired in their ability to offer service without access to incumbent LEC facilities due, in part, to the cost and delay of obtaining collocation in every central office where the requesting carrier provides service using unbundled loops. [emphasis added] We conclude, however, that given the nascent nature of the advanced services marketplace, we will not order unbundling of packet switching functionality as a general matter.[3]

---

[1] "We define packet switching as the function of routing individual data units, or "packets," based on address or other routing information contained in the packets. . . .Because packet switching and DSLAMs are used to provide telecommunications services, packet switching qualifies as a network element." *Implementation of the Local Competition Provision of the Telecommunications Act of 1996, CC Docket No. 96-98, Third Report and Order*, 15 FCC Rcd. 3696, ¶*304* (1999) ("UNE Remand Order").

[2] "We see no reason to distinguish a requesting carrier's collocation-related costs and delays to provide circuit-switched service from those collocation costs and delays incurred by requesting carriers to provide packet-switched services. These costs and delays lead us to find that competitors are impaired in their ability to offer advanced services without access to incumbent LEC facilities. *Implementation of the Local Competition Provision of the Telecommunications Act of 1996, CC Docket No. 96-98, Third Report and Order*, 15 FCC Rcd. 3696, ¶*309* (1999) ("UNE Remand Order").

[3] *Implementation of the Local Competition Provision of the Telecommunications Act of 1996, CC Docket No. 96-98, Third Report and Order*, 15 FCC Rcd. 3696, ¶*306* (1999) ("UNE Remand Order").

The FCC went on to explicitly point out that state commissions could order the unbundling of packet switching on a state-by-state basis. The FCC as much as invited CCC to make a request for unbundling of the packet switching network element in Kentucky when it stated that a CLEC is "free to demonstrate to a state commission that lack of unbundled access to the incumbent's frame relay network element [a form of packet switching] impairs their ability to provide the services they seeks [sic] to offer. A state commission is empowered to require incumbent LECs to unbundle specific network elements used to provide frame relay service, consistent with the principles set forth in this order."[4]

Therefore, it is incorrect to say that the FCC determined that CLECs are not impaired without access to unbundled packet switching. It is actually more correct to say that the FCC found that CLECs are impaired without access to unbundled packet switching, but left it up to the states to order the unbundling on a case-by-case basis when a proper showing was made, such as was done by CCC in this case.

Q. Ms. Cox states on page 7 beginning at line 11, "the FCC acknowledged that the advanced services market is competitive, and it recognized that forcing ILECs to unbundle equipment used to provide competitive advanced services would

---

[4] *Implementation of the Local Competition Provision of the Telecommunications Act of 1996, CC Docket No. 96-98, Third Report and Order*, 15 FCC Rcd. 3696, ¶312 (1999) ("UNE Remand Order").

only impede further development of competition." Do you have any comment regarding this statement?

A. Ms. Cox relies upon the FCC's understanding of the advanced service market as it existed in the fall of 1999. Now, almost two and one half years later, the competitive landscape is incredibly different from the dynamic and optimistic market examined by the FCC in 1999:

- Rhythms, NorthPoint, and Covad which were the basis for the FCC's impression of a competitive market have all declared bankruptcy.
- Covad has emerged from bankruptcy and has a presence in parts of Louisville, but it certainly isn't the competitor it once was.
- The Sprint ION project was an emerging competitor in the broadband market. However, last year the project was cancelled and Sprint had to write off a loss of $1.8 billion.
- Almost every day, it seems, there is news of another CLEC going bankrupt.

It is disingenuous of BellSouth to rely on a statement that is no longer supported by fact. In fact, the stark contrast between the facts upon which the FCC's decision not to unbundle packet switching were based and the current situation highlights the need for CCC to obtain access to unbundled packet switching so that Kentucky has a strong competitor that is able to build facilities in the future.

Q. Has CCC met the impairment standard?

A. The FCC has already determined that CLECs are impaired without access to unbundled packet switching: "These costs and delays lead us to find that competitors are impaired in their ability to offer advanced services without access to incumbent LEC facilities."[5] Therefore, the Kentucky Public Service Commission can rely on the FCC's judgment and does not even need to determine whether CCC is impaired. Although this Commission is not required to make a further finding of impairment, CCC is certainly impaired. I outlined this in my prior testimony and I will discuss this further in my rebuttal of Mr. Williams' testimony. In Kentucky, BellSouth is the only option available. There are no DLECs that CCC could partner with in order to line split. Self provisioning is cost-prohibitive, takes too much time, and would not allow for a ubiquitous solution. Therefore, CCC is impaired in its ability to provide the telecommunications services it seeks to provide its customers, namely IP Centrex along with high speed internet access.

Q. Is a two-party arbitration the appropriate proceeding in which to address whether BellSouth must unbundle Packet Switching Functionality?

A. CCC obtained access to UNE-D in Indiana as a result of a two-party arbitration of the interconnection agreement between SBC Ameritech and AT&T. In addition, the Florida case which was Exhibit D to my prior testimony is a two-party arbitration of an interconnection agreement between Florida Digital Network, Inc. and BellSouth.

---

[5] *Implementation of the Local Competition Provision of the Telecommunications Act of 1996, CC Docket No. 96-98, Third Report and Order*, 15 FCC Rcd. 3696, ¶309 (1999) ("UNE Remand Order).

000491

Q. Do you agree with the following statement from page 10 of Ms. Cox's testimony? "CLECs will not have any incentive to invest in equipment to provide advanced services if they can ride the backs of, and shift investment to, the ILECs. Conversely, an ILEC's incentive to invest in new and innovative equipment will be stifled if its competitors, who can just as easily invest in the equipment, can take advantage of the equipment's use without incurring any risk."

A. I disagree that competition will stifle investment. In support of this position, I have attached as Exhibit PHR-1 a copy of a paper entitled "Promoting Broadband Investment and Avoiding Monopoly" written by Robert E. Hall, Department of Economics and Hoover Institution, Stanford University and William H. Lehr, Graduate School of Business, Columbia University. Messrs. Hall and Lehr conclude that Bell investment increases with competition and decreases (and prices increase) without competition:

> The [Telecommunication] Act's promise of access to Bell facilities attracted an influx of rivals in local service, both established long-distance carriers and new companies. As these rivals invested, the Bells *increased* their own investments. Further, the Bells invested in DSL service and promoted it. DSL services grew quite rapidly – as a result of investments and promotion by both the rivals and the Bells. The investments included subsidizing DSL modems and installation, as well as significant marketing costs. Recent disappointments in DSL are the result of the collapse of many of the new rivals, the subsequently higher prices charged by Bells once they no longer face competition, and because of the poor quality of service offered by the Bells which may have turned many would-be consumers away. The evidence supports the view that competition spurs Bell investment.[6] (emphasis in original).

[6] Robert E. Hall, Stanford University, and William H. Lehr, Columbia University and MIT Internet and Telecoms Convergence Consortium, *Promoting Broadband Investment and Avoiding Monopoly*, February 21, 2002, p. 8.

Further, Messrs. Hall and Lehr point out that competition spurs investment not only in infrastructure but also in the general economy:

> Mandatory access to last-mile circuits and other services, at appropriate rates, encourages investment all along the value chain. It encourages investment both upstream and downstream of the bottleneck because it assures all competitors that they will be able to purchase an essential input. The value of complementary investments upstream – Internet infrastructure and broadband content – and downstream – home networking and equipment – of the local access bottleneck is diminished by the threat of monopoly power over the bottleneck. It is monopoly power over the bottleneck that reduces incentives to invest.[7]

The model of unbundled network elements as set forth in the Telecommunications Act of 1996 is the economically appropriate incentive to investment according to Messrs. Hall and Lehr:

> If priced at long run incremental cost, the availability of unbundled network access provides efficient investment incentives to both entrants and the Bells. The entrants will lease facilities from the Bell when that is more efficient (that is, when constructing duplicate facilities would result in higher average total costs) and will invest in their own facilities when that is warranted. If unbundled access is priced too high, then entrants are, in most cases, deterred from investing at all, or when they do invest, from over-investing in their own facilities. Indeed, if there were a competitive wholesale market in the various elements that comprise a local access network, we should expect to see the prices of these elements approaching the same price as the appropriate regulated price. By contrast, in the absence of unbundled access at a regulated price, the Bell would have an incentive to set the price significantly above the economic cost in order to extract monopoly profits from competitors, or even more likely, to deny access altogether, thereby effectively eliminating the threat of competition.[8]

BellSouth has followed this pattern with respect to unbundled packet switching. In Kentucky, BellSouth has a monopoly over ADSL and is the only provider that can

[7] *Id.* at p. 9.

[8] *Id* at pp. 10-11.

000493

provide a combination of voice and high speed internet access on one bill. In order to maintain that advantage, BellSouth instituted a policy whereby it's ADSL may be sold only over BellSouth voice lines. Competitors may provision over resale, but this limits profitability. Also, it must be remembered that in a resale scenario BellSouth, and not CCC, gets to keep the carrier access revenue received from IXCs for originating and terminating access to the local voice customer. Therefore, under BellSouth's policy not only are costs to the competitor higher, but BellSouth also diverts a revenue stream to itself which smacks of an abuse of monopoly power. BellSouth, by denying its competitors access to packet switching of any kind, will eventually drive competitors from the Kentucky market. BellSouth will then be free to extract monopoly profits on both voice and internet by virtue of its monopoly over access to the high-frequency portion of the loop. From an economic perspective, unbundling of packet switching makes the most sense.

Although investment is an important factor, the more important issue for this Commission is competition. Kentucky is a rural state and BellSouth, like every other provider, invests first in densely populated areas where the return on investment is greater. There is no guarantee that BellSouth will ever build out beyond the network that it has invested in to date. In fact, if competition for local voice service goes away, it is more likely that investment will cease and prices will rise. Without competition, there is no incentive to invest and every incentive to "sweat the existing assets." The competition issue for CCC revolves around the fact that BellSouth can provide a high-demand product bundled with its voice service that CCC cannot

provide. Due to the demand for high-speed access, CCC is losing its ability to compete for local dial tone in those areas where DSL is available. In areas where BellSouth does not have DSL capabilities, CCC competes with BellSouth on a relatively level playing field. We are only asking this Commission to level the playing field throughout the state by granting CCC access to BellSouth's unbundled packet switching network..

Moreover, if BellSouth is threatening this Commission with not investing in Kentucky if it doesn't get its way, then this Commission should stop and consider whether BellSouth is truly acting in the best interest of the residents of Kentucky. CCC has shown a commitment to provide advanced services to underserved markets using the latest technology. If allowed to compete, a strong and vibrant CCC will have the resources to invest in these underserved areas of the state which will in turn drive BellSouth to improve its efforts in those areas. Obviously, competition is in the best interest of the residents of Kentucky.

BellSouth claims that if it does not have to provide CCC access to unbundled packet switching it will invest in "new and innovative equipment." This is simply not the case. The Bells have had access to DSL technology for over 35 years, but did not deploy it until competition forced investment following the Telecommunications Act of 1996. The same is true in this case. CCC is the one deploying advanced IP Centrex local voice technology. Without competition there is no reason to deploy

advanced technology. Therefore, competition, and not monopoly, leads to increased investment, new and better technology, and better service.

Q. What significance do the FCC proceedings have to the arbitration between BellSouth and CCC?

A. The Telecommunications Act grants sole authority over interconnection agreements between CLECs and ILECs in Kentucky to the Kentucky Public Service Commission. 47 U.S.C. 153(d)(3) provides:

> In prescribing and enforcing regulations to implement the requirements of this section, the Commission shall not preclude the enforcement of any regulation, order, or policy of a State commission that – (A) establishes access and interconnection obligations of local exchange carriers; (B) is consistent with the requirements of this section; and (C) does not substantially prevent implementation of the requirements of this section and the purposes of this part.

Therefore, if the Kentucky Public Service Commission orders terms in an interconnection agreement consistent with 47 U.S.C. 153(d)(3), the FCC may not preclude the enforcement of that interconnection agreement.

Moreover, the Kentucky Public Service Commission has no reason to believe that its decision to unbundle packet switching in the Interconnection Agreement between BellSouth and CCC would be challenged. The statement quoted by Ms. Cox indicates that the FCC is contemplating classifying "wireline broadband Internet access services" as information services subject to regulation under Title I of the Act. The NPRM contemplates only "Internet access" and does not address what classification should apply to utilization of the high frequency portion of the loop in

000496

order to provide local dial tone. There is absolutely no precedent or logical reason why local telephone service would not be defined as a telecommunications service. Any attempt to classify local dial tone as something other than telecommunications will certainly fail. A movie is a movie whether it is viewed on videocassette or compact disc, and a telephone call is a telephone call whether it is received over the low frequency or high frequency portion of the loop. A telephone call is still telecommunications regardless of whether it is analog or digital. Therefore, the proposed rule would not apply to unbundling of packet switching for use as a local telecommunications service.

Notwithstanding the merits of the FCC's proposed rulemaking, this Commission has jurisdiction over a purely local issue. This Commission correctly ruled in IgLou v. BellSouth, Case No. 99-484, that it is not preempted by the FCC with regard to local competition issues. In IgLou this Commission ordered BellSouth to file a Kentucky-specific wholesale DSL tariff because BellSouth had "provided preferential and discriminatory service to itself to the detriment of other customers, specifically the small ISPs, in violation of KRS 278.170."[9] This Commission clearly stated that in requiring BellSouth to file a state tariff it was not regulating the internet, but rather was attempting to provide open, nondiscriminatory access to DSL which the Commission believed was "imperative for the development of competition and evolution of advanced services."[10] This Commission reasoned that the "issue here

[9] *Iglou Internet Services, Inc. v. BellSouth Telecommunications, Inc.*, Case No. 99-484, Order November 30, 2000 at p. 11.

[10] *Id.* at 10.

000497

has to do with intrastate utility service over intrastate communications facilities. See 47 U.S.C. 152(b)."[11] For these reasons, this Commission held:

> The development of a broadband infrastructure and the resulting high-speed access market is critically important to Kentucky's economic future. Pursuant to KRS Chapter 278, this agency has been entrusted with oversight of this [DSL] market, and we have specific authority to address complaints in regard to it and to ensure that unreasonable and discriminatory practices do not impede its development.[12]

Throughout this testimony I have attempted to illustrate how BellSouth's unreasonable and discriminatory practices with regard to broadband access are preventing CCC from providing IP Centrex and high-speed internet services to its customers. Under IgLou, this Commission could Order terms in CCC's interconnection agreement which would prevent continued discrimination in broadband access and help open this market to competition.

Finally, the Kentucky Public Service Commission is charged with looking out for the public interest in Kentucky. This Commission should not concern itself with what the FCC may or may not do in the future. The issue to be addressed in this arbitration is what is in the best interest of the residents of Kentucky today.

Q. Ms. Cox makes the assertion on page 13 of her testimony that "there is no legitimate reason for this Commission to impose novel requirements or to create UNEs unique to Kentucky." Would you please respond to this statement?

[11] *Id.*

[12] *Id.* at 11.

000498

A. We currently have access to UNE-D in Indiana. This is a UNE combination comprised of UNE-P and unbundled packet switching. Therefore, I reject Ms. Cox's characterization of our request as "novel" or "unique to Kentucky."

Additionally, it seems to me that Kentucky has every reason to open the state up to competition for Broadband access. In the Third Report prepared by the FCC as required by section 706 of the Telecommunications Act, the FCC found the rate of penetration of broadband and competition for broadband services in Kentucky to be some of the lowest in the nation.[13] Kentucky is a rural state and must be proactive to assist competition in its own backyard. Data from the Third Report illustrates this point:

> Our data suggest that there is a great disparity in high-speed subscribership at different population densities with high-speed services reported more often in high-density areas than in less dense areas. Table 11 [attached as part of Exhibit PHR-2] shows the percentage of zip codes with high-speed subscribers by deciles based on population density. As it indicates, high population density has a strong positive correlation with the presence of high-speed subscribership and low population density has a strong negative correlation. Nearly all the most densely populated zip codes (well over 90 percent) have one or more high-speed subscribers, but fewer than 40 percent of the most sparsely populated zip codes have high-speed providers.

Table 10 of the Third Report is attached as Exhibit PHR-3. It reflects that fully 40% of all Kentucky Zip Codes have **Zero** access to high speed internet connections.

[13] *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to all Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996*, CC Docket No. 98-146, released February 6, 2002 ("Third Report")

000499

Here is how BellSouth compares to other BellSouth states with regard to the percentage of Zip Codes which had no high-speed access as of June 30, 2001[14]:

Alabama	20
Florida	2
Georgia	16
Kentucky	**40**
Louisiana	21
Mississippi	28
North Carolina	11
South Carolina	16
Tennessee	18

Also attached as Exhibit PHR-4 is a map from the Third Report. This map illustrates in a dramatic way the lack of competition throughout the state of Kentucky. Kentucky is almost white while surrounding states are speckled with competitors. The conclusion to be drawn from this data is that there is no competition for broadband access in Kentucky, and because there is no competition there is no strong need to bring broadband access to unlucky Kentucky residents living in 40% of the state's underserved Zip Codes. Unless Kentucky wants to be left on the wrong side of the digital divide, something should be done to spur competition.

As I have stated earlier in this testimony, competition is the best way to stimulate investment. Unbundling packet switching as a UNE will allow CCC to compete and

[14] *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to all Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996*, CC Docket No. 98-146, released February 6, 2002, Table 10 ("Third Report")

000500

invest in facilities in Kentucky. Although this may not be necessary in every state, it is the proper course of action for Kentucky.

Q. Have other commissions in BellSouth's territory ordered BellSouth to provide packet switching as a UNE?

A. Ms. Cox has conveniently overlooked the Florida case in which BellSouth is a party. In Florida, the staff issued a memorandum supporting an unbundled Broadband UNE. That case was scheduled for a decision on March 5, 2002 as you can see from the caption of Exhibit D to my prior testimony. However, this case was taken off the agenda and no decision has been issued. I suspect this is because BellSouth is attempting to settle that case rather than open its network to competition. Based upon my reading of the staff memorandum (See Exhibit D attached to my prior testimony), it appears that the Commission was about to rule in the competitor's favor. The fact that no Order was ultimately issued should not prevent the Kentucky Public Service Commission from issuing an Order in favor of CCC's request for unbundled packet switching.

The Indiana commission (IURC) has ordered SBC Ameritech to unbundle UNE-D which is a combination of UNE-P and unbundled packet switching. Although Indiana is, admittedly, not a BellSouth state, it is a neighboring state with a relatively rural population. Indiana has decided that competition is in the best interest of its residents and nothing is preventing Kentucky from coming to the same conclusion.

Q. Do you have any further rebuttal of Ms. Cox's testimony?

000501

A. No, that is all I have with respect to Ms. Cox, except as her testimony relates to and incorporates by reference portions of Mr. Williams' testimony. Now, I would like to switch the focus of my testimony to rebuttal of Mr. Williams.

Q. In his testimony starting on page 5 at line 24, Mr. Williams claims that CCC can expect to provide [DSL] service to customers at a reasonable margin without access to unbundled packet switching from BellSouth. Do you agree with Mr. Williams' description of the margins CCC could expect to receive?

A. No. The assumptions used by Mr. Williams in Exhibit TGW-1 are unrealistic, misleading and do not reflect the current competitive landscape in Kentucky. I'll reference Mr. Williams' exhibit to show why we believe his exhibit is misleading and therefore that his conclusion is incorrect. I have also put together a comprehensive financial analysis that accurately reflects the business case for deploying packet switching functionality without access to BellSouth's unbundled packet switching, and I will present that later in my testimony.

Under the revenue category, Mr. Williams lists the revenue for 2 Business Lines with Hunting at $95.80 (Rate Group 1). In reality, because of promotions offered by Bellsouth and competitive pressure from other CLECs, in most instances CCC is only able to charge $69.80 for 2 Business Lines with Hunting. Mr. Williams then uses a price of $75 for DSL service. In our business plan, however, we are able to charge $79.95 for DSL service to small business customers, a slightly higher price than the one used by Mr. Williams. Taking these numbers into account lowers overall revenue from the $170.80 listed by Mr. Williams to $149.75. Therefore, Mr.

000502

Williams overstates revenue by $21.05, or 14%. Keep in mind that this only considers a small business customer. The going rate for DSL service to residential customers is only $49.95. It is nearly impossible to build an attractive business case for serving residential customers given the current BellSouth rules.

Looking at the Expense/Cost side of the equation is where we most disagree with Mr. Williams' Exhibit TGW-1. We find it curious that he uses BellSouth's Wholesale ADSL price of $33 in his analysis as a "surrogate rate."[15] Since BellSouth refuses to provision its wholesale ADSL product over UNE-P, CCC does not have access to DSL at this rate. BellSouth cannot have it both ways – if BellSouth's internal policies prevent CCC from obtaining this service at the $33 price, then the model must use CCC's actual price to procure this service on the open market.

Mr. Williams has experience working for BellSouth throughout the 9 state BellSouth region and perhaps Mr. Williams' arguments are valid in other states. However, based upon his contention that $33 is a realistic price for DSL, it is clear that he is not very familiar with the Kentucky market. We are not aware of a single company outside of Louisville, other than BellSouth, which is selling DSL service to CLECs at any price in Kentucky. Furthermore, we are unaware of any company who is currently looking to build DSL facilities speculatively in rural Kentucky. For all

[15] Note 6 to Exhibit TGW-1 of Williams Testimony

000503

practical purposes the only "surrogate" in Kentucky is BellSouth and they refuse to sell to CCC under acceptable terms. Since this service is not available over UNE-P lines at any price, we believe the $33 figure is disingenuous.

CCC's only remaining option is to self-provision (i.e. build-out its own facilities). In the event CCC is required to do a statewide build-out, Exhibit TGW-1 becomes completely useless because it looks only at gross margin and does not look at other factors. When considering a large capital investment, there are other measuring sticks that must be used to determine if the investment is worth considering such as internal rate of return and months to payback on the investment. An example will demonstrate why looking at the gross margin is useless when looking at making a sizeable investment.

Consider an existing retail outlet business that already has a viable business selling all sorts of products to customers who come into the store on a daily basis. The business is now considering selling widgets. They know they can buy the widgets for $16 and sell them for $20. They don't have to buy huge quantities of widgets, but can buy a few at a time to see if they are a hit. In this case, looking at the gross margin is completely sufficient. The business owner can see that he'll make a 20% margin (profit over price) and will likely give it a try. The business already has foot traffic (so marketing costs should be minimal – probably zero) – no investment is required to get into the business of selling widgets.

000504

Now, suppose this business owner decides to build the widgets himself. He realizes that he can buy the parts that make up the widget for $4 and can hire labor to assemble the widgets for approximately $1 per widget. To assemble the widgets, however, he will need a widget assembly machine that will cost $30,000. In this instance, the gross margin has improved substantially over buying widgets from a supplier. He now makes $15 per widget sale and improves his margin to 75%. However, this really doesn't tell him enough to make a good decision since it completely ignores the capital investment he has made. In order to do this analysis, the business owner must consider months to payback and internal rate of return.

The simplest measurement is months to payback. If the business owner can make and sell 100 widgets per month, it will take 20 months to pay back the original investment ($15 profit X 100 widgets X 20 months = $30,000). Determining the internal rate of return is much more complex. Essentially, this is the return the business owner would expect to earn if he invests in his own business instead of in an outside investment such as a money market or the stock market. It also takes into account the time value of money. I am certainly not a trained financial analyst, but I can tell you that calculating the internal rate of return is an absolute requirement when it comes to making a capital investment.

Now let's assume that the owner has already determined that the widget market will only last 2 years and that he can sell 100 widgets per month. By modeling this business plan over a 2 year period, he will determine that his internal rate of return will be 21.8%. If he compares this to his first option (i.e. purchase pre-made widgets for $16 each) he will quickly realize that the additional $11 in profit isn't worth the investment of $30,000 for the widget assembly machine. Purchasing pre-made widgets will bring the business $9,600 in profit whereas the riskier second business plan will bring the business only $6,000 in profit. The first plan doesn't require the owner to risk any of his own capital – in fact, he can use the $30,000 for other investments. The second plan requires that he tie up $30,000 in his own capital. And if his sales estimate is high, the second business plan will become a money losing venture and possibly lead to a failure of the business.

So what does this mean for CCC? It means CCC needs to take a hard look at the total investment in ADSL facilities in Kentucky. Through a series of financial models and supporting financial data I will demonstrate the economic realities of doing what BellSouth proposes that we do (i.e., go build our own facilities rather than ask for unbundled packet switching). These models will clearly demonstrate that only a reckless CLEC would speculatively build DSL facilities. To simplify the analysis, I will look at building facilities at a single BellSouth Central Office (keep in mind that to be competitive with BellSouth we will have to repeat this 80 times). Our business model will call for serving 250 customers out of this office. We use this number because it is consistent with data provided by BellSouth. According to

000506

BellSouth data, BellSouth is serving [redacted] ADSL loops out of 80 central offices. This works out to an average of [redacted] ADSL customers per CO.

In order to deploy DSL from a CO, CCC has to do the following:

- Collocation space construction at the CO
- Install DSLAM in the collocation space
- Interconnect with the BellSouth wiring plant
- Backhaul telecommunications traffic from the collocation space to CCC's nearest data center.
- Order UNE Loops (or access to the High Frequency Portion of the Loop via a UNE Line Splitter)

Building the collocations facilities is an expensive undertaking. The application fees alone are nearly $4,000(multiple applications will be needed). Engineering work, HVAC work, Space Preparation, and other necessary work and infrastructure will make the onetime costs just over $12,500 and the recurring costs approximately $927. Line item details for the collocation construction are shown in Exhibit PHR-5. DLAMs to serve 250 customers will cost $196,005 and will have an annual maintenance cost of $19,466. Line item details for the DSLAM are shown in Exhibit PHR-6. In addition to the collocation construction and basic wiring costs, we have fees for accessing UNE Line Splitters. To serve 250 customers, we will need access to 3 BellSouth UNE Line Splitters which will carry an upfront cost of $1,137 and a monthly recurring cost of $596. Additionally, we will pay BellSouth for each customer that we connect to via the Line Splitter -- $21.28 upfront and $7.43

000507

recurring per customer. These costs are shown in Exhibit PHR-7. Last, we need to backhaul telecommunications traffic from the DSLAM to CCC's data center in Madisonville. We will assume that the distance for this backhaul is 60 miles, a very conservative estimate. The backhaul will utilize BellSouth's Interoffice DS3 Transport service. It carries a onetime cost of $670 and a monthly recurring cost of $2,648. Details of the backhaul costs are listed in Exhibit PHR-8.

Now we are ready to build our first business plan. We will call this the BellSouth Recommended Business Plan. We have already stated that we intend to serve 250 customers; half will be small business and half will be residential. We believe it will take us two years to acquire these 250 customers. On the revenue side we will charge $100 for installation. Business customers will pay $79.95 for the monthly service and residential customers will pay $49.95 for the monthly service. We do have a few other costs associated with the service – Internet service (bandwidth and email), sales expense (onetime and residual), and some operational staff costs. These are listed in Exhibit PHR-9. Consistent with all of our business modeling, we will look at a five year timeframe.

The financial model for this BellSouth Recommended Business Plan is shown in Exhibit PHR-10. It shows us that CCC will need to invest just over $233,000 and will see a paltry return of just 7.2%. Additionally the payback period is 53 months – nearly the full five years of the business plan. Keep in mind that this is an extremely risky venture. There isn't any guarantee that CCC will obtain 250 customers. As

000508

evidence of the fragility of this plan, consider what happens if CCC only hits 90% of its sales projection, that is, obtains only 225 customers instead of 250. The bottom line in this scenario is that CCC never gets a payback on its investment and the internal rate of return is -1.5% (below zero). The 90% Sales Projection Plan is shown in Exhibit PHR-11. And remember, this is for a single central office. To be on equal footing with BellSouth, CCC will have to repeat this picture 80 times just to reach customers who can be served out of central offices. Quick math shows that we would be investing more than $18,600,000 in a very high risk venture with a hoped-for return of 7.2% if we hit sales projections in all 80 instances.[16]

Now let's compare the BellSouth recommended strategy with the FCC-inspired and fiscally prudent strategy of first using the incumbent LEC's facilities to acquire customers and then deploying facilities to serve those customers. Our new business model will still be built around serving 250 customers. The difference, however, is that CCC's risks are greatly reduced. CCC will not undertake the building of facilities until it has acquired customers. Almost all of the costs are the same with the exception of some very minor differences – for example, there will not be any onetime sales costs, but there will not be any installation revenue either. We will assume we can move customers from BellSouth's facilities to CCC's facilities at the rate of 3 per day, so it will take approximately 4 months to complete the move. The financial model for this FCC-inspired Business Plan is shown in Exhibit PHR-12.

[16] Keep in mind that building out the 80 Central Offices will not level the competitive playing field. To do that would require installing DSLAM facilities in 138 remote terminals as well.

000509

The total investment is nearly the same as the first business plan -- $224,981. However, the payback period has been reduced to 36 months and the internal rate of return is a fair and reasonable 35.8%. Equally important, the risk is manageable.

The bottom line is that Mr. Williams and BellSouth clearly do not understand the economic realities faced by CCC in the state of Kentucky. Their claims of a level playing field are laughable. Their recommendations on how CCC can make money in the DSL game are absurd. Using real-world numbers and financial models I have demonstrated that BellSouth's recommendations and claims are completely without merit. Additionally I have shown that the playing field can be leveled and that real competition can begin in the state of Kentucky. The biggest winner will be the ratepayers of Kentucky. But without unbundled packet switching none of this will ever happen.

Q. Do you agree with Mr. Williams' statement on page 6 that CCC and BellSouth faced the same risks in deploying DSL and that the playing field was and remains level?

A. No, definitely not. BellSouth has an incumbent advantage from both an economic and marketing perspective. There is not now and has never been a level playing field with respect to DSL.

000510

On the marketing side, one need only look at the data provided by BellSouth during the discovery process to see that the incumbent has a very big advantage when it comes to making a sale. In BellSouth's operating area, BellSouth is essentially the only facilities provider of DSL. They provide ADSL Internet service directly to end users under the marketing banner "BellSouth FastAccess Internet Service." They also sell this service on a wholesale basis to Network Service Providers, principally Internet Service Providers, who then bundle it with Internet access service and then resell it to end users. In fact, BellSouth's only competitors for ADSL Internet access are these Internet Service Providers who resell BellSouth's Wholesale ADSL product. Although we are not sure of the number of Internet Service Providers who offer ADSL in Kentucky, we are aware of more than a dozen and believe that there may be many, many more. If the marketing landscape truly was level, you would expect that BellSouth FastAccess Internet Service would be the service of a fair percentage of the ADSL customers in Kentucky, but certainly not the lion's share since there are many competitors. The numbers, however, are staggering. At the end of 2001, BellSouth reported that they had [redacted] FastAccess ADSL customers out of the [redacted] total ADSL customers in the Kentucky BellSouth service area. **BellSouth's FastAccess Service Internet Service has a whopping 85% market share.** Why? Because BellSouth is the voice provider – they already have a relationship with the customer and this makes it much easier to upgrade the customer to ADSL service.

000511

On the economic side, BellSouth's advantages are also significant. BellSouth certainly would have some installation costs when deploying their DSLAMs, but they certainly won't need to spend 12,500 (See Exhibit PHR-5 for CCC's costs) to make space for a couple of racks of DSLAMs in each Central Office. Secondly, BellSouth's buying power is much greater than CCC's. BellSouth will pay much less for the DSLAM equipment. The UNE items we purchase from BellSouth are priced at cost plus a reasonable profit. These items include the Splitter functionality, the 2 Wire Cross Connects, and the Interoffice transport. Together, these items total approximately $89,000 per year (see Exhibits PHR-5, PHR-7 and PHR-8 for details). To argue that BellSouth doesn't have an advantage when it comes to the economic costs associated with deploying ADSL facilities simply isn't true. The bottom line is that we completely disagree with Mr. Williams' testimony that the playing field is, or ever was, level when it comes to deploying ADSL.

We also want to remind the Commission, and we need to continue to drive this point home, that BellSouth is using its ADSL advantage to remonopolize voice service. The decision of whether or not to unbundle packet switching affects competition and prices for all Kentucky telecommunication services available to Kentucky citizens.

Q. In his testimony starting on page 10 at line 3, Mr. Williams lists several reasons why BellSouth should not have to provide ADSL over UNE-P provisioned lines. Do you agree with his logic?

A. No. First, Mr. Williams makes the claim that BellSouth does not have any means to determine if any of the 273 CLECs which have interconnection agreements with

000512

BellSouth has granted authorization for BellSouth to access the High Frequency Portion of the Loop for any given loop (page 10, line 14). This arbitration is only about one CLEC, Cinergy Communications Company. CCC would be more than happy to grant access to the HFPL in order to allow BellSouth to provide CCC packet switching. Since CCC is willing to grant the necessary authorization, there should be no impediment to ordering BellSouth to provide ADSL over UNE-P in the interconnection agreement.

It must be noted that CCC was able to qualify lines provisioned under UNE-P prior to November 1, 2001. On approximately that date BellSouth pulled all UNE-P telephone numbers out of the ADSL Loop Qualification Database. This undoubtedly required more work on the part of BellSouth rather than less. We can think of no reason to modify this database in such a fashion other than to inhibit competition. If that was the goal, then BellSouth has succeeded.

Moreover, in the data requests CCC asked BellSouth the following question:

> Has BellSouth or any affiliate ever, for any period of time, provided wholesale xDSL services to a CLEC or ISP, or other wholesale provider that are to be combined with local exchange telecommunications service provided by a CLEC that provides service over BellSouth facilities by (1) resale, (2) UNE-P, or (3) unbundled loops?

BellSouth's answer to case (2) was:

000513

In the state of Kentucky BellSouth has in the past provided wholesale ADSL services to a CLEC or ISP whose ADSL service had been combined with local exchange telecommunications service over UNE-P.

BellSouth alludes to the fact that this was an error. However, if this can be done in error, then certainly it is technically feasible, and BellSouth's claim to the contrary should not dissuade the Commission from ordering BellSouth to offer unbundled packet switching. If it is technically feasible, then BellSouth should be required to deliver ADSL over UNE-P.

Despite all of BellSouth's protestations to the contrary, BellSouth has the ability to provide ADSL over UNE-P or, preferably, unbundled packet switching as a UNE over UNE-P or over unbundled loops. BellSouth provides this service to its own customers. BellSouth provides this service to CLECs over resold lines. BellSouth provided this service to CLECs over UNE-P before it realized that withholding service would stymie competition. For all these reasons, this Commission should order unbundled packet switching as a UNE to CCC in this interconnection agreement in order to allow CCC to provide advanced services to the residents of Kentucky on a competitive basis. Such an order would have an immediate impact on Kentucky.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does. Thank you.

000514

PHR 1

Promoting Broadband Investment and Avoiding Monopoly

Robert E. Hall

Stanford University

and

William H. Lehr

Columbia University
and
MIT Internet and Telecoms Convergence Consoruum

February 21, 2002

Executive Summary

A revitalized telecom sector is critical to the health and vigor of the U.S. economy. The poor performance of the sector for the past two years has been an important component in the current recession just as the boom in telecom and information technology more broadly was a substantial contributor to the preceding period of strong economic growth.

The disappointing growth of broadband may be one factor holding up the return to health of the telecom sector. As long as most consumers continue to connect to the Internet via low bandwidth dial-up connections, much of the perceived promise of the Internet remains unrealized. This in turn dampens demand and reduces incentives to invest in next-generation communication services, Web-based content and applications, and the equipment needed to deliver and take advantage of these. The entire high-tech sector is suffering as a result.

Support is growing for a broadband policy that would promote both expanded investment in broadband infrastructure and wider penetration of broadband access services. As of September 2001, 11 percent of the U.S. population—20 percent of those with Internet

This study was supported by AT&T

000516

access at home—subscribed to broadband access services.[1] While these penetration statistics reflect impressive growth, they are still far below availability of broadband services. In this paper, we concentrate on the issue of efficient policy for managing the traditional phone companies, the Bells. Despite hopes that the success of the introduction of competition to long distance could be duplicated in local telecom markets, the Bells remain dominant in their local markets. Nonetheless, proposals to relax regulatory constraints on the Bells are under consideration. Proponents of this approach argue that the nondiscrimination and unbundling provisions associated with the Telecom Act of 1996 are deterring investment in broadband infrastructure and harming prospects for the expansion of broadband. Of special note, Congress and policy-makers are once again considering passage of the Tauzin-Dingell bill which would effectively eviscerate the pro-competitive framework adopted by the Act.[2]

This paper explains how the policy regime established by the Telecom Act could promote competition and efficient growth of broadband and why competition will spur greater investment in telecom infrastructure and complementary assets. In particular, we explain the benefits of the provisions of the Act that promote competition by opening the monopoly facilities of the Bells to use by their rivals. Relaxing the pro-competitive interconnection requirements on the Bells in the current environment would harm the prospects for competition up and down the communication services value chain, and, thus, would discourage investment in broadband infrastructure. Furthermore, relaxing interconnection regulations on the Bells at this time will increase the likelihood of their remonopolization of telecommunications and result in more stringent, costly, and intrusive regulation in the future.

Granting the Bells reduced regulation for broadband services would be a major shift in regulatory policy that would accomplish exactly the opposite of its intended effect: it would increase overall regulation, it would decrease investment, and it would reduce prospects for competition. In all these respects, it would harm consumers. Absent adequate regulatory

---

[1] See *A Nation Online: How Americans are Expanding Their Use of the Internet*," National Telecommunications and Information Administration, Washington, DC, February 2002

[2] For a detailed explanation of why Tauzin-Dingell would be harmful for competition, see Jim Glassman and William Lehr, "The Economics of the Tauzin-Dingell Bill: Theory and Evidence," white paper, June 2001 (available at http://www.techcentrestation.com)

000517

safeguards to assure competition in the Bells' last-mile circuits, consumers would suffer reduced choice, higher prices, and lower quality for broadband services.

I. Introduction

Information technology led the economic boom of the 1990s. Robust competition prevails in most segments of the information technology value chain. Competition has stimulated innovation, investment, and productivity improvements. From chips to software to applications, from equipment for service providers to PCs for consumers, there is robust competition. Telecom is the circulatory system of the modern IT-based economy. Many telecommunication services are actively competitive—from long distance to cellular to wide area data services. But the on-ramps to the information highway remain in the hands of monopolists. The last mile of the telecom network lacks the competition that has invigorated the rest of the network. The last mile remains in the hands of the traditional phone companies, the Bells.

Bell control of the last mile means that continuing regulation is essential. Because homeowners and small businesses rarely have ways to gain access to the telecom network apart from the Bells' last-mile connections, the Bells could extract the full monopoly value of that network if they were not regulated. As competitive service providers add value to telecom products, the Bells would absorb that value through higher prices for the last mile, and consumers would be denied the benefits of the added value.

The Bells are sluggish organizations that have failed to promote the use of their existing wires for broadband. Though the Bells' circuits are in many cases the technically superior way to bring broadband to the home, cable television suppliers have leaped ahead of the Bells in the broadband business. But broadband in general has not reached many homes. Most consumers still connect to the Internet over low-bandwidth dial-up connections that limit their ability to take advantage of many existing and potential uses of the Internet. Further, the Bells presumably would resist Internet-based videophone or even Internet-based standard phone service because it cannibalizes their existing products. Indeed, they have been slow to deploy DSL because of its affect on their ability to sell second lines and alternative high-priced, high-speed services such as T1s to business customers.

000713

The chicken-and-egg effect has inhibited the development of broadband. Because the Bells have not promoted broadband connections effectively nor permitted others to promote connections over Bell wires, there are relatively few customers for broadband products. With few potential customers, developers and sellers of products have held back. Movie downloads are just beginning to appear. The recent proliferation of DVDs at $9.99 retail makes it clear how large this market could be—the price for the same movie as a download could be $5 and generate as much profit for the movie owners. In videophone, the chicken-and-egg problem is particularly severe—nobody wants to buy the service until many others have it.

Broadband services are available to over 75 percent[3] of the U.S. population (see Exhibit 1), yet broadband penetration in the U.S. falls far behind the leader, Korea.

Existing wires to homes are only a transitional solution to providing widespread broadband service. Ultimately each home will desire more bandwidth that requires new technology based on a hybrid of fiber optics and existing wires. The technology to do this exists, but providing it more broadly will require substantial new investment. To go much beyond the current generation of 1 Mbps broadband services, service providers will have to install substantial additional fiber optic capacity and advanced electronics in local access networks.

Planning for the future requires close attention to the role of competition. It appears likely to be inefficient for competing suppliers to entirely duplicate fiber last-mile networks. If each home should have only one all-fiber broadband circuit, then suppliers of other services, such as local and long-distance transport and Internet services and products, should compete to use the single pipe to the home. Even in the local network, regardless of the last-mile fiber economics, competition is the right model for local switches, backhaul facilities, and additional equipment such as web servers, DSLAMs, or other equipment specifically intended to support broadband services. And it goes without saying that competition should

---

[3] As of June 2001, 76% of the population lived in zip codes that were served by at least one broadband service provider (see page 4, *High-Speed Service for Internet Access as of June 30, 2001*, Industrial Analysis Division, Federal Communications Commission, February 2002). Because of local infrastructure quality issues and because of the distance that some households are from the broadband serving office, this estimate likely overstates actual availability.

000519

remain where it is flourishing already, in medium and long-distance transport and in Internet services and products.

The Telecom Act of 1996 established a regime to harness competition wherever it is efficient in the telecom network. The Act recognized the importance in that regime of the monopoly last-mile wires of the Bells and required the Bells to make those wires available to their rivals.

Experience since the passage of the Telecom Act shows that there can be no doubt that the Bells' rivals are willing to invest in local facilities. Consider AT&T: since 1999, the company has invested over $4.5 billion in creating the infrastructure to provide local services. This investment has helped build new facilities that include 118 local switches, 80 collocation sites that have been upgraded with DSLAMs and new electronics to make them DSL-ready, and 17 thousand route miles of new fiber supporting 6,65[illegible] SONET rings.[4] Moreover, since 1996, new carriers other than the Bells and established long-distance carriers invested $56 billion in creating local infrastructure.[5] During this same period, the Bells also invested heavily. Their cumulative investment was $100 billion which was 22 percent higher than their investment during the four years preceding passage of the Act;[6] or, industry investment was 90 percent higher than during the preceding period.[7] These figures provide compelling evidence that the unbundling provisions of the Telecom Act encouraged substantial new investment in local infrastructure by both new carriers *and* the Bells.

The Telecom Act did not promise competition in the last mile. Rather, its regime involves competition where efficient and intelligent use of the Bells' last-mile monopoly wires at regulated rates otherwise. Duplication of local wires does not make sense when it would be uneconomic. The Bell infrastructure is immense, cumulating to $333 billion of historical

---

[4] From AT&T internal sources.

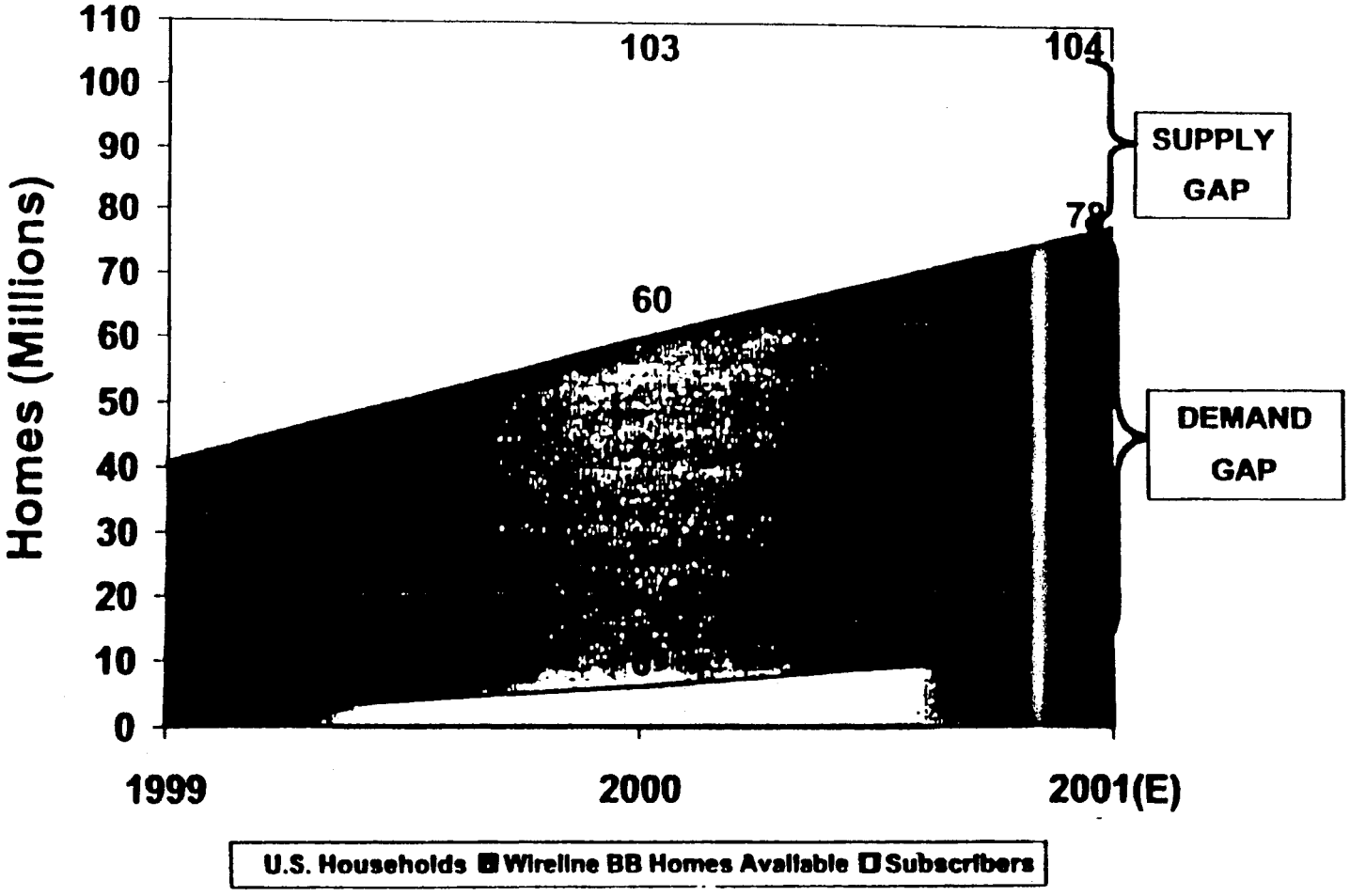
[5] Cumulative CLEC investment from 199[illegible] through 2000 was $55.9 billion, as reported in *The State of Local Competition 2001*, Association for Local Telecommunication Services (ALTS), February 2001.

[6] The Bells invested $82 billion from 1992-1995 and $100 billion from 199[illegible]-2000. BOC data for 1992-1999 is from Figure 10 in *Telecommunications @ the Millenium*, Federal Communications Commission, February 8, 2000, data for 2000 is from Table 2.[illegible] in *Statistics of Communications Common Carriers 2000/2001*, Federal Communications Commission, September 1, 2001.

[7] CLEC investment was negligible before 199[illegible] so total industry investment in local infrastructure was approximately $82 billion (see note 6) from 1992-1995. From 199[illegible]-2000, CLEC investment was $56 billion (see note 5) and BOC investment was $100 billion (see note 6). Therefore, total investment increased 90[illegible] (=156/82 – 1).

000520

Exhibit 1: Supply Exceeds Demand (Yankee Group)



. Sources: US Census Bureau; Yankee Group, E-Networks & Broadband Access, Sept. 2001

C00521

investment at the end of 2000.[8] This legacy investment should not be duplicated—rather, technically more advanced circuits should replace it over time. These circuits will almost certainly be monopolies too. Only in quite dense and high demand locales does it make sense for a competitor to invest in duplicate last-mile circuits.

For the foreseeable future—well into the era when homes will have new advanced connections to the broadband network—policy will need to pay close attention to the role of the last mile. As long as the Bells retain control over most of the last mile, there will be a continuing need to assure non-discriminatory access by other carriers to the Bells' last-mile circuits. Assuring such access will protect competition and incentives to invest and innovate elsewhere along the IT value chain.

Today, the Bells remain unique in owning the only ubiquitous network providing telephone and access services in their local serving areas. These networks were constructed under government-sanctioned monopoly franchises over the past century, and represent hundreds of billions of dollars of investment financed by rate payers. Getting to the next generation of networks will require billions of dollars of additional investment. Moreover, the new broadband infrastructure and services will not replace the current generation of narrowband infrastructure and services overnight. The new infrastructure will be added incrementally and will be closely integrated with the legacy infrastructure in order to continue to provide the voice services used by over 140 million customers today. Consumers will migrate over time, although the pace of migration may be quite rapid in comparison to our experience with past technology transitions such as from the telegraph to the telephone or from black and white to color TV.

Telecom policy today is at a decision point about the future roles of the Bells. Since the breakup of the old Bell system in 1984, the thrust of policy has been to extend the arenas where competition rather than regulation governed the market. The introduction of competition to long distance was a stunning success. The opening of local toll markets to competition over the past decade was another step forward for the competitive model. The Telecom Act was an ambitious extension of this philosophy—it hoped to bring many new

---

[8] Total BOC telecommunications plant in service at the end of 2000 was $333 billion (see Table 2.7 in *Statistics of Communications Common Carriers 2000/2001*, Federal Communications Commission, September 1, 2001).

C09522

competitors into the telecom business by requiring the Bells to permit these competitors to use the Bells' last-mile and other facilities. Telecom policy from 1984 through the Telecom Act sought to restrain the Bells in certain carefully considered ways to create an environment for competition. Some observers favor the continuation of this regime, with restraints altered as appropriate as conditions change. Others propose to eliminate the restraints so that the Bells can become bigger players. A particular driving force of the latter view is that the Bells would propagate broadband more energetically if freed from the restraints of existing policy.

We believe firmly in continuation of policies that focus on stimulus to competition through efficient restraints on the Bells. In particular, we believe that policy today should follow a path that will lead, eventually, to a regime where most homes have advanced broadband connections providing a wide variety of services offered by vigorously competitive sellers, and where no regulation of the system, even at the local level, is needed. We believe that the removal of restraints on the Bells today would move policy away from this long-term goal. Enlarging the roles of the Bells would require evolution toward more, rather than less, regulation.

II. Bottleneck Facilities, Unbundling, and Investment

Six years ago, Congress passed the Telecom Act of 1996 to harness the power of competition. Recognizing that the Bells' last-mile circuits could remain as monopolies, the Act sought to assure non-discriminatory equal access to those circuits and other local facilities through unbundling and other network interconnection requirements. The Act required the Bells to make their existing network infrastructure available to competitors on terms set by regulators to offset monopoly power. Before the Act, except in specialized circumstances, it was simply uneconomic to attempt competing with the entrenched Bells, already in possession of ubiquitous networks that provided scale and scope economies and positive network externalities unavailable to others. If successfully implemented, the Act would have allowed competitors to share in those efficiencies and to bring the discipline of competition to local markets to the fullest extent possible.

Not surprisingly, the Bells have resisted the interconnection mandates of the Act since its passage. The Bells have sought to delay implementation of the Act at every juncture. The

latest attack on the Act invokes broadband investment. The Bells argue that investments needed to deliver next-generation services will not occur unless the Bells are granted further regulatory relief. The Bells' own investment behavior tells a rather different story. The Act's promise of access to Bell facilities attracted an influx of rivals in local service, both established long-distance carriers and new companies. As these rivals invested, the Bells *increased* their own investments. Further, the Bells invested in DSL service and promoted it. DSL services grew quite rapidly—as a result of investments and promotion by both the rivals and the Bells. The investments included subsidizing DSL modems and installation, as well as significant marketing costs. Recent disappointments in DSL are the result of the collapse of many of the new rivals, the subsequently higher prices charged by Bells once they no longer face competition, and because of the poor quality of service offered by the Bells which may have turned many would-be consumers away.[9]

The evidence supports the view that competition spurs Bell investment. Nonetheless, the Bells are challenging the provisions of the Telecom Act that make competition possible. The Bells argue that making their facilities available to rivals at regulated prices inhibits their investment incentives. In particular, they now propose that their broadband investments be exempt from the unbundling provisions of the Act and that regulators abstain from regulating broadband services in the future. The Bells have sought to push their agenda for removing the pro-competitive features of the Act by their support for legislation such as the Tauzin-Dingell bill, in filings before the FCC, and in appeals to the Executive Branch for an exclusionary broadband policy.

Removing the pro-competitive provisions of the Act with respect to broadband would dampen all carriers' incentives for investment in broadband facilities. In most locations, it is neither profitable nor economically efficient to build new circuits to homes at this time. Current investments should be based, primarily, on effective use of existing last-mile facilities—the Bells' loops and the cable companies' coaxial circuits. In this setting, competitors will invest only if rivals have access to the existing loops and the Bells are restrained from extracting the full monopoly value of those loops. Absent the spur of

[9] The first author has attempted to sign up for DSL in Menlo Park, California, in a number of ways, all unsuccessful. Indeed, even the link on Pacific Bell's web page for residential DSL to check for availability was not working for several months: http://www.pacbell.com/Dsl/1,5294,00.html.

000524

competition, the Bells will reduce their own investment commitments to avoid cannibalizing lucrative revenues from leased line and other data services to businesses and second lines to consumers.

Current policymaking needs to consider the implications of today's decisions for the future. If the policy regime adopted today excludes rivalry in broadband service over the Bells' last-mile facilities, the Bells will become the single entrenched provider of broadband service over the existing copper and hybrid fiber/copper loops; the only rivals in broadband will be cable companies. Thus broadband will have only two sellers, and a duopoly with a Bell and a cable provider may fail to offer vibrant competition. Either broadband customers will pay high prices or regulation will need to be extended to broadband services. While the Bells would undoubtedly prefer the more profitable option of remaining an unregulated monopolist, they have ample experience operating quite successfully under regulation, too. If it is necessary to reinstate monopoly regulation, it likely will be in a more complex environment in which it will be harder to draw clear industry and service boundaries, and hence, more difficult to regulate effectively. It is hard to imagine that consumers would achieve anywhere close to their maximum potential from broadband

By contrast, the framework embodied in the Act encourages investment by both new companies *and* the Bells. We cited evidence supporting this point earlier: Bell and rival investment both increased substantially following passage of the Act. The Bells responded to the increased threat of competition by accelerating their own investments to assure that the newer plant being installed by the rivals did not place the Bells at a competitive disadvantage. This is a normal response to rivalry.

Mandatory access to last-mile circuits and other services, at appropriate rates, encourages investment all along the value chain. It encourages investment both upstream and downstream of the bottleneck because it assures all competitors that they will be able to purchase an essential input. The value of complementary investments upstream—Internet infrastructure and broadband content—and downstream—home networking and equipment—of the local access bottleneck is diminished by the threat of monopoly power over the bottleneck. It is monopoly power over the bottleneck that reduces incentives to invest.

000525

As with many other infrastructure industries in which interconnection regulations are applicable, incumbents continue to invest as long as regulators set prices appropriately. And, there is no presumptive reason to believe that telecom regulators have or would set interconnection prices that are inconsistent with continued investment. Certainly, the experience of rate setting both before and since passage of the Telecom Act refutes the view that regulators deny incumbents a fair opportunity to recover their economic costs. Moreover, the sustained high market valuations of the incumbents since divestiture and even through the current slump in the sector provide potent evidence that investors do not believe that regulators deny incumbents a fair return.

In the context of a network industry, interconnection regulations can also encourage investment in the alternative facilities that can help eliminate many of the sources of the local access bottleneck that gave rise to the regulations in the first place. The unbundling provisions of the Telecom were intended to facilitate modular and incremental entry into local services. Initially, new entrants had no local access facilities and so they needed unbundled access to all of the components of the local network. Unbundling rules reduced economic entry barriers to competitive providers.

Unbundling allows entrants to mix and match leased components from the Bell with whatever facilities the entrant has already put in place to deliver end-to-end retail services. Without access to the complete complement of components, investments in portions of the local access network make no sense. Additionally, building out a network takes time and unbundled access provides the entrant with the means of offering retail services to the entire market, thereby allowing the entrant to invest efficiently in creating a brand image and in retail marketing. Even entrants that do not invest in their own network facilities but continue to lease everything from the Bell will make substantial retail investments. Pure reseller competition can play an important role in overall market competition as the long distance industry demonstrates.

If priced at long run incremental cost, the availability of unbundled network access provides efficient investment incentives to both entrants and the Bells. The entrants will lease facilities from the Bell when that is more efficient (that is, when constructing duplicate facilities would result in higher average total costs) and will invest in their own facilities when that is

000526

warranted. If unbundled access is priced too high, then entrants are, in most cases, deterred from investing at all, or when they do invest, from over-investing in their own facilities. Indeed, if there were a competitive wholesale market in the various elements that comprise a local access network, we should expect to see the prices of these elements approaching the same price as the appropriate regulated price. By contrast, in the absence of unbundled access at a regulated price, the Bell would have an incentive to set the price significantly above the economic cost in order to extract monopoly profits from competitors, or even more likely, to deny access altogether, thereby effectively eliminating the threat of competition.

An extensive cross-national study by the OECD commented that:

> Policies such as unbundling of local loops and line sharing are key regulatory tools available to create the right incentives for new investment in broadband access. The evidence indicates that opening access networks, and network elements, to competitive forces increases investment and the pace of development...[10]

The OECD study provides further confirmation that bottleneck access regulations have beneficial effects in both the U.S. and other countries that have employed such policies. If unbundling rules deterred investment, then how could one explain that startup local carriers were willing to invest 64 percent of their revenue in local access services (compared to 21 percent for the Bells)?[11]

If sufficient facilities-based investment does occur under the unbundling rules, then competitive sources of wholesale supply for some of the components of local access networks may develop. As this occurs, unbundling requirements for those elements may be safely relaxed without fear that such deregulation will injure consumers or deter additional investment.

---

[10] See *The Development of Broadband Access in OECD Countries*, Directorate for Science, Technology and Industry, Organization for Economic Cooperation and Development (OECD), DSTI/ICCP/TISP(2001)2/Final, October 29, 2001, page 4.

[11] Data for CLECs is from ALTS Report note 5, and data for the Bells is from the *Statistics of Communications Common Carriers 2000/2001* note 6.

000527

III. New Rules for New Wires?

The Bells have argued that investment in broadband facilities distinct from telephone service should not be subject to the unbundling provisions of the Telecom Act. At one level, this argument is sound, if the investment is wholly new and all competitors have an equal opportunity to take advantage of the new technologies and market opportunities they make possible. If a Bell wanted to enter the breakfast cereal business, there would be no need for unbundling provisions on its activities in that business.

Broadband is not breakfast cereal. Nearly all of the proposed broadband investments by the Bells represent incremental upgrades to the existing infrastructure. These investments are fully integrated with the Bell business plans and operations, and are closely coupled to the existing investment in the Bells' local networks. The Bells have been anticipating migrating to broadband networks for decades and have been putting the necessary investments in place since well before the passage of the Telecom Act. The conversion from analog to digital, investments in fiber optic cables, and the addition of packet switching technology have all been undertaken as part of the Bells' programs for upgrading their networks. At each stage, the choice of particular investments takes account of the existing infrastructure. This is economically efficient and sensible, but it also means that it is difficult to draw a clear boundary between what constitutes investments in new infrastructure rather than standard infrastructure. The whole vision is to migrate to a broadband platform that is capable of supporting integrated services.

SBC's Project Pronto is a good example. When SBC originally announced its investment in the project, the company argued convincingly that the investment was wholly justified in terms of expected savings in operating costs on current services and savings on future facilities expansion. Project Pronto made sense even if expected revenues from new services is ignored.[12]

---

[12] See "SBC Announces Sweeping Broadband Initiative," SBC Investor Briefing, No. 211, October 18, 1999, page 2.

C00528

In an earlier paper, we pointed out the constructive role that structural separation of the Bells could play.[13] The idea is to separate a Bell into independent wholesale and retail companies. The wholesale company would own the last-mile circuits and certain other local network infrastructure. Its customers would include the retail Bell along with all other carriers that chose to compete in providing telecom services. The wholesale Bell would treat all of its customers equally, because it would not be affiliated with any provider of retail services. Structural separation at the local level would bring the same benefits to local service that structural separation of long distance from local phone service brought after 1984.

In broadband, the provision of advanced connections to homes would be the responsibility of the wholesale Bell. As long as competition in advanced last-mile facilities remained weak (which we believe would be true unless new wireless technologies coupled with substantial new allocations of spectrum to broadband became available), the wholesale Bell would remain regulated. Broadband service itself—whether provided by the retail Bell or one of its rivals—would be unregulated.

The structural separation model makes it clear where the potential monopoly power resides and how to achieve the minimum amount of regulation needed for efficient economic performance. It also makes it clear that deregulation of the broadband activities of the regulated Bells is a poor idea.

Preferential regulatory treatment of the Bells' broadband operations also cannot be justified on the basis that they face adequate competition already. It is true that the Bells account for less than half of current broadband subscribers. Cable modem services have a larger share of current residential broadband services, but this does not lead to the conclusion that the Bells lack substantial market power with regard to these services. The Bells control the copper loops that are an essential input for the provision of DSL services and the Bells are the largest providers of DSL-based broadband services. We have noted earlier that cable operators, as half a duopoly structure could not be expected to be vigorous broadband rivals. Further, a competitive analysis of broadband needs to consider the total local access market for data services which remains dominated by Bell-provided leased line and other

---

[13] See Robert Hall and William Lehr, *Restoring Competition to Stimulate Economic Growth*, white paper, September 2001.

000529

data services. Indeed, it was the growth of cable modem competition and competition from entrants offering DSL services over Bell facilities that spurred the Bells to accelerate their own deployment of DSL services. The Bells were influenced by a desire to protect their substantial data service revenues from competitors—a threat of a combination of competitive facilities investment and regulatory-mandated interconnection to the Bells' networks.

Broadband represents the future of local infrastructure. Deregulating prospective broadband investment assures the sunset of open access provisions of the Telecom Act. If granted, the Bells may be able to classify nearly all of its investment opportunistically as intended for broadband data services to avoid pro-competitive unbundling and interconnection obligations. In a converged network, voice can be carried as data (Voice-over-IP services) raising the possibility that even facilities used for legacy services would avoid unbundling obligations. As increasing portions of the network become "broadband"—and hence unregulated—it will become increasingly difficult to implement unbundling and interconnection rules for the rest of the Bells' local access network.

Therefore, the market power that the Bells retain by virtue of their ownership of their legacy network is closely linked to their proposed investments in broadband and removal of pro-competitive restraints on the Bells will perpetuate their monopoly power over next-generation networks.

IV. Relaxed Regulatory Treatment for the Bells' Broadband Investment Would Increase Regulatory Uncertainty

The prospects for significant facilities-based competition are, at best, uncertain. Today, most homes are served by two facilities-based providers: the telephone company and the cable television company. With suitable upgrades, both types of networks can offer a similar range of services—at least in principle. In the future, there is hope that power line companies may upgrade their networks to support communication services or that over-builders will construct new local networks. There is also hope that some subset of the myriad wireless technologies under development may provide viable broadband local access services eventually. However, this is certainly not the case today. Indeed, during the latter half of 2001, a number of companies offering innovative wireless services either went bankrupt

000530

(Metricom and Mobilstar) or scaled back their investments in wireless alternatives to local loops (Sprint and AT&T).

If we are lucky enough in the future to find this facilities-based competition sufficiently robust to eliminate any threat of substantial market power over last mile services, then we won't need to worry about mandating unbundling and interconnection. While this would be the best case, it is not clear that it is the most likely case. If the technology of choice for next generation access networks turns out to be fiber-to-the-home, it will almost certainly be a single-circuit natural monopoly in most local markets. Alternatively, even if both the telephone and cable TV provider survive to offer competing access in many locations, we cannot be certain at this time that the resulting duopoly competition would be suitably vigorous to obviate the need for regulatory oversight and some form of interconnection rules. The cable and telecom networks have quite different legacy networks and regulatory histories so that regulatory policy towards the two types of infrastructure ought to be distinct, at least for the time being.

There is still too much uncertainty regarding the demand for broadband-enabled services and regarding the technology for providing local access to know whether robust facilities-based competition will be viable. This uncertainty makes it premature to eliminate interconnection and unbundling regulation for future broadband services.

Although much about the future of telecommunications infrastructure is uncertain, there are a number of factors that can predictably influence future outcomes. Inappropriate regulatory policies can stifle incentives to invest. For example, regulatory policies that set the prices for interconnection below economic costs will deny firms an opportunity to earn a fair return on their investment. Under such circumstances, firms will not invest. The Telecom Act does not instruct regulators to set rates below cost, and no one has demonstrated that any of these regulated rates is below cost.

Uncertainty about regulatory policy can also dampen investment incentives. Uncertainty is especially perverse because it increases the costs of investments by both incumbents and entrants. For this reason, consistency in regulatory policy is desirable. In the context of the present debate, this would argue in favor of staying the course adopted by the Telecom Act. Repealing interconnection requirements on the Bells represents a radical change in policy

000531

that would dampen investors' interest in telecom. Furthermore, because it is not possible to readily segregate Bell investments into broadband and legacy infrastructure, relaxing regulatory requirements on broadband will critically weaken the unbundling provisions of the Act.

Therefore, relaxing prematurely regulatory rules on the Bells, especially with respect to their investments in broadband, would increase regulatory uncertainty and therefore would reduce incentives to invest in the infrastructure that such a policy would be intended to promote. Rather, it is maintaining the policy of unbundling that will foster investment.

V. Conclusions

Since the passage of the Telecom Act, the Bells have grown stronger through monopoly-preserving mergers and through the collapse of much of their nascent local competition. While entrants were investing heavily to get a toehold in local markets, the Bells were merging. The mergers allowed the Bells to eliminate a major source of potential facilities-based competition while at the same time expanding the geographic scope over which their market power could be coordinated and exploited. Meanwhile, the slower-than-anticipated implementation of the Act, the resistance of the Bells, and other factors resulted in the drying up of financial capital available to the CLEC industry. Without access to additional funding, many telecom startups were forced into bankruptcy.

Broadband in the United States is less widely used than in the leading countries, such as Korea. Consumers are not clamoring for broadband service because relatively few products and services are available on the Internet that make good use of high bandwidth. The short-term problem with broadband is not a lack of Bell investment, but a lack of effective competition. The Bells have been able to raise prices for broadband services in recent months, while at the same time, providing poor service. The solution is not to fence off the Bells from competition. Rather, the competitive model of the Telecom Act provides the right solution at this time. Longer-term, we do have a pressing need to achieve the economically efficient level of investment in next-generation broadband facilities. Incentives to invest will be influenced by prospects for future industry structure and regulatory uncertainty. If the Bells retain control of the technically most efficient facilities without a requirement to share those facilities with other suppliers, and if they are unregulated, they

000852

will set high prices, serve relatively few customers at those high prices, and make relatively low investments. If, on the other hand, last-mile access is available, at prices close to cost, to many competing suppliers of broadband services, those services will be priced efficiently, demand will be high, and investment correspondingly high.

Therefore, both in the short term and longer term, prospects for investment in broadband infrastructure and services are best served if we retain the pro-competitive provisions of the Telecom Act with respect to the Bells. The appropriate time to relax unbundling requirements for specific components or services is when numerous substitute sources of supply other than the Bells become generally available. The circumstances when this condition might be met are likely to differ depending on the network element or service under consideration and on local competitive conditions. Telecom policy needs to deal with the distinct possibility that the broadband service of the future will arrive at the home over a fiber circuit with a substantial bandwidth advantage over any wireless alternative. In that case, all of the problems connected with the Bells' control of the existing copper circuit will remain. Policy should ensure a smooth path to efficient management of a potentially continuing monopoly in the last mile of the telecom network.

PHR 2

Table 11
High-Speed Subscribership
Ranked by Population Density 1/
(Over 200 kbps in at Least One Direction)

Deciles (Blocks of Zip Codes Grouped by Density)	Persons per Square Mile (In Each Decile of Zip Codes)	Percent of Zip Codes in Decile with at Least One High-Speed Subscriber			Percent of Population in Decile that Resides in Zip Codes with High-Speed Service		
		Dec 1999	Dec 2000	Jun 2001	Dec 1999	Dec 2000	Jun 2001
90-100	More Than 3,147	96.1 %	98.2 %	98.1 %	98.9 %	99.9 %	99.9 %
80-90	947-3,147	93.2	97.1	97.1	98.5	99.8	99.8
70-80	268-947	87.5	95.7	95.6	96.2	99.3	99.5
60-70	118-268	77.7	91.5	92.3	91.4	98.1	98.8
50-60	67-118	66.9	85.9	87.5	83.3	95.0	96.8
40-50	41-67	53.7	76.1	80.9	72.3	87.9	93.0
30-40	25-41	40.9	65.0	72.8	60.0	80.0	87.3
20-30	15-25	29.8	50.1	58.9	50.9	69.4	78.4
10-20	6-15	26.7	38.5	51.1	50.2	61.9	74.6
0-10	Fewer Than 6	19.9	27.5	36.8	38.5	49.9	60.7

1/ Some previously published data have been revised.

PHR 3

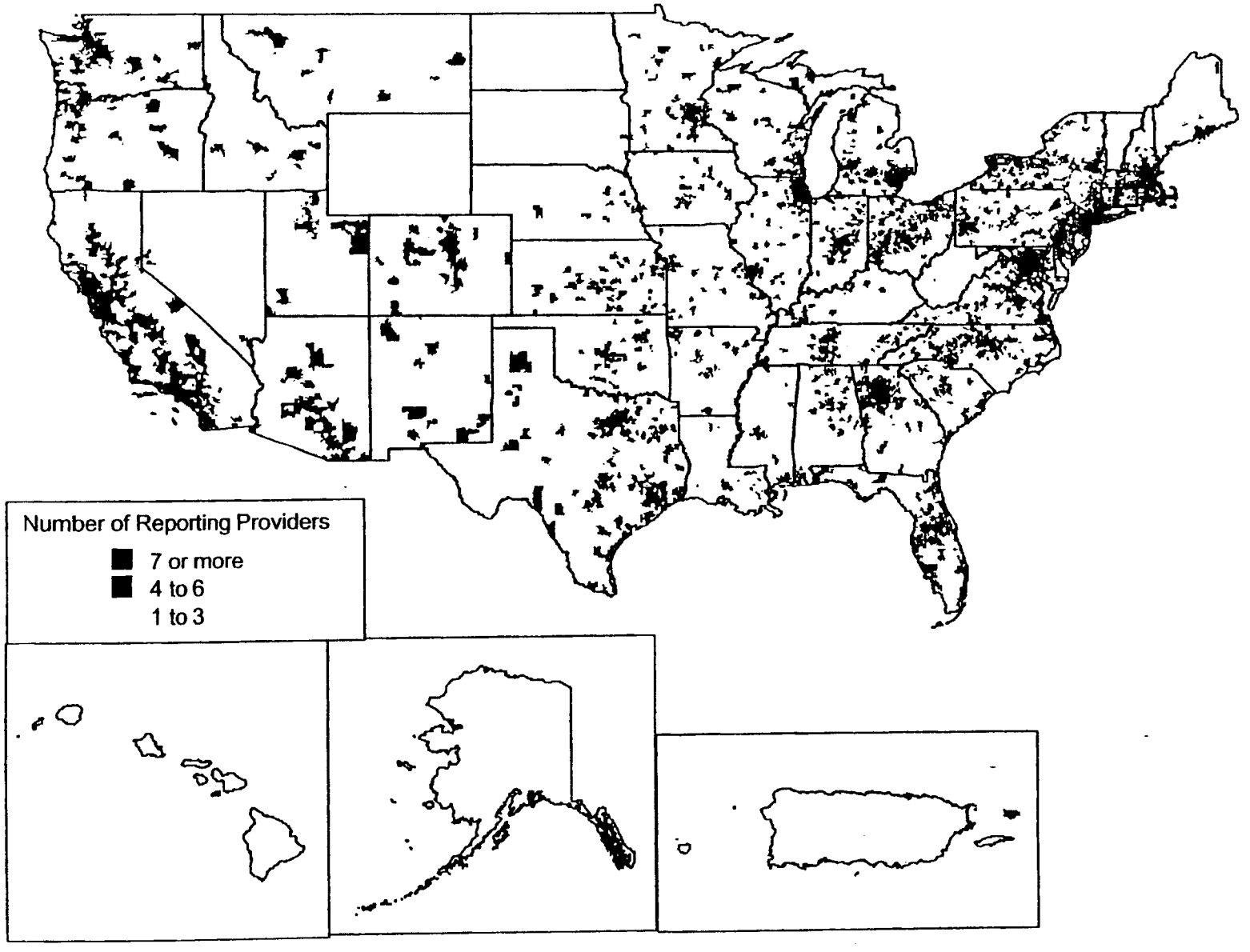
Table 10
Percentage of Zip Codes with High-Speed Lines in Service as of June 30, 2001
(Over 200 kbps in at Least One Direction)

	Number of Providers					
	Zero	One - Three	Four	Five	Six	Seven or More
Alabama	20 %	66 %	11 %	3 %	1 %	0 %
Alaska	79	18	3	0	0	0
Arizona	8	37	14	10	12	20
Arkansas	39	54	7	0	0	0
California	7	29	9	7	7	41
Colorado	15	48	10	6	3	18
Connecticut	3	48	11	10	12	16
Delaware	0	72	28	0	0	0
District of Columbia	7	15	4	7	4	63
Florida	2	35	17	13	9	24
Georgia	16	51	10	5	4	13
Hawaii	20	80	0	0	0	0
Idaho	34	56	5	5	0	0
Illinois	18	56	5	3	2	16
Indiana	19	61	8	5	1	6
Iowa	49	45	4	1	0	0
Kansas	35	52	8	4	1	0
Kentucky	40	57	3	0	0	0
Louisiana	21	75	4	0	0	0
Maine	35	61	3	1	0	0
Maryland	12	37	10	4	8	28
Massachusetts	1	31	18	10	11	29
Michigan	10	57	8	5	4	16
Minnesota	35	46	7	4	5	3
Mississippi	28	66	6	1	0	0
Missouri	35	50	4	4	3	4
Montana	48	48	3	0	0	0
Nebraska	44	49	5	2	0	0
Nevada	22	47	17	11	2	2
New Hampshire	8	64	14	8	4	2
New Jersey	1	25	13	10	10	40
New Mexico	34	56	5	3	2	1
New York	8	45	11	8	6	20
North Carolina	11	64	14	5	3	2
North Dakota	72	28	0	0	0	0
Ohio	8	59	15	7	4	6
Oklahoma	29	53	5	5	5	3
Oregon	9	64	11	7	6	3
Pennsylvania	22	50	7	6	3	12
Puerto Rico	0	100	0	0	0	0
Rhode Island	6	43	26	25	0	0
South Carolina	16	67	13	3	1	0
South Dakota	63	37	1	0	0	0
Tennessee	18	62	12	5	2	2
Texas	17	48	8	5	3	19
Utah	25	42	8	6	6	13
Vermont	25	74	1	0	0	0
Virginia	18	51	6	7	3	15
Washington	11	50	11	11	8	9
West Virginia	58	41	0	0	0	0
Wisconsin	16	62	8	5	5	4
Wyoming	47	53	0	0	0	0
Nationwide	22 %	50 %	8 %	5 %	4 %	11 %

PHR 4

High-Speed Providers by Zip Code

(As of June 30, 2001)



0005539

PHR 5

Collocation Costs -- Non-Recurring and Recurring using TELRIC Rates

2 Bays Installed-30A Bay

Qty	BellSouth Physical Collocation Description	Physical Unit Price Non-Recurring	Physical Total Price Non-recurring	Physical Unit Price Recurring	Physical Total Price Recurring
1	Application Fee	$ 3,773.54	$ 3,773.54		
1	Space Availability Report - per Central Office	$ 2,158.67	$ 2,158.67		
31	Space Preparation Fee - common systems per foot		$ -	$ 3.26	$ 101.06
1	Space Preparation Fee - order processing	$ 1,206.07	$ 1,206.07		
31	Floor Space - per foot			$ 7.99	$ 247.69
60	Power - per ampere			$ 8.06	$ 483.60
1	Additional Engineering - initial half hour	$ 31.00	$ 31.00		
99	Additional Engineering - each additional half hour	$ 22.00	$ 2,178.00		
10	Security Access Card Activation	$ 55.79	$ 557.90		
1	Security System – per Central Office			$ 76.10	$ 76.10
10	Security Access Key	$ 26.29	$ 262.90		
1	Cable Record Charge - per request	$ 1,524.45	$ 1,524.45		
1	Cable Record Charge - VG/DS0 per cable record	$ 656.37	$ 656.37		
3	Cable Record Charge - VG/DS0 per 100 pair	$ 9.65	$ 28.95		
1	Cable Record Charge - DS3 per T3 Tie	$ 169.63	$ 169.63		
*	2-Wire Cross-connects - initial (as needed)	$ 44.23		$ 0.31	
*	2-Wire Cross-connects - each additional (as needed)	$ 31.98		$ 0.31	
1	DS3 Cross-connects - initial	$ 41.93	$ 41.93	$ 18.89	$ 18.89
0	DS3 Cross-connects - each additional	$ 30.51	$ -	$ 18.89	$ -
	TOTAL		$ 12,589.41		$ 927.34

000541

PHR 6

DSLAM Costs

252 ADSL Ports -- Net to Net Technologies

Qty	Description	Unit Price	Extended
2	IPD 12000 Chassis	$ 2,195.00	$ 4,390.00
2	MUM200-2 Uplink Module w/Software	$ 5,495.00	$ 10,990.00
2	UIM10/100 Ethernet Port	$ 199.00	$ 398.00
2	UIM DS-3 DS-3 Uplink Port	$ 1,499.00	$ 2,998.00
22	AAM8000-12 12 Port ADSL Line Card	$ 7,995.00	$ 175,890.00
	Note: 1 Spare Line card; 1 Spare DS-3 Uplink Port		

Supporting Collocation Space Hardware -- Patch Panels

Qty	Description	Unit Price	Extended
2	DS0 Panel	$ 261.00	$ 522.00
1	DS3 Patch Panel Shelf	$ 377.00	$ 377.00
2	DS3 Patch Panel Card	$ 220.00	$ 440.00

TOTAL	$ 196,005.00
Annual Maintenance (10% on DSLAM)	$ 19,466.60
Maintenance Amortized Monthly	$ 1,622.22

C00543

PHR 7

BellSouth Line Splitting Costs

NRC:		Qty	Extended
Line Sharing Splitter - 96 Line Capacity	$ 379.05	3	$ 1,137.15
Line Sharing - per Line Activation	$ 21.28	250	$ 5,320.00
MRC:			
Line Sharing Splitter - 96 Line Capacity	$ 186.83	3	$ 560.49
Line Sharing - per Line Activation	$ 7.43	250	$ 1,857.50

PHR 8

Telecommunications Traffic Backhaul

60 DS3 Miles of Interoffice Transport

Qty	Description	MRC Each	NRC Each	MRC Extended	NRC Extended
60	Interoffice Transport Dedicated DS3 – Per Mile	$ 4.97		$ 298.20	
2	Interoffice Transport Dedicated DS3 – Installation		$ 335.40		$ 670.80
2	Interoffice Transport Dedicated DS3 – Facility Termination	$ 1,175.15		$ 2,350.30	
	TOTAL			$ 2,648.50	$ 670.80

PHR 9

Additional Costs for ADSL Service Business Plans

- Sales Commission – One-Time Commission: 100% of first month billing for business customers.
- Sales Residual Commission: 3% of monthly recurring for business customers
- Marketing Expense – One-Time Cost: 200% of first month billing for residential customers.
- Direct Operational Labor - $60 per ADSL Install for business customers; $30 per ADSL Install for residential customers
- Monthly Recurring Internet Service (bandwidth and email service) - $8.00 per business customer and $4.50 per residential customer.

PHR 10

Cinergy Communications Company ADSL Business Plan
BellSouth Recommended Plan Using TELRIC Rates

Number of Months For Rampup:		24					
Level of Risk:		Very High					
Year by Year Summary		**Yr 1**	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**	**Total**
New Loops - Annual		132	118	0	0	0	250
Total Loops - To-date		132	250	250	250	250	
Cash Inflows							
NRC Revenue (Business and Resi)		$13,200	$11,800	$0	$0	$0	$25,000
MRC Business Revenue	50%	$34,538	$97,139	$119,925	$119,925	$119,925	$491,453
MRC Residential Revenue	50%	$21,279	$60,440	$74,925	$74,925	$74,925	$306,493
Total Cash InFlows		$69,017	$169,379	$194,850	$194,850	$194,850	$822,946
Cash Outflows							
Direct Costs:							
Start-up:							
Collocation - Build-out		$12,589	$0	$0	$0	$0	$12,589
Collocation - DSLAMs		$196,005	$0	$0	$0	$0	$196,005
DS3 Interoffice Transport Install		$671	$0	$0	$0	$0	$671
Line Sharing Splitter UNE Install (96 lines)	(3)	$1,137	$0	$0	$0	$0	$1,137
NRC:							
Collocation 2-Wire Cross Connects (1st)		$531	$487	$0	$0	$0	$1,017
Collocation 2-Wire Cross Connects (addtl)		$5,308	$4,733	$0	$0	$0	$10,040
Line Share Splitter Activation UNE		$2,809	$2,511	$0	$0	$0	$5,320
MRC:							
Collocation Operations		$11,128	$11,128	$11,128	$11,128	$11,128	$55,640
Collocation - DSLAM Maint.(Years 2-5)		$0	$19,467	$19,467	$19,467	$19,467	$77,866
Collocation 2-Wire Cross Connects		$266	$752	$930	$930	$930	$3,808
DS3 Interoffice Transport (Backhaul)		$31,782	$31,782	$31,782	$31,782	$31,782	$158,910
Internet Service Bus (Bandwidth & Email)		$3,456	$9,720	$12,000	$12,000	$12,000	$49,176
Internet Service Resi (Bandwidth & Email)		$1,944	$5,468	$6,750	$6,750	$6,750	$27,662
Line Sharing Splitter UNE Monthly (96 lines)		$7,158	$7,158	$7,158	$7,158	$7,158	$35,789
Line Share Splitter Activation UNE		$6,375	$18,018	$22,290	$22,290	$22,290	$91,263
Total Direct Costs		$281,159	$111,222	$111,505	$111,505	$111,505	$726,894
Cash Gross Margin $							$96,052
Cash Gross Margin %							11.7%
Sales Costs							
SPIF(Based on Business MRC)		$5,277	$4,717	$0	$0	$0	$9,994
Marketing Costs (Based on Resi MRC)		$6,593	$5,894	$0	$0	$0	$12,488
Residual (3% Business MRC Revenue)		$1,036	$2,914	$3,598	$3,598	$3,598	$14,744
Total Sales Costs		$12,906	$13,525	$3,598	$3,598	$3,598	$37,225
Cash Contribution Margin $							$58,827
Cash Contribution Margin %							7.1%
Operating Costs							
Provision, Proj Manage, Cust Serv, etc. (Bus)		$3,960	$3,540	$0	$0	$0	$7,500
Provision, Proj Manage, Cust Serv, etc. (Resi)		$1,980	$1,770	$0	$0	$0	$3,750
Total Operating Costs		$5,940	$5,310	$0	$0	$0	$11,250
Cash Operating Margin $							$47,577
Cash Operating Margin %							5.8%
Total Cash Outflow		$300,005	$130,057	$115,102	$115,102	$115,102	$775,369
Net Cash Flow - Annual (Before Taxes)		($230,988)	$39,322	$79,748	$79,748	$79,748	$47,577
Net Cash Flow - To-Date (Before Taxes)		($230,988)	($191,666)	($111,918)	($32,171)	$47,577	
Valuation Results							
Internal Rate of Return (IRR)		7.2%					
Months to Payback		53					
Total Startup Costs		$233,217					

PHR 11

Cinergy Communications Company ADSL Business Plan
BellSouth Recommended Plan Using TELRIC Rates – 90% Sales

Number of Months For Rampup:		24					
Level of Risk:		Very High					
Year by Year Summary		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
New Loops - Annual		120	105	0	0	0	225
Total Loops - To-date		120	225	225	225	225	
Cash Inflows							
NRC Revenue (Business and Resi)		$12,000	$10,500	$0	$0	$0	$22,500
MRC Business Revenue	50%	$31,181	$88,025	$108,412	$108,412	$108,412	$444,442
MRC Residential Revenue	50%	$19,481	$54,895	$67,133	$67,133	$67,133	$275,774
Total Cash InFlows		$62,661	$153,420	$175,545	$175,545	$175,545	$742,716
Cash Outflows							
Direct Costs:							
Start-up:							
Collocation - Build-out		$12,589	$0	$0	$0	$0	$12,589
Collocation - DSLAMs		$196,005	$0	$0	$0	$0	$196,005
DS3 Interoffice Transport Install		$671	$0	$0	$0	$0	$671
Line Sharing Splitter UNE Install (96 lines)	(3)	$1,137	$0	$0	$0	$0	$1,137
NRC:							
Collocation 2-Wire Cross Connects (1st)		$531	$487	$0	$0	$0	$1,017
Collocation 2-Wire Cross Connects (addtl)		$4,777	$4,158	$0	$0	$0	$8,934
Line Share Splitter Activation UNE		$2,554	$2,234	$0	$0	$0	$4,788
MRC:							
Collocation Operations		$11,128	$11,128	$11,128	$11,128	$11,128	$55,640
Collocation - DSLAM Maint.(Years 2-5)		$0	$19,467	$19,467	$19,467	$19,467	$77,866
Collocation 2-Wire Cross Connects		$242	$682	$837	$837	$837	$3,435
DS3 Interoffice Transport (Backhaul)		$31,782	$31,782	$31,782	$31,782	$31,782	$158,910
Internet Service Bus (Bandwidth & Email)		$3,120	$8,808	$10,848	$10,848	$10,848	$44,472
Internet Service Resi (Bandwidth & Email)		$1,755	$4,955	$6,102	$6,102	$6,102	$25,016
Line Sharing Splitter UNE Monthly (96 lines)		$7,158	$7,158	$7,158	$7,158	$7,158	$35,789
Line Share Splitter Activation UNE		$5,795	$16,346	$20,061	$20,061	$20,061	$82,324
Total Direct Costs		$279,244	$107,204	$107,383	$107,383	$107,383	$708,595
Cash Gross Margin $							$34,121
Cash Gross Margin %							4.6%
Sales Costs							
SPIF(Based on Business MRC)		$4,797	$4,237	$0	$0	$0	$9,034
Marketing Costs (Based on Resi MRC)		$5,994	$5,195	$0	$0	$0	$11,189
Residual (3% Business MRC Revenue)		$935	$2,641	$3,252	$3,252	$3,252	$13,333
Total Sales Costs		$11,726	$12,073	$3,252	$3,252	$3,252	$33,556
Cash Contribution Margin $							$565
Cash Contribution Margin %							0.1%
Operating Costs							
Provision, Proj Manage, Cust Serv, etc. (Bus)		$3,600	$3,150	$0	$0	$0	$6,750
Provision, Proj Manage, Cust Serv, etc. (Resi)		$1,800	$1,575	$0	$0	$0	$3,375
Total Operating Costs		$5,400	$4,725	$0	$0	$0	$10,125
Cash Operating Margin $							($9,560)
Cash Operating Margin %							-1.3%
Total Cash Outflow		$296,370	$124,002	$110,635	$110,635	$110,635	$752,276
Net Cash Flow - Annual (Before Taxes)		($233,709)	$29,418	$64,910	$64,910	$64,910	($9,560)
Net Cash Flow - To-Date (Before Taxes)		($233,709)	($204,291)	($139,381)	($74,470)	($9,560)	
Valuation Results							
Internal Rate of Return (IRR)		-1.5%					
Months to Payback		Greater than 60 Months					
Total Startup Costs		$234,801					

PHR 12

Cinergy Communications Company ADSL Business Plan
Fiscally Prudent Plan Using TELRIC Rates

Number of Months For Rampup:		4					
Level of Risk:		Very Low					
Year by Year Summary		**Yr 1**	**Yr 2**	**Yr 3**	**Yr 4**	**Yr 5**	**Total**
New Loops - Annual		250	0	0	0	0	250
Total Loops - To-date		250	250	250	250	250	
Cash Inflows							
NRC Revenue (Business and Resi)		$0	$0	$0	$0	$0	$0
MRC Business Revenue	50%	$105,134	$119,925	$119,925	$119,925	$119,925	$584,834
MRC Residential Revenue	50%	$65,584	$74,925	$74,925	$74,925	$74,925	$365,284
Total Cash InFlows		$170,719	$194,850	$194,850	$194,850	$194,850	$950,119
Cash Outflows							
Direct Costs:							
Start-up:							
Collocation - Build-out		$12,589	$0	$0	$0	$0	$12,589
Collocation - DSLAMs		$196,005	$0	$0	$0	$0	$196,005
DS3 Interoffice Transport Install		$671	$0	$0	$0	$0	$671
Line Sharing Splitter UNE Install (96 lines)	(3)	$1,137	$0	$0	$0	$0	$1,137
NRC:							
Collocation 2-Wire Cross Connects (1st)		$177	$0	$0	$0	$0	$177
Collocation 2-Wire Cross Connects (addtl)		$10,881	$0	$0	$0	$0	$10,881
Line Share Splitter Activation UNE		$5,320	$0	$0	$0	$0	$5,320
MRC:							
Collocation Operations		$11,128	$11,128	$11,128	$11,128	$11,128	$55,640
Collocation - DSLAM Maint.(Years 2-5)		$0	$19,467	$19,467	$19,467	$19,467	$77,866
Collocation 2-Wire Cross Connects		$815	$930	$930	$930	$930	$4,535
DS3 Interoffice Transport (Backhaul)		$31,782	$31,782	$31,782	$31,782	$31,782	$158,910
Internet Service Bus (Bandwidth & Email)		$10,520	$12,000	$12,000	$12,000	$12,000	$58,520
Internet Service Resi (Bandwidth & Email)		$5,918	$6,750	$6,750	$6,750	$6,750	$32,918
Line Sharing Splitter UNE Monthly (96 lines)		$7,158	$7,158	$7,158	$7,158	$7,158	$35,789
Line Share Splitter Activation UNE		$19,526	$22,290	$22,290	$22,290	$22,290	$108,686
Total Direct Costs		$313,626	$111,505	$111,505	$111,505	$111,505	$759,644
Cash Gross Margin $							$190,474
Cash Gross Margin %							20.0%
Sales Costs							
SPIF(Based on Business MRC)		$0	$0	$0	$0	$0	$0
Marketing Costs (Based on Resi MRC)		$0	$0	$0	$0	$0	$0
Residual (3% Business MRC Revenue)		$3,154	$3,598	$3,598	$3,598	$3,598	$17,545
Total Sales Costs		$3,154	$3,598	$3,598	$3,598	$3,598	$17,545
Cash Contribution Margin $							$172,929
Cash Contribution Margin %							18.2%
Operating Costs							
Provision, Proj Manage, Cust Serv, etc. (Bus)		$7,500	$0	$0	$0	$0	$7,500
Provision, Proj Manage, Cust Serv, etc. (Resi)		$3,750	$0	$0	$0	$0	$3,750
Total Operating Costs		$11,250	$0	$0	$0	$0	$11,250
Cash Operating Margin $							$161,679
Cash Operating Margin %							17.0%
Total Cash Outflow		$328,030	$115,102	$115,102	$115,102	$115,102	$788,439
Net Cash Flow - Annual (Before Taxes)		($157,311)	$79,748	$79,748	$79,748	$79,748	$161,679
Net Cash Flow - To-Date (Before Taxes)		($157,311)	($77,564)	$2,184	$81,932	$161,679	
Valuation Results							
Internal Rate of Return (IRR)		35.6%					
Months to Payback		36					
Total Startup Costs		$224,981					

[redacted]

DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE

IN RE: DOCKET NO. 020507-TL

[redacted]

DATE: January 22, 2003

PAGE	LINE	CHANGE		
7	2	UPSTAN	S/B	FDN
13	7	A fine	S/B	MY
24	23	HAD	S/B	HAS
27	22	It seems	S/B	using
~~60~~	~~69~~			
60	12	rego	S/B	go
59	15	would be	S/B	would not be

Under penalties of perjury, I declare that I have read my deposition and that it is true and correct subject to any changes in form or substance entered here.

7/19/03
DATE

Joseph Gillan
JOSEPH GILLAN

556

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO 10
COMPANY/ WITNESS. PSC Staff/ Stip #10
DATE: July 23, 2003

EXHIBIT 11

DOCKET NO. 020507-TL

DEPOSITION OF

JOHN A. RUSCILLI

JANUARY 17, 2003

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 11
COMPANY/ WITNESS Staff/ Dep No 11
DATE July 21, 2003

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

In the Matter of

COMPLAINT OF FLORIDA COMPETITIVE CARRIERS ASSOCIATION AGAINST BELLSOUTH TELECOMMUNICATIONS, INC. REGARDING BELLSOUTH'S PRACTICE OF REFUSING TO PROVIDE FASTACCESS INTERNET SERVICE TO CUSTOMERS WHO RECEIVE VOICE SERVICE FROM A COMPETITIVE VOICE PROVIDER, AND REQUEST FOR EXPEDITED RELIEF.

_____/

ELECTRIC VERSIONS OF THIS TRANSCRIPT ARE A CONVENIENCE COPY ONLY AND ARE NOT THE OFFICIAL TRANSCRIPT OF THE HEARING, THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

TELEPHONIC DEPOSITION OF:	JOHN A. RUSCILLI
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
CONDUCTED FROM:	Gerald L. Gunter Building Room 362 2540 Shumard Boulevard Tallahassee, Florida 32399-0850
IME:	Commenced at 12:30 p.m. Concluded at 12:50 p.m.
ATE:	Friday, January 17, 2003
REPORTED BY:	JANE FAUROT, RPR Chief, Office of Hearing Reporter Services FPSC Division of Commission Clerk and Administrative Services (850) 413-6732

APPEARANCES:

MEREDITH MAYS, NANCY B. WHITE, DOUG LACKEY, c/o Nancy Sims, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301, representing BellSouth Telecommunications, Inc., participating telephonically.

DULANEY L. O'ROARK, III, MCI WorldCom, Inc., Six Concourse Parkway, Suite 3200, Atlanta, Georgia 30328, representing MCI WorldCom, Inc., participating telephonically.

VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, Dekker, Kaufman, Arnold & Steel17 S. Gadsden Street, Tallahassee, Florida, representing Florida Competitive Services.

PATTY CHRISTENSEN, FPSC Office of General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing of behalf of the Florida Public Service Commission Staff.

WITNESS

NAME		PAGE NO.
JOHN A. RUSCILLI		
	Direct Examination by Ms. Christensen	6
	Cross Examination by Ms. Kaufman	26
	Redirect Examination by Ms. Christensen	33

S T I P U L A T I O N

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that counsel present stipulate that the witness is the person he identified himself as; that objections, except as to the form of the question, are reserved until hearing in this cause; and that reading and signing was not waived.

IT IS ALSO STIPULATED that any off-the-record conversations are with the consent of the deponent.

PROCEEDINGS

MS. MAYS: We're ready to administer the oath to Mr. Ruscilli if you guys are ready for that.

MS. CHRISTENSEN: That would be great.

(Witness sworn.)

Thereupon,

JOHN RUSCILLI

was called as a witness on behalf of BellSouth Telecommunications, Inc., having first been sworn was examined and testified as follows:

DIRECT EXAMINATION

BY MS. CHRISTENSEN:

Q Okay. Can you please state your name for the record?

A My name is John Ruscilli, that's R-U-S-C-I-L-L-I.

Q And, Mr. Ruscilli, am I correct that you only filed rebuttal testimony in this or did you file direct testimony, as well?

A I filed direct testimony and rebuttal testimony.

Q Okay. Let me ask you a few questions. And, Mr. Ruscilli, you have testified in depositions before, correct?

A Yes, I have.

Q And you are familiar with this process?

A Yes, I am.

Q Mr. Ruscilli, are you familiar with this Commission's prior decisions concerning FastAccess in the FDN/BellSouth

arbitration?

A Yes, I am.

Q And in that docket this Commission concluded that BellSouth should not be allowed to unilaterally disconnect a customer's FastAccess service when the customer opted to migrate his voice service to an ALEC, correct?

A Yes. I don't remember if it was ALEC or FDN, but that is correct.

Q And the Commission concluded that this practice constituted a barrier to entry to the local exchange market, is that correct as well?

A I would be calling from memory. If you will give me a chance I can look at that just to make sure. I will take it subject to check.

Q That's fine if you want to take a few minutes. Would it help if I directed you to the specific order that I am looking at?

A I just found it in my stack of papers, I'm sorry. Okay. I think I'm there. Are you talking about on Page 8, the middle paragraph?

Q Well, I'm looking at the reconsideration order, but go ahead and read to me on Page 8. It's probably basically the same thing.

A Well, the panel there I think came back and said -- and I'm reading sort of in the middle of this paragraph,

"However, we believe FDN has raised valid concerns regarding possible barriers to competition in the local telecommunications voice market that could result from BellSouth's practice of disconnecting customers' FastAccess Internet Service when they do switch to FDN voice service. That is a scenario over which we do have regulatory authority." That is what I was thinking of.

Q So you would agree, basically, that the Commission concluded that this practice constituted a barrier to entry into the local market, correct?

A Well, the panel did, yes.

Q And this Commission also asserted that it was not thereby -- it also asserted that it was not asserting jurisdiction over the DSL service, but just taking a step to promote competition in the voice market, correct? You would agree that is what the Commission found?

A Well, that is what the panel found, or the panel claimed that they were not asserting any sort of regulation over FastAccess DSL type service, yes.

Q So notwithstanding what the Commission said, is it your opinion that this Commission has nonetheless claimed jurisdiction over the DSL service?

A Notwithstanding what the panel said, I think that the panel is claiming regulatory authority over our FastAccess service.

Q Okay. Let me take you to Page 3 of your direct testimony starting at Line 19. And there you indicate that the Florida Commission has authority to enforce our statutes to the extent they are not inconsistent with federal law, and in support of this proposition you cite in a footnote Section 251(d)(3)(b), is that correct?

A That is correct.

Q And now Section 251(d)(3) is entitled preservation of state access regulations, is that correct?

A That is correct.

Q And wouldn't it be correct to say that this section actually provided that the enforcement of state regulation is not precluded -- is not precluded in that when it establishes access and interconnection obligations of local exchange carriers is consistent with the requirements of this section and does not substantially prevent implementation of the requirements of this section and the purpose of this section, correct?

A Well, in part, but also it cannot be in contradiction of the rules. And the FCC has said three times in all three of BellSouth's 271 orders that we are consistent with their rules.

Q Let me ask you this, does Section 251 deal with the ILEC's provision of nontelecommunication services?

A It deals with the -- if I remember correctly, it deals with the interconnection of carriers, and this is subject

to an agreement between us and FDN. We are two carriers that are interconnecting.

Q So the section that you are referring to doesn't really apply to BellSouth's FastAccess service, correct?

A Well, I would disagree, because this panel has required us and is now contemplating an extension of that requirement on BellSouth to enter into interconnection agreements with other carriers providing a nontelecommunications service that is inconsistent with the Commission's rules.

Q Okay. Let's turn to Page 4.

A Of my direct?

Q Of your direct testimony where you talk about the BellSouth Louisiana/Georgia 271 proceeding?

A Yes.

Q And you say in that the FCC concluded that BellSouth's current DSL policy is not discriminatory, is that correct?

A Yes.

Q Am I correct that this finding was made regarding the provision of BellSouth's tariffed interstate ADSL transport offering?

A Well, yes, they are talking about our wholesale DSL service.

Q Okay. So that is not a finding specifically

regarding BellSouth's FastAccess retail offering?

A Well, yes and no. They didn't expressly mention FastAccess, but FastAccess cannot be employed by BellSouth without purchasing the wholesale DSL service.

Q To your knowledge has the FCC ever offered an opinion as to BellSouth's FastAccess policy?

A Well, to the extent that this has been brought up three times before the FCC and allegations were made by members of the FCCA among others about the disconnecting of the DSL service, the wholesale service and perhaps by FastAccess when a customer migrates to UNE-P, and the FCC has said expressly three times in a row that it is consistent with their rules, I think they have spoken well of it. Similarly, the Department of Justice viewed each of these three applications in detail and I would think if there was a discrimination or an anticompetitive problem they have got a bunch of lawyers up there, they would have spoken to it.

Q Do you have any, like, case numbers or any information on the Department of Justice's cases that you are talking about or where they reviewed that?

A Well, again, I don't know if they explicitly reviewed it, but they certainly didn't find or make any recommendation that such a behavior was discriminatory or anticompetitive. The specific case numbers would be their filing of the Department of Justice opinion in our three 271 proceedings. I

don't have those numbers in front of me, but I can provide those to you.

Q Okay. Has any other state commission in the BellSouth region ordered BellSouth to cease disconnecting FastAccess service when a subscriber migrates voice service to an ALEC?

A I'm not sure I heard your complete question. It sounded like you clipped out just a little bit there. Would you repeat it one more time.

Q Certainly. Has any other state commission in the BellSouth region ordered BellSouth to cease disconnecting FastAccess service when a subscriber migrates voice service to an ALEC?

A Well, I don't think the Louisiana Commission has issued an order to that effect yet, they have had a discussion from the bench on that. But with respect to FastAccess, I think that is the only one.

Q So they have ordered you to do this, except there may or may not have been a written order issued?

A Well, I am not precisely sure of the procedural rules in Louisiana. I don't know if the Commission speaks as an order in its session or they have to actually issue a written order before it is effective. As an example, in Kentucky the Commission speaks from the bench and that is effective immediately. But in Louisiana I'm not sure if it has to be a

written order or not. The lawyers would need to check that out.

Q Okay.

A So at least in my understanding we don't have a written order or an order to do so at this point in time that we can implement.

Q But what you are saying is when they had the discussion on the bench that is basically what they decided, it just has not been memorialized into a written order?

A Yes, it is basically that.

Q Now, to your knowledge has any other state commission in the BellSouth region ordered BellSouth to provide its FastAccess service on an ALEC line where the customer was not a former BellSouth voice customer or the line is not a resold line?

A Not that I am aware of.

Q And do you know whether or not that was part of the Louisiana order?

A No. Again, I'm going by what I have heard third-hand from somebody who was in the conference talking. So until I see the writing from that Commission, I'm not really sure what they ordered precisely.

Q Mr. Ruscilli, can you give us some examples of other nonregulated services that BellSouth offers?

A I guess inside wire would be one that would come to

mind. It is not regulated and that is where we provide maintenance on the customer's premises of their wires so that if there is a problem with the phone we will check both our network connections and the wire to make sure it is okay.

Q Is there any other examples? Would memory call be also one of those services?

A It is certainly an enhanced service and I think it is nonregulated, but I'm not sure.

Q Does any state commission in the BellSouth region exercise jurisdiction over any of those, either the inside wiring or the memory call as nonregulated services?

A I don't think so on inside wire and I'm not sure on memory call.

Q If you find -- could you check on those services?

A I will be glad to take that and look into that.

Q And if you do find something, could you file a late-filed exhibit which would identify the state and to the extent that that is regulated in that state?

A Yes, ma'am.

Q Okay, great. A key dispute in this proceeding is whether or not BellSouth's current FastAccess policy is discriminatory or anticompetitive. BellSouth says it is not while the FCCA says it is. In your opinion, what would have to occur for BellSouth's FastAccess policy to be deemed to be discriminatory?

A Well, I mean, this is purely hypothetical, but I guess the closest thing would be is if we required you to buy FastAccess service to get voice. And even there I'm not sure if it would fall in discriminatory. But we are not doing that and we don't intend to do that, but that would be the closest thing I could think of where it would be discriminatory.

Q In your opinion what would have to occur for BellSouth's FastAccess policy to be deemed anticompetitive?

A Well, again, you know, I don't know. From a hypothetical example, it might be the same one again, but I'm just not sure. I mean, I never sit down and look at our products and try to find a way to make them discriminatory or anticompetitive. It's just not a mental exercise that I go through.

Q Could you tell us in your opinion what may be the difference between a discriminatory practice and what would be an anticompetitive practice?

A Well, discriminatory -- and this is just generally in lay terms. I am certainly not an economist. Discriminatory means that there is a preference given perhaps to one group or one class over another, whereas anticompetitive is something that is being done to restrict your competitors' ability to move in the marketplace. But that is just a lay interpretation.

Q Okay. It has been asserted that BellSouth's

FastAccess policy is a barrier to entry into the local exchange market. Do you know how many FastAccess customers switched their voice service to an ALEC in 2002?

A No, I don't. I don't know if we have provided that information in a data request or not, but I certainly don't.

Q Is it possible for you to check into that and then provide that as a late-filed exhibit?

A I'm not sure I could find that information.

Q If it is available.

A That might be something from one of the other witnesses. It's not in my area.

Q Do you have any idea who might know? Would Mr. Milner possibly know or have access to that information?

A No, it may have been Mr. Fogle. I just don't know if we track that kind of information actually, of how many FastAccess customers leave and go to an ALEC. You know, I don't think we actually keep records that way at all in BellSouth.

Q Well, if it is possible for you to compile some hard numbers on that, if you could provide that to us we would appreciate that.

A If we track it, I will certainly try to find it.

Q Okay, great. Let me ask you this. Of customers who switch their voice providers, how many lose their FastAccess service currently?

A Well, I guess that depends on how they switch their voice providers. I mean, if a customer is a BellSouth customer and switches voice providers and they have FastAccess, if they go to resale they don't lose their FastAccess.

Q And currently is BellSouth disconnecting those customers who switch their voice providers that are getting service over UNE-P or UNE-L loop?

A Yes. We are not providing that exchange line any longer and we are telling the ALEC that clarifying that order -- I think Mr. Fogle is the one that actually speaks to how that process occurs, but, yes, that is the end result.

Q Okay. So, even for those that have the FastAccess -- the FastAccess service currently, BellSouth is not currently continuing to provide the FastAccess service? I just want to make sure I'm clear on that.

A If you would hit that one more time, that question.

Q I was not clear on your last answer and I just want to make sure that I'm clear.

A Okay.

Q My understanding is that, you know, obviously it is not BellSouth's policy to provide FastAccess to any customer who is seeking its FastAccess service, particularly those that are receiving their voice service over UNE-P or UNE-L line, but I guess the question was for those customers that migrate their phone service from BellSouth while they have FastAccess

currently in place to a voice provider that is providing service over a UNE-P or a UNE-L line is BellSouth currently disconnecting those customers?

A Well, again, I guess consistent with our policy, you know, and I'm just speaking globally, I'm not sure exactly how Florida works, but globally we don't provide that. Now, I think there is another order in Florida, Supra maybe, or one of them that might be different, but that is really an Eric Fogle question.

Q Okay. If you know the answer, do you know how many FastAccess customers who switch their voice service to an ALEC, how many of those people switch back to BellSouth?

A No. Again, I don't think we track that kind of information, but that would be Eric Fogle, perhaps, if we even track it.

Q On Page 11 of your direct testimony, Line 16, you state that if you migrate a BellSouth FastAccess customer service to an ALEC's UNE loop or UNE-P this would violate your interstate tariff, is that correct?

A Yes.

Q And is this because the interstate tariff states that your interstate ADSL transport service is provided only over the company exchange line facilities and that UNEs are not exchange line facilities, is that correct?

A Yes, in general that is correct. The old tariff that

is in the special access tariff for wholesale DSL was contemplated, in other words, it was built on that basis.

Q Okay. If you are technically in violation of this interstate tariff, what potential penalties could you face?

A I'm not sure of the current dollar amount, but under Section 203 all carriers that provide interstate services that are still required to be tariffed by the FCC have to file those tariffs and provide service under rates, terms, and conditions consistent with that tariff. It is my opinion that we would be in violation of that tariff because -- and this would be the DSL tariff -- and in doing so we would be subject to fines per violation per day by the FCC, and I don't know if it is currently 6,000 or $10,000.

Q Okay. Well, who would likely file a complaint noting your violation?

A I have no idea. But we don't really do business at BellSouth based on the likelihood of whether or not somebody may or may not file a complaint against us. We try to be consistent with the law.

Q Let's assume you were ordered to provide FastAccess over UNE-P or UNE loop that was provided by an ALEC, couldn't you just modify your tariff and basically remedy the violation at the FCC?

A Well, again, I don't know if it is that simple because I have got some experience in writing tariffs for

BellSouth and you develop a tariff based on a set of assumptions that you are making. And what is being considered in this particular case was not one of BellSouth's assumptions, so it may require rather than just changing a line in BellSouth's tariff a restructuring and repricing of that tariff.

Q Right. But let's assume whatever it is technically is worked out and that it is possible to provide the FastAccess service on basically a stand-alone basis over a UNE-P loop. Really I guess what I'm trying to get at is whatever is required for you to put in the tariff, you could put in the tariff and file it with the FCC, and it doesn't create a problem at the FCC or is very unlikely to create a problem at the FCC level, is that correct?

A I don't know if I could make that interpretation, because we would be making a filing at the FCC and subjecting it to the jurisdiction of a state commission, and I'm not sure if the FCC would go along with that.

Q I'm not sure I'm quite understanding that. I mean, I don't understand that reasoning. But let me -- I mean, I guess what I'm trying to get at is you have got a tariff that is filed up at the FCC right now that BellSouth wrote to be consistent with what is actually being done in practice in provisioning its FastAccess service, correct?

A We do, yes, that is correct.

Q And if the reality of provisioning the FastAccess service were to change, all BellSouth would need to do to not be in violation of its FCC tariff is file a new tariff that basically outlined what the reality of that FastAccess tariff was, is that correct?

A Well, if the reality of a change -- as an example, if BellSouth made a business decision to move forward and tariff it differently, we could certainly file it and file changes to that tariff, and I don't think that that would cause any consternation with the FCC. If the Commission were to order such, I don't know but it may cause some concern with the FCC.

Q Oh, I think I understand what you are saying. It's if the Commission were to order you to file it?

A If the Florida Commission were to order us to make a filing with the FCC to accommodate their desires and changes, I'm not sure the FCC would or would not take issue with that.

Q But, of course, if the Florida Commission were to require you to do something and it would require a change in the FCC filing, otherwise you would be in violation of your FCC tariff filing, I am assuming BellSouth as a business practice -- you just said that you wouldn't want to be found in violation and wouldn't want to be subject to fines -- would probably go ahead and change its FCC filing to make sure that it was not only complying with what the state commission wanted, but also to make sure it was complying with the FCC,

would that be correct?

A Well, in general, yes, we would certainly explore whatever we would need to do. We wouldn't want to be inconsistent with state or federal law, but we would certainly explore our legal options at that point in time.

Q Okay. Moving to Page 14 of your direct testimony, Line 15.

A I didn't catch the line number, I'm sorry.

Q Line 15.

A Okay, thank you.

Q You contend that this Commission would need to determine that BellSouth had a monopoly power in the provision of DSL service prior to concluding whether or not BellSouth's FastAccess policy was anticompetitive, is that accurate?

A That's what I say, yes, ma'am.

Q As I understand your position, the relevant market should not be limited to just DSL, but should encompass the market for high speed Internet access services which would also include cable modem service and satellite and fixed wireless, is that correct?

A That is correct, and other DSL providers.

Q Is it your view that BellSouth does not have market power for broadband high speed Internet access within the BellSouth Florida service area?

A No, we don't. We are lead two to one by cable.

Q Are there other xDSL services within the BellSouth Florida service area?

A The FCC report that I attached to -- I attached one version of my direct and then to my rebuttal I attached the latest version, indicates that 92 percent of the zip codes in the State of Florida have got access to two or more providers of advanced services, which is 200 kilobits or more greater in one direction, and somewhere around 86 percent have three or more providers. So that would suggest to me that the majority of the constituents, the overwhelming majority of those constituents in the State of Florida would have other competitors other than BellSouth.

Q But we are talking specifically about BellSouth's service area.

A Uh-huh.

Q And we are talking specifically about DSL services. Do you know of any other providers that provide DSL service in BellSouth's Florida service area?

A Well, I think FDN provides DSL services out of their switches in BellSouth's area. I'm not sure on Covad. That is probably more an Eric Fogle type question as far as who the precise competitors might be. But there are several besides the customary cable, which I think in broadband -- well, I'm sorry, you said DSL only. I apologize.

Q Right. We are talking about xDSL service right now.

A I think that is too narrow of a focus on this market.

Q Well, yes, but that is the question I'm asking. For DSL service in the BellSouth service area, according to Table 7 of the FCC report, which is your Exhibit JAR-2, there are 391 -- 188,000 ADSL lines reported to be in service in Florida as of June 2002. Do you know how many of those lines --

A You went to the one that was attached to my rebuttal, I'm sorry, I didn't catch up with you. I was looking at the one on my direct.

Q Sorry about that.

A Go ahead.

Q Do you know how many of those lines are BellSouth lines?

A No, I don't. I think we answered some data request questions on how many DSL lines we were providing, and I thought it was like 200 and something thousand, but I didn't remember precisely.

Q Do you have --

A And of those I don't know how many we were actually the ISP.

Q I'm sorry, could you repeat that last sentence.

A And of those that -- I think I may remember, I don't remember how many of those that BellSouth is providing FastAccess as opposed to AOL or EarthLink being the ISP.

Q Oh, okay. So some of those may be DSL wholesale and

some of them are DSL, the FastAccess service?

A Well, you know, presumably maybe upwards of 100,000 or more could be from other competitors in Florida such as those consisting of the body of the FCCA. But they didn't answer any of those questions, so we can't tell what they are doing, we can just only guess.

Q If the relevant market were limited to DSL service, would BellSouth be the predominant provider in its Florida service area?

A I don't know. Again, the other side doesn't necessarily provide this information nor does it have to except for if they can have more than 10,000 broadband lines to start with. So we could guess that we might have a majority, but I don't know how large that majority would be if you were just to contain it only to DSL lines.

Q Okay. So basically it is probably a good presumption that BellSouth has the majority of the DSL lines, but you don't know what the actual percentage of that would be?

A I don't think I said that. I said we could guess that BellSouth may have a majority, but we just don't know what the other side has.

Q I guess I'm confused considering we have a table where you show how many ADSL lines are reported to be in service in Florida. You don't know how many specifically of those ADSL lines are actually in BellSouth's territory?

A Well, again, the table you cited to shows 390,000 some odd lines. I think I remember a data request, and somebody will just need to look at that precisely, but it seemed to me that we had about 270,000 maybe of those lines that we were providing. But my point is, and the FCC makes clear at the beginning of this report that not all providers are required to provide their information to the FCC. It is subject to the limitations of the requirements of Form 477 which says you have to have more than 10,000 broadband lines to start with before you even have to file the thing. So in that you have a numerous amount of ALECs in Florida, a lot of them may go unreported. So I don't think you could fairly say we have the majority. I said we could guess we might, but we just really don't know.

Q All right. Do you have a copy of the FCCA Witness Gillan's rebuttal testimony available to you?

A Let me see. I think I have one up here. Just a second. This is his December 27nd rebuttal?

Q Yes.

A I have it.

Q Okay. We are looking at Page 9, Line 9 of that testimony. And in that testimony Mr. Gillan asserts that BellSouth used its voice monopoly to create its DSL service and is now using its DSL service to further entrench its voice monopoly. This cycle must be broken.

Can you comment on that assertion?

A Yes, I can. One, I would disagree completely with the choice of the word monopoly. We don't have a monopoly in the State of Florida, nor do we have a controlling monopoly as he might be suggesting here simply because all the barriers to competition have been eliminated in the State of Florida and we don't have all the access lines even inside our own region.

Second, DSL was not even provided in Florida until sometime in the late '90s when we started providing that service, so it is not something that he likes to refer to as an inherited monopoly. It is something that we chose to invest far after the time that competition came to the State of Florida.

Q Okay. And do you know what year you all started making the investment to provide DSL service in your networks?

A In the State of Florida it was in the late '90s. I don't know if was '99 or '98, but I think Mr. Fogle speaks to it, maybe Mr. Smith.

MS. CHRISTENSEN: Okay. I have no further questions.

CROSS EXAMINATION

BY MS. KAUFMAN:

Q Good afternoon, Mr. Ruscilli. I am Vicki Gordon Kaufman with the FCCA, and I just have a few questions for you.

A Okay. Could you get just a little closer to the phone.

Q I'm pretty close. Is that better? I will just try to keep it up.

A That's fine. I get a little hard-of-hearing sometimes, and I apologize.

Q That's okay. Anytime you can't understand me or whatever, ask so that we are clear.

A Thank you.

Q Your direct testimony, Mr. Ruscilli, Page 21. I will get back to you. I turned to Mr. Gillan. Page 21, Line 6, I believe. Starting with the question at Line 6. Are you there?

A Yes. Is it the question does BellSouth serve the highspeed Internet access market in Florida ubiquitously?

Q That is it.

A Okay, I'm there.

Q And the answer that follows that question, you say that you have eight central offices in which you have not yet deployed DSL, correct?

A Yes.

Q How many central offices do you have in total?

A I think it is 191, maybe 196, I'm not sure exactly. Mr. Milner would know that.

Q Okay. Well, can we assume 191?

A Okay.

Q And my question is so except for the eight, if you subtract the eight from 191, that is how many offices you do

have that capability in, correct?

A That is how many offices, yes.

Q Okay. Now --

A But, I mean, you can't look at just offices, you have to look at remote terminals. And when you get to remote terminals, I think we have about twice as many remote terminals that do not have the capability for DSL or FastAccess as those that do.

Q You are ahead of me. That was my next question.

A I'm sorry.

Q That's fine. Make it shorter. My next question was to ask you if you know how many remote terminals BellSouth has?

A Off the top of my head, no. I think we answered that either in a data request or maybe even in Mr. Smith's testimony.

Q I think that you're right.

A Okay.

Q So we will go by Mr. Smith's testimony on that. I want to follow up some questions that Ms. Christensen was asking you, I think, when she began. And the question that I have for you is are you aware of any FCC rule, or order, or decision that would prohibit you from providing FastAccess in the way that it has been requested in this proceeding?

A Off the top of my head, no. I know in the two line sharing orders that came out from the FCC around 2000 they

spoke to that issue. I don't know if there was any prohibition in there or not. It doesn't come to mind, but I don't know for sure.

Q Okay. But as you sit here and we discuss it today, you are not aware of any federal prohibition anywhere?

A No, I'm really not. There might be something out there, it just doesn't come to mind.

Q Okay. Thank you. I just have two other areas that I want to talk to you about, and the first one is a point that you discuss on Page 18, beginning at Line 10 of your direct regarding rural Florida. Are you there?

A Yes.

Q I'm just trying to think of how to frame the question in the easiest way for you to answer. Is it your view -- are you trying to convey in this answer that granting the relief FCCA seeks would somehow inhibit the provision of phone service in rural Florida? I guess I'm just really trying to understand your point here.

A Well, my point is that it is going to do little to promote it simply because of two factors. One, the ALECs are not going into the rural areas of the state to provide service. I think only 7 percent, maybe less of the lines in Zone 3 are actually provided by ALECs to provide that kind of service.

And then secondly, coupled with the general theme of my testimony, placing regulations on BellSouth, requiring

BellSouth to provide something which it does not believe it is required to do creates an incentive, a strong incentive for the ALECs to never put any equipment in the ground in urban areas much less rural to provide broadband services. So, basically the State of Florida would be such that whatever BellSouth has out there is pretty much what is going to be out there because the ALECs certainly have no financial incentive or operational incentive to do otherwise.

Q Now, I think that you answered me if I heard you correctly about promoting the deployment of broadband in rural areas, but this question says -- this question, as I understand it, is asking you about the promotion of voice competition in rural areas, and --

A Right.

Q Let me just finish my question.

A Yes, ma'am, I'm sorry. I apologize.

Q That's alright. Are you saying that granting the relief the FCCA seeks would have some -- it would inhibit the provision of voice service in these areas?

A No, I'm saying that it would do little to promote it, and really for the same reasons I'm saying before. The FCCA is arguing that there is a part of the market that they can't serve because we provide DSL to it, okay. Well, they are not going after the rural market. We don't have DSL everywhere yet ubiquitously in those markets, they will have no incentive to

go after DSL in those markets much less the voice customer, so it is really not helping the situation.

Q Thank you. I think I'm going to move on from that.

A Okay.

Q I have just one more area that I want to ask you about.

A Yes, ma'am.

Q That is in your rebuttal testimony Page 9. The Q and A actually begins on Line 8, but I'm really interested in your comment that starts sort of toward the end of Line 17. And you say to paraphrase that the FCCA is asking the Commission to require you, BellSouth, to, quote, unquote, share its investment in new technology not just with your customers, but with ALEC customers too. Do you see where I am?

A Yes.

Q Now, when you provide service to a FastAccess customer, for purposes of that service he is your customer, correct? He is not an ALEC customer for the purpose of the FastAccess service, correct?

A Well, a FastAccess customer to BellSouth is a FastAccess customer, yes.

Q Okay. Really I'm just trying to understand.

A Right.

Q And when you provide service to a FastAccess customer of yours, I am assuming that you receive revenue for that,

correct?

A Yes, we hope so.

Q Okay. And you don't share that revenue stream with the ALECs, do you?

A No. I guess maybe -- no.

Q Boy, we would like to know if you do. Okay. And the ALECs are not getting any return on your investment, are they, the investment you have made to provide the service?

A Well, I guess in a way they may be.

Q How would it be that the ALECs would get a return on the, say, equipment that you have installed to provide your FastAccess service? That is hard to say.

A It is very hard to say, I will admit that.

Q We should come up with a shorthand or something.

A It is hard to say. Well, I mean, to the extent that BellSouth has made that investment, and BellSouth customers have chosen to buy that investment, the fact that the ALECs have not made that investment, yet we would be required to provide that fast service -- FastAccess service -- see, now you have got me doing it -- we would be required to provide that service to the ALECs. They have got customers they are going after and so they are getting money off of those customers, so now they have got a customer that they haven't had to invest in yet they are able to provide service to. So I guess in a way they are getting a return.

Q Okay. I'm going to leave this in a minute, I just want to be clear. You know, BellSouth has invested -- just to simplify this -- in equipment, let's say, to provide FastAccess, correct?

A Yes, it has.

Q And they provide the service to a BellSouth customer, the BellSouth customer pays them for the service, and I would assume that part of that payment is to return some of your investment, correct?

A Yes.

Q And the ALECs don't receive any of that return on your equipment investment, do they?

A No, they don't.

MS. KAUFMAN: Just a second. I just want to review my notes. That is all I will for you, Mr. Ruscilli. Thank you very much.

THE WITNESS: Yes, ma'am, thank you.

MS. CHRISTENSEN: Mr. Ruscilli, I just have one follow-up question.

REDIRECT EXAMINATION

BY MS. CHRISTENSEN:

Q You make the argument that allowing -- or I guess requiring BellSouth to provide FastAccess service to any ALEC customer whether it is being provided over a UNE-P line, UNE-L line would be -- would not promote competition particularly in

rural areas, correct?

A Yes. That was part of the argument that I was making earlier, yes.

Q Okay. But BellSouth does provide FastAccess over resold lines?

A Yes, it does.

Q So, wouldn't it be fair to say that it would be not encouraging the development of the ALECs' networks, you know, by them, you know, provisioning it by UNE-P or UNE-L lines, the current policy would not favor that. Maybe I need to restate that.

A If you don't mind, please.

Q Okay. I think I lost myself in there. Currently BellSouth allows or will provision its FastAccess service over resold lines, but it will not do it over a resold UNE-P line or a UNE-L line, correct?

A Well, it won't do it over a UNE-P or a UNE-L line, that is correct, yes. They are not resold lines, they are just UNE lines.

Q Correct. Okay. And the ALECs have to, you know, particularly on a UNE-L line, the ALECs put in their own equipment. They may put in a DSLAM, they basically end up building up their network when they buy UNEs from BellSouth, correct?

A Well, when they are buying -- let's just call them

loops, because that is a hard one to say, UNE-Ls. When they are buying loops, it is presumed they have their own switch somewhere and they may or may not have their own DSLAMs. But they are putting equipment in the ground when they are buying loops.

Q Okay. So BellSouth's current policy of only providing its FastAccess to resold lines but not to where the ALECs buy their own loops actually discourages the ALECs from building their own networks. Would that be a fair statement?

A No, it wouldn't.

Q Why not?

A Well, again, when this all started back with the UNE remand order, we were all at an even start. We could all put equipment in the ground. The ALECs have chosen repeatedly not to put necessary equipment in the ground and now they are getting a great incentive being held out before them that they will never have to do so because they can always rely on BellSouth's investment. So I don't know see, one, how that is furthering the development of an ALEC network, and then, secondly, I'm not sure how it is doing anything to promote the infrastructure development in the State of Florida of robust competitors.

MS. CHRISTENSEN: Okay. I have nothing further. Anything else? I think otherwise, Mr. Ruscilli, we are concluded.

(The deposition concluded at 12:50 p.m.)

ERRATA SHEET
DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE

IN RE: DOCKET NO. 020507-TL
NAME: JOHN A. RUSCILLI
DATE: January 17, 2003

PAGE	LINE	CHANGE

Under penalties of perjury, I declare that I have read my deposition and that it is true and correct subject to any changes in form or substance entered here.

_____ DATE

_____ JOHN A. RUSCILLI

STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, JANE FAUROT, Official FPSC Commission Reporter, do hereby certify that I was authorized to and did stenographically report the foregoing deposition at the time and place herein stated.

I FURTHER CERTIFY that this transcript, consisting of 36 pages, constitutes a true record of the testimony given by the witness.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 21st day of January, 2003.

JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TP
John Ruscilli
Late Filed Deposition Exhibit 1

REQUEST: Does any state commission in the BellSouth region exercise jurisdiction over either inside wire or MemoryCall?

RESPONSE: No state commission in BellSouth's nine-state region exercises jurisdiction over BellSouth's inside wire maintenance plan.

In 1991, the Georgia Public Service Commission ("GSPC") issued an order limiting BellSouth's ability to provide MemoryCall® service pending the implementation of regulatory controls over the service. *See In the Matter of the Commission's Investigation into Southern Bell Telephone and Telegraph Company's Provision of MemoryCall Service,* Docket No. 4000-U (June 4, 1991) ("MemoryCall® Order"). BellSouth filed a petition with the FCC seeking preemption of the MemoryCall® Order. Finding that BellSouth's MemoryCall® service was a jurisdictionally mixed service, the FCC preempted the MemoryCall® Order to the extent it prohibited BellSouth from offering MemoryCall® service in Georgia. *See In the Matter of Petition for Emergency Relief and Declaratory Ruling filed by the BellSouth Corporation.* FCC 92-18 (Feb. 14, 1992) ("Preemption Order").

To the extent that aspects of BellSouth's MemoryCall® service are intrastate, BellSouth's tariffs in Georgia, Louisiana, South Carolina, and Tennessee contain the price applicable to the intrastate portion of the MemoryCall® service in those four states. However, these prices appear in the Non-Regulated Services portion of BellSouth's tariffs in Georgia, Louisiana, South Carolina, and Tennesee.

EXHIBIT __//____

DOCKET NO. 020507-TL

DEPOSITION OF

WILLIAM E. TAYLOR

JANUARY 22, 2003

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020507-TL

In the Matter of

COMPLAINT OF FLORIDA COMPETITIVE CARRIERS ASSOCIATION AGAINST BELLSOUTH TELECOMMUNICATIONS, INC. REGARDING BELLSOUTH'S PRACTICE OF REFUSING TO PROVIDE FASTACCESS INTERNET SERVICE TO CUSTOMERS WHO RECEIVE VOICE SERVICE FROM A COMPETITIVE VOICE PROVIDER, AND REQUEST FOR EXPEDITED RELIEF.
_____/

ELECTRIC VERSIONS OF THIS TRANSCRIPT ARE A CONVENIENCE COPY ONLY AND ARE NOT THE OFFICIAL TRANSCRIPT OF THE HEARING, THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

TELEPHONIC DEPOSITION OF:	WILLIAM E. TAYLOR Located in Cambridge, Massachusetts
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
CONDUCTED FROM:	Gerald L. Gunter Building Room 362 2540 Shumard Boulevard Tallahassee, Florida 32399-0850
TIME:	Commenced at 10:04 a.m. Concluded at 11:05 a.m.
DATE:	Wednesday, January 22, 2003
REPORTED BY:	LINDA BOLES, RPR Official FPSC Reporter (850) 413-6734

APPEARANCES:

MEREDITH MAYS, c/o Nancy Sims, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301, appearing on behalf of BellSouth Telecommunications, Inc., participating telephonically.

VICKI GORDON KAUFMAN, McWhirter, Reeves, McGlothlin, Davidson, Decker, Kaufman & Arnold, P.A., 117 S. Gadsden Street, Tallahassee, Florida, appearing on behalf of Florida Competitive Services,

PATTY CHRISTENSEN, FPSC Office of General Counsel, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing of behalf of the Florida Public Service Commission Staff.

WITNESS

NAME	PAGE NO.
WILLIAM E. TAYLOR, Ph.D.	
Direct Examination by Ms. Christensen	6
Cross Examination by Ms. Kaufman	34
STIPULATION	5
ERRATA SHEET	43
CERTIFICATE OF OATH	44
CERTIFICATE OF REPORTER	45

EXHIBITS

NUMBER:		ID.
1	(Late-Filed)Prior State Regulatory Decision	16

S T I P U L A T I O N

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that counsel present stipulate that the witness is the person he identified himself as; that objections, except as to the form of the question, are reserved until hearing in this cause; and that reading and signing was not waived.

IT IS ALSO STIPULATED that any off-the-record conversations are with the consent of the deponent.

PROCEEDING

WILLIAM E. TAYLOR, Ph.D.

was called as a witness telephonically and sworn to tell the truth by the notary present with the witness, testified as follows:

DIRECT EXAMINATION

BY MS. CHRISTENSEN:

Q Can you please state your name for the record.

A My name is William E. Taylor.

Q Okay. And Mr. Taylor or -- is it Dr. Taylor or Mr. Taylor?

A It's Doctor, but it can be either.

Q Okay. Dr. Taylor, have you ever participated in a deposition before?

A Yes, I have.

Q Okay. And have you ever -- I think you've stated you've testified before this Commission and other state commissions?

A Yes.

Q Okay. So you're familiar with this process?

A Yes.

Q Okay. Let me then just jump right into the questions.

A Sure.

Q Okay. Dr. Taylor, are you generally familiar with

this Commission's prior decisions pertaining to BellSouth's FastAccess arising in the FDN/BellSouth arbitration proceeding?

A I have read them in the course of preparing my testimony. I can't say that I'm absolutely familiar with them.

Q Okay. Would you agree that in the FDN/BellSouth arbitration that this Commission concluded that BellSouth should not be allowed to unilaterally disconnect a customer's FastAccess service when the customer migrates his voice service to a different voice provider?

A I don't have the decision in front of me. But, yes, my interpretation of the decision suggested that unilateral disconnection the Commission disagreed with.

Q Okay. And in that decision, to the best of your general recollection, didn't the Commission conclude that this BellSouth practice constituted a barrier to entry into the local exchange market?

A I don't remember that phrase, so I can't say whether it did or it didn't. I would disagree with that, but that's okay.

Q Would you accept, subject to check, that because it concluded, because this Commission concluded that BellSouth's practice was a barrier to entry into the local market, it amounted to a violation of Section 364.01(4), Florida Statutes?

MS. MAYS: I would just like to lodge an objection to the extent it's asking the witness to state a legal conclusion.

Subject to the objection, you can answer, Dr. Taylor.

THE WITNESS: Yes. Now I obviously can't speak to what that section of Florida law says. If the law says something about shall not create a barrier to entry and the Commission did conclude, incorrectly in my view, that BellSouth's position was a barrier to entry, then by definition it violated, it violates the law.

BY MS. CHRISTENSEN:

Q Okay. And in one -- one of the subparts of this section that the Commission referred to is Section 364.01(4)(g), which provides that the Commission is to ensure that all providers of telecommunication services are treaty fairly by preventing anticompetitive behavior.

Do you believe that BellSouth's practice constitutes anticompetitive behavior?

A No.

Q Can you -- can you explain to me why you believe that this Commission erred in concluding that BellSouth's decision not to provide FastAccess to a non-BellSouth voice customer is anticompetitive?

A Yes. First, FastAccess service is an unregulated service. It's not even a telephone service. And BellSouth has, like any other company, the right to decide how and in what packages it provides services to customers. The market determines what the right mix of services and how they're

packaged should be. And there's nothing in, that you would see in competitive unregulated markets, which is the standard economists use for this sort of thing, that suggests that because a firm decides to package two services together and offer them together, particularly where there are good both marketing and cost reasons for doing so, why that practice would ever constitute anticompetitive behavior, particularly where the service in question, namely broadband access service, is provided in an unregulated and competitive market.

Q Well, let me follow up with that. You're talking about packaging the services together.

And let me know if I'm correct. What we're talking about here is basically packaging voice service, BellSouth voice service with its FastAccess service; correct?

A Yes. That is the package of two services that's in question.

Q And would you agree that BellSouth still has an exceedingly high percentage of the voice service market in its area?

A Well, the facts are on the record even in this docket, I think. I'm not sure I'd go with exceedingly high.

Q Can you --

A But, yes, I would agree -- we don't have to dispute this. I would agree that the Florida Commission still regulates BellSouth's basic exchange service, both business and

residence, in Florida.

Q Well, let me, let me ask you this. For the voice service, do you, can you give me a rough estimate about how much of, of that market, the voice service market BellSouth still maintains in its service area?

A Well, if you look at market share, which, of course, an economist would tell you is only a very small piece of the package, my recollection is from the FCC, last FCC report, aggregate market share of CLEC lines, ALEC lines was about nine percent. I think I've seen other numbers perhaps later measured differently that run around 13 percent.

Q Okay.

A And that number varies from on the order of maybe 25 percent for business to a much lower percent for residence. So that's just market share. I won't give you the economist's speech on why that doesn't tell you whether the market is competitive or not.

Q Okay. But -- so for voice service they certainly have the lion's share of the market; correct?

A Why don't we agree that for voice service the Commission still feels it's important to regulate it, and BellSouth hasn't argued with that or at least it hasn't petitioned to have -- to my knowledge, it hasn't argued that residential or business basic exchange service ought to be deregulated.

Q Well, let me -- I'm getting to a question here. But let me ask you, you gave us the nine percent, ALEC, 13 percent, 25 percent for business numbers based on the FCC report. Was that a total percentage numbers for all of Florida or just for the BellSouth area?

A Well, those came from memory.

Let me look at the FCC numbers. I think it's Table 7. And that's nine percent in June of 2002, nine months ago. And my understanding of the FCC report is that that is for all of Florida, but it is only for, it is only reported by large ALECs. So it's an understatement of what the actual number is.

The 13 percent that is fixed in my mind I think comes from Mr. Ruscilli's testimony, and I'm not sure what the source of that is.

There is also a source, namely the Florida Public Service Commission. I think you guys do your own survey of all Florida ALECs, but I don't know what the last result from that was.

Q Okay. I guess I would -- the question that I would ask is you're saying, you know, that -- I guess what I would ask would be a hypothetical question.

Is it possible to have an unregulated service packaged with a regulated service where you have so much of the percentage of the market for the regulated service that it could basically, by tying the two services together, in effect

keep competition from, from growing?

A No. In my view it would work the other way.

Q How so?

A That is, if what BellSouth was proposing to do was to say, if you want to buy my local service where I have less competition or perhaps in your view a monopoly, you're also going to have to buy my FastAccess service, which is unarguably competitive.

That's the way that you'd expect to see tying work in a market like this, because that way BellSouth could avoid your local, your regulation of local exchange service prices. It could charge the regulated, whatever the number is, $15, $20, for basic service, but then tie into, tie into that or make, make you buy FastAccess service at a premium in order to get basic exchange service. That's what tying would mean in these markets.

Q Well, let me ask you this. Could it possibly -- I mean, what about a different scenario where you have, let's say, the local exchange service, they offer the FastAccess service, and then where they, they basically keep you as a local customer by saying that you can no longer get the FastAccess service. Would that constitute a barrier to competition?

A Well, it certainly isn't a barrier to entry in the -- if that's the technical question you're asking.

Q No. I asked actually whether or not it was a barrier to competition.

A Oh.

Q Not, not to entry into competition, but a barrier to competition to, to the customer changing their, their voice service. Slightly different question.

A Well, the answer is, again, no, I think. Mostly because broadband access -- the broadband access market is unregulated for a reason. The reason is because it's competitive.

DSL is only a small fraction of that service and customers have alternatives and ALECs have alternatives under which they can provide DSL service or broadband access service to customers.

So if BellSouth were to try to force people to buy their local exchange service in order to get DSL service, an ALEC has a simple alternative. You don't need BellSouth's FastAccess service. You can have my local exchange service as well as my DSL service, either resold or through Covad or somebody else, or they could build their own.

Q Okay. Well, let me move on to the next set of questions.

A Sure.

Q In, in the FDN/BellSouth arbitration order the Commission also concluded that BellSouth's FastAccess policy is

discriminatory and violates Section 364.10(1), Florida Statutes, which provides that a telecommunication company may not give or -- may not make or give any undue or unreasonable preference or advantage to any person or locality or subject any particular person or locality to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Do you agree with this Commission's prior decision that BellSouth's FastAccess practice is discriminatory?

A No. In fact, there's a section of my testimony which discusses precisely why it is not discriminatory.

But at least at this stage let me just say would you agree, given that interpretation of Florida law, that it would be discriminatory for MCI, for example, to refuse to provide local service to an AT&T toll customer? Is that discriminatory?

Q I don't know. You, you give me your opinion.

A I mean, I'm throwing this out.

Q This is your deposition, so maybe you could give me your opinion on that question. You can answer the question yourself.

A The answer is, no, it is not discriminatory. And it's equally not discriminatory for BellSouth.

Q Dr. Taylor, are you aware whether any other state commissions outside the BellSouth region have rendered a decision similar to that made by this Commission regarding an

ILEC's high-speed Internet access service?

A I guess I am, though I can't remember the details of it. It was work I did for another case. But I think I remember that the Rhode Island Commission came to some decision, and it was either DSL service or some other telephone service, and reached a similar conclusion, roughly a similar conclusion in my mind.

Q Okay. Do you have -- do you recall any of the docket numbers or proceedings or a way to find out, find the case like the participant's name in the docket and when it occurred?

A Well, I don't have it in front of me here, but I imagine I can go and do the research that found it in the first place.

Q Okay. Could you -- if you could, if you could file that as a late-filed exhibit to the deposition. If you could provide us not only with a, you know, I guess maybe the order that was issued from that case and the name of the participants and the docket number, that would be very helpful.

A Okay. I'll give you what I can find.

Q Great. Thank you.

Are you aware of any other state commissions?

A That's the only one which comes to mind.

Q Okay. And do you happen to know what the title of that case was?

A No.

Q Okay. I'm sorry. We need a title for the late-filed. Rhode Island State Commission exhibit.

A And if I have the state wrong, I'll give you the one that I have. I just have that vague recollection.

Q Okay. Prior state court decision, how about we change it to that?

A State regulatory decision, I think, not a court.

Q Correct.

(Late-Filed Deposition Exhibit 1 identified.)

BY MS. CHRISTENSEN:

Q Okay. Let's -- referring back to the FDN order at Page 11. This Commission --

A I'm sorry. I don't have it with me, so.

Q I'll read you the part that I would like you to comment on.

"This Commission asserted that we caution that this decision should not be construed as an attempt by this Commission to exercise jurisdiction over the regulation of the DSL service, but as an exercise of our jurisdiction to promote competition in the local voice market."

I think you've said this before, but I want to confirm this. Would you agree that FastAccess is a nonregulated service?

A Both nonregulated and nontelecom, yes.

Q Okay. And would you accept that in the FDN order

this Commission agreed that FastAccess is a nonregulated, nontelecommunications service?

A I think I read that, yes.

Q Okay. So, in your opinion, do you believe that a state commission can order an entity to provide a given service if the Commission does not have jurisdiction over the provision of that service?

A Well, I don't know in general because I haven't thought about it, number one.

Number two, this isn't a legal conclusion because I'm not a lawyer.

Number three, its application in this case, I think, is wrong. That is, the Commission did state that it was not asserting jurisdiction over BellSouth's DSL service in the order that it, that it gave, but that's just wrong on the facts. Of course it is. That is, not only is it requiring, perhaps for reasons that it has authority to do, I don't know, but it is requiring that an unregulated service be provided to particular customers presumably under particular terms and conditions.

I mean, if BellSouth were to say, sure, we'll provide it, it's a million dollars a line, I presume the Commission would think that was a violation of its, of its order. So the price is regulated.

Q Well, let me ask you this. What if that service, the

unregulated, unregulated nontelecommunications service is found to be anticompetitive or discriminatory when used in combination with a regulated service.

A Yes. What is the question?

Q Would that change your opinion on whether the state commission can order the entity to either provide that unregulated nontelecommunications service or in essence put some, I guess --

A Restriction.

Q -- restrictions on it? Yes. Thank you.

A I can't say whether the Florida Commission has the authority to do it. That's not an economics question.

I can tell you that what it has appeared to have done in the FDN case and what you've just asked me amounts to, from an economist's point of view, regulation of the service, and there's no way to escape it.

Q Well, let me ask you, would it be, from an economic standpoint, appropriate if you have a nonregulated, nontelecommunications service being coupled with a regulated service and which leads to anticompetitive or discriminatory effects on competition, would it be appropriate from an economic standpoint to put in some restrictions?

A Well, I think the answer is no. There's a reason why the service is not regulated. It's because BellSouth has no market power in providing the service.

And if you follow the economic logic from there, it says that the Commission's conclusion that failing to provide FastAccess service to ALECs' customers is discriminatory or anticompetitive can't be right, given that the market for broadband access is competitive. There's an inconsistency in the decision from an economist's point of view.

Q Well -- okay. Could you turn -- do you have your rebuttal testimony in front of you?

A Yes.

Q Okay. Could you turn to Page 7 of your rebuttal testimony, beginning at Line 17.

A Just to make sure we have the same pagination, there's a sentence there, which begins, "It makes no economic sense"?

Q Hold on just a second. Where am I? Page 7. It would make -- "In these circumstances, it would make little economic sense."

A That's Line 15 on mine.

Q Correct.

A Okay.

Q We're on the right one. Okay. We're looking at -- okay. We're looking at Line 17, beginning at Line 17, which continues over to the top of Page 8. Here you state that it makes no sense to leverage the provision of broadband service to favor the local exchange service. Could you explain further

why this is the case?

A Sure. The theory of tying -- one of the reasons why -- is given in that theory why a firm might engage in such a practice is in order to make more money. And the way -- one way at least one can make more money by doing that is to extend market power that a firm has in one market to its circumstances in another market. And under certain conditions, not all, a firm can raise its total profit by doing that.

And in this case, as I explained earlier, the way BellSouth could leverage market power and increase profits in this case would be the reverse of what they're doing.

Q Well, let me ask you this. Would it be -- I mean, is it possible that what we're not talking about here is not trying to gain market profit, but could you conceive of a possibility where they would use a tying arrangement to keep from losing market share or market profit?

A It really doesn't matter for the economics of it. Let me try a quick explanation. Let's suppose, hypothetically, so we don't have to argue about the facts.

Q Okay.

A Suppose hypothetically that the broadband access market is just absolutely perfectly competitive.

Q Uh-huh.

A And that the basic exchange market is absolutely monopolized.

Q Okay.

A Let's take the extreme case. In that case how could -- what we're asking if BellSouth is doing is restricting people's purchase of FastAccess service, which is a perfectly competitive market.

Q Well, actually -- actually I think the question is not whether or not it's restricting the purchase -- well, it does touch on purchase of FastAccess, but it also touches on, and I'd like you to address in your hypothetical, the ability of the customer to pick the best deal on the monopolized service.

A Yes. Okay. I thought that, too, that assuming it's perfectly monopolized probably won't get us there.

Q Okay.

A Let's assume that basic exchange service is just like it is, there's probably market power at least for some customers and it's regulated and everyone agrees it should be.

Q Okay.

A If that's the hypothetical now, we have BellSouth that would like to make more money by restricting access to FastAccess service only to those who buy its local exchange service. If there are people who really like FastAccess service, it might, you would think, give BellSouth a competitive advantage in the local exchange market, and I think that's where your concern lies.

However, the fact that the broadband access market is competitive means that BellSouth can't extract anymore profit from the broadband access market than it already has; that if it can't raise its price, it can't add on restrictions which amount to the same thing because people will leave its DSL service.

Q Well, what about if you were just looking at a DSL market?

A I don't even -- I don't know what a DSL market would be.

DSL is one mechanism by which people get broadband access. But there are lots of mechanisms. It would be like talking about the LifeSavers candy market or something. I mean, there are lots of -- it isn't a market from an economist's point of view.

If BellSouth raises the price of DSL service, do you think people will switch to cable modem service? Sure.

Q Okay. So what you're arguing is that from an economist's standpoint what the market for broadband service includes, what, DSL --

A DSL, it includes cable modems, it includes fixed wireless, it includes satellite.

Q Okay. And you believe -- okay.

All right. Let's turn to Page 11 of your rebuttal testimony, beginning at Line 17 as well.

A Okay.

Q You state, "For good economic reasons revolving around customer choice and cost, local exchange carriers in Florida offer some services exclusively to their basic local exchange customer and other services more widely."

Could you expand somewhat on the economic reasons to which you refer?

A Sure. One is cost; that's the obvious one. For example, you can't buy MCI call waiting service without buying MCI local service. I mean, it's such a crazy example that you ignore it. But the point is important; that these are both services that MCI provides, BellSouth provides them as well, but the cost of providing them on an unbundled basis is prohibitive. I think there's no question about that. So -- and the list of such services is quite large on the cost side.

On the customer choice side you have the same sort of arrangement. Who would ever want to have a separate bill from BellSouth for call waiting and from MCI for local exchange service, even if MCI had the best darn basic exchange line one could, money could buy and BellSouth had the best call waiting service anyone could buy? It just isn't worth it to anyone to try to shop for those separately.

And I think we all can see in the kind of offerings that unregulated firms in this market, ALECs, cable companies make and cellular companies make that people are offering

bundles of services so you don't have to break things up. That's a consumer preference reason why.

Frequently firms don't offer what are called naked services; that is, a service by itself. MCI doesn't offer naked local exchange service.

I don't know about BellSouth, but Verizon up here in Massachusetts doesn't offer naked tolls. They won't sell you a toll service unless you're a local exchange customer. And the reasons are both customer preference, they want to sell bundles, customers want to buy bundles, and cost.

Part of cost, I guess, and particularly important for the DSL question, is the way the OSS network or systems are configured. Sometimes the services are designed originally and put into place to be an overlay service, to be an additional service on top of a telephone company service you've already purchased. I mean, obviously the vertical features come that way. They assume that you're buying local exchange service when you buy call waiting or call forwarding.

And one of the costs in question would be the cost to unbundle in some sense the, operate the OSS system to accommodate naked provision of the service when they weren't built that way.

Q Okay. Let's -- also starting at Line, on the same page, starting at Line 25, you contend that requiring BellSouth to offer its FastAccess service in the manner requested by FCCA

"would place an asymmetric burden on BellSouth and be, in effect, anticompetitive."

Would you explain why such a requirement imposed on BellSouth would be anticompetitive?

A Sure. It's anticompetitive in several senses. In the DSL or the broadband access market in the sense that other suppliers in that market, all of whom sort of started at the same time -- this isn't a question of a Bell system incumbent selling the network that was purchased over the years and invested in over the years of monopoly service. These are brand new investments with no monopoly tint tied to them. And in that market BellSouth competes with cable companies, fixed wireless companies and other DSL providers.

If BellSouth is required to provide both overlay DSL service, which it builds systems to provide, and naked DSL service to whoever wants it, then it has a cost disadvantage compared to other suppliers.

A cable company, for example, may choose only to provide DSL service to people who take it, or broadband access service to people who take its, its cable service. And if you want just broadband access, it may cost you more. That's the way prices are set and services are determined in the broadband access market. And if you restrict one player's ability to adapt its prices and its service offerings to what the market wants, that player is at a disadvantage.

Q Well, let me ask you this. Would it be a different -- let's assume that BellSouth were required to provide a naked DSL service, as you've coined the phrase. If it could recover its costs appropriately, in other words, it could do like the cable companies where if you don't want cable television but you just want high-speed broadband Internet access through the cable modem, they can charge an additional cost, what harm is that to BellSouth?

A Well, it's, it's an improvement in the sense that there's some provision for recognizing different costs to serve different customers.

But still look at what you've done. You have regulated one player in the broadband access market. What you've said is regulation will be so bad, we'll adapt the prices to the cost. But certainly regulation in such a market, imposing regulation on such a market can't be the right thing to do.

And I think we all recognize, regulators and economists alike, that workable competitive markets provide better results for consumers and for competitors than do imperfectly regulated markets. And I can't imagine a more imperfectly regulated market than one in which one technology and one provider, namely DSL service, and the ILEC was regulated and nobody else was.

Q Well, what are -- I mean, are you calling regulation

to the extent that they might be ordered to provide FastAccess service as a stand-alone service, is that what you would be considering regulation?

A Oh, well, that's the --

Q I mean, other than -- let's assume there was no regulation of price, terms or conditions, I mean, other than you have to -- you can't tie your DSL service to your voice customer, other than that, let's assume that that was the only decision that the Commission made, is it still your contention that that's a regulation, and how much of one?

A Well, yes, it's sort of the camel's nose under the tent. You could not make a meaningful implementation of that regulation or whatever you'd want to call it without regulating quality and price.

I mean, if BellSouth came back to your FDN order and said, okay, fine, we'll do it, but it's going to cost the, the ALEC or the end user customer $300 a month and they'll have to wait six years for service, you would say that's a violation of what we meant by providing the service. And if you hone what you meant by providing the service in a legal environment, which you certainly would in this case, you'll end up having to regulate at least quality and price.

Q Okay. And let's explore that a little bit further. I think earlier you said that you started off with all of the DSL services basically being initiated at the same time, and

BellSouth basically created its FastAccess service as an overlay service; is that correct?

A Yes. That's my understanding.

Q Okay. And would you agree that there would be nothing that would have stopped BellSouth from designing it as a stand-alone or a naked service?

A It would be a different service. It probably wouldn't have been then, might not even be now, a more profitable way to design the service. That is, you would be incurring costs, additional costs to be able to serve a small, then a small number of customers who were ALEC voice customers, today a larger number, but still small, so it would be more expensive, we would have slower rollout of the broadband service that would be, that BellSouth would do on its own nickel.

Q Okay. Let's -- also on Page 12 you observe that the FCCA witness Gillan apparently believes that the requested provision of FastAccess service should be at the same rates, terms and conditions that BellSouth applies to existing, its existing retail customers.

To the extent that the cost of providing FastAccess service in the manner requested by FCCA results in BellSouth incurring costs it would not otherwise have incurred, should BellSouth be allowed to recover these costs from the ALEC FastAccess service customers?

A Yes. That is, if against my advice you went down this path and required BellSouth to provide FastAccess service to FCCA customers, then at the very least it seems in this now regulated world that they ought to be able to recover additional costs or, if costs there are, that they incur in order to provide it. That certainly would happen in an unregulated competitive market.

But let me, without repeating myself, just say that doesn't solve the problem. You have injected asymmetric regulation into a competitively working market.

Q Let me, let me go back and ask you. You had said an example, I think, just a few minutes ago that if BellSouth -- that if we just said you can't basically tie your FastAccess to your voice customer, I mean, that can't be one of the criteria you use to provision FastAccess, you used as an example that BellSouth would, you know, could, I guess, conceivably charge $300 and take six months to provision it. Is that really a likely scenario that BellSouth would go ahead and do that?

A No. But it is a very likely scenario that the issue would be litigated; that is, I made up $300 because it's an outrageous number and three months to provision because that's an outrageous number.

But what happens if --

Q Well, because if they're still in a competitive market providing its DSL service, if it were to provide DSL

service in that competitive market, isn't it true that the price couldn't go up that high because it would have to still be able to compete in that, in the DSL or the broadband market?

MS. MAYS: Excuse me one second. If I could just -- Patty, if you could, there's been a couple of times when you and Mr. Taylor are overlapping. If he could please be allowed to finish his answer.

BY MS. CHRISTENSEN:

Q Let me go ahead and finish this question, which is basically -- Dr. Taylor, did you understand what I was, what I was asking? Wouldn't the current competitive market keep a cap on the price?

A It keeps a cap on the price for customers that BellSouth wants to serve, yes. It does not -- I mean, BellSouth would love it if every -- or wouldn't particularly care if every voice customer of the ALECs went and got their DSL service somewhere else, mostly because the service that BellSouth is set up to provide isn't designed to deal with those people. So it's going to be expensive to serve them.

If you allow BellSouth to set a different price to reflect that difference in cost so it can make money serving those customers, if that were possible to do, you know, then perhaps they would have an incentive to serve those customers and the -- but I guess the answer is they could never serve those customers in a competitive market. If it costs BellSouth

a lot to redesign its, its OSS systems and everything else to deal with those people and the market is competitive so that FCCA members, if they have to, can go cut a deal with Covad or customers can go to a cable modem service, then BellSouth wouldn't be able to compete for those customers under these circumstances.

Q Okay.

A They're gone.

Q Going back to talking about whether or not if BellSouth were ordered to provide its FastAccess service as a naked service and passing through the costs, can you tell us what would be the probable impacts if BellSouth were not allowed to pass on any such incremental costs to the ALECs' FastAccess customers?

A Well, the main impact is that you've now got regulated prices for BellSouth's broadband service to ALEC customers. So as far as I'm concerned, the baby is long gone and you're left with the bath water.

The consequences of not permitting BellSouth to recover the additional costs -- you know, gee, I guess maybe it would be an exogenous cost change in a price cap plan or something. It's -- I don't know if it rises to the level of a taking, but it's certainly inefficient.

If you're going to require BellSouth to provide -- to incur costs to provide service to some customers and then say,

oh, BellSouth, you cannot recover those costs from the customers you're serving, that's, that's inefficient economics. That's bad economics.

That gives every ALEC customer an incentive to consume more of BellSouth's FastAccess service than it costs BellSouth. You would have ALEC customers who value FastAccess service at, make up a number, ten bucks, and they get it, but it costs -- Bell at ten bucks, but it costs BellSouth 20 bucks to provide it. That's sending the wrong signals. That's first-order economic inefficiency, welfare losing, customers are made worse off.

Q Okay. Let me turn your attention to Page 13.

A Sure.

Q On this page you discuss why a customer that has BellSouth voice and FastAccess service and migrates its voice to an ALEC or UNE-P or a UNE loop cannot be similarly situated.

A Yes.

Q And at Line 24 in your testimony it indicates why in parenthesis.

A Yes.

Q Can you tell us, is there something missing?

A No. That's a typo which I must have left in the draft asking myself, "Why is this true?"

I'm happy to answer the question, if you'd like.

Q Would you please answer why you think that this is

true?

A Happy to. Yes.

When Mr. Gillan makes that point, he limits it very carefully to the physical facilities. That is, the copper wire is the same; therefore, the customers are similarly situated. I disagree with that. I mean, I agree that in his hypothetical the copper wire is the same; however, the customers are in no economic sense similarly situated.

Customer number one, if it wants to buy vertical service, it calls MCI and it buys whatever MCI has to offer at whatever price MCI wants to charge.

Customer two, the BellSouth customer, if it wants a vertical service, it calls BellSouth. If BellSouth -- that's major difference number one.

Major difference number two: If BellSouth wants to or is required to provide a service, a DSL service to the MCI customer, BellSouth has to place the order, has to do all the work, has to do the negotiations through MCI. It is MCI's loop. Even though the loop is physically leased from BellSouth's network, BellSouth has relinquished it. It's as if BellSouth -- it's as if -- or it's no different from the circumstance in which MCI leases the loop from Sears Roebuck. BellSouth has no more control over it than in that circumstance.

So if BellSouth has to or wants to provide DSL

service to the MCI customer in question, he's going to have to negotiate a line-splitting arrangement, he's going to have to negotiate terms under which the high frequency portion of the loop can be leased, he's got to arrange for customer service for out-of-service calls, all of those things, which is very different from the circumstance in which it is a BellSouth loop under BellSouth's control

MS. CHRISTENSEN: Okay. I think that concludes all the questions that I have.

Ms. Kaufman?

MS. KAUFMAN: Yes. Thank you, Ms. Christensen.

CROSS EXAMINATION

BY MS. KAUFMAN:

Q Mr. Taylor, this is Vicki Kaufman. How are you?

A Good, thank you. And you?

Q I'm not too bad. I have just a couple of questions for you, if you would indulge me.

A Sure.

Q One thing that confused me somewhat in some of your questions and answers with Ms. Christensen is this. When BellSouth provides its FastAccess service to an end user, that end user for purposes of that service is BellSouth's customer, isn't it?

A Well, be careful. It's certainly BellSouth's FastAccess customer.

Q Right.

A And in the hypothetical I think you just gave me it's probably also BellSouth's basic exchange customer.

Q Okay. But for purposes of providing FastAccess, which is a retail service; correct?

A Yes.

Q When BellSouth provides that to an end user, that end user, for purposes of receiving that service, is a BellSouth customer; correct?

A A BellSouth customer of the retail FastAccess service, yes.

Q Okay. I just wanted to be clear on that point.

Dr. Taylor, Page 8 of your rebuttal, on my copy it's Line 9, you talk about BellSouth's -- well, you refer to Mr. Gillan, and you talk about the alleged market share of 99.3 percent for the DSL-based market.

A Yes.

Q You don't take issue with that number, do you, in terms of the DSL-based market, that BellSouth has over 99 percent of the share?

A I don't take issue with the 99.3 percent number. However, I do take issue that it is a share of a market. That is from an economist's perspective it isn't a market share. It just happens to be the fraction of DSL customers that BellSouth serves, but it's not a market share.

Q I understand. But I guess my point is that you're not quarreling with the percentage number.

A No.

Q Okay. Good. Now on Page 4 -- I'm trying to make sure our numbers are matching up.

MS. CHRISTENSEN: Page 4? You're on Page 9.

MS. KAUFMAN: I'm sorry. That could be why. Thank goodness Ms. Christensen is here to help me out.

BY MS. KAUFMAN:

Q Page 4, she's correct, Line 6. It actually begins at Line 6. It's the whole paragraph there. But particularly starting in the middle of Line 9 you talk about, "For those customers," I'm quoting you, "their experience with those BellSouth services arguably confers a competitive advantage on BellSouth in the basic exchange market - an arguable competitive advantage which it has earned."

Q Do you see where I'm referring?

A Yes, I do.

Q So if I'm understanding your comments there, you don't disagree that BellSouth has a competitive advantage in this local exchange market, but you think it's one that they have earned or are entitled to?

A Well, I modified that with the word "arguably."

Q Uh-huh.

A But my own opinion is, yes, that is to the extent

that customers buy other services of BellSouth, toll, vertical services, any other services, and have a good experience with that, that those customers, that good experience confers a competitive advantage on BellSouth. There's nothing wrong with a competitive advantage.

When MCI does something well in toll, their toll customers are more likely to sign up for local service. And I wouldn't, as an economist, ever say that that's the wrong thing or that's a bad thing. That's a good thing.

Q I, I understand your point, I guess. My point is that you don't dispute that they have a competitive add -- I can't speak -- a competitive advantage in that market. As you said, you just think it's one that is rightfully theirs; correct?

A No. Let's be real careful about what that says. Go back to the sentence before. It says, "Presumably some BellSouth customers also like," all of these other things.

Q Right.

A And the sentence in question says, "For those customers." So technically that's inside wire maintenance, calling plans, voice mail services, and I'll throw in DSL for free. For those customers, the ones who like it, their experience with those services does confer a competitive advantage. Yes.

Q Okay. So your reference to competitive advantage on

Line 10 is intended to refer to inside wire and calling card and not to competitive, not to voice local exchange service?

A Well, I'm just reading the paragraph. The sentence that you had me read and the sentence that deals with a competitive advantage begins with the phrase, "For those customers."

What does "those" mean? Well, I believe it means the customers that are listed in the previous sentence. However, that's just an example. And I would think, and I said two minutes ago that the example extends to essentially all of BellSouth's services, including DSL.

Q And including local exchange voice service?

A Yes, except that's sort of circular. That is, we're asking about customers of BellSouth services who are satisfied and, therefore, that gives a competitive advantage on BellSouth in the basic exchange market. So if they're satisfied in basic exchange, well, I guess that gives them advantage in basic exchange. Sure.

Q Okay. I appreciate that. I'm just trying to clarify my questions when I read your testimony.

A Sure.

Q Page 7, Dr. Taylor, beginning at Line 9.

A Yes.

Q And this is what I -- if we could use a shorthand for what I think of as your blank slate argument.

A Sure.

Q Okay. And by that I think you discussed with Ms. Christensen your view that when the starting gun went off for DSL service, everybody started at the same time; right?

A Well, for broadband access service, yes.

Q Okay. Now when the Telecom Act was passed in 1996, you wouldn't dispute that Bell had a voice monopoly then, would you?

A I don't use the word "monopoly."

Q It had the, let's use Ms. Christensen's words, the lion's share of the local voice market?

A Yes. I would agree with that.

Q Okay. So we'll try to not use terms that cause problems.

So having the lion's share, they had all the, in their service area, all the facilities to provide service and they had all the customers; correct?

A Be careful. To provide local exchange service?

Q Right.

A Yes.

Q Okay. And they use those same facilities to provide their FastAccess service, don't they?

A They do. And everyone else can and does under exactly the same terms and conditions thanks to the Telecom Act, taking the same advantage of the voice network that

BellSouth takes.

Q Okay. So you agree they had all the facilities and they had all the customers as well and it's --

A They had all the local exchange customers.

Q Exactly.

A They didn't have any broadband access customers.

Q Right. I agree with you on that. And they started out with all the customers in all the facilities, and it's your view that that constitutes a blank slate.

A Absolutely, because every supplier of broadband access using telephony has the same access to BellSouth's network as does BellSouth's wholesale DSL service. It's unbundled -- the network is unbundled.

If MCI or anybody wants to provide DSL service the way BellSouth did, go back to 1996, they can buy DSLAMs, they can collocate DSLAMs, they can provide the service using the BellSouth voice network in the same way that BellSouth does, did and does.

Q Dr. Taylor, can you turn to Page 9 of your testimony, please?

A Yes.

Q At the very bottom on Line 26, beginning on Line 26. And you're talking about there, if I understand it, a customer that has FastAccess. And you say -- do you see where I am?

A Yes.

Q You say, In the case of a customer that has existing FastAccess service, the customer can be advised at the outset that Bell only offers this in combination.

A Yes.

Q Does BellSouth do that?

A I don't know.

Q Do you think they should do that?

A Well, let's see. This is a customer that has existing FastAccess service. I guess I'm lost here.

I guess all customers today or almost all customers today of FastAccess service already have BellSouth's local exchange service.

Q I think that's true.

A So I'm not sure who I'm supposed to notify. I guess I don't understand your question.

Q Well, I -- this is your testimony. I was just asking you what you meant by the sentence that begins on 26 there at the bottom of 9. You talk about a customer could be advised at the outset that Bell only offers FastAccess in combination. So what was it that you meant by that sentence?

A Oh, I think the outset we're talking about is not when the BellSouth customer signed up for FastAccess service, but rather when an ALEC wants to move a BellSouth FastAccess customer to its local exchange service.

Q So this -- you were intending to refer to what we

call a migration situation?

A Yes.

Q And you -- okay. And that is when you think the customer should be advised that this can't occur without, the migration cannot occur without the -- let me -- I'm sorry.

You think the customer should be advised that if they migrate, they cannot have FastAccess?

A Well, I wouldn't phrase it that way, no, because that's false.

That is if the customer migrates to a UNE-P or a UNE circumstance, they can't have BellSouth's FastAccess service. But if they want BellSouth's FastAccess service and the ALEC is willing to supply it, that can be done, and they can have ALEC basic exchange service as long as the ALEC resells basic exchange service instead of providing it over UNE-P or UNE platform UNE.

Q And you think that's the notification the customer should get?

A Well, I'm no expert on notification. That's what this -- I think that's what this testimony says.

Q Okay.

MS. KAUFMAN: That's all I have, Dr. Taylor. Thank you.

MS. CHRISTENSEN: That's it.

(Deposition concluded at 11:05 a.m.)

ERRATA SHEET
DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE

IN RE: DOCKET NO. 020507-TL
NAME: WILLIAM E. TAYLOR
DATE: January 22, 2003

PAGE	LINE	CHANGE

Under penalties of perjury, I declare that I have read my deposition and that it is true and correct subject to any changes in form or substance entered here.

DATE

WILLIAM E. TAYLOR

STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, LINDA BOLES, RPR, Official FPSC Commission Reporter, do hereby certify that I was authorized to and did stenographically report the foregoing deposition at the time and place herein stated.

I FURTHER CERTIFY that this transcript, consisting of 41 pages, constitutes a true record of the testimony given by the witness.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 24th DAY OF JANUARY, 2003.

LINDA BOLES, RPR
Official FPSC Reporter
(850) 413-6734

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO 12
COMPANY/ WITNESS. PSC Staff/Stip #2
DATE: July 21, 2003

BELLSOUTH

BellSouth
Suite 900
1133-21st Street, N.W.
Washington, D.C. 20036-3351

whit.jordan@bellsouth.com

W. W. (Whit) Jordan
Vice President-Federal Regulatory

202 463-4114
Fax 202 463-4198

December 18, 2002

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
44512th St. S.W.
Washington, D.C. 20554

Re: CC Docket No. 01-338

Dear Ms. Dortch:

On November 19, 2002, BellSouth, in response to a request from the Competition Policy Division of the Wireline Competition Bureau, submitted its residential and business UNE-P demand by state and by zone within a state, as of September 30, 2002 (see November 19, 2002 letter from W.W. (Whit) Jordan to Ms. Marlene H. Dortch, Re: CC Docket No. 01-338). Subsequent to the filing of that letter, an error in the mapping of BellSouth wire centers to UNE zones used to develop the UNE-P demand report was discovered. BellSouth now files a corrected report. While the aggregate state-specific and regional quantities of business, residence and total in-service UNE-P remain unchanged, most of the zone-specific quantities have changed.

This letter and attachment are being electronically filed. Please call me if you have any questions.

Yours truly,

W.W. Jordan

cc: Michelle Carey
Rob Tanner
Tom Navin
Jeremy Miller

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 020507-TL EXHIBIT NO. 13
COMPANY/
WITNESS. MCT
DATE: July 21, 2003

UNE-P September 30, 2002 (12/06/02 Corrected Report)				
State	UNE Zone	UNE-P Bus In-Svc Qty	UNE-P Res In-Svc Qty	Total In-Svc Qty
AL	Unknown	253	33	286
AL	1	42,408	22,255	64,658
AL	2	16,222	4,446	20,668
AL	3	4,772	886	5,658
AL	Total	63,650	27,620	91,270
FL	Unknown	579	80	659
FL	1	42,769	93,235	136,004
FL	2	86,053	218,492	304,545
FL	3	16,408	18,547	34,955
FL	Total	145,809	330,354	476,163
GA	Unknown	979	174	1,153
GA	1	57,251	205,086	262,337
GA	2	21,601	33,376	54,977
GA	3	25,766	7,074	32,840
GA	Total	105,597	245,710	351,307
KY	Unknown	97	4	101
KY	1	9,321	7,314	16,635
KY	2	10,901	8,731	19,632
KY	3	4,876	2,602	7,478
KY	Total	25,195	18,651	43,846
LA	Unknown	214	176	390
LA	1	29,107	41,036	70,143
LA	2	6,923	2,213	9,136
LA	3	839	409	1,248
LA	Total	37,083	43,834	80,917
MS	Unknown	100	180	280
MS	1	10,811	11,950	22,761
MS	2	8,653	10,292	18,945
MS	3	8,544	6,436	14,980
MS	4	3,500	4,398	7,898
MS	Total	31,608	33,256	64,864
NC	Unknown	310	24	334
NC	1	38,235	25,785	64,020
NC	2	10,698	2,319	13,017
NC	3	3,337	1934	5,271
NC	Total	52,580	30,062	82,642
SC	Unknown	107	11	118
SC	1	28,397	7,967	36,364
SC	2	5,956	932	6,888
SC	3	3,376	783	4,159
SC	Total	37,836	9,693	47,529
TN	Unknown	233	14	247
TN	1	42,365	20,726	63,091
TN	2	21,729	7,141	28,870
TN	3	6,244	2,529	8,773
TN	Total	70,571	30,410	100,981
BST	Unknown	2,872	696	3,568
BST	1	300,659	435,354	736,013
BST	2	188,736	287,942	476,678
BST	3	74,162	41,200	115,362
BST	4	3,500	4,398	7,898
BST	Total	569,929	769,590	1,339,519

RE: BellSouth Tariffed Digital Subscriber Line ("DSL") Service on Unbundled Network Element – Platform ("UNE-P") Loops

Dear

BellSouth has recently discovered that, as a result of a recent failure of a systems edit, BellSouth is currently providing its tariffed Asymmetrical Digital Subscriber Line ("ADSL") service to certain Internet Service Provider ("ISP") customers on one or more UNE-P loops purchased by your company. (A list of the affected telephone numbers is attached hereto.)

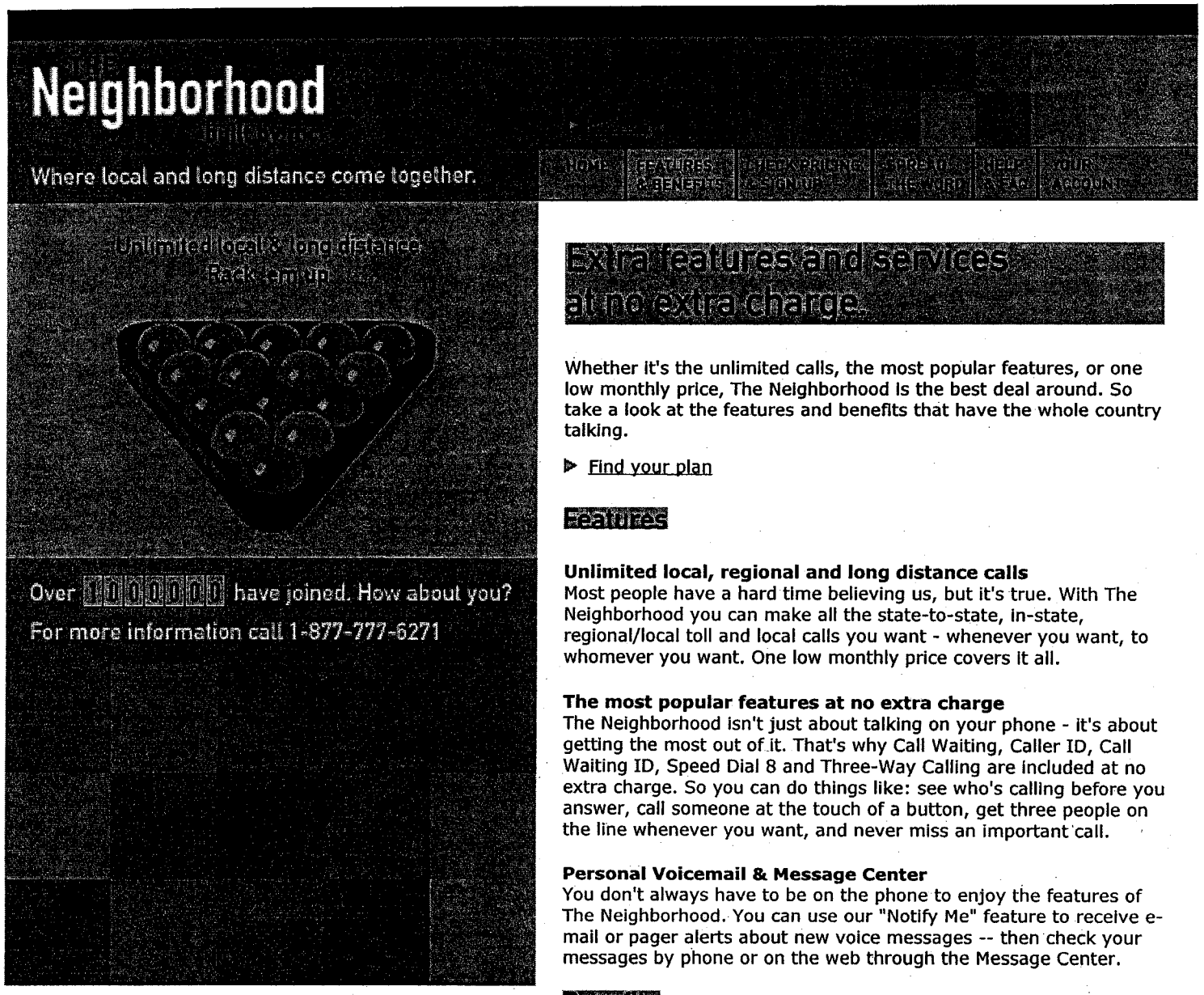
Since your company owns all features and functionalities of unbundled loops purchased from BellSouth, BellSouth does not have access to the high frequency spectrum on those loops for purposes of providing tariffed ADSL to its ISP customers. BellSouth thus intends to notify the affected ISPs, within twenty (20) days of the date of this letter, that it will be discontinuing tariffed DSL service on the affected lines. (The affected ISPs include BellSouth® Internet Services.)

To the extent your company desires to have ISPs continue to provide tariffed DSL on the affected lines, those lines could be converted to resold lines. On a resold line, BellSouth would continue to have access to the high frequency spectrum, as your company is only purchasing the low frequency spectrum in a resold situation. Unless we hear to the contrary within twenty (20) days of the date of this letter, the DSL will be disconnected.

Very truly yours,

Gregory R. Follensbee

Attachment



Extra features and services at no extra charge.

Whether it's the unlimited calls, the most popular features, or one low monthly price, The Neighborhood is the best deal around. So take a look at the features and benefits that have the whole country talking.

▶ Find your plan

Features

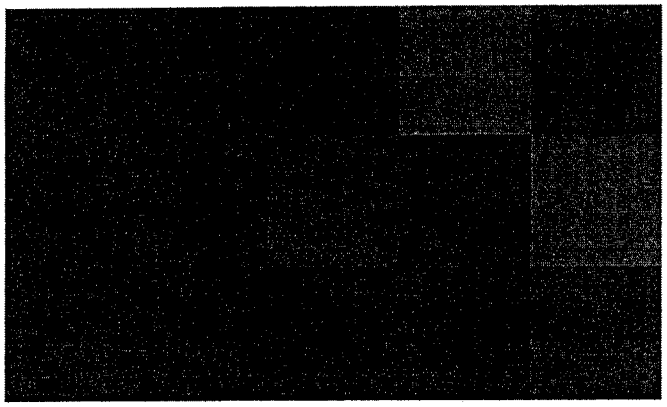
Unlimited local, regional and long distance calls
Most people have a hard time believing us, but it's true. With The Neighborhood you can make all the state-to-state, in-state, regional/local toll and local calls you want - whenever you want, to whomever you want. One low monthly price covers it all.

The most popular features at no extra charge
The Neighborhood isn't just about talking on your phone - it's about getting the most out of it. That's why Call Waiting, Caller ID, Call Waiting ID, Speed Dial 8 and Three-Way Calling are included at no extra charge. So you can do things like: see who's calling before you answer, call someone at the touch of a button, get three people on the line whenever you want, and never miss an important call.

Personal Voicemail & Message Center
You don't always have to be on the phone to enjoy the features of The Neighborhood. You can use our "Notify Me" feature to receive e-mail or pager alerts about new voice messages -- then check your messages by phone or on the web through the Message Center.

Benefits

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 14
COMPANY/ BS/ Neighborhood website
WITNESS:
DATE: July 23, 2003



One company, one bill
The Neighborhood isn't just a great long distance deal, it's a true alternative to your traditional local phone company. With The Neighborhood, you can get both your local and long distance service and 5 of the most popular calling features you want - for one monthly price, from one company. The Neighborhood helps reduce hassles by sending you one easy-to-read bill for all your calls and features, and giving you one place to call if you need customer service.

Great partner programs
The Neighborhood doesn't just let you call more places, more often -- you have the chance to earn more extras, more often, too. That's because every dollar you spend with The Neighborhood can help you accumulate partner rewards. Click here to learn more.

Find The Neighborhood plan that works for you.

Enter your home phone number below to check availability and pricing for The Neighborhood.

( ) -

Where is The Neighborhood available?
Features, pricing and availability vary by state. Your phone number is only used to check availability and pricing for The Neighborhood. We do not use this information for any other purpose.

†For new customers only. 50% off applies to monthly fee for primary line only.

Unlimited calling is for residential voice service only. The Neighborhood does not currently support DSL. Click here for more details.

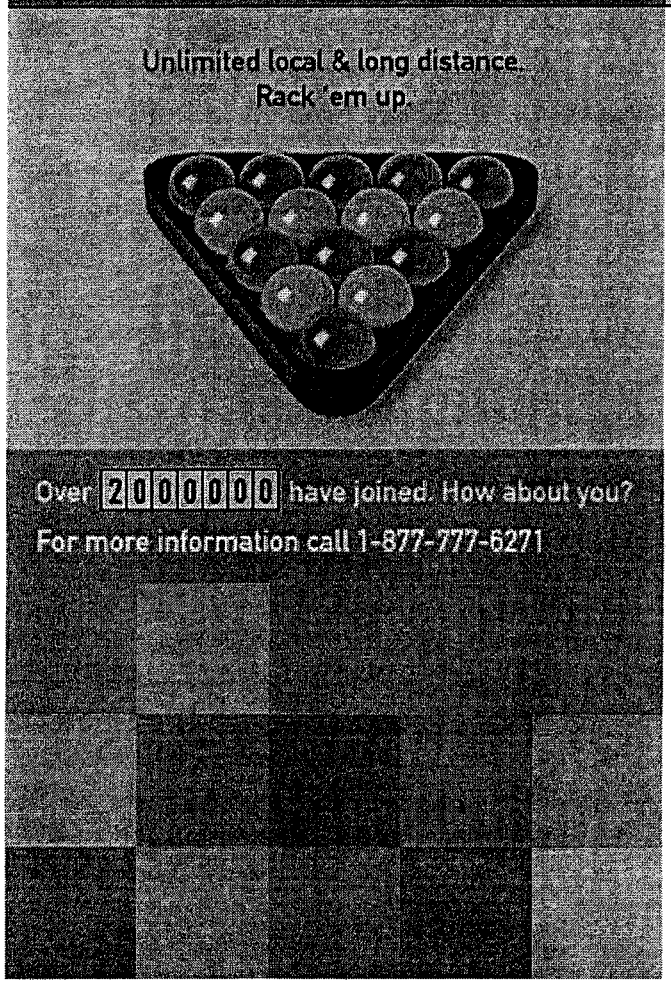
Additional taxes and surcharges apply.

Privacy Policy | Legal Notices | Service Agreement & Rate Schedule

THE Neighborhood
built by mci

Where local and long distance come together.

HOME | FEATURES & BENEFITS | CHECK PRICING & SIGN UP | SPREAD THE WORD | HELP & FAQ | YOUR ACCOUNT



Extra features and services at no extra charge.

Whether it's the unlimited calls, unlimited DSL Internet access, the most popular features, or one low monthly price, The Neighborhood is the best deal around. So take a look at the features and benefits that have the whole country talking.

▷ Find your plan

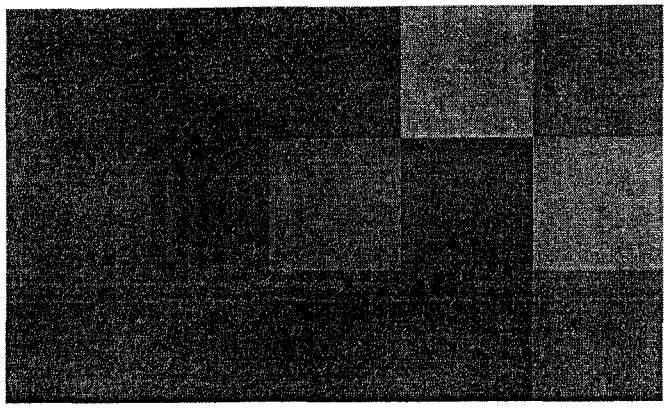
Features

Unlimited local, regional and long distance calls
Most people have a hard time believing us, but it's true. With The Neighborhood you can make all the state-to-state, in-state, regional/local toll and local calls you want - whenever you want, to whomever you want. One low monthly price covers it all.

Unlimited DSL Internet access
Stay connected to the Internet 24 hours a day, 7 days a week and never worry about slow dial up again. Download music, share photos and much more with just a few clicks. One low monthly price covers all your phone and Internet needs.

The most popular features at no extra charge
The Neighborhood isn't just about talking on your phone - it's about getting the most out of it. That's why Call Waiting, Caller ID, Call Waiting ID, Speed Dial 8 and Three-Way Calling are included at no extra charge. So you can do things like: see who's calling before you answer, call someone at the touch of a button, get three people on the line whenever you want, and never miss an important call.

Personal Voicemail & Message Center
You don't always have to be on the phone to enjoy the features of The Neighborhood. You can use our "Notify Me" feature to receive e-



mail or pager alerts about new voice messages -- then check your messages by phone or on the web through the Message Center.

Benefits

One company, one bill
The Neighborhood isn't just a great long distance deal, it's a true alternative to your traditional local phone company. With The Neighborhood, you can get both your local and long distance service and 5 of the most popular calling features you want - for one monthly price, from one company. The Neighborhood helps reduce hassles by sending you one easy-to-read bill for all your calls and features, and giving you one place to call if you need customer service.

Great partner programs
The Neighborhood doesn't just let you call more places, more often -- you have the chance to earn more extras, more often, too. That's because every dollar you spend with The Neighborhood can help you accumulate partner rewards. Click here to learn more.

Find The Neighborhood plan that works for you.

Enter your home phone number below to check availability and pricing for The Neighborhood.

( ) - FIND YOUR PLAN

Where is The Neighborhood available?
Features, pricing and availability vary by state. Your phone number is only used to check availability and pricing for The Neighborhood. We do not use this information for any other purpose.

†For new customers only. 50% off applies to monthly fee for primary line only.

Unlimited calling is for residential voice service only. Click here for details.

Additional taxes and surcharges apply.

DOCKET NO. 020507-TP

EXHIBIT NO. _____ (JMB-1)

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 020507-TL EXHIBIT NO. 15
COMPANY/
WITNESS: AT+T/JMB 1-7
DATE: July 21, 2003

BELLSOUTH®

Letter of Authorization (LOA) For
Line Splitting

Letter of Authorization (LOA) For Line Splitting

CLEC Information Package

(Version 3, February 19, 2002)

BELLSOUTH®

Letter of Authorization (LOA) For Line Splitting

Table of Contents

	Page
INTRODUCTION	3
PURPOSE AND SCOPE	3
DISCLAIMER STATEMENT	3
VERSION HISTORY/CONTROL	3
OVERVIEW	4
GENERAL GUIDELINES	5
AVAILABILITY	5
CONTRACT SPECIFIC PROVISIONS	5
PROCESS GUIDELINES FOR LOA	6
ELECTRONIC SIGNATURES	7
POSTING AND HOUSING THE LOA	8
ACCESSING LOA FOLDER	8
LINE SPLITTING SERVICE LETTER OF AGREEMENT	9
ACRONYMS	10

BELLSOUTH®

Letter of Authorization (LOA) For Line Splitting

Chapter 1.0: Introduction

1.1 Purpose and Scope

This document provides procedures to be utilized by the D/CLEC (Data/Competitive Local Exchange Carrier) for processing a Letter of Authorization (LOA) as it pertains to Central Office Based Line Splitting Service. The LOA process provides authorization for the DLEC LOA partner to submit a Loop Makeup (LMU) data request, High Frequency Spectrum Central Office (HFS CO) Based Unbundled Loop Modification (ULM) requests, and LSRs (Local Service Requests) associated with Line Splitting Unbundled Network Element Service on behalf of the Voice CLEC LOA Partner.

Please contact your appropriate BellSouth Account Team representative if you have questions about the information contained herein.

1.2 Disclaimer Statement

The information contained in this document is subject to change. BellSouth will provide notification of changes through the BellSouth Line Sharing/Splitting Collaborative and through the BellSouth Carrier Notification process.

1.3 Version History / Control

Any future modifications, enhancements, and/or improvements that are made to this CLEC Information Package will be reflected accordingly in this section of the document.

Section	Date/Version	Description
All	01/08/02 – Version 1	Initial Version Release
LOA document added.	02/15/2002 – Version 2	Updated Version Release
LOA Web Address Added	02/19/2002 – Version 3	Updated Version Release

BELLSOUTH®

Letter of Authorization (LOA) For Line Splitting

Chapter 2.0: Overview

In a unified effort to support and authorize BellSouth's role in the release of the Voice CLEC's end user information to their respective LOA partner (DLEC), the LOA process for Line Splitting was developed by the CLEC Collaborative members. The LOA allows the DLEC to:

- View Loop Makeup data
- Order HFS CO Unbundled Loop Modification
- Order Line Splitting of an end user's loop that belongs to the Voice CLEC for provisioning Line Splitting Service.

Additional information on the LOA process will be provided in Chapter 4.0 of this document.

BELLSOUTH®

Letter of Authorization (LOA) For Line Splitting

Chapter 3.0: General Guidelines

3.1 Availability

BellSouth offers this service in all nine states within the BellSouth region.

3.2 Contract Specific Provisions

The LOA is not intended to modify the terms and conditions of the BellSouth Interconnection Agreement. Please refer to the BellSouth Interconnection Agreement. For specific language, terms, and conditions applicable for Line Splitting.

D/CLECs must provide LOAs when they are participating in a Line Splitting partnership. The LOA must be on file ***prior to*** the DLEC partner issuing requests for LMU, HFS CO ULM, or LSRs associated with Line Splitting Service.

BELLSOUTH®

Letter of Authorization (LOA) For Line Splitting

Chapter 4.0: Process Guidelines for LOA

A cancellation or new LOA will be provided to the web master for posting when:

- A newly executed LOA is to be added

or

- An existing LOA is to be cancelled

Appropriate selections with electronic signatures must be made to indicate the cancellation. If a cancellation is received from the CLEC/DLEC a copy of the cancellation will be placed in both parties' respective folders.

The same LOA document will be used to notify BST (BellSouth Telecommunications) of cancellation. Appropriate fields have been added to the LOA to simplify the cancellation process.

The CLEC will obtain a copy of an LOA from the Collaborative Web Site. Electronic signatures from both parties will be obtained by the CLEC. A copy of the LOA can be obtained from the following web address:

http://www.interconnection.bellsouth.com/markets/lec/line_sharing_collab/index.html

A copy of the LOA is also included in Chapter 5.0 of this document.

In addition to the required LOA, there are three (3) fields on the LSRs for LMU (manual or electronic), ULM, and Line Splitting that must be populated when a LOA is involved. These fields ***must*** be populated with the Voice CLEC information as follows:

- **LSP AUTH** - Company Code of the Voice CLEC
- **LSP AUTH DATE** - Date that the Voice CLEC provided authorization to the DLEC
- **LSP AUTH NAME** - Name of the person from the Voice CLEC that is providing authorization to the Data LEC.

The voice CLEC will provide the DLEC with the Local Service Authorization Code (LSP AUTH) to be used with BellSouth systems and documents when provisioning Line Splitting Service to voice CLEC end users and represents the agreement between the DLEC and CLEC. The LSP AUTH is the voice CLEC Company Code (CC) that appears on the voice CLEC End User Customer Service Record (CSR). The LOA will list all Company Codes for the specified voice CLEC to which the DLEC is authorized.

continued on next page

BELLSOUTH®

Letter of Authorization (LOA) For Line Splitting

Chapter 4.0: Process Guidelines for LOA

4.1 Electronic Signatures

To create the electronic signature the computer must be connected to a scanner to complete the following detailed procedure. The following steps will be taken:

- Create a signature legibly on white paper and scan the signature
- Save the scanned image with a .jpg (jpeg) extension by giving it a unique name

To edit the signature picture before inserting it, the following steps will be taken:

- When the image appears in Microsoft Photo Editor, make any changes you want (i.e., crop the picture, add special effects, adjust the brightness, contrast, and color)
- Save changes and click Exit

Note: If Microsoft Photo Editor is not installed, run the Setup program again and install it.

To insert the signature, the following steps will be taken:

- Open the LOA Word document
- Position the insertion point where you want to insert the scanned signature
- On the insert menu, point to "picture" and click "from file"
- Double click on the signature picture to insert the signature onto the LOA

The executed LOAs will be housed on the Internet for the convenience of all involved parties. The signed LOA will be provided to the web master at the following e-mail address:

mailto:chris.green@bridge.bellsouth.com

continued on next page

BELLSOUTH®

Letter of Authorization (LOA) For Line Splitting

Chapter 4.0: Process Guidelines for LOA

4.2 Posting and Housing the LOA

When the web master receives the LOA, the following action will be taken:

- Internet addresses/folders and passwords for each of the D/CLECs participating in LOA partnerships will be established.
- A copy of the LOA will be posted in each party's folder
- An e-mail confirmation will be sent from the web master to the submitting party/parties advising that the LOA has been posted and the date of posting.

It is important to note that each time a new Line Splitting partnership is executed, BellSouth must receive an electronically signed LOA from the new Line Splitting Voice CLEC ***and*** DLEC partners.

If a folder has ***not*** been created for the submitting parties, the web master must obtain passwords for the party/parties involved. This involves a ten (10)-calendar day turn-around. However, the web master will acknowledge that the document has been received by returning an email of acknowledgement. The password will be provided to the new LOA participant/s as soon as the web master has created appropriate folder/s.

The web master will place a copy of the signed LOA document in each party's password protected folder. The CLEC for whom the folder was created will have the password for their respective folder. The only other access to the folder will be a BellSouth Billing Subject Matter Expert (SME).

Changes to the folder content can only be processed through the web master. The D/CLEC will ***not*** be permitted to remove documents from the folders.

4.3 Accessing LOA Folder

As stated earlier, all folders are password protected. Once the web master furnishes the passwords, the folders may be accessed at the following web address:

http://interconnection.bellsouth.com/2partyagree/

Caution should be exercised to insure the correct folder is accessed. If the incorrect folder is selected, it will be necessary to clear the browser's history file. These instructions can be found on the Two Party Agreement web site.

http://interconnection.bellsouth.com/2partyagree/

BELLSOUTH®

Letter of Authorization (LOA) For Line Splitting

5.0 Line Splitting Service Letter of Agreement (Example Form)

_____ ("Voice CLEC") and _____ ("Data LEC") jointly enter into this Letter of Authorization and state as follows:

1. Voice CLEC and Data LEC have entered into an agreement pursuant to which Data LEC may order Loop Make Up, High Frequency Spectrum Unbundled Loop Modification, or Line Splitting Services, or any combination thereof, on unbundled loops purchased by Voice CLEC. Such agreement authorizes Data LEC to represent Voice CLEC in submitting requests for BellSouth Line Splitting Services and issuing maintenance and trouble repair tickets on co-provisioned line splitting services. Data LEC is further authorized access to Voice CLEC's end user records for the purposes of performing loop make up. Voice CLEC is responsible to BellSouth for all charges that may be incurred in connection with local service requests, and maintenance and repair trouble tickets for line splitting services submitted by Data LEC.

2. Voice CLEC provides Data LEC with the Local Service Provider Authorization Code(s) (LSPAUTH) assigned below which is(are) to be used with BellSouth systems and documents when providing Line Splitting service to Voice CLECs end users.

3. In the event of a Line Splitting BellSouth billing dispute between Voice CLEC and Data LEC all costs associated with such disputes shall be borne by Voice CLEC and Data LEC.

4. This Letter of Authorization shall continue in effect unless canceled by prior written notice to BellSouth by either Voice CLEC or Data LEC.

5. This LOA is not intended to modify the terms and conditions of the BellSouth Interconnection Agreement.

The undersigned execute this Letter of Authorization (Both parties required to execute authorization)

Voice CLEC:	_____	Data LEC:	_____
Signature:	_____	Signature:	_____
Print Name:	_____	Print Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

LSPAUTH (Company Code): _____ _____ _____ _____ _____
(List all applicable Voice CLEC Company Codes)

The undersigned cancel this Letter of Authorization (Either party may cancel authorization)

Voice CLEC:	_____	Data LEC:	_____
Signature:	_____	Signature:	_____
Print Name:	_____	Print Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

Continued on next page

BELLSOUTH®

Letter of Authorization (LOA) For Line Splitting

5.0 Line Splitting Service Letter of Agreement

The above LOA form can be found at the following web address:

http:/www.interconnection.bellsouth.com/forms/html/lec_form.html

Chapter 6.0 Acronyms

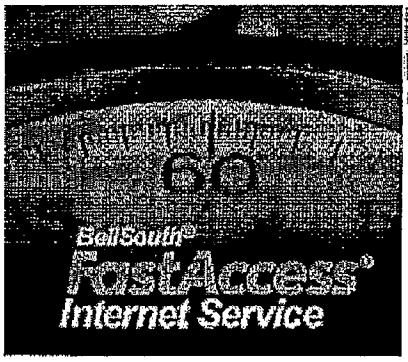
BST	BellSouth Telecommunications
CC	Company Code
CLEC	Competitive Local Exchange Carrier
CO	Central Office
CSR	Customer Service Code
DLEC	Data Local Exchange Carrier
DSL	Digital Subscriber Line
HFS CO	High Frequency Spectrum Central Office
Jpeg	Soft Ware for creating pictures
LMU	Loop Makeup
LOA	Letter of Authorization
LSP	Local Service Provider
LSP AUTH	Local Service Provider Authorization Code
LSR	Local Service Request
SME	Subject Matter Expert
ULM	Unbundled Loop Modification
UNE	Unbundled Network Element

DOCKET NO. 020507-TP

EXHIBIT NO. _____ (JMB-2)

BELLSOUTH®

search



FREE Modem after rebate*

$50 Cash Back*

BellSouth® FastAccess® Internet Service

- About FastAccess DSL
- Features and Benefits
- Products and Pricing
- Order Now

- Home Networking
- Common Questions
- Your FastAccess DSL Account
- Customer Service

Enter your phone number below

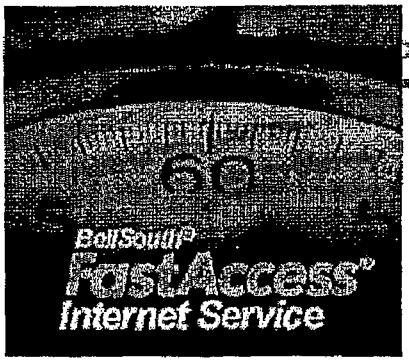
( ) - - Submit

Experience the speed of DSL for less than the price of dial-up - Get 3 months for just $19.95/month*

BELLSOUTH Listening. Answering.

Copyright 2002. BellSouth Corporation. All Rights Reserved.
Legal Info and Privacy Policy
Pricing Terms and Conditions

BELLSOUTH®



About FastAccess DSL

What kind of computer do you need?

- FastAccess DSL Home
- About FastAccess DSL
- Features and Benefits
- Products and Pricing
- Order Now
- Home Networking
- Common Questions
- Your FastAccess DSL Account
- Customer Service

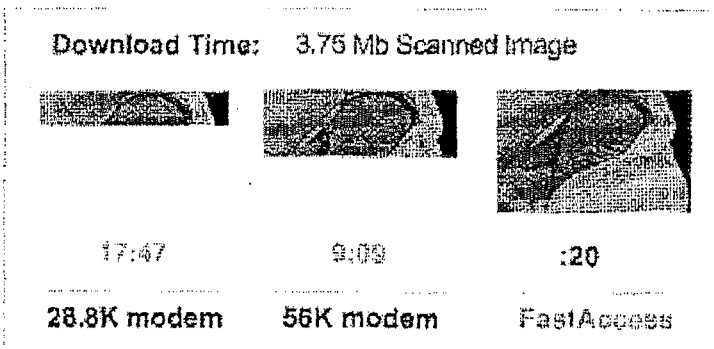
About FastAccess DSL

BellSouth FastAccess Internet Service provides high-speed Internet access to your home. Using your existing telephone line, it delivers *download* speeds of up to 50 times faster than 28.8K dial-up *modems*.* FastAccess DSL is fast, flexible, and affordable and will forever change the way you work, live, and communicate.



Compare the Difference

Just how fast is FastAccess DSL? Take a look and see the dramatic difference. FastAccess DSL can download a 3.8MB file in as fast as **20 seconds**. Download times with a 56K and 28.8K modem are so slow, it's staggering: more than **9 and 17 minutes** respectively!



5 smart reasons to order BellSouth FastAccess DSL

BellSouth FastAccess DSL lets you experience the Internet at high-speed. Take a look at some of the advantages.

Super Speed
Zoom from Website to Website. Download e-mail attachments, photos and music up to 50 times faster than with a 28.8K modem.*

Instant Connections
No more dial-up hassles or waiting to connect to the Internet. Just click and go!

Talk and Surf
FastAccess DSL lets you use the Internet while talking on the phone – all on the same phone line. No more busy signals!

Low Price
For only $45 a month** – about $1.50 a day – you'll get everything FastAccess DSL has to offer.

Customer Care
BellSouth – nationally recognized for Internet service reliability and customer care – has a knowledgeable, friendly tech-support group available to assist you 24 hours a day, seven days a week.

*Download speeds may vary.

**The special $45 monthly rate is for customers with BellSouth® Complete Choice® or Area Plus® subscribers on the same line as FastAccess DSL. For non-Complete Choice or Area Plus subscribers the monthly rate is $49.95.

BellSouth.com | BellSouth Internet Services



Copyright 2002. BellSouth Corporation. All Rights Reserved.
Legal Notices and Privacy Policy
Pricing Terms and Conditions

BELLSOUTH®



Features and Benefits

Discover a whole new Internet with BellSouth FastAccess DSL. You experience more of the Internet - quicker! High-speed DSL connectivity gives you faster access to the things you love - online shopping, e-mail, digital photos, homework helper, movie trailers, e-tickets and instant news. Your family will love the value of FastAccess Service.



- FastAccess DSL Home
- About FastAccess DSL
- Features and Benefits
- Products and Pricing
- Order Now
- Home Networking
- Common Questions
- Your FastAccess DSL Account
- Customer Service

SPEED
VALUE
TALK AND SURF
INSTANT CONNECTION
CONVENIENCE
EASY INSTALLATION
CUSTOMER SERVICE
HOME NETWORKING
GAMING
ADDITIONAL BENEFITS



"Highest Customer Satisfaction Among High-Speed Internet Service Providers in a Tie[††]."

—J.D. Power and Associates



BELLSOUTH WELCOME SERVICE makes switching from AOL® or other Internet service provider a simple and convenient process. Learn more about how easy switching can be.

SPEED

Surf the Web and download large files in minutes instead of hours. Get e-mail attachments, digital photos, music and streaming video up to 50 times faster than with a 28.8K dial-up connection.*

VALUE

For only $45 a month** - about $1.50 a day - you'll get everything FastAccess DSL has to offer. An additional $10 per month lets you connect up to 4 computers with FastAccess HomeNetworking!

TALK AND SURF

FastAccess DSL lets you use the Internet while talking on the phone-

all on the same phone line. No more busy signals!

INSTANT CONNECTION

FastAccess DSL provides a direct connection from your computer to our DSL network. With no dial-up delays or busy signals, it is ready when you are.

CONVENIENCE

BellSouth keeps it simple - from easy installation and set up to a single bill for your Internet and phone charges.

EASY INSTALLATION

BellSouth offers two easy installation options.

Self Installation -

You can install the DSL modem yourself - it's easy, quick and convenient. When your modem kit arrives, install your modem hardware and software using our step-by-step guide. Our Customer Service Help Desk is available 24 hours a day, seven days a week if you have any questions. If you have additional questions, we can send a technician to install the service for you at a reasonable fee. It's your choice. Please note that self-installation is not available for Macintosh computers, laptops without Windows® 98 and a USB port, or in certain locations.

Professional Installation -

You can choose to have a BellSouth certified technician install your DSL service. Schedule a convenient appointment and leave the rest to us.

CUSTOMER SERVICE

You can use our FastAccess Support site to get fast answers to frequently asked questions, access automated solutions, read troubleshooting tips and download software to help you manage your DSL service. BellSouth also has a knowledgeable, friendly technical support groups to assist you 24 hours a day, seven days a week.

HOME NETWORKING

Get high-speed Internet access on multiple computers with FastAccess HomeNetworking Service. The speed of FastAccess DSL can be shared by up to four computers in your home. Share files and a printer from any room in your home - all while protected by the professional-grade firewall that's included.

GAMING

Reap the rewards of online gaming with your FastAccess DSL connection. BellSouth is an Xbox™ Live compatible provider. Install your Xbox with your FastAccess DSL Ethernet modem or your 2Wire™ Home Portal and experience more from your gaming

adventures with Xbox Live. The instructions for Xbox installation with your FastAccess DSL modem are available here.



†

ADDITIONAL BENEFITS

You will enjoy more benefits as a BellSouth FastAccess Service customer.

RealOne SuperPass Special Trial Offer

Experience an exciting 14 day trial subscription of RealOne SuperPass plus $100 worth of PC games! With RealOne SuperPass, FastAccess DSL customers will enjoy the Web's hottest media subscriptions! LIVE heart-thumping sports, late-breaking local and world news and round-the-clock entertainment from your favorite Web channels - make your Web time really count!

Superior E-mail

Five e-mail accounts are included with your service. You can create different identities for yourself or give each family member their own e-mail address. Also, your BellSouth e-mail is easy to reach from any Internet connection so you stay in touch while at work or traveling.

Personal Web Page Space

Easy-to-use tools are available so you can design your own 10MB personal Web page. You can easily post photos, share information, create chat rooms and message boards, add favorite links, design newsletters, maintain your daily planner calendar and more.

Instant Messaging

Chat online with one or more friends. BellSouth® Messenger alerts you when your friends come online so you can chat real-time. It's free and easy, and it's just one more way BellSouth is making Internet service better for you.

Back-up Dial Account

FastAccess DSL comes with a back-up dial-up account that gives remote access to the Internet when you are at home or traveling.

MailGuard Service

Free e-mail protection helps you by intercepting annoying junk e-mail.

Home Page Features from BellSouth Internet Service

Customizable BellSouth Start Page

Play games, view films, catch-up on breaking news and more.

Internet Radio

Enjoy over 150 types of radio stations.

Newsgroups

Post messages, read articles and share content with over 35,000 newsgroups.

Internet Tools

Enhance your DSL connectivity with diagnostics and self-help from the Connection Manager tool.

*Download speeds may vary.

** The special $45 monthly rate is for customers with BellSouth® Complete Choice® or Area Plus® subscribers on the same line as FastAccess DSL. For non-Complete Choice or Area Plus subscribers the monthly rate is $49.95.

†Xbox, Xbox Live, the Live logo, and the Xbox logos are either registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries and are used under license from Microsoft.

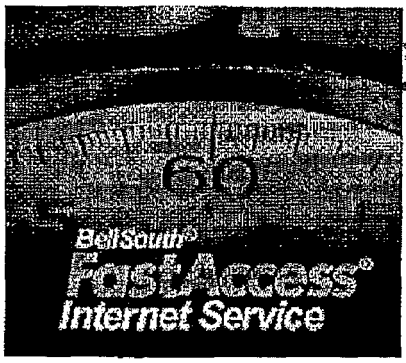
††J.D. Power and Associates 2002 Syndicated Internet Service Provider Residential Customer Satisfaction Study℠. Study conducted among national and regional ISPs and based on 4,629 responses.
www.jdpower.com

BellSouth.com | BellSouth Internet Services



Copyright 2002. BellSouth Corporation. All Rights Reserved.
Legal Notices and Privacy Policy
Pricing Terms and Conditions

BELLSOUTH®



Products and Pricing

FREE Modem after rebate*

$50 Cash Back**

Experience the speed of DSL for less than the price of dial-up - Get 3 months for just $19.95/month***

- FastAccess DSL Home
- About FastAccess DSL
- Features and Benefits
- Order Now
- Home Networking
- Common Questions
- Your FastAccess DSL Account
- Customer Service

FastAccess DSL Monthly Rate	$45.00

This special $45.00 monthly rate is for customers who subscribe to BellSouth® Complete Choice®, BellSouth® Area Plus®, or other qualifying BellSouth package, on the same line as FastAccess DSL. You may learn more about these plans to start saving now! For BellSouth customers who do not subscribe to a BellSouth qualifying package, the monthly rate is $49.95.

FastAccess HomeNetworking Monthly Rate	$10.00 Additional

Home Networking Equipment Free after rebate



Add FastAccess HomeNetworking to your FastAccess Service for $10.00 more a month. Your whole family can share the speed of a FastAccess DSL connection on multiple computers at the same time. You can share Internet access, files, printers, scanners and more by linking equipment over your home network. Learn more about FastAccess HomeNetworking Service.

Equipment & Installation Charges

	Value	Promotional Price*
Service Activation	$50.00	$50.00
Installation		
Self Installation	$35.00	$0.00

Professional Installation	$99.95	$99.95
Modem (for Single Users)		
Bring Your Own Modem	$0.00	$0.00
BellSouth provided DSL USB Modem	$200.00	Free (After Rebate)
BellSouth provided DSL Ethernet Modem	$200.00	Free (After Rebate)
Residential Gateway (for Home Networking Users)		
BellSouth provided Gateway – Using existing telephone lines to network	$299.00	Free (After Rebate)
BellSouth provided Gateway – Using wireless and existing telephone lines to network	$399.00	$100.00 (After Rebate)

*Promotional prices require a 12-month service commitment. Early termination fees will apply.

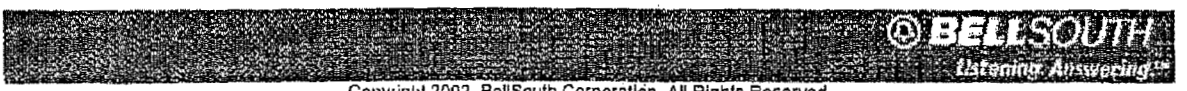
*BellSouth may provide a refurbished modem. You will be billed for the selected modem and will receive a rebate coupon. The rebate will be a credit applied within two (2) billing cycles following BellSouth receipt of coupon. You must return coupon within thirty (30) days. The "Free Modem after Rebate" offer requires 12 month commitment. Early termination fees apply. See Pricing Terms and Conditions for details. Customers who supply their own modem are not eligible for this promotion. Applicable taxes and fees will be based on the full price of all products and services, and no taxes or fees will be added to any reward or rebate. Limited time offer.

**The $50 Cash Back Reward is available with online orders only. After a successful installation, you will receive an e-mail at your bellsouth.net e-mail address with instructions on how to redeem the rebate coupon. You must return the coupon within 30 days of receipt. You will be mailed a rebate check for $50 within 30 days of the date BellSouth receives your completed coupon. As the customer, you are responsible for all taxes and governmental fees on BellSouth FastAccess Service and equipment. Taxes are computed on the original charges, and will not be added to the reward. You must keep the service for 12 months, otherwise a $50 termination fee will apply. Applicable taxes and fees will be based on the full price of all products and services, and no taxes or fees will be added to any reward or rebate. This is a limited time offer. BellSouth reserves the right to discontinue this reward offer at any time.

***Price compared to $23.90 per month for unlimited dial-up service with AOL as of 8/1/02. BellSouth Answers℠ or BellSouth Solutions customers will be billed $19.95 per month for the first three full months of service. Customers without BellSouth Answers or BellSouth Solutions will be billed $24.90 per month for the first three months.

Charges for partial month, if applicable, will also be billed at the discounted monthly rate.

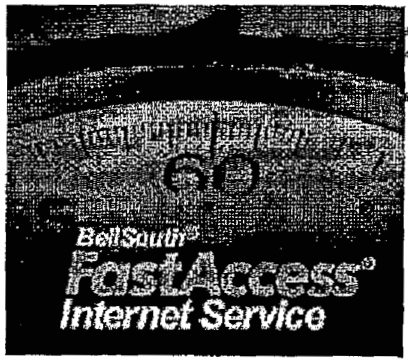
BellSouth.com | BellSouth Internet Services



Copyright 2002. BellSouth Corporation. All Rights Reserved.
Legal Notices and Privacy Policy
Pricing Terms and Conditions

@BELLSOUTH®

search



> Order Now

Enter the phone number(s) you would like to test for BellSouth FastAccess Internet Service:

Line 1 [ ] - [ ] - [ ]
Line 2 [ ] - [ ] - [ ]
Line 3 [ ] - [ ] - [ ]
Line 4 [ ] - [ ] - [ ]

- FastAccess Home
- What is DSL?
- Features & Benefits
- Pricing
- [illegible]
- Connection Manager
- FAQ
- My FastAccess Account
- Customer Care

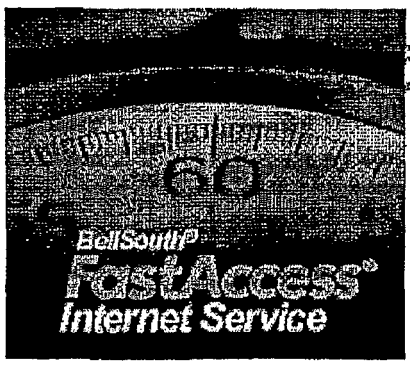
Test Phone Number

BellSouth.com | BellSouth Internet Service

@BELLSOUTH Listening. Answering.

Copyright 2002. BellSouth Corporation. All Rights Reserved.
Legal Info and Privacy Policy
Pricing Terms and Conditions

BELLSOUTH®



Home Networking





- FastAccess DSL Home
- About FastAccess DSL
- Features and Benefits
- Products and Pricing
- Order Now
- [illegible]
- Common Questions
- Your FastAccess DSL Account
- Customer Service

Be a Power House!
Make your home a power house with BellSouth FastAccess HomeNetworking. Why should one computer have all of the fun? Now the speed of FastAccess DSL can be shared by up to 4 computers in your home. Plus share files and printers from any room in your home.

Upgrade to BellSouth FastAccess HomeNetworking
Add FastAccess HomeNetworking to your FastAccess Service for just $10.00 more a month.

BellSouth FastAccess HomeNetworking Benefits

Speed
Family members can now share the speed of their FastAccess DSL connection on multiple computers at the same time.

Sharing
Your entire household can share Internet access, files, printers, scanners and more by linking equipment over your home network.

Simplicity
Setting up a home network is easy using our do-it-yourself kit. In fact, typical installation time is less than an hour! You can choose to connect your home network using your existing telephone lines or wireless solution. Either way, there are no new computer wires to run between rooms.

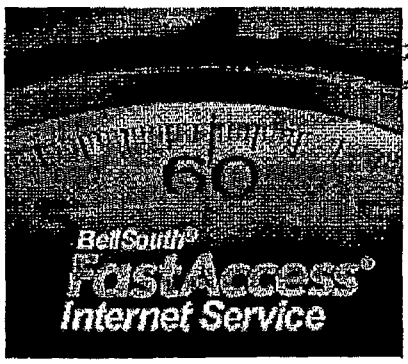
Security
Every computer on your home network will be protected by a professional-grade firewall.

Support
With BellSouth, live tech support is a telephone call away 24 hours a day, seven days a week should you need assistance getting your home network up and running smoothly. Specialized ongoing support from a dedicated customer service group will continue to be available, via telephone, to assist you with adding another computer to your network or file and printer sharing for as long as you subscribe to the service.

Copyright 2002. BellSouth Corporation. All Rights Reserved.
Legal Notices and Privacy Policy

Pricing Terms and Conditions

BELLSOUTH®



- FastAccess DSL Home
- About FastAccess DSL
- Features and Benefits
- Products and Pricing
- Order Now
- Home Networking
- [illegible]
- Your FastAccess DSL Account
- Customer Service

Common Questions

We want you to be as informed as possible about BellSouth FastAccess DSL Service and the technology that powers it. You may read these Common Questions to learn more, and review the glossary of terms.



- Tell Me About FastAccess Service.
- I Want to Order FastAccess Service.
- What Features and Services are Available?
- What Do I Need?
- Can I Share FastAccess DSL on Multiple Computers?
- I Have a Question About My FastAccess Service.

Tell Me About FastAccess Service.

BroadBand Service

Q. What is DSL?

A. DSL is an industry acronym for Digital Subscriber Line technology which delivers high-speed Internet access. Using your existing telephone line, it delivers download speeds of up to 50 times faster than 28.8K modems. The service lets you send data and voice over the same line, at the same time so you can talk or fax while you access the Internet.

Q. What is ADSL?

A. ADSL (Asymmetric Digital Subscriber Line) is a technology for transmitting digital information at high bandwidths on existing telephone lines to homes and businesses. ADSL simultaneously accommodates both analog (voice) and digital data on the same line. ADSL is asymmetric in that it uses most of the channel to transmit downstream to the user and only a small part to receive information from the user.

Q. What is IFITL?

A. IFITL stands for Integrated Fiber In The Loop. It is a similar technology to ADSL for use with fiber optic telephone lines (ADSL relies on copper telephone lines). IFITL technology is used for our FastAccess DSL customers who have fiber optic lines. There is no distinguishable difference between the two technologies in terms of connection speed.

back to top

BellSouth FastAccess DSL

Q. What are the capabilities of FastAccess Service?

A. FastAccess DSL allows you to search the web and download large files up to 50 times faster than a 28.8K modem and use the Internet and talk or fax on the same line, at the same time. Checking e-mail, online shopping, viewing digital photos and accessing homework helpers and news are all faster.

Q. How fast is FastAccess DSL?

A. FastAccess Service gives you the Internet up to 50 times faster than 28.8Kbps

modems, with up to 1.5 Megabits per second downstream and up to 256 kilobits per second upstream.

Q. Can I use my telephone or fax machine when I am online?

A. Yes. DSL technology expands the capabilities of your existing telephone line. A DSL modem or router splits your single telephone line into two frequencies. BellSouth FastAccess DSL uses the high frequency spectrum available on your telephone line to transmit data. This process does not interfere with the lower frequencies used during voice transmission. As a result, FastAccess DSL customers can use the Internet and talk on the telephone or fax at the same time.

Q. Will I be able to use the Internet if I am away from home or if FastAccess DSL ever goes down?

A. If you have a dial tone, you can still use your telephone for voice conversations. You can access the Internet by using the dial-up service included with BellSouth FastAccess Service. This service gives you 20 hours of usage per month at no charge and may be used when away from home, or if FastAccess Service is not available. You will be able to use the dial-up service even if your DSL modem is unplugged or disabled.

back to top

How It Compares

Q. How does FastAccess DSL compare with regular dial-up service?

A. FastAccess DSL provides connection speeds up to 50 times faster than a 28.8K modem.

This shows the average time to download a 3.7MB video clip (Min:Sec):

14.4K dial-up modem:	35:53
28.8K dial-up modem:	17:47
33.6K dial-up modem:	15:14
56K dial-up modem:	09:09
1.5Mb:	00:20

Q. How does FastAccess DSL compare with ISDN?

A. FastAccess DSL offers speeds up to 1.5Mb–384K downstream and 256–512K maximum upstream, making it even faster than ISDN. In addition, FastAccess Internet DSL sends data and voice over the same line so you can talk on the telephone while connected to the Internet.

This shows the average time to download a 3.7MB video clip (Min:Sec):

64K ISDN:	08:00
128K ISDN:	04:00
1.5Mb:	00:20

Q. How does FastAccess DSL compare with a cable modem?

A. FastAccess Internet Service offers an excellent way to browse the Internet at lightning fast speeds. You get speeds up to 1.5Mb–384K downstream and 256–512K maximum upstream depending on product selection. Also, FastAccess DSL runs over your existing telephone line. Cable modem has a shared connection.

back to top

Security Concerns

Q. Is FastAccess DSL secure?

A. Your DSL connection is a dedicated connection from your computer to our central office so you benefit from a more secure connection. No Internet connection is 100% secure, therefore, we offer a home networking device that includes a professional grade firewall to help protect your computer against cyberintruders.

back to top

I Want to Order FastAccess Service.

Is FastAccess DSL Available?

Q. How can I determine if FastAccess DSL is available for my home?

A. You may enter your telephone number to determine if service is available for your home. If you do not yet have your telephone number and want to determine availability on the basis of your new address, please contact our representative.

Q. If one number doesn't qualify, will another number at my home qualify?

A. Yes. In some cases, an individual customer location may have some telephone lines that qualify and some that do not. Since not all telephone lines in an area served by FastAccess DSL will qualify for service, you will want to enter all numbers to check availability.

Q. Can I change my phone number to get a number which does qualify?

A. Changing your telephone number changes the number assigned to your physical telephone line, not the line itself. As a result, changing your telephone number will not affect the current availability of FastAccess Service at your location.

Q. What are the reasons why a line does not qualify for service?

A. These are the top reasons a telephone line does not pre-qualify for FastAccess DSL:

1. The distance from the Central Office must be within 18,000 feet of your home. This distance is determined by the actual length of your cable pair, not the driving distance from your location to the Central Office.
2. The facilities serving the telephone line are not equipped to provide FastAccess DSL at this time.
3. The telephone line has been enhanced with special equipment to provide better voice quality which disrupts the signal needed for FastAccess DSL.
4. Changes in your local telephone service may affect BellSouth's ability to provide DSL service to you.

Q. How can I get FastAccess DSL in the future?

A. BellSouth continues to make enhancements and upgrades to increase the availability of FastAccess Service in the region. We are eager to provide you with FastAccess DSL, so please continue to visit us to see if FastAccess DSL has become available to you.

back to top

What is included?

Q. What's included with BellSouth FastAccess DSL?

A. FastAccess DSL includes:

- unlimited access to the web
- Internet service
- five separate mailboxes
- 10MB of space for building a personal web page
- a back-up dial-up account to use when traveling
- free technical support

Q. What's not included with FastAccess DSL?

A. The price for FastAccess Service does not include the cost for your telephone line. However, FastAccess DSL lets you use talk and use the Internet on the same line. This service does not include a back-up dial-in modem.

back to top

What Does FastAccess DSL Cost?

Q. What are the charges for FastAccess DSL?

A. You may learn about current prices for FastAccess DSL.

Q. Are there any additional usage charges?

A. Additional usage charges may apply for backup dial account usage. This dial-up account includes 20 hours of usage per month at no additional cost. After exceeding 20 hours of usage additional charges will apply. Please see the Pricing Terms and Conditions for details.

Q. Are there any charges associated with my equipment?

A. Yes. The modem will be billed to your BellSouth telephone bill in four interest-free installments, including a first month payment of $24.98, and three additional payments of $24.99. A shipping and handling fee of $14.95 will also be applied on the first invoice for all self-install kits. The Annual Percentage Rate (APR) is 0%. You may also have the full price of the modem billed to a credit card.

Q. How will I be billed?

A. Your FastAccess Service charges will appear on your monthly BellSouth telephone bill. You also may choose to have these charges billed directly to a credit card. However, if you do bill to your credit card, you will not receive separate itemization of your charges. You will be billed one month in advance for your service. Your first bill may contain charges for a partial month up to your monthly billing date. It also will show your installation and activation fees if those need to be applied.

Q. Where will my FastAccess DSL charges appear?

A. Your FastAccess Service charges will appear on the BellSouth Internet Service part of your telephone bill. Modem equipment charges will appear on the "Other Charges and Credits" section of your bill.

Q. **What are Interlata Internet Provider Charges? Are these in addition to my FastAccess DSL charges?**

A. BellSouth provides you with local Internet access only at this time. You must use a Global Services Provider (GSP) to access the global Internet. UUNET provides global Internet access for BellSouth FastAccess DSL subscribers. Charges for BellSouth and the GSP, UUNET, are separate charges and appear that way on your bill. The GSP charge was included as part of the monthly FastAccess Service rate.

Q. **Can I view, receive or pay my bill electronically?**

A. Yes. By visiting our billing page you can view and pay your bill online, stop receiving a paper bill, start receiving a paper bill, and update your billing e-mail address online.

Q. **Can my professional installation fee be broken into installments?**

A. Installment billing on your professional installation is not available.

Q. **Will I be charged for the self-installation option?**

A. You will not be charged if you install the service yourself. If you request a technician to visit your home to help with installation, additional charges may apply

Q. **How will I be billed for my equipment?**

A. The modem will be billed to your BellSouth telephone bill in four interest-free installments, including a first month payment of $24.98, and three additional payments of $24.99. A shipping and handling fee of $14.95 will also be applied on the first invoice for all self-install kits. The Annual Percentage Rate (APR) is 0%. You may also have the full price of the modem billed to a credit card.

back to top

Are there BellSouth Discounts?

Q. **If I installed FastAccess DSL before getting BellSouth Complete Choice, BellSouth Area Plus or other qualifying BellSouth package, can I still receive my BellSouth Answers℠ savings?**

A. Yes. Call the BellSouth billing department after BellSouth Complete Choice, BellSouth Area Plus or other qualifying plan has been added to your service. Tell our representative you want to begin receiving your discount. It may take 1-2 billing cycles to see the discount on your bill.

Q. **I want to ensure that I get the BellSouth Answers savings since I have more than one line.**

A. You must have BellSouth Complete Choice, BellSouth Area Plus Service or other qualifying plan billed to the same line as FastAccess Service to quality for the discount.

Q. **What should I do if I am not receiving my BellSouth Answers savings?**

A. If your telephone bill shows charges for BellSouth Complete Choice, BellSouth Area Plus, or other qualified plan, but not the BellSouth Answers savings, contact the billing department. They can review your account to confirm eligibility and ensure that the discount is applied.

Q. **What are Interlata Internet Provider charges? Are these in addition to my FastAccess DSL charges?**

A. BellSouth provides you with local Internet access only at this time. You must

use a Global Services Provider (GSP) to access the global Internet. UUNET provides global Internet access for BellSouth for FastAccess DSL subscribers. Charges for BellSouth and the GSP, UUNET, are separate charges and appear that way on your bill. The GSP charge was included as part of the monthly FastAccess Service rate.

Q. How long does it take credits to appear on my bill?

A. It may take up to two billing cycles over two months for credits to appear on your telephone bill. This includes discounts for BellSouth Answers plans.

back to top

Placing an Order

Q. How do I order FastAccess DSL?

A. You may order FastAccess Service for your home online. If you do not currently have BellSouth telephone service contact BellSouth to establish your telecommunications service.

Q. How can I check the status or modify my order?

A. You may call the BellSouth Customer Service Help line at 1-888-321-2375.

Q. Is it easy to switch to BellSouth FastAccess Service if I am using another Internet Service Provider?

A. Yes. BellSouth Welcome Service makes switching from AOL® or other Internet Service Provider a simple and convenient process. Learn more about how easy switching can be.

Q. Will I have to change my e-mail address when I sign-up for FastAccess DSL?

A. If you are currently a BellSouth customer for Internet access, you will be able to keep your current BellSouth Internet Service e-mail address for use with your new FastAccess DSL connection. If you are a new BellSouth Internet customer you will be provided with up to five new e-mail addresses at no additional cost.

back to top

Installation

Q. Can I install FastAccess DSL myself?

A. It is easy to install FastAccess Service. After you place your order, we will activate FastAccess DSL on your telephone line and ship your modem kit to you. You simply install your modem hardware and software using our easy step-by-step instruction guide. Our Help Desk is available to assist you 24 hours a day, seven days a week. There also is additional contact information for your assistance.

Q. Can I change my order or installation appointment?

A. Contact us 72 hours before your installation appointment if you need to reschedule.

Q. How can I check the status of my order?

A. You will receive an e-mail confirming your order, with either the date of the self-installation kit delivery, or the date of your installation appointment. You will receive another e-mail when your self-installation kit is shipped. Contact us if you need additional information.

Q. **How do I order more filters and HomePNA adapters for a self-installation?**

A. You can order additional filters and adapters online.

back to top

What Features and Services are Available?

FastAccess DSL Features

Q. **How many e-mail addresses do I get?**

A. Five e-mail addresses, with 10MB capacity, are included with your FastAccess Service account. This lets you create different identities for yourself, or give family members their own e-mail address. You may also purchase additional e-mail addresses and capacity, or select our home networking service and receive eight e-mail addresses, each with 25MB capacity.

Q. **Is an instant messaging service available?**

A. BellSouth® Messenger® service lets you easily chat online with one or more friends. You will be alerted when your friends come online so you can chat real-time. It's easy and free!

Q. **Can I create my own personal Web page?**

A. You can design your own 10MB personal Web page with easy-to-use tools. You can easily post photos, share information, create chat rooms and message boards, add your favorite links, design newsletters, post your daily planner calendar and more.

Q. **Are newsgroups available?**

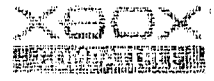
A. You will be able to post messages, read articles and share content with an upgraded platform that lets you enjoy over 35,000 newsgroups.

Q. **Will I be able to make video connection to friends and family?**

A. You will be able to download streaming audio and video, and play Internet games with ease. FastAccess DSL provides you a fast link to the Internet for your home.

Q. **Will I be able to "game" online?**

A. Reap the rewards of online gaming with your FastAccess DSL connection. BellSouth is an Xbox™ Live compatible provider. Install your Xbox with your FastAccess DSL Ethernet modem or your 2Wire™ Home Portal and experience more from your gaming adventures with Xbox Live. The instructions for Xbox installation with your FastAccess DSL modem are available here.



Xbox, Xbox Live, the Live logo, and the Xbox logos are either registered trademarks or trademarks of Microsoft Corporation in the United States and/or other countries and are used under license from Microsoft

back to top

FastAccess DSL Services

Q. What will I use as my "start" page?

A. The BellSouth Internet Services start page is fully customizable to meet your individual needs and interests. You can listen to your favorite tunes with BellSouth Internet Radio - free music radio with over 150 stations in a variety of styles. Plus, you can play games, view films, catch up on breaking news and more.

Q. Can I access my BellSouth e-mail while at work or traveling?

A. You easily can access your BellSouth e-mail from any Internet connection so you can stay in touch while at work, traveling or visiting friends.

Q. Can I get FastAccess Service and still use my AOL e-mail address and AOL account?

A. You can have both FastAccess DSL and all your AOL features and content. Using the AOL "Bring Your Own Access" plan, you can maintain your unique AOL features and e-mail address, reduce your monthly AOL charge and still enjoy the benefits of DSL speed.

Q. Is a back-up dial account provided?

A. FastAccess Service also includes access to a back-up BellSouth Internet Service dial-up account. This account may be used while you are traveling or if FastAccess DSL is temporarily interrupted. The back-up dial account provides for 20 hours of usage per month at no additional cost to you. (However, you will be responsible for any long distance or roaming charges that may be incurred for all back-up dial usage.) In the event you use our back up dial account for more than 20 hours in any month, you agree to pay BellSouth $2.00 for the first hour or fraction thereof in excess of 20 hours and $1.00 per hour for each additional hour or fraction thereof in excess of 21 hours. Billing for usage over 20 hours will not exceed $19.95.

Q. Is software available to manage my DSL connectivity?

A. You can enhance your broadband experience with BellSouth FastAccess Connection Manager 2.0–a diagnostic and self help tool designed to manage your FastAccess DSL connectivity.

back to top

What Do I Need?

Line Requirements

Q. How do I know if my line will work with FastAccess Service?

A. You can learn if your line is pre-qualified for FastAccess DSL by checking it online.

Q. Will I need an additional telephone line?

A. No. FastAccess DSL operates over your existing telephone line, without interfering with voice or fax transmission. You can access the Internet and talk or fax at the same time on the same phone line.

back to top

Computer Requirements

Q. What type of computer do I need?

A. You may view the list of computers that operate with FastAccess Service.

Q. Does my computer qualify?

A. To test your computer to see if it is compatible with FastAccess DSL, download our Computer Qualification Tool.

back to top

Modem Requirements

Q. What equipment will I need to install FastAccess DSL?

A. You will need a DSL modem. BellSouth offers this when you order your FastAccess Service.

Q. Can I use my own modem?

A. You can use your own BellSouth FastAccess DSL "Qualified" modem.

Q. What is a Qualified modem?

A. A Qualified modem is one that has been tested by BellSouth and is confirmed to work with FastAccess Service. These qualified modems are divided into two categories, Supported and Unsupported.

Q. What is a Supported modem?

A. A Supported modem is one that will receive full support by the BellSouth Customer Help Desk. You may review a list of Supported modems.

Q. What is an Unsupported modem?

A. An Unsupported modem is one qualified to work with FastAccess DSL, but not supported by the BellSouth Customer Help Desk. You may review a list of Unsupported modems. Any questions or problems with these modems must be referred to the manufacturer. If modem problems cannot be resolved by the manufacturer, you may need to purchase a different modem to work with FastAccess DSL.

Q. I have a DSL modem but I am not sure of the make or model number.

A. If you have had BellSouth FastAccess Service previously and received a modem from BellSouth, you have a supported modem. You may call our Customer Service Help Desk if you need additional help identifying your modem type.

back to top

Operating System Requirements

Q. Do the modems provided with FastAccess Service support Windows® XP operating system?

A. New customers purchasing FastAccess Service using the Windows XP operating system will receive modems that are supported by FastAccess Technical Support.

All existing customers upgrading to Windows XP operating system must download the latest client software and modem drivers to become compatible with the new operating system. FastAccess Service will operate successfully with Windows XP operating system when the new software is downloaded. Visit FastAccess Support for the latest client software and modem drivers. Contact FastAccess Technical Support if you have additional questions.

Q. Should I upgrade my system now with Windows® XP operating system?

A. If you upgrade your operating system, there are additional computer requirements needed for Windows XP and FastAccess DSL Service to operate successfully. You may review the minimum PC requirements to ensure your computer meets those requirements. Our FastAccess Technical Support can assist with any additional questions.

back to top

Can I Share FastAccess DSL on Multiple Computers?

Sharing a DSL Connection

Q. What are the benefits of FastAccess HomeNetworking Service?

A. Home networking is great for sharing files on your computer, sharing equipment such as printers throughout the home, and accessing more and better entertainment and information. For example, gamers can enjoy playing head-to-head with other members of the family or with people across the country. With FastAccess HomeNetworking Service, all of the computers on your network can play and use the Internet at the same time. And with the FastAccess HomeNetworking solution, a firewall is included to assist in protecting all of the computers on your network from hacker attacks.

back to top

FastAccess HomeNetworking

Q. What is FastAccess HomeNetworking Service?

A. With FastAccess HomeNetworking Service you can share your FastAccess DSL connection with up to four computers in your home. You can also share files among your computers and share one printer. You will receive support 24 hours a day, seven days a week. You can add BellSouth FastAccess HomeNetworking for just $10.00 more a month. Prices are subject to change. The service requires a 12-month service agreement and the purchase of an installation kit (starting at $149.00).

Q. What does FastAccess HomeNetworking Service include?

A. FastAccess HomeNetworking Service includes high-speed FastAccess DSL Service for up to four computers in your home. You will receive a home network gateway that includes a high-performance router, with a built-in DSL modem, and a professional grade firewall, all in one device! Every computer connected to your network is protected by a professional grade firewall, therefore there is no need to load special firewall software on each computer! Simple installation with no special wiring needed. Technical support is available for your home network anytime you need it.

Q. Why should I order FastAccess HomeNetworking Service instead of purchasing a router from a store?

A. BellSouth will provide you with what you need to easily connect up to four computers to your home network without any special wiring. FastAccess HomeNetworking Service is designed to work seamlessly with your FastAccess DSL Service. Our FastAccess HomeNetworking web site and consultants will help you design the perfect network for your home, and our technical support specialists are available 24 hours a day, seven days a week, to answer any questions you may have. When you purchase your home networking solution through BellSouth, you receive the best in-home networking equipment. Buying directly from BellSouth allows you to take advantage of our lower costs while receiving additional value: customer support and a personal customized network design.

Q. Do I need to put in special wiring to install FastAccess HomeNetworking Service?

A. No special wiring is needed to install FastAccess HomeNetworking Service. The beauty of FastAccess HomeNetworking is the flexibility of the product. You can connect devices directly to the residential gateway using an Ethernet, phone line, wireless or a USB connection from your computer(s) to the residential gateway. Computers in different rooms can be connected using your existing telephone lines or a wireless solution. Either way, there are no new computer wires to run between rooms. If you already have Ethernet cabling in your home, you can use that method as well without using HomePNA.

Q. What is the difference between networking using existing telephone lines and a wireless solution?

A. A telephone line based network uses your existing telephone lines to create a network. Computers that are connected to the network using this networking technology must reside in a room with a nearby telephone jack.
A wireless capable network allows you to connect computers to the broadband home network using 802.11b wireless technology. Wireless technology allows you to experience all the benefits of DSL from virtually anywhere in your home without being tied down by any wires.

Q. Can I get FastAccess HomeNetworking Service if I purchase a router from someone other than BellSouth?

A. BellSouth offers support for your network only when you purchase FastAccess HomeNetworking Service. This BellSouth service is available for a monthly networking charge and a one-time residential gateway equipment charge

back to top

I Have a Question About My FastAccess Service.

Managing My FastAccess DSL Account

Q. Can I get online assistance with my FastAccess Service bill?

A. You can better understand your FastAccess DSL bill, the charges and your billing options. You may also see sample bills online. BellSouth offers you the ability to view and pay your bill online.

Q. I need to review some solutions to questions I have with my FastAccess Service.

A. BellSouth offers FastAccess Support, our online support, letting you ask questions and get answers, review common questions and "how-to's," and automated solutions for you.

back to top

Moving My FastAccess DSL

Q. I am moving and will keep my same number in my new home.

A. Call the BellSouth Service Center to move your telephone number to your new location. Ask the representative to check if the new location pre-qualifies for FastAccess DSL. If it does, the representative can place the order to move the service.
If the new location does not pre-qualify for FastAccess DSL, call the FastAccess Service billing department to change your DSL account to a dial-up Internet account, or request that your Internet account be disconnected. Remember, BellSouth is constantly making network enhancements and upgrades to be able to provide FastAccess DSL to more customers in more areas. Visit us in the future to see if FastAccess Service is pre-qualified for you!

Q. I am moving within the BellSouth region and want to get FastAccess Service at my new home.

A. Call the BellSouth Service center and order a telephone line for your new location. Ask the representative to verify if FastAccess Service is available for that number. If the new telephone number does pre-qualify for service you may have the representative place the order for FastAccess DSL, or you may order FastAccess Service online at your convenience.

If your new telephone number does not pre-qualify, call the FastAccess Service billing department to change your DSL account to a dial-up Internet account, or request that your Internet account be disconnected. Remember, BellSouth is constantly making network enhancements and upgrades to be able to provide FastAccess DSL to more customers in more areas. Visit us in the future to see if FastAccess Service is pre-qualified for you!

Q. I am moving outside the BellSouth region.

A. Call the BellSouth Service center and ask that your telephone line be disconnected. Contact the FastAccess Service billing department and ask that your FastAccess DSL account be disconnected.

back to top

IP Addresses

Q. What is an IP address?

A. IP Addresses are numbers used to identify a specific location on the Internet, much like a phone number is used to identify a specific location on a telephone network. Every device connected to the Internet has a unique IP Address. For instance, a web site such as www.—.com would be assigned a unique numeric IP Address (222.222.22.222), much like your home has a unique phone number (222-222-2222). When a user types www.—.com into their browser, the software goes to an Internet directory, finds that the web site "lives" at IP Address 222.222.22.222, and connects to that address over the World Wide Web.

Q. What is Dynamic IP?

A. A Dynamic IP is an IP address that changes periodically. A different IP address may be assigned every time you connect to the Internet. This makes it more difficult for others to locate your computer or other device from elsewhere on the Internet.

Q. What is Static IP?

A. This is an Internet Protocol address that remains the same every time a user logs onto the Internet. Because it is a "fixed" address, it is easier for other Internet users to locate and connect to the hosting computer. It potentially enables a user to "host" a website, or other type of server connection (such as an e mail or FTP server). As a result, this type of connection is less secure than a dynamically assigned IP address. Static IP is not available for residential accounts from BellSouth at this time.

back to top

Service Performance

Q. I want to check my DSL connection.

A. You can check your FastAccess DSL connection by downloading the FastAccess Connection Manager 2.0.

Q. Will I be able to use my telephone or access the Internet if my FastAccess Service or modem fails?

A. Most likely you will be able to use your telephone and access the Internet even if there are problems with your modem. DSL modems are designed so that your regular telephone service will operate even if the modem is unplugged or disabled. Also, you will still be able to use your regular dial-up analog modem if there is an outage with FastAccess Service in your area.

Q. How can I check the status of the DSL system for my area?

A. You may view the operating status of the BellSouth Internet Service system to keep informed about known problems or scheduled maintenance that may affect your service.

Q. How do I report a repair?

A. You may be able to solve your problem yourself by checking the BellSouth online assistance. It will give you Troubleshooting Tips, system status and trouble reporting contact numbers. If you still need assistance, BellSouth's Help Desk and Technical Support personnel are available 24 hours a day, seven days a week.

Q. Are there some Troubleshooting Tips?

A. You may review helpful solutions to common situations and problems quickly and easily online.

back to top

Warranties and Returns

Q. Is there a warranty on the modem?

A. Yes. The modem is under warranty for the first 12 months of service. If it breaks, we will repair it or replace it.

Q. How do I return my self-installation kit?

A. A UPS Authorized Return Service label will be enclosed in your Self-Installation Kit if you need to return it. First, you will need to call Customer Service at 1-888-321-2DSL (2375) to process your return. Next, you will need to fill in the top portion of the UPS label to prepare your package for shipment. Customer service will give you a tracking number to write on the bottom line, next to REF#, and next to REF#/DATE on your return label.

After the information is filled out, attach the label to the front of your package. It is very important that you keep the bottom portion of the UPS Authorized Return Service label as a reference. Be sure to use secure packaging to protect the equipment during shipping. Then, simply give your package to any UPS driver; allow five to seven days from the date of shipment for your return to be processed.

Q. How long do I have to return my self-installation kit?

A. You have 30 days from the time that the modem was sent to you (Ship Date) to return your Self-Installation Kit.

Q. How do I replace a defective modem?

A. If your modem does not work because of defective materials or workmanship *within* one year of the Ship Date or the Professional Installation Date, follow the returns process and call 1-888-321-2DSL (2375) for a replacement modem.

If your modem does not work for any reason *more than* one year after the Ship Date or the Professional Installation Date, either contact the modem manufacturer for assistance or contact BellSouth Internet Services to purchase a replacement modem.

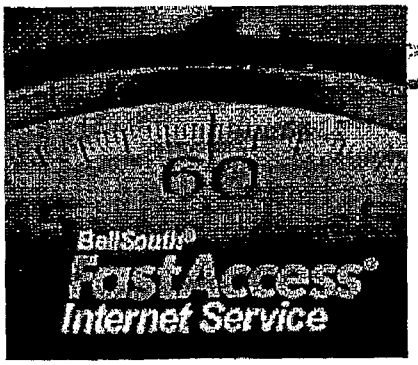
back to top

BellSouth.com | BellSouth Internet Services

BELLSOUTH
Listening. Answering.

Copyright 2002, BellSouth Corporation. All Rights Reserved.
Legal Notices and Privacy Policy
Pricing Terms and Conditions

BELLSOUTH



Your FastAccess DSL Account

Welcome to Your FastAccess DSL Service Account, where you will have access to online assistance to manage your account.

- FastAccess Service Support
- My FastAccess Service Bill
- Troubleshooting Tips
- FastAccess Connection Manager
- Glossary
- Contact Us about Your FastAccess Service
- Order Additional Equipment
- Self-Installation Guides
- Would you like to share your FastAccess DSL connection with multiple computers in your home?

- FastAccess DSL Home
- About FastAccess DSL
- Features and Benefits
- Products and Pricing
- Order Now
- Home Networking
- Common Questions
- [illegible]
- Customer Service

BellSouth.com | BellSouth Internet Services

BELLSOUTH
Listening. Answering.

Copyright 2002. BellSouth Corporation. All Rights Reserved.
Legal Notices and Privacy Policy
Pricing Terms and Conditions

BellSouth® **Internet Service**

BellSouth® FastAccess® Support

At Home | At Work | Customer Support

FastAccess Support Site | www.fastaccess.com Special Offer

Tuesday, December 17, 2002

Sample Bill Profile 3

Sample: Monthly bill, with BellSouth® Complete Choice® or BellSouth® Area Plus®, or other BellSouth qualifying package:

This sample bill shows most BellSouth FastAccess Internet Service charges that will appear on an on-going basis, after your first bill. Most FastAccess DSL charges will appear in the "Detailed Statement of Non-Regulated Charges" section under "Other Service Provider(s)", which is generally located toward the end of your bill. **Note:** Actual prices may vary.

404-555-1212
Charges for Jan 1, 2002 thru Jan 31, 2002
BellSouth Internet charges
UserID: mcustomer

1. FastAccess Service Charge from Jan 1 thru Jan 31	47.00
2. BellSouth Solutions Savings	4.95 CR
3. various Taxes	xx.xx
Total BellSouth Internet Current NonRegulated charges	42.05

404-555-1212
Charges for Jan 1, 2002 thru Jan 31, 2002
Global Service Provider Charges
UserID: mcustomer

4. UUNET Monthly Service	2.95
Charges from Jan 1 thru Jan 31 1 user@ 2.95 per user	
Total UUNET Current NonRegulated charges	2.95
Total Other Service Provider(s) Unregulated Charges	45.00

Copyright 2001 BellSouth Telecommunications, Inc. All rights reserved.
Legal Notices and Privacy Statement
Last Modified 10/18/2002 11:13:42 PM

IP:65.83.242.101, Users:891, OS:WIN32, Browser:Internet Explorer, ControlsOK:True, ControlsEnabled:False, CookiesOK:False, AgentInfo:MOZILLA/4.0 (COMPATIBLE; MSIE 5.5; WINDOWS NT 5.0; LSALSER; H010816)

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. _____, (JMB-2)
Page 29 of 31 _____

BellSouth® Internet Service

BellSouth® FastAccess® Support

At Home | At Work | Customer Support
FastAccess Support Site | www.fastaccess.com Special Offer

Tuesday, December 17, 2002

Sample Bill Profile 4

Sample: Monthly bill, without BellSouth® Complete Choice® or BellSouth® Area Plus®, or other BellSouth qualifying package:

This sample bill shows most BellSouth FastAccess Internet Service charges that will appear on an on-going basis, after your first bill. Most FastAccess DSL charges will appear in the "Detailed Statement of Non-Regulated Charges" section under "Other Service Provider(s)", which is generally located toward the end of your bill. **Note:** Actual prices may vary.

404-555-1212
Charges for Jan 1, 2002 thru Jan 31, 2002
BellSouth Internet charges
UserID: mcustomer

1. FastAccess Service Charge from Jan 1 thru Jan 31	47.00
2. Various Taxes	xx.xx
Total BellSouth Internet Current NonRegulated charges	47.00

404-555-1212
Charges for Jan 1, 2002 thru Jan 31, 2002
Global Service Provider Charges
UserID: mcustomer

3. UUNET Monthly Service	2.95
Charges from Jan 1 thru Jan 31 1 user@ 2.95 per user	
Total UUNET Current NonRegulated charges	2.95
Total Other Service Provider(s) Unregulated Charges	49.95

Copyright 2001 BellSouth Telecommunications, Inc. All rights reserved.
Legal Notices and Privacy Statement
Last Modified 10/18/2002 11:13:42 PM
IP:65.83.242.101, Users:913, OS:WIN32, Browser:Internet Explorer, ControlsOK:True, ControlsEnabled:False, CookiesOK:False, AgentInfo:MOZILLA/4.0 (COMPATIBLE; MSIE 5.5; WINDOWS NT 5.0; LGAUSER; H010818)

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. _____, (JMB-2)
Page 30 of 31

DOCKET NO. 020507-TP

EXHIBIT NO. _____ (JMB-3)

CHAPTER 53.0 - Loop Makeup Data On Working Loops Query

53.1 Loop Makeup Data On Working Loops Query

This query requests loop makeup data on a working loop.

TABLE bg. Loop Makeup Data On Working Loops Query

Loop Makeup Data on Working Loops Query										
Field Names			**Usage**							
BST	LSOG 3	LSOG 4	Field Length	Char Type	R / C / O	Business Rules	Iss 7	Iss 9	LENS	Valid Values
Loop Makeup Data on working Loops Query										
COMPANY CODE			4	N	R	Operating Company Number (OCN)		X	X	
ACNA			3	A/N	R	Access Carrier Name Abbreviation		X	X	

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. ____, (JMB-3)
Page 1 of 7

INQ-NUM	INQNUM	INQNUM	16	A/N	R	Inquiry Number Inquiry Number uniquely identifies each Pre-Order transaction.		X	X	
CKT-ID			36	A/N	C	Circuit ID Only one of circuit ID, Telephone Number or Service Address is required.		X	X	See Appendix T
TN	WTN	WTN	24	A/N	C	Telephone Number Only one of circuit ID, Telephone Number or Service Address is required.		X	X	Format must be: 101 555-1234 where: 101=NPA 555=NXX 1234= Line Number
LSP-AUTH		X	4	N	C	Local Service Provider Authorization Identifies the CLEC granting authorization to the CLEC requesting LMU on a loop owned by the authorizing CLEC		X	X	

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. ____, (JMB-3)
Page 2 of 7

LSP-AUTHNAME		X	15	A/N	C	Local Service Provider Authorization Name Name of the person from the Local Service Provider who signed authorization letter		X	X	
Service Address Information **Only one (1) address may be specified per request**										
HOUSE-NUM	SANO	SANO	13	A/N	C	House Number Identifies the house number of the service address.		X	X	Special Characters include: " -" = Dash
HOUSE-NUM-SUFFIX	SASF	SASF	5	A/N	O	House Number Suffix Identifies the suffix for the house number of the service address.		X	X	Special characters include: • " -" = Dash • " / " = Virgule
STREET-NAME	SASN	SASN	35	A/N	C	Street Name Identifies the street name of the service address.		X	X	Special Characters include: " * " = Asterisk

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. ____, (JMB-3)
Page 3 of 7

						Required when the Service Address is entered.				
STREET-DIR	SASD	SASD	2	A/N	O	Street Directional Prefix Identifies the street directional prefix of the service address.		X	X	• N = North • E = East • W = West • S = South • NE = Northeast • NW = Northwest • SE = Southeast • SW = Southwest • " " = (Blank)
THOROUGHFARE	SATH	SATH	10	A/N	O	Street Thoroughfare Identifies the thoroughfare portion of the street name of the service address		X	X	See Appendix B
STREET-SUFFIX	SASS	SASS	4	A/N	O	Street Directional Suffix Identifies the street directional suffix of the street service address.		X	X	• N = North • E = East • W = West • S = South • NE = Northeast • NW =

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. ____, (JMB-3)
Page 4 of 7

										Northwest • SE = Southeast • SW = Southwest • " " = (Blank)
STRUC-BLDG	BLDG	BLDG	15	A/N	O	Structure Building and Data Identifies the building located at the street address.		X	X	See Appendix C & D
ELEV-FLOOR	FLOOR	FLOOR	14	A/N	O	Elevator Floor and Data Identifies the floor number of the street address.		X	X	See Appendix C & D
UNIT-ROOM	ROOM	ROOM	15	A/N	O	Unit Room and Data Identifies the room of the street address.		X	X	See Appendix C & D
CITY	SALOC	SALOC	32	A/N	C	City Name		X	X	Special Characters include: "*" = Asterisk

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. ____, (JMB-3)
Page 5 of 7

						Identifies the city or community where the service is located. Required when the Service Address is entered.				
STATE	SAST	SAST	2	A/N	C	State Code Identifies the state where the service is located. Required when the Service Address is entered.		X	X	• AL = Alabama • FL = Florida • GA = Georgia • KY = Kentucky • LA = Louisiana • MS = Mississippi • NC = North Carolina • SC = South Carolina • TN = Tennessee
ZIP-CODE	SAZC	SAZC	5 or 9	N	O	Zip Code Identifies the zip code of the service address.		X	X	

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. ____, (JMB-3)
Page 6 of 7

UNNUM-HOUSE-IND	N/A	N/A	1	A/N	O	Unnumbered Address Indicator An indicator, which identifies the address as being on an unnumbered or unnamed street.		X	X	• Y = Street Number not populated. • N = Street Number is populated.

previous next

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. ____, (JMB-3)
Page 7 of 7

DOCKET NO. 020507-TP

EXHIBIT NO. _____ (JMB-4)

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Loop Qualification System (LQS)

CLEC Pre-Ordering and Ordering Guidelines

(Version 3, August 27, 2002)

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Table of Contents

INTRODUCTION	3
Purpose and Scope	3
Disclaimer Statement	3
Version History/Control	4
OVERVIEW	5
PRE-ORDERING GUIDELINES	7
Availability	7
Contract Specific Guidelines	7
ORDERING GUIDELINES	8
Establish/Discontinue Access to LQS	8
Installing the LQS Application	8
Loop Queries	8
Interpreting Query Results	11
Typical LQS Output Screen	12
Line-By-Line Explanation of LQS Output Screen	12
Internal Reason Codes (Positive LQS Response)	18
Speed Codes	20
Positive Response Results	22
Internal/External Reason Codes (Negative LQS Response)	23
Not Qualified Response Results	24
Logic Sequence of LQS	28
ACRONYMS	31

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 1.0: Introduction

1.1 Purpose and Scope

This Pre-Ordering and Ordering Guide is intended to provide the D/CLEC (Data/Competitive Local Exchange Carrier) facility description and general information specific to processing a request for the service offering described herein. This document is an original version in this format; an updated version in the old format. This replaces a job aid currently being used by the CLECs. For that reason, this package carries the version number of 3.

For the remainder of this document, Loop Qualification System will be referred to as LQS. A detailed description of this facility offering will be provided in **Chapter 3.0, Overview,** of this document. Contact your Local Support Manager (LSM) if you have questions about the information contained herein.

1.2 Disclaimer Statement

The information contained in this document is subject to change. BellSouth will provide notification of changes through the D/CLEC Notification Process. This guide will be maintained until such time that it's content is incorporated into the BellSouth Business Rules – Local Ordering (BBR-LO). The BBR-LO is found at:

http://www.interconnection.bellsouth.com/guides/html/leo.html

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 1.0: Introduction

1.3 Version History/Control

Any future modifications, enhancements, and/or improvements that are made to this Pre-Ordering and Ordering Guide for LQS will be reflected accordingly in this section of the document.

Section	Date / Version	Description
All	8/27/2002 – Version 3	This document is an original version in this format; an updated version in the old format.

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 2.0: Overview

LQS was originally designed as an internal tool utilized by BellSouth and Internet Service Providers (ISPs) reselling BellSouth ADSL (Asymmetric Digital Subscriber Line) Service to determine if a telephone number(s) at a specific service address qualified for BellSouth ADSL Service. Subsequently, LQS access has been made available to any requesting D/CLEC via the Interconnection Agreement. For further specifications on the BellSouth ADSL offering, refer to the BellSouth Access Tariff – FCC (Federal Communications Commission) Number 1. This can be located at the following web address:

http://cpr.bellsouth.com/pdf/fcc/fcc.htm

While the information returned via LQS may provide some indication of loop characteristics, it does ***not*** provide the level of detailed information Mechanized or Manual Loop Makeup (LMU) provides. For more information on BellSouth's Loop Makeup product, refer to the BellSouth LMU CLEC Information Package located at the BellSouth Interconnection Services Web site in the CLEC Products Section at:

http://www.interconnection.bellsouth.com/guides/html/unes.html

The Loop Qualification System (LQS) described in this guide is for D/CLECs to utilize when accessing BellSouth's LQS. Additional information can also be obtained by accessing the LQS web site at the following address:

http://lqs.bellsouth.com

Note: To access this site, a USER ID and password is required. Information relative to obtaining the User ID and password is contained within this document.

A user can perform an on-line query on up to ***five*** manually entered telephone numbers at the same time. The current offering limits a User ID (Identification) to 2,000 qualifications in a 24-hour period. A user can also submit up to 1,000 numbers at once using the ***Bulk Submit*** utility to submit an ASCII file. The 2,000 number-limitation also applies to bulk submissions.

The information contained in LQS is derived from the Loop Engineering Assignment Data (LEAD) Database and provides a "best effort" response regarding a loop's ability to support BellSouth's ADSL service.

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 2.0: Overview

The LEAD Database is a once-per-month-per-wire-center "snapshot" of the information contained in the Loop Facilities Assignment and Control System (LFACS) Database. 1/30th of all wire centers are updated every day. Currently there is a 98% accuracy rate on returned responses within LQS. LQS ***cannot*** be guaranteed based solely on the system response. Guaranteed service of BellSouth's Business Class ADSL does ***not*** utilize LQS but instead requires a manual Service Inquiry (SI).

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 3.0: Pre-Ordering Guidelines

3.1 Availability

LQS is available within all nine states of the BellSouth region. Terms and Conditions for LQS Service ***must*** be included in the Local Interconnection Agreement. This will be discussed in detail in Section 3.2 of this document.

To establish access to the LQS System, the D/CLEC will contact their LSM. Access to the LQS System will require a minimum of two (2) business days once the LSM has been contacted.

3.2 Contract Specific Guidelines

For LQS access to be provided, the D/CLEC must have an Interconnection Agreement that includes the terms and conditions for the service.

If a D/CLEC requests access to LQS and such access is ***not*** already covered by the existing Interconnection Agreement, the Contract Negotiator should be contacted to provide the appropriate amendment.

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

Once it has been confirmed that a D/CLEC is authorized via the Local Interconnection Agreement or an amendment has been added to the existing contract to utilize the LQS System, a User Name and Password must be obtained. The sections beginning below will walk you through the steps necessary to establish access and actually utilize the LQS System. Detailed information on the BellSouth LQS application is available at the following web site:

http://lqs.bellsouth.com/Application.html

4.1 Establish/Discontinue Access to LQS

The D/CLEC will contact their LSM to establish or discontinue access to the LQS System. Prior to calling the LSM, it is the responsibility of the D/CLEC to provide a User Name. The User Name must consist of eight (8) case-sensitive characters. This information will be furnished to BellSouth at the time the request is initiated. Once the request is initiated, it will take a minimum of two (2) business days to get the access established.

If it becomes necessary to discontinue the password and delete the account in the LQS System, the D/CLEC is responsible for contacting his/her LSM. The User Name on the account to be discontinued must be furnished at the time the request is initiated.

4.2 Installing the LQS Application

Once access has been established, the following steps will be taken to log into the LQS System:

- Double click the BellSouth Loop Qualification icon on the PC (Personal Computer) Desktop. (The LQS Login box will appear.)
- Enter your User Name and Password.
- The BellSouth LQS Status window will appear.

Once the Status window appears, you are ready to submit a Loop Query.

4.3 Loop Queries

There are two types of Loop Queries. These include:

- **LQS Status Window**
- **Bulk Submit Utility**

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines
Chapter 4.0: Ordering Guidelines

LQS Status Window:

The LQS Status Window will be selected when you are going to query the LQS status of up to five (5) 10-digit telephone numbers. The following steps will be taken:

- On the LQS Status Window, enter the 10-digit telephone numbers (excluding hyphens)
- Click the "Get Status" Button
- The status information for each number will be displayed

Note: Information needed to interpret the results of the "status" is included in Section 4.4 of this document.

Bulk Submit Utility:

The LQS Bulk Submit Utility method will be selected when you are going to query the LQS status of up to 1,000 telephone numbers at one time. The telephone numbers must be contained in the ASCII file format including one 10-dit telephone number per line excluding hyphens and containing no titles, headers, or footers. From the LQS "Status" Window, the following steps will be taken:

- Select "Utilities" from the Menu Bar
- Select "Submit Bulk File"
- Select the file containing the telephone numbers

When completed, the "LQS Bulk File Results" Window will display indicating the status for all of the telephone numbers submitted on the bulk form. The user has the option at this point of:

- Selecting the contents and copying them to another file

or

- Saving the contents to another file

Note: Information needed to interpret the results of the "status" is included in Section 4.4 of this document.

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

The table below indicates the sections from this point on that are included in this chapter and the appropriate page numbers for each. This will furnish you with a reference for ease in locating the information that is needed to interpret the LQS information.

Section Name and Number	Page Number
Interpreting Query Results (4.4)	11
Typical LQS Output Screen (4.5)	12
Line-By-Line Explanation of Output Screen (4.6)	12
Internal Reason Codes (Positive LQS Response) (4.7)	18
Speed Codes (4.8)	20
Positive Response Results (4.9)	22
Internal/External Reason Codes (Negative LQS Response) (4.10)	23
Not Qualified Response Results (4.11)	24
Logic Sequence of LQS (4.12)	28

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

4.4 Interpreting Query Results

There will be a Reason Code displayed for each telephone number queried. The Reason Codes include:

A (Available) – The loop is currently qualified for ADSL or PC Data.

P (Planned) – The loop is currently not qualified but is projected to support ADSL or PC Data. Projected service date will be included with initial feedback.

N (Not Qualified) – The loop is not qualified for ADSL or PC Data ***or*** the loop qualification status cannot be determined with certainty because of missing data or some other error condition.

When an "A" or "P" response is received, the following codes will also be shown immediately following the Reason Code:

- "C" for Copper or an "F" for Fiber
- Speed Code will follow a loop qualified as A,C (Available, Copper)
- "Planned Date" will follow a loop qualified by "P" ("Planned")
- An external "Reason Code" and description (E*) will follow an "N" ("Not Qualified") response

Additional information on positive and negative responses is available in Sections 4.4 and 4.5 of this document. Typical response formats include:

A,C,C5

or

P,C,L0,2000.01.01

or

N,E2
(Service not available for this telephone number)

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

4.5 Typical LQS Output Screen

The Internal Reason Code and Enhanced LQS GUI (Graphical User Interface) fields are displayed for each telephone number queried and is viewable via the drop down arrow indicated with a + sign which means additional information is available.

Following is an example of a typical output screen provided by the LQS Enhanced GUI:

N,E2,Service not available for this phone number.
I2,Copper loop is loaded.
dt=,rz=15,cz=9,sc=pots1{ADSL},cap=null,
Loopbits={isF1CableLoaded,IsRc,hasTnId},wkg
NpaNxx(205298,hm=brhmalch,{},#p=1,#l=1996)
WC(brhmalch,10/08/2001,205967,tdl=18.0,cap({ADSL},<no date>),{})
LivingUnit(1auc6.4,sz=1,cap=null)
WireCenterProxy(205298,brhmalch,{},#l=1996)
Taper(111901,{},(14.1+3.9=18.0))
F1Cable(8,{}),p=136
DT(r 3827 river view dr,{},cap{},<no date>,null,(0,0,0))
XB(802,{},cap({},<no date>),(396,16,0),p=1036

Provided below is an explanation of each line item with a copy of the line output from the above example as reference. The general format of this explanation will be:

<Line Number>, <Item Name if multiple item line>, <Explanation>

Note: If a line or line element has the message "**not a network data element**", this data item is LQS software system oriented and does ***not*** contain pertinent information relative to the loop qualification; therefore, a definition of this element will not be provided.

4.6 Line-By-Line Explanation of LQS Output Screen:

Beginning below is a line-by-line explanation of the data included on the LQS Output Screen.

Line 1 – *External* Reason Code Qualification Response:

Output: N,E2,Service not available for this phone number.

1, Loop Qual Response/External Reason Code

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

Line 2 - *Internal* Reason Code Qualification Response:

Output: 12,Copper loop is loaded.

12, Loop Qual Response/Internal Reason Code

Line 3 – Specific Data Associated with the Telephone Number:

Output: dt=,rz=15,cz=9,sc=pots1{ADSL},cap=null,

3, dt = Data Type

min = remote DSLAM fed straight F1 terminal
pcd = IFTL Ethernet based service
fmx =DIFTL (Data over Fiber In The Loop) based service
fax =DIFTL (Data over Fiber In The Loop) based service
null=no data type detected by refresh program

3, rz = Resistance Zone of Customers Serving Terminal

RZ is an indicator of the subscriber loop resistance limits of a particular geographic area. Used for metal facilities (e.g., RZ13=1300 ohms, RZ15=1500 ohms.)

Values typically = null, 13, 15, 18, etc.

3, cz = Carrier Resistance Zone of Customers Serving Terminal

CZ is an indicator of the maximum resistance between the remote terminal cabinet and the customers serving terminal. Used for derived facilities only (e.g., CZ9=900 ohms.)

Values typically = null, 9, or 15

3, sc = Service Category

Service Categories map to 15 Outside Plant Equivalence Code (OEC) parameters that describe the relevant characteristics of the service from an outside plant provisioning perspective. These OEC parameters allow LFACS Center to accurately select the outside plant facilities with the appropriate transmission characteristics.

continued on next page

Chapter 4.0: Ordering Guidelines

The OEC parameters include the number of conductors required, the manual assistance indicator, the grade of service (party line or single), class of service, pair gain indicator, non-local indicator, category (i.e., voice grade, digital data, ISDN (Integrated Services Digital Network)), CO (Central Office)-side terminations, quality, signaling, metallic requirement, digital data rate, loop assignment type, loop qualification, and de-specialization.

By matching these parameters, LFACS is able to determine which OEC category a service request falls into and in turn, to know what type of facility to look for. The address tells LFACS where to look.

- POTS (Plain Old Telephone Service) 1 is a 2-Wire, single-party, voice grade loop, "S" type CO terminations with ordinary loss levels, loop start signaling, metallic facilities not required, and any DD rate.
- POTS3B is a 2-Wire, 4 or 8 party voice grade service, "B" type CO terminations, ordinary loss, loop start, no metallic requirement, and any DD rate.
- POTS5 is a 2-Wire, single party, voice grade, "C" type CO terminations, ordinary loss levels, loop start signaling with no metallic requirement and any DD rate.
- DOV 4 is a 2-Wire single party, locally or non-locally switched voice grade, "M" type CO terminations, ordinary loss, loop, ground or battery start that could or could not have a metallic requirement with an "L" digital design rate.

Values typically = pots1, pots3b, pots5, dov4

Note: 3, cap = Line Capability in the software system. This is not a network data element.

Line 4 – Specific Data Associated with the Telephone Number

Output: Loopbits={isF1CableLoaded,IsRc,hasTnId},wkg

IsRc - = System Item Status

This is ***not*** a network data element.

continued on next page

Chapter 4.0: Ordering Guidelines

Wkg = Pair Evaluation (PE) Status of Telephone Number

wkg = normal line in service with a telephone number

ct = connect through - A loop from the central office to the serving terminal that remains "connected" through the network. This allows the next customer who moves to that location to have dial tone initiated at the central office without cross connects being required in the field.

Valid loop statuses include:

- CT (Connect Through)
- CF or CNF (Connected Facility)
- PCF (Partially Connected Facility)
- WKG (Working)
- RCT - Connect through originating at a switcher
- RCF - Connected facility originating at a switcher
- RWK - Working loop originating at a switcher
- IDLE

Note: Of these, only WKG and RWK are working values.

Values typically = wkg, ct, etc.

Line 5 – System Oriented NPA, NXX

Output: NpaNxx(205298,hm=brhmalch,{},#p=1,#l=1996)

Note: This is not a network element.

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

Line 6 – Wire Center Level Data

Output: WC(brhmalch,10/08/2001,205967,tdl=18.0,cap({ADSL},<no date>),{})

6, <wc clli> = LEIS 8 character wire center CLLI (Common Language Location Identifier) Code

6, mm.dd.yyyy = extract date of current wire center data being used in Loop Qual

6, npanxx = primary npanxx of this wire center

6, tdl = wire center specific taper code dead length. If the taper code exceeds this length, all lines are ***disqualified*** to minimize false positive qualifications

6, cap = system software parameter indicating ADSL capability and date if planned

Line 7 – Living Unit Data

Output: LivingUnit(1auc6.4,sz=1,cap=null)

The Living Unit ID (LUID) is a value from LFACS for this specific address utilized by the system software. This is not a network data element.

Line 8 – System Oriented Wire Center Proxy Data

Output: WireCenterProxy(205298,brhmalch,{},#l=1996)

This data has ***no*** value to a Network user. This is not a network data element.

Line 9 – Taper Code Information

Output: Taper(111901,{},(14.1+3.9=18.0))

9, <taper code> = the taper code of the customers serving terminal

9, XB = the x-box that LQS associates with this taper code. This data can be ambiguous if there are multiple taper codes associated with an x-box.

9, (f1.f1, f2.f2, tot.tot) = Outside Plant District provided; F1/F2/Total distances for this taper code
F1 = distance from the central office to the x-box for copper fed x-boxes

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines
Chapter 4.0: Ordering Guidelines

F2 = maximum distance from x-box to the distribution terminal for that taper code

Line 10 – F1 Cable Information

Output: F1Cable(8,{}),p=136

F1 = First Loop Segment for the CO

10, F1 cable = F1 cable assignment

10, F1 pair = F1 pair assignment

Line 11 – Serving Terminal Information

Output: DT(r 3827 river view dr,{},cap{},<no date>,null,(0,0,0))

11, provides serving terminal name in LFACS database

11, cap = system capability for this terminal and date if planned

11, (aaa,bbb,ccc) = working line info for this x-box

aaa = total lines working in this terminal

bbb = **copper** ADSL qualified lines working in this terminal. (Qualified from the CO.)

Note: A remote DSLAM (Digital Sub Line Access Multiplexer) makes this number irrelevant.

ccc = pg lines working in this terminal

Line 12 – FN/F2 Crossbox Information

Output: FnCrossBox(802,{},cap({},<no date>),(1,0,0),null),p=1036

F2 = Second Loop Segment from the CO.

12, FnCrossBox = the f2 cable name associated with this telephone number values = null if none, f2 cable name, or mr/ahj name if existing ADSL service

12, cap = system capability for this x-box and date if planned

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

12, (aaa,bbb,ccc) = working line info for this x-box

aaa = total lines working in this x-box

bbb = **copper** ADSL qualified lines working in this x-box. (Qualified from the CO.)

Note: A remote DSLAM makes this number irrelevant.

ccc = pg lines working in this x-box

12, pair = F2 pair assignment.

4.7 Internal Reason Codes (Positive LQS Response)

Internal Reason Codes are provided for ***positive*** Internal Response Results. In order to properly understand the Internal Response Results, the following information is furnished to provide an explanation of the possible Internal Reason Codes.

IQ1 = Copper-qualified loop

This copper loop ***does*** qualify for ADSL service.

IQ2 = Pair Gain loop qualified with copper-qualified cross-box

This customer is currently served via Digital Loop Carrier (DLC) that will ***not*** support ADSL service. However, records indicate 10 or more qualified copper pairs do exist at the cross-box. A Facility Reservation Number must be obtained by the D/CLEC in order to move the customer to an unloaded copper pair suitable for Line Sharing.

IQ3 = Qualified through Remote DSLAM on cross-box

This response code means BellSouth has an existing remote solution (Remote DSLAM) available in the Remote Terminal (RT) in which this customer receives their voice service.

NOTE: Due to the proactive logic in LQS, this code masks any other codes describing the loop currently serving the customer. The only valid assumption will be that the F2 portion of the customer loop is qualified for a type of ADSL.

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

IQ4 = Qualified through Straight F1 on distribution terminal

This copper loop ***does*** qualify for ADSL service and is served by an F1 facility only. (It does **not** pass through a cross-box).

IQ5 = Qualified through CMS Update

BellSouth has an existing or planned Integrated Fiber In The Loop (IFITL) remote solution serving this customer.

IQ6 = F1 Loaded loop qualified by copper-qualified cross-box

This customer is currently served via a loaded copper pair that will ***not*** support ADSL service. However, records indicate 10 or more qualified unloaded copper pairs do exist at the cross-box. A FRN must be obtained by the D/CLEC in order to move the customer to an unloaded copper pair suitable for Line Sharing.

IQ7 = F1 Loaded qualified by copper qualified distribution terminal

This customer's specific pair will not support ADSL service. However, other pairs in this customer terminal can provide ADSL service and it is allowed to qualify on the assumption the line can be moved to an ADSL capable pair.

IQ8 = PC Data qualified through LEIS-LEAD update

BellSouth has an existing IFITL remote solution serving this customer that is capable of carrying ADSL service.

IQ9 = Qualified by RZ override

A system override of the stored RZ has been applied. This occurs when the F1+F2 distance < 14.0 KF.

IQ10 = Qualified for ADSL over fiber- MX

BellSouth has an existing or planned Data Over Fiber In The Loop (DFITL) remote solution serving this customer.

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

IQ11 = Qualified for ADSL over fiber- AX

BellSouth has an existing or planned DFITL remote solution serving this customer.

IQ12 = Force-qualified through remote capability on individual loop.

Loop manually forced to qualify for some reason. Generally, this means there is a field notification of a records problem in LFACS. It is force qualified to insure it will qualify in the system.

IQ13 = Pair Gain qualified by copper-qualified distribution terminal

This customer's specific pair will not support ADSL service. However, other pairs in the customer's terminal can provide ADSL service and it is allowed to qualify on the assumption the line can be moved to an ADSL capable pair. This is the same as IQ7 but on a pair gain rather than a loaded F1 pair.

IQ14 = Conditional qualification; CO DAML

Effective with Release 8.8, a previously unqualified DAML line will now be allowed to qualify. In addition, an assessment is made to determine the ability to provision ADSL service. A DAML is an electronic unit that puts two (2) telephone numbers on one copper/pair gain facility. This renders the line unusable for ADSL service and this new qualification requires a review of the facility to provide ADSL service, if possible.

E6 = When the loop data does *not* exist in LQS, the external code E6 is given and repeated in the internal code field>

4.8 Speed Codes

In addition to Internal Reason Codes, Speed Codes are also furnished with "positive" response codes. In order to properly understand the Internal Response Results, the following information is furnished to provide an explanation of the possible Speed Codes.

The table on the next page provides translations for speed codes returned in LQS for loops qualified as A,C. The speed code indicates the conservative maximum BellSouth ADSL service rate that may be purchased for that loop ***without*** a Service Inquiry.

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

LQS RETURN CODES (*MAXIMUM* SPEED SUPPORTED BY A QUALIFIED LOOP)

Speed Code	Estimated Maximum Speed	Business or Industrial	USOC	Downstream Rate	Upstream Rate
A5	6.5KF	Business Class	ADL51	4-6 Mbps	640 Kbps
B5	8.0KF	Business Class	ADL41	2-4 Mbps	640 Kbps
C5	9.4KF	Business Class	ADL31	1.5 Mbps	512 Kbps
D5	9.5KF	Business Class	ADL61	768 Kbps	512 Kbps
E5	12.0KF	Business Class	ADL21	384 Kbps	384 Kbps
F5	15.5KF	Business Class	ADL71	192 Kbps	192 Kbps
L0	18.0KF (Copper ADSL) or PC-Data (Fiber) or remote DSLAM	Industrial Class (Also known as Consumer/ Residential rate)	ADL11, ADL12	1.5 Mbps max	256 Kbps max

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

4.9 Positive Response Results

The following table indicates the format of possible ***External*** and ***Internal*** Reason Codes for positive response results received from LQS.

External Reason Code	Internal Reason Code
A, C, Speed Code	IQ1, Copper-qualified loop
	IQ2, Pair Gain loop qualified with copper-Qualified cross-box (requires cut-over)
	IQ3, Qualified through Remote DSLAM on crossbox. CAUTION: Pair Gain loop - See note below for this code.
	IQ4, Qualified through Straight F1 on distribution terminal
	IQ6, F1 Loaded loop qualified by copper-qualified cross-box (requires cut-over)
	IQ9, Qualified by RZ Override
A, F	IQ5, Qualified through CMS update
	IQ8, PC-Data qualified through LEIS-LEAD update
	IQ10, Qualified for ADSL over fiber-MX
	IQ11, Qualified for ADSL over fiber-AX
P, C, Speed Code, Date	Planned for service on Copper
P, F, Date	Planned for Service on Fiber

Note: A,F denotes end-user is in an ALL-FIBER neighborhood, also called IFITL. BellSouth provides broadband to these customers via PC DATA, which is an Ethernet-based architecture. D/CLECs should treat telephone numbers that return A,F in LQS as ***unqualified***.

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

4.10 Internal/External Reason Codes (Negative LQS Response)

When a negative LQS response is received, as with a positive response, reason codes will be given. The table below shows these reason codes and includes both positive and negative feedback. The external reason codes are actually error codes that will be explained in Section 4.11 of this document.

External Reason Codes	Internal Reason Codes
Null	When paired with certain External Reason Codes, such as E2, this code may be null.
E0 – Request ignored – file size limit	Same
E1 – Syntax error in phone number	Same
E2 – Service is not available for this phone number	I1: Copper loop with RZ>13
	I2: Copper loop is loaded
	I3: Copper loop has Digital Added Main Line (DAML)
	I4:Pair Gain Loop with no Remote Solution
	I5: Taper code is a dead zone
	I6: Loop has PG DAML
	I7: Fn cable is loaded
	I9: Terminal CZ > 9
	I10: Existing service category not compatible
	I11: Phone number is foreign exchange
	I12: Taper code exceeds distance limit <Max F1 Distance + Max Fn Distance>. Limit = <Taper Distance Limit>
	I13: NPA-NXX is not found
	I14: Taper code Max F1 Distance = 0.0 KF
	I15: PE status not recognized as WKG, CT, or PRU
	I16: No loops found in NPANXX
	I17: Forced disqualified loop: SOEG transmission problem with line (Was Dead Loop)
	I18: Filtered by wire center

This table continues on the next page.
continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

External Reason Codes	Internal Reason Codes
	I19: Dead loop: Different Premises Address (DPA)
	I20: Existing USOC (Universal Service Order Code) is incompatible
E3 – Loop currently unqualified. Please try again later.	I4: Pair gain loop with no Remote DSLAM
	I8: Wire center not DSLAM-equipped
E4 – Existing service type is incompatible	Same
E5 – Not used	Same
E6 – Loop information currently not available.	Same
E7 – Not used	Same
EA1 – Syntax error in Address Key	Same
EA2 – Address Key is not valid	Same
EA3 – Address is not F/C capable	Same

4.11 Not Qualified Response Results

This section explains the reason codes (internal and external) that may be received indicating why the loop ***cannot*** be qualified.

E1 – "Syntax error in phone number"

- Invalid telephone number format or character found

E2 - "Service is not available for this phone number"

Internal Codes I1, I9 I12, and I14

- The loop is too long to support ADSL
- I1: overall loop resistance > 1300

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

- I9: Carrier Zone > 900

- I12: Taper code exceeds distance limit <Max F1 Distance + Max Fn Distance>. Limit = <Taper Distance Limit>. Example: 13.27+6.1=19.37).

  In this example: F1 length is 13.27 KF; maximum length of distribution pair is 6.1 KF; Total is 19.37 KF. This exceeds the 18.0KF maximum.

- I14: Taper code Max F1 Distance = 0.0 KF; in taper code file, if cross-box is entirely PG fed, shows 0.0 KF distance; would only qualify based on remote solution.

Internal Codes I2 and I7

- The loop contains one or more load coils.

Internal Codes I3 and I6

- The phone number is on a DAML.

Internal Code I5

- The customer falls within a known "dead" zone, an area flagged by maintenance personnel where ADSL is known not to work.

Internal Code I10

- The line is not POTS or plain Centrex.

- There may be existing ADSL or Line Sharing on the line

Internal Code I11

- The phone number is a Foreign Exchange/Foreign Central Office (FX/FCO) line.

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

Internal Code I13 and I16

- The NPA-NXX belongs to one customer (e.g. a University) and all numbers in the range are PBX (Private Branch Exchange) DID (Direct Inward Dialing) or Primary Rate ISDN numbers

OR

- The NPA-NXX belongs to a CLEC

OR

- The NPA/NXX is a BellSouth NPA/NXX but currently has no working loops

Internal Code I15

- The Pair Evaluation (PE) status of the loop must be WKG (Working), CT (Connect Through) or PRU (Pair Restriction Usage) status or the TN (Telephone Number) is incompatible for PE reasons.

Internal Code I17

- Outside plant engineering has determined that this TN is incompatible with ADSL services even though it originally qualified; future qualification is prevented.

Internal Code I18

- Custom filter established for designated wire centers (would never appear on CLEC response)

Internal Code I19

- TN appears in multiple locations, either in same wire center or different wire centers; incompatible with ADSL

E3 - "Loop currently unqualified. Please try again later"

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

Internal Code I4

- The loop is behind a digital loop carrier system and no Remote DSLAM is available.

Internal Code I8

- This central office is not equipped with a BellSouth DSLAM.

E4 – "Existing Service type is Incompatible"

- Service generally available to this location, but loop is not a BellSouth-provided exchange access line as required by the tariff to provision ADSL.

E6 - "Loop information currently not available"

When the loop data does not exist in LQS, external code E6 is given and it is repeated in the internal code field.

- The phone number is on an ISDN line.
- The phone number is newly installed and not yet in LQS.
- The phone number is a DID behind a PBX.
- The phone number is served via Primary Rate ISDN.
- The phone number may belong to a facilities-based CLEC and is outside of BellSouth's network.

Note: LQS triggers a forced refresh on an E6 response. If this is a valid BellSouth number, the number will be recognized in LQS within 48 hours. It may or may not qualify at that point based upon other existing LQS qualification criteria

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

4.12 Logic Sequence of LQS

LQS will stop the search and logic routines when the first error condition appears. That error will be reported. It does not continue and find all error codes prior to stopping the search. The table below indicates the error checking sequence utilized by LQS.

Error Item	Output Upon Error Identification
1) Check Taper Code for dead zone.	Check for existence of NPA-NXX.
	15: Taper Code is a dead zone
2) Check for proper input.	E1: Syntax error in phone number
3) Check for existence of NPA-NXX.	Check for existence of NPA-NXX
	I13: NPA-NXX not found
4) Check for existence of loop in database	E6: Loop information currently not available.
5) Check for FX (Foreign Exchange) Service	E2: Service not available
	I11: Phone Number is Foreign Exchange
	I19: Dead Loop: Different Premises Address (DPA)
6) Check for incompatible services	E2: Service not available
	I10: Existing Service Category not compatible
7) Check if Remote Solution exists: If Remote Solution exists, check for copper F2:	
A) Loading	E2: Service not available 17: FN cable is a loaded DAML
B) Presence of DAML	E2: Service not available 16: Loop has DAML
C) Carrier Zone >900Ω	E2: Service not available 19: Terminal CZ>9
If NO remote Solution exists: Check for Copper, then DLC.	

This table continues on the next page.
continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

Error Item	Output Upon Error Identification
8) Check for loaded copper pair	E2: Service not available I2: Copper loop is loaded
9) Check for DAML presence	E2: Service not available/ I3: Copper loop has DAML
10) Check to see if loop is not in "dead zone"	E2: Service not available/ I5: Tape Code is a dead zone
11) Check if loop is not a Foreign Exchange (FX)	E2: Service not available/ I11: Telephone Number is Foreign Exchange
12) Check if loop is not disqualified because of E2: Service not available...transmission problems previously discovered	I17: Forced disqualified. Transmission problem with line.
13) Check if loop not DPA (Different Premises Address)	E2: Service not available/ I19: DPA
14) Check if loop is not service-incompatible with ADSL (including PBX trunk).	E2: Service not available/ I10: Existing service category incompatible
15) Check if loop does not have DAML	E2: Service not available/ I3: Copper Loop has DAML
16) Check if loop is not Taper Code Disqualified	E2: Service not available/ I12: Taper Code exceeds distance limit
17) Check if loop is UNE-P	E2: Service not available/ I20: existing USOC is incompatible

The table continues on the next page.

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 4.0: Ordering Guidelines

Error Item	Output Upon Error Identification
18) Check for RZ Code	E2: Service not available I1: Copper loop with RZ>13
19) Check for DLC presence	E2: Service not available I3: Copper loop has DAML
20) Check Taper Code length.	E2: Service not available I12: Taper Code distance
21) Check for BellSouth DSLAM	E3: Loop currently unqualified I8: Wire Center not DSLAM-equipped

Since LQS performs the check for the presence of a BellSouth DSLAM, if LQS shows the error, "The Central Office" is not equipped with ADSL", the loop can be assumed but not guaranteed to be qualified.

If LQS finds the existence of a BellSouth Remote Solution, most of the data about the loop is ignored except for F2 qualifications. Therefore, if LQS shows the response "Qualified Through Remote Solution", only the F2 portion of the loop can be assumed to be qualified. Typically, these serving arrangements will not have copper pairs available. A Manual Loop Makeup needs to be requested in these situations to determine if any copper pairs exist at the remote terminal site.

Numbers not having an LFACS cable pair assignment, such as the phone in a Collocation space, will not show up in LQS.

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 5.0: Acronyms

ADSL	Asymmetric Digital Subscriber Line
BBR-LO	BellSouth business Rules – Local Ordering
CC	Company Code
CF	Connected Facility
CLEC	Competitive Local Exchange Carrier
CLLI	Common Language Location Identifier
CO	Central Office
CT	Connect Through
DAML	Digital Added Main Line
DFITL	Data Over Fiber In The Loop
DID	Direct Inward Dialing
DLC	Digital Loop Carrier
DLEC	Data Local Exchange Carrier
DPA	Different Premises Address
DSLAM	Digital Sub Line Access Multiplexer
FCC	Federal Communications Commission
FCO	Foreign Central Office
FRN	Facility Reservation Number
FX	Foreign Exchange
GUI	Graphical User Interface
ID	Identification

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 5.0: Acronyms

IFITL	Integrated Fiber In The Loop
ISDN	Integrated Services Digital Network
ISP	Internet Service Provider
LCM	Local Contract Manager
LEAD	Loop Engineering Assignment Data
LFACS	Loop Facilities Assignment and Control System
LMU	Loop Makeup
LMUSI	Loop Makeup Service Inquiry
LOA	Letter of Authorization
LSM	Local Support Manager
LQS	Loop Qualification System
LSP	Local Service Provider
LUID	Living Unit Identification
OEC	Outside Plant Equivalence Code
PBX	Private Branch Exchange
PC	Personal Computer
PCF	Partially Connected Facility
PE	Pair Evaluation
POTS	Plain Old Telephone Service
PRU	Pair Restriction Usage

continued on next page

BELLSOUTH®

Loop Qualification System (LQS)
CLEC Pre-Ordering and Ordering Guidelines

Chapter 5.0: Acronyms

RT	Remote Terminal
SI	Service Inquiry
TN	Telephone Number
USOC	Universal Service Order Code
WKG	Working

DOCKET NO. 020507-TP

EXHIBIT NO. _____ (JMB-5)

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

D/CLEC
Pre-Ordering and Ordering Guide
For
Electronic Loop Makeup
(LMU)

(Version 5, August 1, 2002)

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

Table of Contents

CHAPTER 1.0:	**INTRODUCTION**	3
1.1	PURPOSE AND SCOPE	3
1.2	DISCLAIMER STATEMENT	3
1.3	VERSION HISTORY/CONTROL	4
CHAPTER 2.0:	**OVERVIEW**	**6**
CHAPTER 3.0:	**GENERAL GUIDELINES**	**7**
3.1	AVAILABILITY	7
3.2	STANDARD SERVICE INTERVAL	7
3.3	CONTRACT SPECIFIC GUIDELINES	7
3.4	D/CLEC RESPONSIBILITIES	8
3.5	PRE-ORDERING INFORMATION	9
CHAPTER 4.0:	**ORDERING INFORMATION**	**11**
4.1	LENS	11
4.2	D/CLEC REQUIRED INPUT	11
4.3	EXISTING FACILITIES	12
4.4	NEW OR SPARE FACILITIES	13
T.4.4.1	*TABLE 4.4.1 "Search Hierarchy Table"*	*13*
T.4.4.2	*TABLE 4.4.2 "LFACS Spare Loop Selection Criteria Table"*	*14*
T.4.4.3	*TABLE 4.4.3 "BellSouth LATY Values"*	*18*
4.5	CANCEL RESERVED LOOP MAKEUP FACILITIES	20
CHAPTER 5.0:	**OUTPUT RETURNED FROM LFACS**	**21**
5.1	LOOP MAKEUP DATA DEFINITIONS	21
5.2	SYSTEM NAMES FOR DIGITAL LOOP ELECTRONICS	26
CHAPTER 6.0:	**ACRONYMS**	**28**

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

Chapter 1.0 – Introduction

1.1 Purpose and Scope

This Information Package is intended to provide D/CLECs (Data/Competitive Local Exchange Carriers) a description and general information specific to processing an electronic request for Loop Makeup (LMU). This document is an updated version and does not address Loop Modification.

Please contact the BellSouth SME (Subject Matter Expert) for BellSouth ***Electronic*** Loop Makeup if you have questions about the information contained within.

1.2 Disclaimer Statement

The information contained in this document is subject to change. BellSouth will provide notification of changes through the CLEC Notification Process.

This guide will be maintained until such time that ts content is incorporated into the BellSouth Business Rules – Local Ordering (BBR-LO). The BBR-LO is found at:

http://www.interconnection.bellsouth.com/guides/html/leo.html

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide
Chapter 1.0 – Introduction

1.3 Version History/Control

Any future modifications and/or improvements that are made to this package will be reflected accordingly in this section of the document.

Section	Date/Version	Description
All	03/16/2001 – Issue 1.0	Initial Issue Release
All	06/04/2001 – Issue 2.0	Updated Issue Release Chapters renumbered to omit Table of Contents as a Chapter to comply with KPMG and BellSouth Intellectual Properties Guidelines. Chart on Page 11 added.
Chapter 1.0, Section 1.2	02/07/2002 –Version 3	Disclaimer statement
Table of Contents	02/07/2002 –Version 3	Updates made to Chapter 4.0 Sections and Tables
Chapter 2.0, Section 2.1	02/07/2002 –Version 3	Introduce verbiage re: the Letter of Authorization (LOA)
Chapter 3.0, Section 3.5	02/07/2002 –Version 3	Focuses on the specifics associated with obtaining LMU data for other CLEC owned facilities where the LOA is required
Chapter 4.0, Section 4.3	02/07/2002 –Version 3	Updates to various bullet points, especially pertaining to LOA
Chapter 4.0, Section 4.3	02/07/2002 –Version 3	Updates to various bullet points
Chapter 4.0, Section 4.5	02/07/2002 –Version 3	Addresses the facility reservation number (FRN) *(top)*
Chapter 6.0	02/07/2002 –Version 3	Various acronyms added, especially pertaining to LOA
Chapter 3.0, Section 3.5	07/03/2002 – Version 4	Provided additional clarification on the circumstances when a CLEC would order a working UNE facility *(bottom)*
Chapter 4.0, Section 4.4	07/03/2002 – Version 4	Added the "Search Hierarchy Table" *(bottom)*
Chapter 4.0, Section 4.4	07/03/2002 – Version 4	Expanded the "LFACS Spare Loop Selection Criteria Table" with additional NC / NCI / SECNCI codesets
Chapter 4.0, Section 4.4	07/03/2002 – Version 4	Inserted the "BellSouth LATY Values" Table directly after the LFACS table

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

Chapter 5.0, Section 5.1	07/03/2002 – Version 4	Revised the LMU data definitions with additional clarification
Chapter 4.0, Section 4.4, *Table 4.4.2*	08/01/2002 – Version 5	For the LENS Loop Service Type "UVL-2W/SL2 Loop Start" the SPD value changed from D to A
Chapter 5.0, Section 5.1	08/01/2002 – Version 5	Clarifies that for the "SSC" data field output that DAML for two telephone numbers reflects incompatibility with ADSL service.
Chapter 5.0, Section 5.2	08/01/2002 – Version 5	Updates the user that the presentation "Informational Seminar on Electronic LMU" is available via BellSouth's Interconnection web site

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide
Chapter 2.0 – Overview

Electronic Loop Makeup Overview

Loop Makeup is described as the physical characteristics of the loop facilities, starting at the BST (BellSouth Telecommunications) CO (Central Office) listed in chronological order and ending at the service distribution terminal. LMUs consist of cable gauge and length, BTs (Bridge Taps), LCs (load coils), presence of DLC (Digital Loop Carrier) and any other equipment that is part of the local loop facilities.

BellSouth's provision of loop data to the requesting D/CLEC is contingent upon the ownership considerations of the loop whether by BellSouth or the requesting D/CLEC. The requesting D/CLEC is **not** authorized to receive loop data on a loop owned by another D/CLEC unless authorization is specifically granted by the owning CLEC and the Letter of Authorization (LOA) is on file with BellSouth.

The loop makeup of **spare** facilities may be requested with ***or*** without reservation. Quite simply this means that the D/CLEC has the option of reserving or not reserving the facilities.

In summary, the functionality of the electronic loop makeup deployment allows the requesting D/CLECs to:

- Determine loop "makeup" detail on specific facilities
- Determine independently if an end user's loop is capable of supporting their implementation of xDSL (Digital Subscriber Line) or line sharing services
- View existing facilities (identified telephone number or circuit ID (Identifier)) when the facilities are owned by the submitting D/CLEC or BellSouth or if the D/CLEC has been authorized by the owning CLEC.
- Query for new/spare facilities owned by BellSouth
- Reserve new/spare facilities for ninety-six (96) hours excluding weekends and BellSouth observed holidays
- Cancel unneeded reservations for new/spare facilities within the ninety-six (96) hour timeframe.

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

Chapter 3.0 – General Guidelines

3.1 Availability

BellSouth offers this service in all nine states within the BellSouth region.

3.2 Standard Service Interval

The Standard Service Interval for response to an electronic LMU request is near real time. Once the request is initiated, loop data will be obtained via BellSouth's Loop Facilities Assignment and Control System (LFACS). The information returned to the D/CLEC from LFACS will be discussed in detail later in this document.

3.3 Contract Specific Guidelines

Before an electronic request for LMU may be submitted, the D/CLEC must have an Interconnection Agreement that includes terms, conditions, and rates for the LMU inquiries being requested. This agreement must be in effect for all states where the D/CLEC plans to provide telecommunications services, as stipulated in the terms and conditions identifying those states wherein the D/CLEC is or seeks to become a certified alternative/competitive local exchange carrier for that state.

The information contained herein applies to the preordering LMU general service offering and is part of the standard BellSouth Interconnection Agreement. This general service offering is in accordance with BellSouth policies, procedures, and regulatory obligations as well as the Standard Interconnection Agreement.

This general service offering does not address specific contract issues within a D/CLEC's Interconnection Agreement that may differ from this offering. Where specific contract issues differ from the information provided here, the contract provisions would prevail for the term of the contract.

The respective Local Contract Manager (LCM) for each D/CLEC should be contacted if questions arise concerning contract provisions.

continued on next page

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

Chapter 3.0 – General Guidelines

3.4 D/CLEC Responsibilities

BellSouth provides LMU service to allow the D/CLEC the opportunity and responsibility of determining the qualification for itself of BellSouth's loops for the specific services that the D/CLEC wishes to provide over certain loops. BellSouth further recognizes that the D/CLEC may choose to use equipment that it deems will enable it to provide a certain type and level of service over a particular BellSouth loop. However, such configurations may not match BellSouth's standards and specifications for the intended type and level of service. Accordingly, the D/CLEC bears full responsibility for being knowledgeable of BellSouth's standards and specifications for BellSouth's loops. The D/CLEC also bears full responsibility for making the appropriate ordering decisions of matching BellSouth loops with D/CLEC equipment that will accomplish the D/CLEC's goal for the intended service it wishes to provide its end user(s).

The D/CLEC is responsible for any of its service configurations that may differ from BellSouth's technical standard of that service. BellSouth reserves the right to change out the originally assigned facility for another facility that matches the BellSouth technical standards of the loop ordered by the D/CLEC.

continued on next page

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

Chapter 3.0 – General Guidelines

3.5 Pre - Ordering Information

LMU is provided for BellSouth spare facilities and for working facilities when the ordering CLEC or BellSouth is the end user's voice loop service provider. These LMU requests do ***not*** require a LOA.

A Letter of Authorization is required when the D/CLEC or BellSouth is ***not*** the voice loop service provider. The LOA Process provides authorization from the voice loop owner, when/if the D/CLEC (ordering party) is ***not*** the owner of the voice loop. LMU will be provided on any request when the authorization provided by the requesting Carrier is a valid match to the ownership of the account. On the LOA, there are 3 required fields for mechanized LMU requests on working loops owned by another CLEC. These required fields include the following:

- **LSP AUTH (Local Service Provider Authorization)**

  Company Code (CC) - a 4 numeric code of the CLEC granting the LOA

- **LSP AUTHDATE (Local Service Provider Authorization Date)**

  Date formatted as month, day, and year (MMDDYYYY) – an 8 numeric date representing the date the LOA was granted

- **LSP AUTHNAME (Local Service Provider Authorization Name)**

  Name of the CLEC owner authorizing the LOA and signing it – 15 alphanumeric

When the requirements are not met for these 3 fields, the mechanized system will return messages indicating that information is missing or incorrect.

It is worth noting that the only time a CLEC may order a UNE facility where loop makeup has already been conducted on that facility and returned with a response status of "WKG" for working is in the case of either line sharing or line splitting. Working facilities

BELLSOUTH®

have already been assigned to a voice and/or voice + data carrier. For stand-alone UNE facilities, a CLEC should request LMU on spare facilities so that such facilities may be available for ordering, assignment, and provisioning.

continued on next page

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide
Chapter 3.0 – General Guidelines

The entire LOA guidelines for processing a LOA are located on the following web sites:

http://interconection.bellsouth.com/2partyagree

http://www.interconnection.bellsouth.com/markets/lec/line_splitting_collab/index.html

http://www.interconnection.bellsouth.com/guides/html/lens_tafi.html

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide
Chapter 4.0 – Ordering Information

Electronic Loop Makeup may be ordered in several ways. The method discussed in this guide is LENS (Local Exchange Navigation System)

4.1 LENS

The D/CLEC can request electronic loop makeup through LENS. LENS is an on-line, interactive, menu driven system that permits subscribers to perform pre-order inquiry functions and process requests for various products, features, and services currently offered by BellSouth.

For additional information on LENS, the D/CLEC should contact their specific Local Contract Manager or review the Customer Guides section of the BellSouth Interconnection Services Web site at:

http://www/interconnection.bellsouth.com/guides/html/lens_tafi.html

4.2 D/CLEC LENS Required Input

The D/CLEC xDSL pre-order LMU transaction in LENS requires the user to input certain data based on the specific type of facility involved.

From the LENS Main Menu, click Inquiry. The Inquiry Screen will appear. From the pull down menu select one of the following:

- ***Loop Makeup for Working Loops*** (existing facilities)
- ***Loop Makeup for Spare Facilities*** (new or spare facilities)
- ***Cancel Facilities Reservation*** (cancel previously reserved loop makeup facilities)

continued on next page

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

Chapter 4.0 – Ordering Information

Section 4.3 Existing Facilities

For existing facilities, the ***Loop Makeup for Working Loops*** will be selected. The following ***required*** data must be entered:

- Enter the telephone number or service address
- Select the area where the telephone number or service address is located
- Once the above information is entered, click "Validate".
- The system will verify the telephone number or service address
- Once the telephone number or service address has been validated, click "Proceed with Inquiry".
- A prompt will be received for LOA information. If LOA is required, enter the valid LOA data.
- Select "Submit Inquiry"

The next screen, **Processing Request**, will come up with the following message:

Processing

The loop makeup request normally takes 30-45 seconds to process – please wait for a response before proceeding.

The information returned from LFACS as a result of this inquiry will be discussed in **Chapter 6.0 Output Returned From LFACS.**

continued on next page

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

Chapter 4.0 – Ordering Information

Section 4.4. New or Spare Facilities

For requests for loop makeup involving ***new*** or ***spare*** facilities, the ***Loop Makeup for Spare Facilities*** should be selected and the following ***required*** entries made:

- Enter the telephone number or service address
- Select the area where the telephone number or service address is located
- Once the above information is entered, click "Validate"
- The system will verify the validity of the telephone number or service address
- Once the telephone number or service address has been validated, click "Proceed with Inquiry"
- A prompt will be received to select the Loop Service Type for the spare facility type. The default Loop Service Type is POTS1. Additionally, the search hierarchy (described below) and the number of spare loops may be selected.
- Select "Submit Inquiry" to search for loops without reserving them (select "Submit Reservation Request for the Number of Spare Loops Indicated Above" to search for loops and simultaneously reserve the facilities, if available).

On the next page begins a chart depicting the LFACS Spare Loop Selection Criteria. Beyond this chart is an associated chart depicting the BellSouth Loop Assignment Type (LATY) codes. Bear in mind, CLECs may also choose to define their search hierarchy on spare facilities according to the hierarchy values and definitions below.

LENS Value	Definition
Standard Default (POTS1)	Standard default – based on type of service requested (selection preference for POTS1 is given in this order: Integrated DLC, Universal DLC, and then copper (either loaded or non-loaded).
Copper (NL, L), UPG, IPG-SDP=D	Non-loaded copper Loaded copper Universal pair gain Integrated pair gain with side door port

BELLSOUTH

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

UPG, IPG-SDP=D, METAL	Universal pair gain Integrated pair gain with side door port Metal
Copper (L, NL), DLC	Loaded copper Non-loaded copper DLC (Digital Loop Carrier)

continued on next page

NC	NCI	SECNCI	LFACS Loop Service Type	LFACS Outside Plant Engineering Code (OE)	LFACS Facility Type Assignment (FTA)	LFACS Description
(Null)	(Null)	(Null)	(Null)** **DEFAULT	POTS1 (Single Party POTS)	N/A	LFACS will return loops that will support 2-wire, single party, voice grade loops. Selection preference is given in this order: Integrated DLC, Universal DLC, and then copper (either loaded or non-loaded).
LXR*	02QB9.00A	02DU9.00A	ADSL (2-wire)	SS12 (Program, High Capacity, Wideband, 2-wire Low-Speed DDS)	UC	LFACS will return 2-wire loops that are non-loaded copper only from the CO to the end user.
LXC*	02QB9.00H	02DU9.00H	HDSL (2-wire)	SS12 (Program, High Capacity, Wideband, 2-wire Low-Speed DDS)	UC	LFACS will return 2-wire loops that are non-loaded copper only from the CO to the end user.
LXC*	04QB9.00H	04DU9.00H	HDSL (4-wire)	SS12 (Program, High Capacity, Wideband, 4-wire Low-Speed DDS)	UC	LFACS will return 4-wire loops that are non-loaded copper only from the CO to the end user.
LX*N or LX*#	02QC3.OOF	02NO2	Short Copper Loop (2-wire) or Long Copper Loop (2-wire)	SS12 (Program, High Capacity, Wideband, 2-wire Low-Speed DDS)	UC	LFACS will return 2-wire loops that are non-loaded copper only from the CO to the end user.
LX*N or LX*#	04QC3.OOF	04NO2	Short Copper Loop (4-wire) or Long Copper Loop (4-wire)	SS12 (Program, High Capacity, Wideband, 4-wire Low-Speed DDS)	UC	LFACS will return 4-wire loops that are non-loaded copper only from the CO to the end user.
The following NC / NCI / SECNCI codesets below are newly documented with the posting of Version 4.						

Docket No.: 020307-TP
Witness: Jay Bradbury
Exhibit No. _____ (JMB-5)
Page 16 of 37

TY--	(Null)	(Null)	UVL-2W/SL1 Loop Start	POTS-1 (Analog VG Non-Designed SL1 - Loop Start)	UN	LFACS will return loops that will support 2-wire, single party, voice grade loops. Selection preference is given in this order: Universal DLC, and then copper (either loaded or non-loaded). IDLC is not compatible.

continued on next page

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. ____, (JMB-5)
Page 17 of 37

Chapter 4.0 – Ordering Information

NC	NCI	SECOND	LENGTH Service Type	LEAVES Service Equipment Code	Loop Assignment Indicator	Loop Qualification Information Returned on LMU Query
LY--	02QC3.OOD	02LS2	UVL-2W/SL2 Loop Start	POTS-1 (Analog VG Non-Designed SL2 - 2-wire Loop Start)	UN	LFACS will return loops that will support 2-wire, single party, voice grade loops. Selection preference is given in this order: Integrated DLC, Universal DLC, and then copper (either loaded or non-loaded). IDLC must have SDP=A to be compatible.
LY--	04QC2.OOD	04LS2	UVL-4W/SL2 Loop Start	SS-6 (Analog VG Designed SL2 - 4-wire Loop Start)	UN	LFACS will return loops that will support 4-wie, designed, voice grade loops. Selection preference is given in this order: Integrated DLC, Universal DLC, and then copper (either loaded or non-loaded). IDLC must have SDP=D to be compatible.
LY--	02QC3.OOB	02GS2	UVL-2W/SL2 Ground Start	SS-1L (Analog VG Designed SL2 - 2-wire Ground Start)	UN	LFACS will return loops that will support 2-wire, designed, voice grade loops. Selection preference is given in this order: Integrated DLC, Universal DLC, and then copper (either loaded or non-loaded). IDLC must have SDP=D to be compatible.
LY--	04QC2.OOB	04GS2	UVL-4W/SL2 Ground Start	SS-6 (Analog VG Designed SL2 - 4-wire Ground Start)	UN	LFACS will return loops that will support 4-wire, designed, voice grade loops. Selection preference is given in this order: Integrated DLC, Universal DLC, and then copper (either loaded or non-loaded). IDLC must have SDP=D to be compatible.
LY--	02QC3.RVO	02RV2.T	UVL-2W/SL2 Reverse Battery	SS-2L (Analog VG Designed SL2 - 2-wire Reverse Battery)	UN	LFACS will return loops that will support 2-wire, designed, voice grade loops. Selection preference is given in this order: Integrated DLC, Universal DLC, and then copper (either loaded or non-loaded). IDLC must have SDP=D to be compatible.
LY--	04QC5.OOJ	04DU5.24	UDL-4W/DSO 2.4 KBPS	SS-8 (Digital Data Designed DS0 - 2.4 KBPS)	N/A	LFACS will return loops that will support digital data. Loops must be non-loaded or DLC. IDLC must have SDP=D to be compatible.

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. ____, (JMB-5)
Page 18 of 37

LY--	04QC5.O OK	04DU5.48	UDL-4W/DSO 4.8 KBPS	SS-8 (Digital Data Designed DS0 - 4.8 KBPS)	N/A	LFACS will return loops that will support digital data. Loops must be non-loaded or DLC. IDLC must have SDP=D to be compatible.

continued on next page

Chapter 4.0 – Ordering Information

NC	NCI	USOC	LENS UserService Type	LFACS Outside Plant Facility Indicator Code (OFC)	Loop Assignment Type (LAT)	Description of Loops returned on LMU Query
LY--	04QC5.O OL	04DU5.96	UDL-4W/ DSO 9.6 KBPS	SS-8 (Digital Data Designed DS0 - 9.6 KBPS)	N/A	LFACS will return loops that will support digital data. Loops must be non-loaded or DLC. IDLC must have SDP=D to be compatible.
LY--	04QC5.O OM	04DU5.19	UDL-4W/DSO 19.2 KBPS	SS-8 (Digital Data Designed DS0 - 19.2 KBPS)	N/A	LFACS will return loops that will support digital data. Loops must be non-loaded or DLC. IDLC must have SDP=D to be compatible.
LY--	04QC5.O OP	04DU5.56	UDL-4W/DSO 56 KBPS	SS-9 (Digital Data Designed DS0 - 56 KBPS)	N/A	LFACS will return loops that will support digital data. Loops must be non-loaded or DLC. IDLC must have SDP=D to be compatible.
LY--	04QC5.O OQ	04DU5.64	UDL-4W/DSO 64 KBPS	SS-9 (Digital Data Designed DS0 - 64 KBPS)	N/A	LFACS will return loops that will support digital data. Loops must be non-loaded or DLC. IDLC must have SDP=D to be compatible.

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. ____, (JMB-5)
Page 19 of 37

HC*-	04QB9.11	04DU9.BN or 04DU9.1KN or 04DU9.DN or 04DU9.1SN	UDL-4-W DS1 & ISDN	SS-11 (Digital Data Designed DS1 - ISDN: AMI-SF, AMIESF, B8ZS-SF, B8ZS-ESF)	N/A	LFACS will return loops that will support, wideband high capacity, 1.544 Mbs Digital Data Rate loops. Selection preference is given in this order: Equipped multiplexer pairs, T1 conditioned non-loaded copper only (DLC and loaded copper are incompatible).

continued on next page

Chapter 4.0 – Ordering Information

NC	NCI	SECNET	LENGTH Loop Service Type	LFACS Outside Plant Loop Makeup Code (OEC)	Loop Assignment Type (LAT)	Loop Qualification Return Information (LMU Query)
LY--	02QC5.0 OS	02IS5	UDL-2W Basic Rate ISDN	ISDNB1 (Basic Rate ISDN)	UD	LFACS will return loops capable of supporting basic rate ISDN. Copper loops must be non-loaded; DLC and side door IDLC are compatible in some instances.

NOTES:

Where an asterisk (*) is shown in association with a NC code in the table, valid values are an alpha character or hyphen such as: A or -.

Where a pound sign (#) is shown in association with a NC code in the table, valid values are an alpha character, except for N, or hyphen such as: A or -.

(1) Integrated DLC with Side Door: When an integrated DLC system (i.e., no corresponding COT – the digital signals are integrated directly into a digital

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. _____, (JMB-5)
Page 20 of 37

switch) has "side door" capability, certain time slots within the system may be pulled out of the data stream before entering the digital switch and routed to a digital channel bank within the CO. This converts the digital signal back to an analog signal and provides a frame appearance in the CO. This is required for certain designed circuits that are working via DLC.

Docket No.: 020507-TP
Witness: Jay Bradbury
Exhibit No. _____, (JMB-5)
Page 21 of 37

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide
Chapter 4.0 – Ordering Information

Table 4.4.3: BellSouth LATY Values	
LATY	Value
AD	The AD LATY value is used to identify service requests for which facilities at a DISC*S Optical Network Unit equipped to support ADSL service (identified in LFACS by the DISCS/ADOU system type x LTS code combination) are the only facilities that are considered assignable.
MX	The MX LATY value is used to identify service requests for which DISC*S MX facilities (identified in LFACS by the MXDIS system type) are the only facilities that are considered assignable.
PC	The PC LATY value is used to identify PC Data service requests to ensure that facilities that are used to deliver PC Data service are the only facilities that are considered assignable for PC Data service requests.
S1	The S1 LATY value is used in the POTS 1 service category to assure that only universal and metal facilities are assignable for SL 1 unbundled loop service order requests that map to the POTS I service category and contain the LATY value of S1.
SH	The SH LATY value is used in the SS12 service category to assure that either metal facilities that have been conditioned with a new SHDL conditioning code or DLC (Digital Loop Carrier) facilities that are represented by the SDS LTS code are the only facilities that are assignable for service order requests that map to the SS12 service category and contain the LATY value of SH.
UC	The UC LATY value is used to identify service requests for which non-loaded copper facilities are the only facilities that are considered assignable (There is one exception and those are POTS1 and LNSHR service requests. Both loaded as well as non-loaded facilities are considered assignable for service order requests that map to the POTS1 and LNSHR service categories and contain a LATY value of UC).
UD	The UD LATY value is used to identify ISDN UDC (Universal Digital Channel) unbundled loop service requests for which DISC*S facilities, identified in LFACS by the DISCS/EBUD, IDISCS/EBUD and LDISCS/EBUD system types with LTS code of EBUD), are the only compatible facilities for those system types. Other compatible facilities are non-loaded copper facilities and DLC facilities provisioned for ISDN.
UN	The UN LATY value is used to identify unbundled loop service requests for which integrated facilities are considered un-assignable (There is one exception and those are POTS1 and LNSHR service requests. Integrated facilities that have the Side Door Port (SDP) option set to A (Access) are considered assignable for service order requests that map to the POTS1 and LNSHR service categories and contain a LATY value of UN).
UZ	The UZ LATY is used in the SS12 service category to assure that only non-loaded metal facilities that have an associated Resistance Zone (RZ) value of less than or equal to 13 are assignable for service requests that map to the SS12 service category and contain a new LATY (Loop Assignment Type) value of UZ. Used for Unbundled Copper Loop Non-Design.

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

Chapter 4.0 – Ordering Information

Section 4.4: New or Spare Facilities (Cont.)

After "Submit Inquiry" or "Submit Reservation Request..." is selected, the next screen, **Processing Request**, will come up with the following message:

Processing

The loop makeup request normally takes 30-45 seconds to process – please wait for a response before proceeding.

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide
Chapter 4.0 – Ordering Information

Section 4.5 Cancel Reserved Loop Makeup Facilities

When a D/CLEC has requested to reserve a facility through electronic LMU, a Facility Reservation Number (FRN) is included in the loop makeup data returned from LFACS. This is a reservation number on the facilities on which loop makeup was verified. Should the D/CLEC determine that the reserved facilities are not needed, they should be canceled. Select the ***Cancel Facilities Reservation*** option.

Enter the following ***required*** data on the Inquiry Menu:

- Enter the telephone number or circuit ID
- Select the area where the telephone number or circuit ID is located
- Once the above information is entered, click "Continue to Loop Makeup".
- On the Cancel Loop Reservation Screen, enter the FRN in the ***Reservation ID (RESID)*** space.
- Click ***Submit Cancellation Request*** to process the request.

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

Chapter 5.0 - Output Returned From LFACS

It is important to understand the output information provided by LFACS. This includes the following:

- Loop Makeup Data Definitions
- System Names for Digital Loop Electronics

5.1 Loop Makeup Data Definitions

The definitions beginning below and continuing on next few pages will be helpful in interpreting the loop makeup data returned from LFACS. Under the "Size" column, "A" refers to alpha and "N" refers to numeric data output.

Name	Definition	Size
LOOP	Loop aggregate, 1 occurrence for working circuit, up to 10 occurrences for spare facilities	
LPSTAT	Loop status: WKG=working circuit, PND-IN=pending-in circuit, PND-OUT=pending-out circuit, CT=connect-through, CF=connected facility, SP=spare	1-7A
MTR	Meets transmission requirements indicator: Y or Null NOTE: When the pairs selected meet de-specialization criteria, FACS generates LMU remarks and populates MTR with a "Y". The "Y" is only populated when count de-specialization applies. More specifically, a "count de-specialization" code is a two alphanumeric character attribute in FACS that identifies a specific terminal or cable range within a terminal that may be de-specialized differently than the other pairs in that area. This enables FACS to determine if some services can be removed from the local loop design process if they are assigned to appropriately qualified pairs.	1A
RTF	Receive/Transmit Indicator: Identifies if pair is used to support the receive or transmit side of a 4-wire service (e.g., R=receive pair, T=transmit pair) NOTE: If this indicator is populated with either a "T" or "R" *and* the transmission medium type is "METAL", repeaters would exist on the loop.	1A

BELLSOUTH®

SSC	Single Subscriber Carrier Indicator: identifies that two circuits are associated with the physical loop. Examples follow: P=physical pair of AML, D=derived pair of AML 1=Channel One, UDC Device, 2= Channel Two, UDC Device A=Channel One, DSSC Device B=Channel Two, DSSC NOTE: When DAML is present for two telephone numbers, ADSL cannot be provided over the facility because the second voice channel is utilizing the upper spectrum of the facility.	1AN

continued on next page

Chapter 5.0 - Output Returned From LFACS

Name	Definition	Size
RZ	Resistance Zone: indicator of the subscriber loop resistance limits of a particular geographic area. Used for metal facilities (e.g., RZ13=1300 ohms, RZ15=1500 ohms).	1-2 N
CZ	Carrier Zone: indicator of maximum resistance between the remote terminal cabinet and the customer serving terminal. Used for derived facilities only (e.g., CZ9=900 ohms)	1-2 N
TPR	Taper Code: design characteristics of segment of plant (Not returned to the end user – for reporting purposes only)	1-6 AN
FN	Segment Aggregate, 1-9 occurrences per loop	
CA	Cable identifier of specific feeder or distribution cable within a wire center	1-10AN
PR	Pair Identifier of unique pair within a cable	1-4AN
ABP	Assignable Binding Post Identifier associated with a fiber channel NOTE: When data field is populated, it indicates that service location is served by fiber.	1-4N
TEA	Terminal Identifier	1-50AN

BELLSOUTH®

CQ	Count Qualification Code associated with a pair appearance at a terminal. NOTE: This codes is a two alphanumeric character attribute in LFACS that supports the automatic assignment of loop facilities for services requiring specific transmission characteristics in the loop. Outside Plant Engineers may pre-determine which OSP facilities can satisfy the transmission requirements for a given service. Within BellSouth, this code is used for certain digital data services to pre-qualify facilities for a specific rate (example, 56kbps) digital data service. Valid codes currently used in BellSouth are as follows: Q1 2.4. 4.8, or 9.6 Q2 19.2 Q3 56.0 Q4 64.0 PP P-phone D1 DS1-1.544 A5 6.5 KF Business Rate ADL51 B5 8.0 KF Business Rate ADL41 C5 9.4 KF Business Rate ADL31 D5 9.5 KF Business Rate ADL61 E5 12.0 KF Business Rate ADL22 F5 15.5 KF Business Rate ADL71 LO 18.0 KF (copper ADSL), PC-Data, or remote DSLAM Mass Market Consumer Rate ADL11, ADL12	1-2AN
CD	Count De-specialization Code associated with a pair appearance at a terminal. NOTE: This field is not currently used in BellSouth.	1-2AN

continued on next page

Chapter 5.0 - Output Returned From LFACS

Name	Definition	Size
TRMED	Transmission Medium Type or system type supporting the loop segment (e.g., METAL, SLC96) NOTE: A value of "METAL" indicates a copper facility. A value of anything other than "METAL" indicates the system type of the DLC. For those facilities that are all copper, the transmission media type of "METAL" will be populated for all segments. This data field is always populated.	1-9AN
TLM	Telemetry Indicator: special pair conditions indicator (e.g., ADE=air dryer, CPT=cable pressure transducer, CPC=cable pressure contactor, FTD=flow transducer, BAT=battery)	1-4 AN

BELLSOUTH®

RLA	Remote Location Address: address of remote terminal location	1-50 AN
RLC	Remote Location CLLI: Common language location identifier of remote location	1-11AN
LTS	Line Terminal Status: an indicator of the plug-in device (the card that is placed in the DLC) that is either equipped or pre-engineered in the pair gain system of the facility supporting the segment of plant. The field-side LTS code will be populated unless the field side LTS is NREQ (not required), in which case the CO-side LTS code will be populated. EXAMPLE: A Line Terminal Status of "ES" indicates that the DLC system is equipped for a single party service; "ESX" is an equipped single party extended range plug-in.	1-4 AN
RLOE	Remote Location Originating Equipment: code used to identify a particular type of remote switching device, DSLAM terminal or splitter (e.g., RSU, DSLMRT, LSPLTR) NOTE: Population of this data field indicates incompatibility with ADSL unless remote collocation is used. Population of this field with a splitter code would indicate that the facility is already being served by an ADSL service provider via a remote solution. Also, be advised that the three referenced codes are the only ones for RLOE used in BellSouth at this time.	1-7 AN
ONUTYPE	Optical Network Unit Type: the system type of the ONU. (e.g., Marconi DISC*S=DISCS or Alcatel Litespan=LTSP2) NOTE: When data field is populated, it indicates that service location is served by fiber.	1-9 AN
LMU	Loop Makeup Aggregate, 1 per segment	

continued on next page

Chapter 5.0 - Output Returned From LFACS

Name	Definition	Size

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

LMSTAT	Loop Makeup Status or status of count makeup for that segment Loop Makeup Status OSPE Action Indicated CLEC Impact OK No action required No action required Manual or MAN Loop Makeup cannot be formatted for TIRKS correctly due to its complexity or size; OSPE prepare Loop Makeup manually Loop Makeup may not be formatted correctly due to complexity or size; optionally request manual loop makeup to confirm. ?? If the terminal in which a count makeup exists and an Engineering Work Order (EWO) is completed that affects the terminal, then the count makeup in the terminal becomes questionable and LFACS automatically reflects this status with "??" OSPE to prepare updated loop makeup. Loop makeup provided may be questionable; request manual loop makeup. Missing Prepare new count makeup. There is no count makeup at terminal; request manual loop makeup.	
LUINT	Length Unit (e.g., KF=kilofeet, FT=feet, MI=miles) NOTE: BellSouth loop makeup is typically built in kilofeet. Any exception to this would be indicated in this field.	1-2AN
NLD	Load Point Number identifies the number of load coils on this count segment only. (If blank, but COIL is populated, the default is the 6KF rule, meaning a load coil is placed every six kilofeet down the length (backbone, main run) of the pairs).	1-2N
COIL	Load Coil Type: type of load coil associated with a cable count. If the first character of the load field is alphabetic, the alphabetic character is excluded from the stated code. EXAMPLES: H88, 22,44,66,88,135,175. The COIL is normally H88 meaning 88 millihenry inductance with "H" spacing, normally one inductor per 6000 feet. An entry in the load type field signifies the pairs are loaded. NOTE: If this data field is blank, it means that the load point number is blank or zero.	1-4AN

BELLSOUTH®

ES	End Section: central office end section defines the distance from the central office to the first load coil. Required on loaded F1 pairs, including derived ("PG") cables that originate at subscriber carrier remote terminals.	1-8N w/de c pt

continued on next page

Chapter 5.0 - Output Returned From LFACS

Name	Definition	Size
LDSP	Load Spacing: lengths between load coils of a segment. The entries are in order, starting at the Central Office end, and are separated by commas. The first entry for an F1 cable represents the distance from load point #1 (closest to the CO) to load point #2. For cables that originate at a cross connect terminal, the first entry is the distance from the cross connect terminal to the first load point beyond it. If blank, but COIL is populated, the default is the 6KF rule, meaning a load coil is placed every six kilofeet down the length (backbone, main run) of the pairs.	1-9N w/de c pt
BO	Build Out Aggregate, Occurs 1-2 times per LMU aggregate NOTE: Build Out is associated with loaded cable and may be placed to add capacitance to the cable between load coils. This is only used when proper load spacing cannot be obtained due to natural boundaries (e.g., river crossings).	
BOCAP	Build Out Capacitance is the capacitance in microfarads (µf) of the build out (e.g., .083). Refer to "NOTE" under the "BO" definition.	1-5N w/de c
BORES	Build Out Resistance is the resistance in ohms of the build out. Refer to "NOTE" under the "BO" definition.	1-5N
BOOFF	Build Out Offset is the distance from the central office side of the segment to the build out in KF/FT/MI. Refer to "NOTE" under the "BO" definition.	1-9N w/de c pt
SPL	Splice Section Aggregate occurs 1-10 times per LMU aggregate	
GA	Gauge (thickness) of the cable section (e.g. 19, 22, 24, 26)	1-7AN
LGTH	Length of the cable gauge	1-9N w/de c pt
UBA	Type of cable (e.g., underground=U, buried=B, aerial=A) (optional)	1A
CAPAC	Capacitance: the capacitance in microfarads (µf) per mile of a cable gauge (total capacitance if referring to a bridge tap).	1-5N w/de c

BELLSOUTH®

BTOFF	Bridge Tap Offset: bridge tap offset indicates if a gauge length is bridge tap. A data value of X or Y indicates the gauge length is a bridge tap and the offset of the bridge tap is equal to the sum of the prior non-bridge tap segment lengths. A numeric value specifies the distance from the beginning of the cable to the start of the bridge tap. Decimal points are valid.	1-9AN w/dec pt

Chapter 5.0 - Output Returned From LFACS

5.2 System Names for Digital Loop Electronics

COT	RT	SLc-96 Description	LFACS	MODE
SLC-96	SLC-96	Universal - Mode 1, 2, 3	SLC96	1, 2, 3
None	SLC-96	Integrated - Mode 1, 2	ISLC96	1, 2
None	SLC-96	Integrated - Sidedoor Port (SDP)/Digital Cross connect System (DCS) - Mode 1, 2	ISLC96	1, 2 SDP=D
FCO	SLC-96	INA (Integrated Network Access) - Mode 1, 3 system non-locally switched, no local switch appearance, trunked to Foreign C.O. (FCO)	LSLC96	1, 3
COT	**RT**	**SLC-5 Description**	**LFACS**	**MODE**
SLC-5	SLC- 5	Universal - FPC at C.O., EFPB Mode 1 at RT e/w Auto Cut	SLC5	1
SLC-96	SLC- 5	Universal EFPB - Mode 1, 2	96SL5	1, 2
None	SLC- 5	Integrated EFPB - Mode 1, 2	ISLC5	1, 2
None	SLC- 5	Integrated - SDP/DCS - EFPB Mode 1, 2	ISLC5	1, 2 SDP=D
FCO	SLC- 5	INA - EFPB Mode 1	LSLC5	1
None	SLC-5	FP303	IS5T	n.a.
COT	**RT**	**Fujitsu Description**	**LFACS**	**MODE**
FDLC	FDLC	Universal - Mode 1, 2, 3	FDLC	1, 2 , 3
None	FDLC	Integrated - Mode 1, 2	IFDLC	1,2
None	FDLC	Integrated - SDP/DCS - Mode 1, 2	IFDLC	1,2 SDP=D
FCO	FDLC	INA - Mode 1, 3	LFDLC	1,3
SLC-96	FDLC	Universal - Mode 1, 2, 3	96FD	1,2,3
COT	**RT**	**DMS-1 Urban Description**	**LFACS**	**MODE**
DMS-1U	DMS-1U	Universal DMS-1 Urban	DMS1U	n.a.
None	DMS-1U	Integrated DMS-1 Urban	IDMS1U	n.a.
None	DMS-1U	Integrated - SDP/DCS	IDMS1U	n.a. SDP=D
FCO	DMS-1U	INA	LDMS1U	n.a.
COT	**RT**	**PAIR GAIN - OTHER Description**	**LFACS**	**MODE**
D4	D4	Universal D4 channel Banks, Pulsecom BusinessBank	DCB	n.a.
FCO	D4	INA	DCBINA	n.a.
PG-Flex	PG-Flex	Universal PG-Flex	PGFLX	n.a.
		PG-FlexPlus (future RL)	IPGPLS	

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

8UMUX	8UMUX	Fitel-MUX 8UMUX BRI Extension System - 8 ISDN Lines	8UMUX	n.a.
Conklin 359	RMT	Conklin 359 (CO) & 357/358 or 368 BRITEmux™ RMT Multiplexer - 8 ISDN Lines (98-03-021BT)	BMXU	1
SLC-96	RMT	Conklin 357/358 or 368 BRITEmux™ RMT Multiplexer - 8 ISDN Lines (98-03-021BT)	BMX96	1
D4	RMT	Conklin 357/358 or 368 BRITEmux™ RMT Multiplexer - 8 ISDN Lines (D4 & Conklin 928 MiniBANK) (98-03-021BT)	BMXD4	n.a.
SLC-5	RMT	Conklin 357/358 or 368 BRITEmux™ RMT Multiplexer - 8 ISDN Lines (98-03-021BT)	BMXS5	FPC
BBT	BBT	Broadband Technologies	BBT	n.a.
4N1 COT	4N1 RT	Raychem Miniplex 4N1 Multi-line Carrier System (98-09-002BT) "RPG" cable names	MX4P	1

continued on next page

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide
Chapter 5.0 - Output Returned From LFACS

5.2 System Names for Digital Loop Electronics (Cont.)

COT	RT	Lucent - SLC-2000 Description	LFACS	MODE
SLC2000	SLC-2000	Universal - Mode 1	SLC2T	1
SLC-96	SLC-2000	Universal - Mode 2	96SLT	2
None	SLC-2000	Integrated - Mode 1, 2	ISLC2T	1, 2
None	SLC-2000	Integrated - SDP/DCS - Mode 1, 2	ISLC2T	1, 2 SDP=D
FCO	SLC-2000	INA - Mode 1	LSLC2T	1
None	SLC-2000	TR303	ISL2T	n.a.
COT	**RT**	**Reltec - DISC*S Description**	**LFACS**	**MODE**
DISC*S	DISC*S	Universal	DISCS	n.a.
None	DISC*S	Integrated	IDISCS	1, 2
None	DISC*S	Integrated - SDP/DCS	IDISCS	1, 2 SDP=D
FCO	DISC*S	INA	LDISCS	1
None	DISC*S	TR303	IDIST	n.a.
COT	**RT**	**DSC - Litespan 2000 Description**	**LFACS**	**MODE**
DSC	DSC	Universal Litespan 2000	LTSP2	n.a.
None	DSC	Integrated Litespan 2000 (TR08)	ILTSP2	1
None	DSC	Integrated - SDP/DCS	ILTSP2	1 SDP=D
FCO	DSC	INA - Mode 1	LLTSP2	1
None	DSC	TR303	ILTST	n.a.
		Multiplexers Description	**LFACS**	**LMOS**
		DDM-2000 OC-1 SONET (fiber reach)	DM201	DM201
		DDM-2000 OC-3 SONET	DM203	DM203
		DDM-2000 OC-12 SONET	DM212	n.a.
		FLM-150-ADM OC-3 SONET	FLM15	FLM15
		FLM-150 Plus OC12 (DS1 output)	FLM15	FLM15
		FLM-600 OC-12 SONET	FLM6	n.a.
		FLM6 (DS2 output)	FLM06	n.a.
		Litespan 2000 (DS1 Output)	LTS03	n.a.
		SLC-2000 (DS1Output)	SLC03	n.a.
		DDM-1000, DML-45, DML3x50, 828AF & other non-SONET asynchronous multiplexers e/w DS1 output	DS1SYS	DS1SY

Note: In the mode column, SDP denotes the Sidedoor Port (SDP) (D) Dedicated attribute value in LFACS, whereby the integrated DLC is compatible with non-switched and non-locally switched services. This job aid provides system names for *approved* loop electronics products only.

For typical responses received from LFACS, refer to the ***Electronic Pre-Order Loop Makeup Job Aid for LENS*** that may be obtained from your Local Contract Manager. Also, under the Guides section for Preordering, the ***Presentation for DICLEC Informational Seminar On BellSouth's Loop Prequalification Tools*** is available via the BellSouth Interconnection web site at:

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

www.interconnection.bellsouth.com

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide
Chapter 6.0 – Acronyms

ABP	Assignable Binding Post
BO	Build Out Aggregate
BOCAP	Build Out Capacity
BOOFF	Build Out Offset
BORES	Build Out Resistance
BST	BellSouth Telecommunications
BT	Bridge Tap
BTOFF	Bridge Tap Offset
CAPAC	Capacitance
CO	Central Office
CQ	Count Qualification Code
D/CLEC	Data/Competitive Local Exchange Carrier
DCS	Digital Cross Connect System
DLC	Digital Loop Carrier
DMS	Data Management System
CD	Count Despecialization Code
ES	End Section
FRN	Facility Reservation Number
GA	Gauge

continued on next page

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

Chapter 6.0 – Acronyms

ID	Identifier
INA	Integrated Network Access
LC	Load Coil
LCM	Local Contract Manager
LDSP	Load Spacing
LENS	Local Exchange Navigation System
LFACS	Loop Facilities Assignment and Control System
LGTH	Length
LMSTAT	Loop Makeup Status
LMU	Loop Makeup
LOA	Letter Of Authorization
LPSTAT	Loop Status
LSP	Local Service Provider
LSP AUTH	Local Service Provider Authorization
LSP AUTH DATE	Local Service Provider Authorization Date
LSP AUTH NAME	Local Service Provider Authorization Name
LUINT	Length Unit
MTR	Meets Transmission Requirements

BELLSOUTH®

Electronic Loop Makeup (LMU)
CLEC Pre-Ordering and Ordering Guide

continued on next page

Chapter 6.0 – Acronyms

NLD	Load Point Number
PR	Pair Identifier
RESID	Reservation ID
RTF	Receive/Transmit Indicator
SDP	Sidedoor Port
SLC	Subscriber Loop Carrier
SME	Subject Matter Expert
SPL	Splice Section Aggregate
SSC	Single Subscriber Carrier
TEA	Terminal Identifier
TRMED	Transmission Medium Type
UBA	Type of Cable (Underground, buried, or aerial)
xDSL	Digital Subscriber Line

DOCKET NO. 020507-TP

EXHIBIT NO. _____ (JMB-6)

BELLSOUTH®

Line Splitting (Central Office Based)

CLEC
Information Package

Version 4, November 15, 2002

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Table of Contents

1.0 INTRODUCTION 3

1.1 PURPOSE AND SCOPE 3
1.2 DISCLAIMER STATEMENT 3
1.3 VERSION HISTORY/CONTROL 3

2.0 OVERVIEW 4

3.0 BASIC SERVICE CAPABILITIES 11

3.1 UNE NETWORK ELEMENTS 12

4.0 FEATURES AND BENEFITS 13

5.0 PRE-ORDERING GUIDELINES 15

5.1 TARGETED INSTALLATION INTERVALS 15
5.2 CONTRACT SPECIFIC PROVISIONS 15

6.0 ORDERING GUIDELINES 16

7.0 LINE SPLITTER SYSTEM ORDERING DOCUMENT 17

8.0 MAINTENANCE AND REPAIR 17

8.1 CLEC TAFI 17
8.2 DLEC TAFI 18

9.0 ACRONYMS 19

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 1.0 – Introduction

3.3 Purpose and Scope

This CLEC Information Package is intended to provide the CO (Central Office) Based Line Splitting Phase III an equipment description and general information specific to processing a request for the UNE (Unbundled Network Element) service offering described herein. A detailed description of this service will be provided in **Chapter 2.0, Overview,** of this document.

Please contact the BellSouth Local Contract Manager for CO Based Line Splitting Service if you have questions about the information contained herein.

1.2 Disclaimer Statement

The information contained in this document is subject to change. BellSouth will provide notification of changes through the Interconnection Notification Process.

3.3 Version History / Control

Any future modifications, and/or improvements that are made to this guide for the CO Based Line Splitting Product Team will be reflected accordingly in this section of the document.

Section	Date/Version	Description
All	02/14/2002 – Version 1.0	Initial Version Release
All	07/08/2002 – Version 2.0	Update all sections and include phase III offering.
3.0	8/6/2002 – Version 3.0	Update to include company policy Wireless telecommunications services and DAMLs
2.0	8/6/2002 – Version 3.0	Update to include CC Docket Language
3.0	11/15/02 – Version 4.0	Update BellSouth's policy on DAML

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 2.0: Overview

In the Advanced Services Docket (CC Docket No. 98-147), the FCC (Federal Communications Commission) ordered all Incumbent Local Exchange Carriers (ILECs), including BellSouth, to:

- Unbundle the high frequency portion of the local loop
- Make available a new Unbundled Network Element

NOTE: From this point on within this document, the reference to ILECs will be made as BellSouth since this document is BellSouth specific.

In addition, CC Docket No. 96-98 (319 Remand) further directed that CLECs (Competitive Local Exchange Carriers) be allowed sub-loop access at any accessible interconnection point on the loop (except closed splices). In CC Docket 98 – 147, the "Line Share Reconsiderations Order", Line Splitting Order, the FCC clarified the requirement for Line Splitting.

The primary points of the Line Splitting Order include the following:

- In a request for clarification from both AT&T (American Telephone & Telegraph) and WorldCom, the FCC ruled that CLECs providing voice service using the UNE-platform be allowed to either self-provision necessary equipment or partner with a competitive data carrier to provide xDSL (Digital Subscriber Line) service on the same line.
- The FCC denied a request from AT&T that BellSouth continue to provide xDSL services in the event customers choose to obtain voice service from a CLEC on the same line.

continued on next page

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 2.0: Overview continued

- To avoid confusion, in the Texas 271 Order the FCC defined "line splitting" where the voice and data service is provided by competing carriers over a single loop. The Line Splitting Order provided additional detail.

- BellSouth has an obligation to permit CLECs to engage in line splitting when converting from UNE-P when the CLEC purchases the entire loop and provides its own splitter. (BellSouth is willing to provide the splitter.)

- If a CLEC is providing voice service using UNE-P, that CLEC may order an unbundled xDSL-capable loop terminated in a collocated splitter, DSLAM (Digital Sub Line Access Multiplexer) equipment, and unbundled switching combined with shared transport. That will replace its existing UNE-P arrangement with a configuration that allows provisioning of both data and voice services.

- BellSouth is required to make all necessary network modifications to facilitate line splitting. This includes providing nondiscriminatory access to OSS (Operational Support System) necessary for pre-ordering, provisioning, maintenance and repair, and billing for loops utilized in line splitting arrangements.

Line Splitting is a non-designed arrangement that will allow a D/CLEC (Data/Competitive Local Exchange Carrier) to provide data and voice service over a single loop. The voice and data carriers may be the same ***or*** two different carriers. Line Splitting consists of the following:

- UNE Loop
- UNE Port
- Cross connections originating at a BellSouth Central Office
- BellSouth Owned Splitter or CLEC Owned Splitter

continued on next page

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 2.0: Overview continued

The major difference in Line Sharing and Line Splitting is that with Line Sharing BellSouth ***owns*** the voice service and bills the end user accordingly. With Line Splitting, the voice service ***rides*** BellSouth facilities but is ***purchased*** by a CLEC as a stand alone UNE Loop and Port.

Through the Line Splitting collaborative, BellSouth included the following as a part of the Line Splitting process:

- When two carriers are involved in the provisioning of Line Splitting, a Letter of Authorization will be required from a DLEC when ordering service on behalf of the CLEC or voice owner.

- The voice owner of the loop will provide BellSouth with a signed Letter of Authorization ("LOA") between the CLEC voice owner and the DLEC where the Line Splitting services are to be provisioned. This LOA document is unique to the BellSouth Line Splitting Service. There is a D/CLEC information package posted to the web. This package can be viewed at the following web address:

  http://www.interconnection.bellsouth.com/guides/html/unes.html

BellSouth has developed Line Splitting in phases to accommodate the following ordering scenarios:

- Conversion of existing UNE-P to line splitting with DLEC owned Splitter - This is the ***only*** version that can be ordered mechanically. When converting from UNE P to Line Splitting, the change will be "switch with change" to allow billing for the addition of two cross-connections. This is also known as "Phase I".

- Conversion of existing UNE-P to Line Splitting with BST owned Splitter – When converting from UNE-P to Line Splitting, the change will be "switch with change" to allow billing for the addition of a cross-connection. This offering is a part of "Phase II".

continued on next page

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 2.0: Overview continued

- Conversion of existing line sharing to line splitting with the data provider remaining the same – When converting from existing line sharing to line splitting, BellSouth will allow a "switch as is" process. This will require collocation with the CLEC cable and pairs with an established splitter arrangement. The "switch-as-is" will be permitted under the above referenced scenarios. This offering is a part of Phase II".

- Conversion of existing line sharing to line splitting with the data provider changing - When converting from existing line sharing to line splitting, BellSouth will allow a "switch-as-is" process. This will require collocation with the CLEC cable and pairs of an established splitter arrangement. The "switch-as-is" will be permitted under the above referenced scenarios. This offering is part of "Phase II."

Line Splitting Phase III is available ***July 19, 2002***. Phase III of BellSouth's Line Splitting service introduces the following ordering options:

- Conversion of existing Line Splitting Data CLEC (DLEC)-Owned to Line Splitting BellSouth-Owned Splitter - **Voice provider changes**.

- Conversion of existing Line Splitting DLEC-Owned to Line Splitting BellSouth-Owned Splitter - **Voice provider remains the same**.

- Conversion of existing Line Splitting #1DLEC-Owned to Line Splitting #2 DLEC-Owned Splitter – **Voice *and* Data provider changes.**

- Conversion of existing Line Splitting #1 DLEC-Owned to Line Splitting #2 DLEC-Owned splitter – **Voice provider changes; Data provider remains the same.**

- Conversion of existing Line Splitting #1 DLEC-Owned to Line Splitting #2 DLEC-Owned Splitter – **Data provider changes; voice provider remains the same.**

- Conversion of existing Unbundled Network Elements-Platform (UNE-P) to Line Splitting - BellSouth Owned Splitter - **Different voice provider.**

continued on next page

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 2.0: Overview

- Conversion of existing UNE-P to Line Splitting DLEC-Owned Splitter - **Different voice provider.**
- Conversion of existing Voice Resale to Line Splitting BellSouth-Owned Splitter – **Voice provider remains the same.**
- Conversion of existing Voice Resale to Line Splitting BellSouth-Owned Splitter – **Voice provider changes.**
- Conversion of existing Voice Resale to Line Splitting DLEC-Owned Splitter – **Voice provider remains the same.**
- Conversion of existing Voice Resale to Line Splitting DLEC- Owned Splitter – **Voice provider changes**.

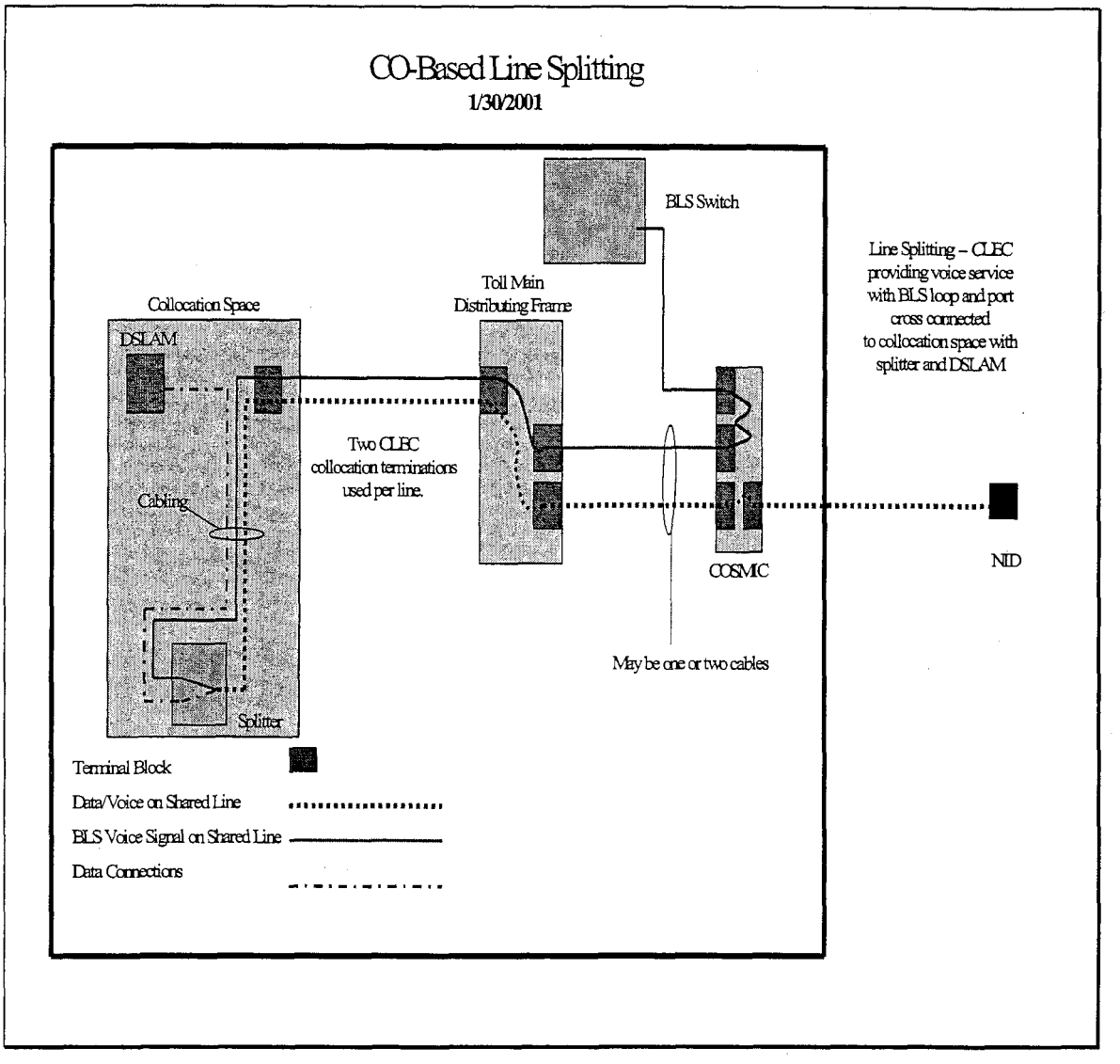
On the next page is a diagram depicting the line splitting arrangement where the DLEC owns the splitter. In this diagram:

- The CLEC provides voice service to the end user and BellSouth provides the loop and port UNEs and cross connections to the CLEC.
- The CLEC or DLEC may provide the DSLAM. The Splitter may be provided by the LEC (Local Exchange Carrier) providing the DSLAM or BellSouth. (The UNE network elements are explained on Page 11 of this document.)
- The data is provided over the high frequency spectrum UNE of the loop spectrum.

continued on next page

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package
Chapter 2.0: Overview continued



On the next page is a diagram depicting a splitter arrangement where BellSouth owns the splitter.

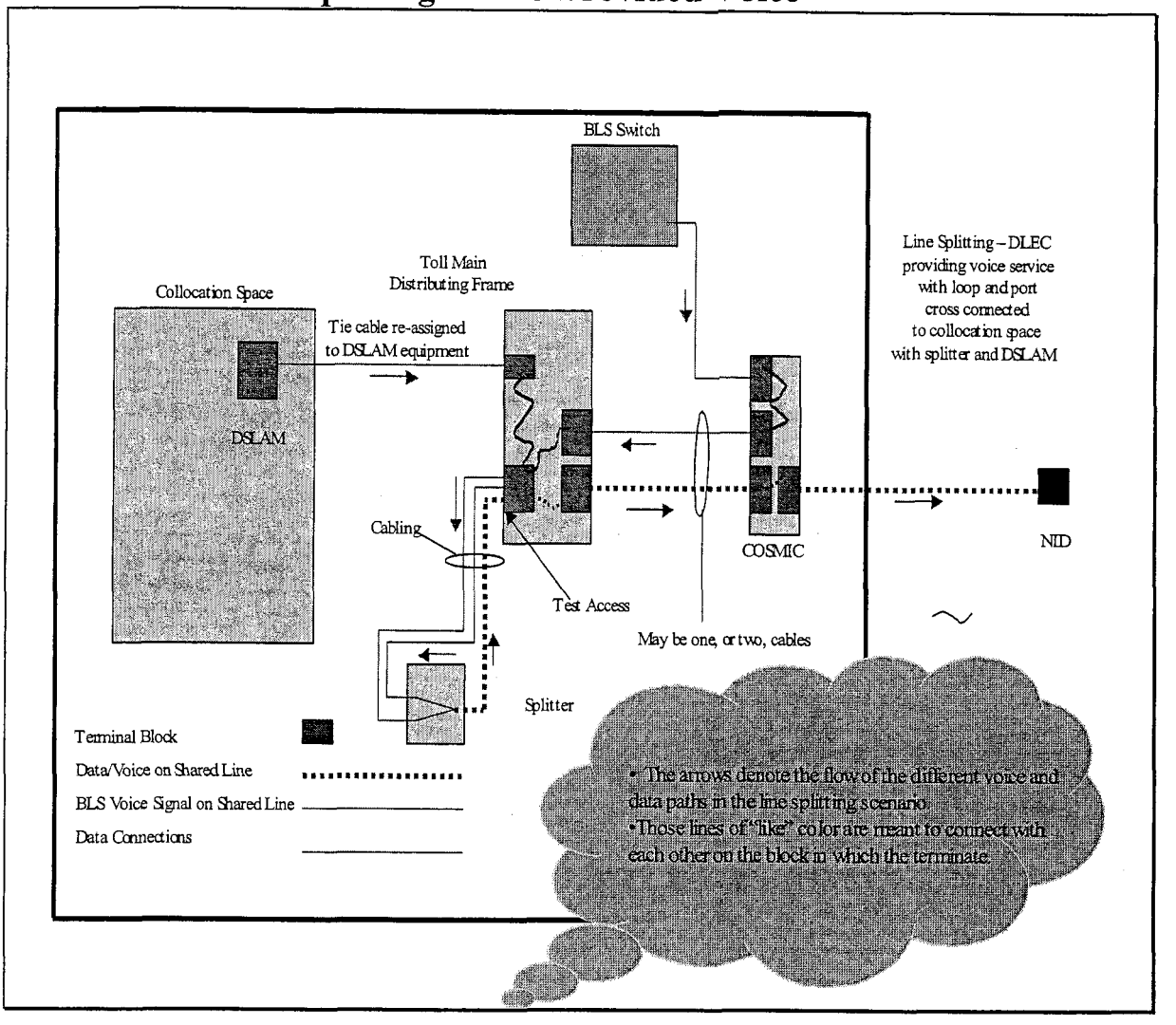
continued on next page

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 2.0: Overview continued

Line Splitting DLEC Provided Voice



continued on next page

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 3.0 Basic Service Capabilities

Because line splitting provides a service where voice and data operate on the same loop, an unloaded, 2-wire copper loop ***must*** serve the end user. The loop used for line splitting will be non-designed. The line splitting loops must ***not*** have:

- Load coils
- Low pass filters
- Range extenders
- Dual Channel Copper DAMLs (Digital Added Main Lines), PG DAMLs or similar devices

A process is being developed to remove a DAML if there is only one channel being used.

BellSouth is changing its policy on DAMLs for Line Splitting. The revised policy is that Line Splitting is incompatible with dual channel copper DAMLs and all Pair Gain (PG) DAMLs, but compatible with single channel copper DAML, provided no other conditions make the loop incompatible.

This change in policy necessitates a process change for assignment handling . Orders with DAMLs should fall out for manual handling in the AFIG. The AFIG will check the loop to determine if the DAML is copper or PG. If the DAML is copper, the AFIG will determine if there is a vacant channel. If a vacant channel exists, the DAML should be removed and the shared loop order should be worked on the loop. If both channels are working, the AFIG will return the order to the LCSC with the error message "FRN required, both sides of DAML working".

The change in policy provides the DLEC with additional options when performing pre-qualification assessment and necessitates a change in electronic loop make up output. During pre-qualification, the DLEC may choose to "conditionally qualify" the loop with a copper DAML by submitting the LSR and having the AFIG identify the single or dual channel condition.

Unbundled network elements (UNEs) are not available for purchase or for conversion from Special Access or Private Line Circuits if such network elements will be used to provide wireless telecommunications services.

BellSouth has existing UNE offerings in place that will allow CLECs to determine the loop makeup. High frequency Spectrum Unbundled Loop Modification will be developed for CLECs to order modification(s) on ***existing*** loops. This product is different and unique from the BellSouth Unbundled Loop Modification, Version 3, posted to the Interconnection web site.

continued on next page

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package
Chapter 3.0: Basic Service Capabilities continued

CLECs must be able to use these offerings for the following:

- To determine if loops qualify for their data service

The CLEC's meet point is located where the cable and pairs belonging to the CLEC terminate. A passive signal filter is installed at the customer's premises as CPE (Customer Provided Equipment) and will be the responsibility of the customer (or CLEC). In some instances, a splitter may be used at the end user's location.

The CLEC ordering the UNE loop for line splitting will be BellSouth's customer of record. This is normally the CLEC providing the voice service to the end user. This CLEC and its agents are the ***only*** customers that BellSouth will interact with for subsequent activity, trouble reports, etc.

3.1 UNE Network Elements

The Line Splitting network elements are different depending upon who provides the splitter. The splitter is not a UNE. The splitter is utilized to provide access to the high frequency spectrum.

D/CLEC Owned Splitter

The UNE network elements included in a D/CLEC owned splitter arrangement are:

- A stand alone UNE loop and port with a Network Interface Device (NID) and a collocation cross connection to the collocation space
- A second collocation cross connection from the collocation space connected to a voice port (This applies only to a D/CLEC owned splitter.)
- A splitter in a collocation area that will divide the spectrum
- Collocation area may belong to the voice CLEC or the DLEC
- Data Services provided over the upper spectrum of the local loop
- Through a pre-existing agreement, the CLEC or DLEC provides the DSLAM
- The LSOD (Line Splitter System Ordering Document) will be used to activate or deactivate Connecting Facility Assignments (CFA) or to order a BellSouth splitter.

Continued on next page

Chapter 3.0: Basic Service Capabilities continued

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

BellSouth Owned Splitter

The network elements included in a BellSouth owned splitter are:

- A non-designed analog loop from the Serving Wire Center (SWC) to the NID at the end user's location - This loop will have CFA and splitter port assignments ***and*** a collocation cross connection from the collocation space connected to a voice port.
- Located in a common area as close to the collocation area as possible or in a BellSouth relay rack
- Ordered using the existing Line Splitting procedures
- D/CLEC submits Line Splitter System Ordering Document (LSOD) to the CRSG to order BellSouth provided splitters or activate or deactivate CFA.

Chapter 4.0: Features and Benefits

Line splitting includes the following features and/or benefits:

- Line Splitting service includes all of the features, functions, and capabilities that the switch is capable of providing, including but not limited to the following:

  Line signaling and signaling software

  Digit reception

  Dialed number translations

  Call Screening

  Routing including calling plans using switch routing tables

  Recording

  Call supervision

  Dial tone

  Switching

continued on next page

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package
Chapter 4.0: Features and Benefits continued

Telephone number provisioning

Announcements

Calling features and capabilities (including call processing)

Carrier pre-subscription (i.e., InterLATA and IntraLATA toll)

Carrier Identification Code (CIC) portability capabilities

Testing and other operational features inherent to the switch and switch software

- Features inherent to the switch and switch software not currently being used or not purchased by BellSouth are still available to the CLEC through the BFR (Bonafide Request Services).

- The end user port provides platforms such as adjuncts, Public Safety Systems (911), Operator Services, Directory Assistance Services, and Advanced Intelligent Network (AIN).

- The switching capabilities used will be based on the line side features they supported.

- This service will also be capable of routing local, IntraLATA, InterLATA, and International calls to the customer's preferred carrier.

- The combination of these elements with certain switch features replicates several BellSouth retail service offerings including:

  Basic residential ***and*** business service with and without features

  Enhanced local calling areas defined in the switch routing tables for residential ***and*** business services

- AIN triggers, where available, are also part of this service and include off hook immediate, off hook delay, terminating attempt, public office dialing plan, feature code, and customized dialing plan. The service includes the triggers only. Charges will apply for queries or "dips" into databases such as LNP (Local Number Portability), 800 databases, etc.

Continued on next page

BELLSOUTH®

- Since the CLEC receives the switched access revenues associated with this service, access recordings are available through subscription to the Access Daily Usage File (ADUF). The ADUF files provide data to enable the CLEC to bill switched access service charges to the appropriate Interexchange Carrier. Receipt of ADUF messages requires CLECs to purchase Network Data Mover (NDM) Connect Direct software. Switch recordings detailing local usage, IntraLATA toll usage, and per use of vertical features are available through subscription to the Optional Daily Usage File (ODUF).

Chapter 5.0: Pre-Ordering Guidelines

5.1 Targeted Installation Intervals

Line Splitting is available in ***all*** states within the BellSouth region. For exact installation intervals, refer to the BellSouth Interval Guide located at:

http://www.interconnection.bellsouth.com/guides/other_guides/pdf/gintl001.pdf

The targeted installation intervals are based upon receipt of a clean, manual LSR (Local Service Request) for the end user order. An SI (Service Inquiry) will not be required.

5.2 Contract Specific Provisions

The CLECs involved must have a pre-existing arrangement between themselves. BellSouth will ***not*** participate in this arrangement.

The CLEC owning the UNE loop and requesting line splitting arrangements must have Line Splitting language, collocation language, and rates included in their existing contract.

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 6.0 Ordering Guidelines

The D/CLEC will order the splitter equipment for Line Splitting Service by submitting a LSOD to the CRSG/Account Team. The LSOD will also be used for activating/deactivating DS0 (Digital Service Level 0) collocated cable(s)/pair(s) to line splitting cable(s)/pair(s). The LCSC renders the FOC to the CRSG for LSOD associated service orders.

The CRSG is the initial receipt point for the LSOD document and will:

- Validate the LSOD
- Process the LSOD through Network
- Serves as the help desk for the CLEC/DLEC.

The CLEC will forward an LSR directly to the LCSC to request end user line splitting services.

For detailed information relative to the LSR, refer to the BBRLO (BellSouth Business Rules for Local Ordering). The BellSouth Business Rules for Local Ordering are located at:

http://www.interconnection.bellsouth.com/guides/leo/pdf/gleoo023.pdf

There are unique NC (Network Channel), NCI (Network Channel Interface), and SECNCI (Secondary Network Channel Interface) Codes ***required*** on the LSR when Line Splitting is requested. These codes are not used to provision this service because Line Splitting service is a non-designed UNE. Regardless of splitter ownership, the following codes apply when ordering Line Splitting service:

NC Code	NCI Code	SECNCI
SWXX	02QE9	02DU9

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 7.0 Line Splitter System Ordering Document

Due to page constraints and internal links within the LSOD, a copy is not available in this document. By clicking on the hyperlink below, you may access the form with the associated line-by-line instructions.

http://www.interconnection.bellsouth.com/markets/lec/line_sharing_collab/docs/BLS/LSOD-doc.xls

Chapter 8.0 Maintenance and Repair

Data troubles will be reported directly to the CWINS (Customer Wholesale Interconnection Network Services) Center. CLEC voice troubles will be handled "business as usual".

Maintenance and Trouble Receipt Flows and the Line Splitting Maintenance Flow are available on the Collaborative website.

8.1 CLEC TAFI

TAFI (Trouble Administration Facilitation Interface) is the vehicle used by BellSouth and CLEC users to process their end-user trouble reports on non-designed (POTS) voice-grade services.

Additional information on CLEC TAFI may be found in Chapter 14 of CLEC TAFI at the web address shown below:

Or go directly to the LENS (Local Exchange Navigation System)/TAFI Guide, enter the following from the BellSouth Home Page:

http://interconnection.bellsouth.com/guides/lens_tafi.html

continued on next page

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 8.0 Maintenance and Repair continued

8.2 DLEC TAFI

DLEC TAFI for Line Splitting is completely different from regular CLEC TAFI. Since the DLEC is providing high-speed data access over the same physical facilities via the Line Splitting methodology, the DLEC will be limited in TAFI to **only** processing Line Splitting and Line Share Data (LSD) reports. A separate password and DLEC TAFI account are required. This will enable the DLEC to:

- Access trouble history on the end user's account
- Request a vendor meet and
- Run a baseline MLT (Mechanized Loop Test)
- View a splitter signature on the loop

Additional information on DLEC TAFI may be found in Chapter 14 of CLEC TAFI at the web address shown below:

Or go directly to the LENS (Local Exchange Navigation System)/TAFI Guide, enter the following from the BellSouth Home Page:

http://interconnection.bellsouth.com/guides/html/lens_tafi.html

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 9.0 Acronyms

ADUF	Access Daily Usage File
AFIG	Assignment Facility Inventory Group
AIN	Advanced Intelligent Network
AT&T	American Telephone and Telegraph
BBRLO	BellSouth Business Rules for Local Ordering
BFR	Bonafide Request Services
CCM	Circuit Capacity Management
CIC	Carrier Identification Code
CLEC	Competitive Local Exchange Carrier
CO	Central Office
CPE	Customer Provided Equipment
CRIS	Customer Records Information System
CRSG	Complex Resale Support Group
DAML	Digital Added Main Line
DLEC	Data Local Exchange Carrier
DSLAM	Digital Sub Line Access Multiplexer
DSO	Digital Service Level 0
FCC	Federal Communications Commission
FOC	Firm Order Confirmation

continued on next page

BELLSOUTH®

Line Splitting (Central Office Based)
CLEC Information Package

Chapter 9.0 Acronyms continued

ILEC	Incumbent Local Exchange Carrier
LCSC	Local Carrier Service Center
LNP	Local Number Portability
LSOD	Line Splitter System Ordering Document
MOU	Minutes of Use
NC	Network Channel
NCI	Network Channel Interface
NDM	Network Data Mover
NID	Network Interface Device
ODUF	Operational Daily Usage File
OSS	Operational Support System
RD	Received Date
SECNCI	Secondary Network Channel Interface
SI	Service Inquiry
SME	Subject Matter Expert
UNE	Unbundled Network Element
UNE-P	Unbundled Network Element-Platform
xDSL	Digital Subscriber Line

DOCKET NO. 020507-TP

EXHIBIT NO. _____ (JMB-7)

REDACTED – For Public Inspection

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of:	)	
	)	
Application by BellSouth Corporation,	)	
BellSouth Telecommunications, Inc.,	)	WC Docket No. 02-____
and BellSouth Long Distance, Inc., for	)	
Provision of In-Region, InterLATA	)	
Services in Florida and Tennessee	)	

AFFIDAVIT OF WILLIAM N. STACY
September 20, 2002

UNEs. Also, CSRs for both CLECs and BellSouth are updated in the same time and manner – usually 24 hours after an order has been completed.

358. Effective with Release 10.5 on June 1-2, 2002, a new feature was implemented in LENS that provides the capability of viewing multiple CSRS. This feature allows CLECs to view up to four CSRs for Non-Complex accounts on a single inquiry.

359. BellSouth provides CLECs with a PSO flag via the LENS interface. The Pending Service Order ("PSO") indicator alerts CLECs whenever there is a pending service order against an account. The PSO indicator is used because the details of a pending order could be from a competing CLEC. Therefore, that information is confidential to the CLEC that placed the pending order. If a CLEC sees a PSO Flag on the CSR, that CLEC can view the details of the pending order in CSOTS only if that CLEC issued the pending order. Other CLECs' pending orders cannot be viewed. These matters are also discussed in the Affidavit of Ken L. Ainsworth.

360. The PSO indicator is currently not available via the TAG interface. However, change request CR0127 has been opened to implement the PSO indicator for the TAG interface. On May 22, 2002, the CLEC participants in the CCP prioritized CR0127 as number seven out of 26 change requests.

361. BellSouth thus provides CLECs with nondiscriminatory access to customer service record information.

362. Please also see my discussion above on integration and parsing.

Loop Makeup Information

363. Based on the evidence in the record, the Commission found,

> that BellSouth provides competitive LECs with access to loop qualification information in a manner consistent with the requirements of the *UNE Remand Order*. Specifically, [the Commission found] that BellSouth provides competitors with access to all of the same detailed information about the loop that is available to itself and in the same time frame as

any of its personnel could obtain it. [Footnotes omitted.] Georgia/Louisiana Order, ¶ 112.

364. These findings apply equally to Florida and Tennessee.

365. As shown in the table below, the CLECs have made extensive use of this access and have received timely responses.

Month	Total queries for electronic LMU	% Within 1 Minute
Jan-02	5,876	96.7%
Feb-02	10,183	97.8%
Mar-02	10,999	96.8%
Apr-02	9,487	92.8%
May-02	23,94168	96.7%
Jun-02	8,415	80.9%[69]
Jul-02	6,922	99.3%

366. Using the LMU functionality in TAG or LENS, CLECs can request LMU on existing facilities that are owned by the requesting CLEC or BellSouth, can request LMU on new or spare facilities that are owned by BellSouth, and can create and cancel reservations for new or spare facilities owned by BellSouth.[70]

367. CLECs may request LMU information using a telephone number or a circuit ID. In response, CLECs are provided with information on that particular loop. In addition, CLECs may request LMU information on spare facilities that serve the end user. CLECs may request information on one to ten loops per transaction. If the CLEC requests that the loop or loops meet certain specifications, BellSouth will return information on the loop or loops that meet those specifications. If the CLEC does not make such a request,

68 BellSouth continuing to investigate data feeds. Duplicate records appear to be in COG files; further analysis needed.

[69] DOM queuing problem discovered affecting LMU responses 6/2/02 -- 6/7/02; temporary fix implemented 6/7; permanent code fix implemented 6/27/02. Although performance was still degraded in June, it improved in July and the benchmark was met in every state.

[70] This functionality allows a DLEC to view the LMU of a CLEC-owned facility, provided the two parties have executed the appropriate Letter of Authorization and provided this information to BellSouth.

BellSouth returns information on the spare loop or loops that would support POTS. The following list of LMU elements is currently available to CLECs through the TAG and LENS interfaces. The following information is available through electronic access to BellSouth's LFACS database, when it is populated in the LFACS database.

- Cable and pair
- Loop Status (SP, WKG, CT, CF, etc.)
- Length by Gauge
- Loop Length by Segment
- 26 gauge equivalent loop length
- Quantity of load coils
- Location of load coils
- Quantity of bridged taps
- Location of bridged tap by occurrence
- Length of bridged taps by occurrence
- Location of pair gain/DLC – address of remote terminal
- System type of DLC
- Source of data - actual
- Presence of DAML (Single Subscriber Carrier Indicator)
- Loop medium (copper or fiber)
- Length that is copper or fiber
- Type of Plant (aerial, buried, or underground)
- Availability of spare facilities
- Number of gauge changes
- Assignable binding post
- Loop makeup status
- Build Out Capacity, Resistance, and Offset

- Resistance Zone (RZ)
- Carrier Zone (CZ)
- Remote Terminal CLLI code
- Telemetry Indicator
- Line Terminal Status
- ONU Type (Optical Network Unit)
- Load coil type

368. In late September 2001, BellSouth implemented an enhancement that provides for an electronic query from LFACS to the Corporate Facilities Database ("CFD") for loop qualification information. The CFD is a digitized version of the plats available in Georgia, North Carolina, South Carolina, Florida and thirteen (13) wire centers in Alabama. As a result of this enhancement, when a CLEC sends an electronic query to LFACS for loop qualification information, and all of the necessary information is not resident in LFACS, an electronic query will be automatically launched to the CFD to generate the required additional information. This additional loop qualification information resulting from the queried CFD will automatically be combined with the LFACS information and provided to the CLEC. Also, the information obtained from the query to the CFD will be populated in the LFACS database and thus, is available for electronic loop qualification information queries.

369. Some of the LMU information listed above may not be entered in the LFACS database. In those instances, if a CLEC should determine that it needs additional information that is not available electronically, the CLEC would submit a manual LMU service inquiry request, just as BellSouth does for itself when the data is not available electronically.

370. Personnel in BellSouth's Outside Plant Engineering department must then use a combination of Engineering Work Orders, field visits and plats that contain records of BellSouth's Outside Plant Facilities to develop the LMU. The Outside Plant Facility

information resides in the CFD. In the BellSouth states and wire centers that do not use the CFD, this data is stored on manual or paper plats. After BellSouth obtains LMU data from the plats (via CFD or paper plats), BellSouth then populates LFACS with the LMU data that was generated from the plats. This service inquiry process is accomplished in substantially the same time and manner (whether retrieved from CFD or paper plats) for BellSouth and for the CLECs.

371. In previous state and federal filings, including in BellSouth's recent Georgia/Louisiana and Five States 271 applications, Covad has complained repeatedly of inaccuracies in BellSouth's Loop Facilities Assignment and Control System ("LFACS") database. This complaint has been rejected, and should be again, because BellSouth provides CLECs with the same information as it does for itself. BellSouth offers CLECs access to LFACS via LENS and TAG. LFACS is the same database that is used by BellSouth's retail operations. The database is the primary source of BellSouth's loop data, and contains certain minimum information about each pair, including whether or not that pair contains load coils. However, detailed cable makeup information is not available for all pairs, depending on whether a pair in that complement has been used for a designed service in the past. Therefore, any inaccuracies affect both the CLECs and BellSouth's retail operations in the same way. BellSouth disagrees with Covad's allegations of widespread inaccurate data in BellSouth's loop makeup databases. Although BellSouth's LFACS database is not perfect, it is very accurate.

372. In some instances, some of the detailed LMU information may not be listed in the LFACS database. In those instances, if a CLEC should determine that it needs additional information that is not available electronically, it can submit a manual LMU Service Inquiry request. Similarly, for BellSouth to serve its own customers, BellSouth must submit a service inquiry to obtain facility information for the requested retail

service/product when the data is not available electronically. Nondiscriminatory access does not require that all detailed information about loops must be available electronically and involve no manual processes. The fact is, if BellSouth has access to the detailed information required for loop qualification electronically, that information will be provided to the CLEC electronically. Likewise, CLECs and BellSouth can obtain all other available information through the manual process. Therefore, BellSouth provides to CLECs nondiscriminatory access to all of the same detailed information about the loop that is available to BellSouth, in compliance with the Commission's *UNE Remand Order*.[71]

373. Although 100% of BellSouth's loops are populated in LFACS with certain basic information, not all will have the detailed loop makeup information necessary to qualify a loop. It is estimated that as much as 85% of loops in some major metropolitan areas are populated in LFACS with detailed loop makeup information. As of June 2002, Loop Makeup data is populated in LFACS on approximately 51% of the total network feeder or distribution cable pairs region-wide. Since March 2002, detailed loop makeup has been populated on an additional 1,204,867 segments, although this impacted the total percent loop makeup by less than 0.5%. BellSouth will have to populate detailed loop makeup data on an additional 1,714,393 segments to raise this to 52%.

374. More important, BellSouth is continuously updating and/or populating loop makeup data in LFACS. Each time an Outside Plant Engineer issues an Engineering Work Order ("EWO"), loop makeup data is input/updated on every cable pair handled on the EWO. Additionally, each time a CLEC uses the manual service inquiry process, BellSouth loads the resulting loop makeup information into LFACS for future queries. As more CLECs

[71] Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking, 15 FCC Rcd 3696, ¶ 427 (1999) ("UNE Remand Order").

enter a local market, the loop makeup data grows correspondingly as a result of the increased number of manual inquiries that are handled.

375. Covad suggested that BellSouth should be required to implement a plan to complete and update its loop records for all residential accounts. BellSouth provides its loop records to CLECs in a nondiscriminatory manner, although it is not required to make such information available to CLECs if it has not made it available for itself. The Commission supports this position. In its UNE Remand Order, the Commission stated "[w]e disagree, however, with Covad's unqualified request that the Commission require incumbent LECs to catalogue, inventory, and make available to competitors loop qualification information through automated OSS even when it has no such information available to itself. If an incumbent LEC has not compiled such information for itself, we do not require the incumbent to conduct a plant inventory and construct a database on behalf of requesting carriers."[72]

376. In addition to electronic access to LMU via LENS and TAG, and at the specific demands of CLECs like Covad and MPower, BellSouth also offers its Loop Qualification System ("LQS") to Network Service Providers ("NSPs"), including CLECs, which they may use to determine if POTS lines will carry BellSouth's industrial or business class ADSL service.[73] CLECs may use LQS to obtain a qualified "yes/no" response based on defined technical parameters of BellSouth's industrial and business class ADSL offerings. The "yes/no" response allows the CLEC to determine if a telephone number(s) at a specific address is qualified (served by a loop that will support ADSL service) for BellSouth's ADSL service. For each telephone number or address entered, LQS will provide a number of positive responses and reason codes. A complete listing of the external and

[72] UNE Remand Order ¶ 429.
[73] Upon written request to BellSouth, a registered CLEC will be provided access to LQS. CLECs may access LQS data either in bulk, via a web interface request or via a real-time, CORBA (Common Object Request Broker Architecture) interface.

internal reason codes can be found in the Loop Qualification System DLEC/CLEC Job Aid.[74]

377. For the *guaranteed-speed* ADSL wholesale services that it offers to its wholesale customers (Network Service Providers or "NSPs"), BellSouth also provides LMU information through a manual service inquiry process. BellSouth provides LMU information to CLECs through a manual service inquiry process in substantially the same time and manner as it does for NSPs.

378. BellSouth has conducted many free informational seminars in the past twelve months for the CLECs on how to use BellSouth's manual and mechanized loop makeup systems and how to interpret the responses provided.[75] Most recently, on June 18, 2002, BellSouth announced a free informational seminar to update CLECs on the use of BellSouth's pre-qualification tools, including LMU and the loop qualification system ("LQS").[76] The seminar was held on July 9, 2002 in Atlanta. Twenty-two representatives of six CLECs/DLECs attended the meeting. The feedback from the customer surveys indicated that the information provided was valuable and informative. One participant said, "I knew the basics of this system and was able to keep up easily. I learned a lot and all my questions were answered by the materials provided or in the presentation."

[74] http://www.interconnection.bellsouth.com/guides/bpobr/pdf/lqsja.pdf.

[75] BellSouth conducted free informational seminars on BellSouth's Loop Makeup Service including manual and mechanized Loop Makeup ordering and LQS on June 11, 2001 in New Orleans, June 18, 2001 in Atlanta, June 13, 2001 in Charlotte, July 10, 2001 in Orlando, July 17, 2001 at the CLEC Inforum in Atlanta. Forty-six (46) individuals were trained during these five sessions. Three additional training sessions were held via Conference Bridge. Fourteen individuals participated in a call held on September 13th. A supplemental call was held on September 27th, after all of the CLECs had an opportunity to try what they had learned. The training was a success – no new issues were raised on the 27th and CLECs advised that all of their previous concerns had been addressed. A third conference call training was held on September 28th. BellSouth received positive comments on feedback forms from CLECs. Training sessions resulted in reducing the number of errors resulting from inaccurate LMU from 25 per day to 2.25 errors per day for one CLEC alone.

[76] See Carrier Notification Letter SN 91083168 (June 18, 2002), http://www.interconnection.bellsouth.com/notifications/carrier/carrier_pdf/91083168.pdf. I discussed LQS in ¶ 249 of my affidavit of June 20, 2002.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Rebuttal Testimony and Exhibits of Jay Bradbury on behalf of the Florida Competitive Carriers Association has been furnished by (*) hand delivery, (**) electronic mail or by U. S. Mail this 23rd day of December, 2002, to the following:

(*) (**) Patricia Christensen
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

(*) (**)Nancy White
(**) Meredith Mays
c/o Nancy Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street
Suite 400
Tallahassee, Florida 32301-1556

(**) Floyd R. Self
215 South Monroe Street, Suite 701
Tallahassee, Florida 32301

(**) Nanette Edwards
Director-Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, AL 35802

Vicki Gordon Kaufman

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin, Davidson,
Decker, Kaufman & Arnold, PA
117 South Gadsden Street
Tallahassee, Florida 32301
(850) 222-2525 Telephone
(850) 222-5606 Telefax

Attorneys for Florida Competitive
Carriers Association

WILLIAM E. TAYLOR

BUSINESS ADDRESS

National Economic Research Associates, Inc.
One Main Street
Cambridge, Massachusetts 02142
(617) 621-2615

Dr. Taylor received a B.A. *magna cum laude* in Economics from Harvard College, an M.A. in Statistics and a Ph.D. in Economics from the University of California at Berkeley. He has taught economics, statistics, and econometrics at Cornell and the Massachusetts Institute of Technology and was a post doctoral Research Fellow at the Center for Operations Research and Econometrics at the University of Louvain, Belgium.

At NERA, Dr. Taylor is a Senior Vice President, heads the Cambridge office and is Director of the Telecommunications Practice. He has worked primarily in the field of telecommunications economics on problems of state and federal regulatory reform, competition policy, terms and conditions for competitive parity in local competition, quantitative analysis of state and federal price cap and incentive regulation proposals, and antitrust problems in telecommunications markets. He has testified on telecommunications economics before numerous state regulatory authorities, the Federal Communications Commission, the Canadian Radio-Television and Telecommunications Commission, federal and state congressional committees and courts. Recently, he was chosen by the Mexican Federal Telecommunications Commission and Telmex to arbitrate the renewal of the Telmex price cap plan in Mexico. Other recent work includes studies of the competitive effects of major mergers among telecommunications firms and analyses of vertical integration and interconnection of telecommunications networks. He has appeared as a telecommunications commentator on PBS Radio and on The News Hour with Jim Lehrer.

He has published extensively in the areas of telecommunications policy related to access and in theoretical and applied econometrics. His articles have appeared in numerous telecommunications industry publications as well as *Econometrica*, the *American Economic Review*, the *International Economic Review*, the *Journal of Econometrics*, *Econometric Reviews*, the *Antitrust Law Journal*, *The Review of Industrial Organization*, and *The Encyclopedia of Statistical Sciences*. He has served as a referee for these journals (and others) and the National Science Foundation and has served as an Associate Editor of the *Journal of Econometrics*.

EDUCATION

UNIVERSITY OF CALIFORNIA, BERKELEY
Ph.D., Economics, 1974

nera
Consulting Economists

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 16
COMPANY/ WITNESS. BS/ William E. Taylor
DATE: July 21, 2003

DOCUMENT NUMBER-DATE
13988 DEC 23 02
FPSC-COMMISSION CLERK

UNIVERSITY OF CALIFORNIA, BERKELEY
M.A., Statistics, 1970

HARVARD COLLEGE
B.A., Economics, 1968
(Magna Cum Laude)

EMPLOYMENT

NATIONAL ECONOMIC RESEARCH ASSOCIATES, INC. (NERA)

1988- Senior Vice President, Office Head, Telecommunications Practice Director.

BELL COMMUNICATIONS RESEARCH, INC. (Bellcore)

1983-1988 Division Manager, Economic Analysis, formerly Central Services Organization, formerly American Telephone and Telegraph Company: theoretical and quantitative work on problems raised by the Bell System divestiture and the implementation of access charges, including design and implementation of demand response forecasting for interstate access demand, quantification of potential bypass liability, design of optimal nonlinear price schedules for access charges and theoretical and quantitative analysis of price cap regulation of access charges.

BELL TELEPHONE LABORATORIES

1975-1983 Member, Technical Staff, Economics Research Center: basic research on theoretical and applied econometrics, focusing on small sample theory, panel data and simultaneous equations systems.

MASSACHUSETTS INSTITUTE OF TECHNOLOGY

Fall 1977 Visiting Associate Professor, Department of Economics: taught graduate courses in econometrics.

CENTER FOR OPERATIONS RESEARCH AND ECONOMETRICS
Université Catholique de Louvain, Belgium.

1974-1975 Post Doctoral Research Associate: basic research on finite sample econometric theory and on cost function estimation.

CORNELL UNIVERSITY

1972-1975 Assistant Professor, Department of Economics. (On leave 1974-1975.) taught graduate and undergraduate courses on econometrics, microeconomic theory and economic principles.

MISCELLANEOUS

1985-1995	Associate Editor, *Journal of Econometrics*, North-Holland Publishing Company.
1990-	Board of Directors, National Economic Research Associates, Inc.
1995-	Board of Trustees, Treasurer, Episcopal Divinity School, Cambridge, Massachusetts.

PUBLICATIONS

"Smoothness Priors and Stochastic Prior Restrictions in Distributed Lag Estimation," *International Economic Review*, 15 (1974), pp. 803-804.

"Prior Information on the Coefficients When the Disturbance Covariance Matrix is Unknown," *Econometrica*, 44 (1976), pp. 725-739.

"Small Sample Properties of a Class of Two Stage Aitken Estimators," *Econometrica*, 45 (1977), pp. 497-508.

"The Heteroscedastic Linear Model: Exact Finite Sample Results," *Econometrica*, 46 (1978), pp. 663-676.

"Small Sample Considerations in Estimation from Panel Data," *Journal of Econometrics*, 13 (1980) pp. 203-223.

"Comparing Specification Tests and Classical Tests," Bell Laboratories Economics Discussion Paper, 1980 (with J.A. Hausman).

"Panel Data and Unobservable Individual Effects," *Econometrica*, 49 (1981), pp. 1377-1398 (with J.A. Hausman).

"On the Efficiency of the Cochrane-Orcutt Estimator," *Journal of Econometrics*, 17 (1981), pp. 67-82.

"A Generalized Specification Test," *Economics Letters*, 8 (1981), pp. 239-245 (with J.A. Hausman).

"Identification in Linear Simultaneous Equations Models with Covariance Restrictions: An Instrumental Variables Interpretation," *Econometrica*, 51 (1983), pp. 1527-1549 (with J.A. Hausman).

"On the Relevance of Finite Sample Distribution Theory," *Econometric Reviews*, 2 (1983), pp. 1-84.

"Universal Service and the Access Charge Debate: Comment," in P.C. Mann and H.M. Trebing (editors) *Changing Patterns in Regulation, Markets, and Technology: The Effect on Public Utility Pricing*. The Institute of Public Utilities, Michigan State University, 1984.

"Recovery of Local Telephone Plant Costs under the St. Louis Plan," in P.C. Mann and H.M. Trebing (editors) *Impact of Deregulation and Market Forces on Public Utilities*. The Institute of Public Utilities, Michigan State University, 1985.

"Access Charges and Bypass: Some Approximate Magnitudes," in W.R. Cooke (editor) *Proceedings of the Twelfth Annual Telecommunications Policy Research Conference*, 1985.

"Federal and State Issues in Non-Traffic Sensitive Cost Recovery," in *Proceedings from the Telecommunications Deregulation Forum*, Karl Eller Center, College of Business and Public Administration, University of Arizona, Tucson, Arizona, 1986.

"Panel Data" in N.L. Johnson and S. Kotz (editors), *Encyclopedia of Statistical Sciences*, John Wiley & Sons, New York, 1986.

"An Analysis of Tapered Access Charges for End Users," in P.C. Mann and H.M. Trebing (editors) *New Regulatory and Management Strategies in a Changing Market Environment.* The Institute of Public Utilities, Michigan State University, 1987 (with D.P. Heyman, J.M. Lazorchak, and D.S. Sibley).

"Efficient Estimation and Identification of Simultaneous Equation Models with Covariance Restrictions," *Econometrica*, 55 (1987), pp. 849-874 (with J.A. Hausman and W.K. Newey).

"Alternative NTS Recovery Mechanisms and Geographic Averaging of Toll Rates," in *Proceedings of the Thirteenth Annual Rate Symposium: Pricing Electric, Gas, and Telecommunications Services*. The Institute for the Study of Regulation, University of Missouri, Columbia, 1987.

"Price Cap Regulation: Contrasting Approaches Taken at the Federal and State Level," in W. Bolter (editor), *Federal/State Price-of-Service Regulation: Why, What and How?,* Proceedings of the George Washington University Policy Symposium, December, 1987.

"Local Exchange Pricing: Is There Any Hope?", in J. Alleman (editor), *Perspectives on the Telephone Industry: The Challenge of the Future*, Ballinger Publishing Company, Cambridge, Massachusetts, 1989.

"Generic Costing and Pricing Problems in the New Network: How Should Costs be Defined and Assessed," in P.C. Mann and H.M. Trebing (editors) *New Regulatory Concepts, Issues, and Controversies*. The Institute of Public Utilities, Michigan State University, 1989.

"Telephone Penetration and Universal Service in the 1980s," in B. Cole (editor), *Divestiture Five Years Later*, Columbia University Press, New York, New York, 1989 (with L.J. Perl).

"Regulating Competition for IntraLATA Services," in *Telecommunications in a Competitive Environment*, Proceedings of the Third Biennial NERA Telecommunications Conference, 1989, pp. 35-50.

"Costing Principles for Competitive Assessment," in *Telecommunications Costing in a Dynamic Environment*, Bellcore-Bell Canada Conference Proceedings, 1989 (with T.J. Tardiff).

"Optional Tariffs for Access in the FCC's Price Cap Proposal," in M. Einhorn (ed.), *Price Caps and Incentive Regulation in the Telecommunications Industry*, Kluwer, 1991 (with D.P. Heyman and D.S. Sibley).

"Alternative Measures of Cross-Subsidization," prepared for the Florida Workshop on Appropriate Methodologies for the Detection of Cross--Subsidies, June 8, 1991.
"Predation and Multiproduct Firms: An Economic Appraisal of the Sievers-Albery Results," *Antitrust Law Journal*, 30 (1992), pp. 785-795.

"Lessons for the Energy Industries from Deregulation in Telecommunications," *Proceedings of the 46th Annual Meeting of the Federal Energy Bar Association*, May, 1992.

"Efficient Price of Telecommunications Services: The State of the Debate," *Review of Industrial Organization*, Vol. 8, pp. 21-37, 1993.

"Status and Results of Regulatory Reform in the U.S. Telecommunications Industry," in C.G. Stalon, *Regulatory Responses to Continuously Changing Industry Structures*, The Institute of Public Utilities, Michigan State University, 1992.

"Post-Divestiture Long-Distance Competition in the United States," *American Economic Review*, Vol. 83, No. 2, May 1993 (with Lester D. Taylor). Reprinted in E. Bailey, J. Hower, and J. Pack, *The Political Economy of Privatization and Deregulation*, (London: Edward Elgar), 1994.

"Comment on 'Pricing of Inputs Sold to Competitors,' by W.J. Baumol and J.G. Sidak," *Yale Journal on Regulation*, Vol. 11, Issue 1, 1994, pp. 225-240 (with Alfred E. Kahn).

"Comments on Economic Efficiency and Incentive Regulation," Chapter 7 in S. Globerman, W. Stanbury and T. Wilson, *The Future of Telecommunications Policy in Canada*, Toronto: Institute for Policy Analysis, University of Toronto, April 1995.

"Revising Price Caps: The Next Generation of Incentive Regulation Plans," Chapter 2 in M.A. Crew (ed.) *Pricing and Regulatory Innovations under Increasing Competition*, Boston: Kluwer Academic Publishers, May 1996 (with T. Tardiff).

"An Analysis of the State of Competition in Long-Distance Telephone Markets," *Journal of Regulatory Economics*, May, 1997, pp. 227-256 (with J.D. Zona).

"An Analysis of the Welfare Effects of Long Distance Market Entry by an Integrated Access and Long Distance Provider", *Journal of Regulatory Economics*, March, 1998, pp. 183-196 (with Richard Schmalensee, J.D. Zona and Paul Hinton).

"Market Power and Mergers in Telecommunications," *Proceedings of the Institute of Public Utilities; 30th Annual Conference: Competition in Crisis: Where are Network Industries Heading?,* The Institute of Public Utilities, Michigan State University, 1999.

"The Baby and the Bathwater: Utility Competition, But at What Price?," *Public Utilities Fortnightly*, Vol. 137, No.21, November 15, 1999, pp. 48-56 (with Anne S. Babineau and Matthew M. Weissman).

TESTIMONIES

1. Alabama

1. Alabama Public Service Commission (Docket No. 25677), on behalf of BellSouth Telecommunications, Inc., direct testimony regarding economic aspects of avoided costs of services supplied for resale. Filed November 26, 1996.
2. Alabama Public Service Commission, on behalf of BellSouth Long Distance, Inc., (Docket No. 25835): direct testimony regarding the probable economic benefits to consumers in Alabama from entry by BellSouth into the interLATA long distance market. Filed June 18, 1997. Rebuttal testimony filed August 8, 1997.
3. Alabama Public Service Commission, on behalf of BellSouth Telecommunications, Inc., (Docket No. 26029): rebuttal testimony of intervenor testimonies in BellSouth's cost and unbundled network element pricing docket in Alabama. Filed September 12, 1997.
4. Alabama Public Service Commission (Docket No. 25980), on behalf of BellSouth Telecommunications: rebuttal testimony regarding revenue benchmarks and other matters in universal

service funding. Filed February 13, 1998.
5. Alabama Public Service Commission (Docket No. 27091), on behalf of BellSouth Telecommunications, rebuttal testimony regarding intercarrier compensation for Internet-bound traffic, filed October 14, 1999.
6. Alabama Public Service Commission (Docket No. 25835), on behalf of BellSouth Telecommunications, Inc., economic aspects of service quality penalty plans. Rebuttal testimony filed June 19, 2001.
7. Alabama Public Service Commission (Docket Nos. 15957 and 27989), on behalf of BellSouth Telecommunications, Inc.: economic support for promotional offerings. Direct testimony filed August 3, 2001, rebuttal testimony filed August 13, 2001. Additional rebuttal testimony filed August 17, 2001.
8. Alabama Public Service Commission (Docket No. 25835), on behalf of BellSouth Telecommunications, Inc., economic aspects of structural separations. Surrebuttal testimony filed July 24, 2001.

2. Alaska

9. Alaskan Public Utilities Commission, (Docket Nos. U-98-140/141/142 and U-98-173/174), testimony regarding the economic effects on competition of the acquisitions of Telephone Utilities of Alaska, Telephone Utilities of the Northland, Inc., and PTI Communications of Alaska by ALEC Acquisition Sub Corporation and of Anchorage Telephone Utility and ATU Long Distance, Inc. by Alaska Communications Systems, Inc. Filed February 2, 1999. Rebuttal testimony filed March 24, 1999.

3. Arizona

10. Arizona State Air Pollution Control Hearing Board (Docket No. A-90-02) on behalf of Arizona Public Service Company. A statistical study of SO_2 emissions entitled, "Analysis of Cholla Unit 2 SO_2 Compliance Test Data," (October 24, 1990) and an Affidavit (December 7, 1990).
11. Arizona Corporation Commission (Docket Nos. T-02432B-00-0026, T-01051B-00-0026), on behalf of US WEST Communications, Inc., direct testimony regarding intercarrier compensation for Internet-bound traffic. Filed March 27, 2000.
12. Arizona Corporation Commission (Docket No. T-01051B-99-0497), on behalf of US West Communications, Inc., rebuttal testimony regarding economic issues arising in the proposed merger between U S WEST and Qwest. Filed April 3, 2000.
13. Arizona Corporation Commission (Docket No. T-01051B-99-105), on behalf of Qwest Corporation., rebuttal testimony regarding rate design. Filed August 21, 2000.
14. Arizona Corporation Commission (Docket Nos. T-03654A-00-0882,T-01051B-00-0882), on behalf of Qwest Corporation, direct testimony regarding intercarrier compensation for internet-bound traffic. Filed January 8, 2001.

15. Arizona Corporation Commission (Docket No. T-00000A-00-0194, Phase 2), on behalf of Qwest Corporation., direct testimony regarding intercarrier compensation for Internet-bound traffic. Filed March 15, 2001.

4. Arkansas

16. Arkansas Public Service Commission (Docket No. 83-042-U) on behalf of Southwestern Bell Telephone Company: economic analysis of non-traffic sensitive cost recovery proposals. Filed October 7, 1985.

5. California

17. California Public Utilities Commission (Case 88-04-029) on behalf of Pacific Bell: commission payment practices, cross-subsidization of pay telephones, and compensation payments to competitive pay telephone suppliers. Filed July 11, 1988.
18. California Public Utilities Commission (Phase II of Case 90-07-037) on behalf of Pacific Bell: economic analysis of the effects of FAS 106, (accrual accounting for post-retirement benefits other than pensions) under state price cap regulation, (with Timothy J. Tardiff). Filed August 30, 1991. Supplemental testimony filed January 21, 1992.
19. California Public Utilities Commission, (Docket No. I.87-11-033), on behalf of Pacific Bell, "The New Regulatory Framework 1990-1992: An Economic Review," (with T.J. Tardiff). Filed May 1, 1992.
20. California Public Utilities Commission, (Docket No. I.87-11-033), on behalf of Pacific Bell, "Pacific Bell's Performance Under the New Regulatory Framework: An Economic Evaluation of the First Three Years," (with T.J. Tardiff). Filed April 8, 1993, reply testimony filed May 7, 1993.
21. California Public Utilities Commission, (Investigation No. I.95-05-047), on behalf of Pacific Bell, "Incentive Regulation and Competition: Issues for the 1995 Incentive Regulation Review," (with R.L. Schmalensee and T.J. Tardiff). Filed September 8, 1995, reply testimony filed September 18, 1995.
22. California Public Utilities Commission, (U 1015 C) on behalf of Roseville Telephone Company, testimony regarding productivity measures in Roseville's proposed new regulatory framework. Filed May 15, 1995. Rebuttal testimony filed January 12, 1996.
23. California Public Utilities Commission, on behalf of Pacific Bell: Comments on the economic principles for updating Pacific Bell's price cap plan. Filed February 2, 1998.
24. California Public Utilities Commission, on behalf of Pacific Bell: reply comments regarding proposed changes to the price cap plan, filed June 19, 1998.
25. California Public Utilities Commission on behalf of California American Water Company, RWE AG, Thames Water Aqua Holding GmbH, Thames Water Plc and Apollo Acquisition Company, economic support regarding the merger between American Water Company and Thames Water, direct testimony filed May 17, 2002, rebuttal testimony filed July 15, 2002.

6. Colorado

26. Colorado Public Utilities Commission (Docket No. 97A-540T), on behalf of U S WEST: testimony concerning the economic effects of a proposed price regulation plan. Direct testimony filed January 30, 1998. Rebuttal testimony filed May 14, 1998.
27. Colorado Public Utilities Commission (Docket No. 99A-001T), on behalf of US WEST, regarding US WEST's interconnection arbitration with AirTouch Paging in Colorado. Rebuttal testimony filed March 15, 1999.
28. Colorado Public Utilities Commission (Docket No. 99A-407T), on behalf of US West Communications, Inc., rebuttal testimony regarding the effects of the proposed Qwest-US West merger on economic welfare, filed December 7, 1999.
29. Colorado Public Utilities Commission (Docket No. 00B-011T), on behalf of US West Communications, Inc., direct testimony regarding intercarrier compensation for Internet-bound traffic. Filed March 28, 2000.
30. Colorado Public Utilities Commission (Docket No. 00B-103T), on behalf of US West Communications, Inc., rebuttal testimony regarding intercarrier compensation for Internet-bound traffic in arbitration with ICG. Filed June 19, 2000.
31. Colorado Public Utilities Commission (Docket No. 00B-601T), on behalf of Qwest. Rebuttal testimony regarding intercarrier compensation for internet-bound traffic in arbitration with Level 3. Filed January 16, 2001.

7. Connecticut

32. State of Connecticut, Department of Public Utility Control, (DPUC Docket No. 95-03-01) on behalf of Southern New England Telephone Company, testimony concerning productivity growth targets in a proposed state price cap regulation plan. Filed June 19, 1995.
33. State of Connecticut, Department of Public Utility Control, (DPUC Docket No. 95-06-17) on behalf of Southern New England Telephone Company: testimony concerning economic principles of costing and cost recovery. Filed July 23, 1996.
34. Connecticut Department of Public Utilities (DPUC Docket No. 96-09-22), on behalf of the Southern New England Telephone Company. Rebuttal testimony regarding alternative models of cost. Filed January 24, 1997.
35. Connecticut Department of Public Utilities (DPUC Docket No. 96-11-03), on behalf of the Woodbury Telephone Company, statement regarding the effects of resale and the provision of unbundled network elements on a rural telephone company. Filed February 11, 1997.
36. State of Connecticut, Department of Public Utility Control (Docket Nos. 95-03-01,95-06-17 and 96-09-22), on behalf of Southern New England Telephone Company: direct testimony discussing economic principles the DPUC should use in evaluating SNET's joint and common overhead and network support expenses. Filed August 29, 1997. Rebuttal testimony filed December 17, 1998.
37. State of Connecticut, Department of Public Utility Control (Docket No. 96-04-07) on behalf of Southern New England Telephone Company: direct testimony regarding economic principles guiding

access charge reform. Filed October 16, 1997.
38. State of Connecticut, Department of Public Utility Control (Docket No. 98-02-33), on behalf of Southern New England Telephone Company: direct testimony regarding reclassification of custom calling services as emerging competitive. Filed February 27, 1998.
39. Connecticut Department of Public Utility Control, on behalf of SBC Communications Inc. and Southern New England Telecommunications Corporation: direct testimony regarding the SBC-SNET merger, filed June 1, 1998.
40. Connecticut Department of Public Utility Control (Docket No. 95-06-17RE02), on behalf of The Southern New England Telephone Company, rebuttal testimony regarding local competition and reseller market. Filed June 8, 1999.
41. Connecticut Department of Public Utilities (Docket No. 99-03-17), on behalf of The Southern New England Telephone Company, rebuttal testimony regarding market power and termination liabilities in contracts. Filed June 18, 1999.
42. Connecticut Department of Public Utilities (Docket No. 00-07-17), on behalf of The Southern New England Telephone Company, testimony regarding local competition and pricing. Filed November 21, 2000.

8. Delaware

43. Delaware Public Service Commission (Docket No. 86-20, Phase II) on behalf of The Diamond State Telephone Company: appropriate costing and pricing methods for a regulated firm facing competition. Filed March 31, 1989. Rebuttal testimony filed November 17, 1989.
44. Delaware Public Service Commission (Docket No. 89-24T) on behalf of The Diamond State Telephone Company: rebuttal testimony describing the appropriate costing and pricing methods for the provision of contract Centrex services by a local exchange carrier. Filed August 17, 1990.
45. Delaware Public Utilities Commission, (Docket No. 33), on behalf of Diamond State Telephone Company, "Incentive Regulation of Telecommunications Utilities in Delaware," filed June 22, 1992.
46. Delaware Public Utilities Commission, (Docket No. 33), on behalf of Diamond State Telephone Company, analysis of productivity growth and a proposed incentive regulation plan: "Reply Comments," June 1, 1993, "Supplementary Statement," June 7, 1993, "Second Supplementary Statement," June 14, 1993.
47. Delaware Public Utilities Commission, (Docket No. 42), on behalf of Bell Atlantic - Delaware, rebuttal testimony concerning the historical effects of equal access competition in interstate toll markets and the likely future effects of competition under 1+ presubscription in Delaware. Filed October 21, 1994.
48. Delaware Public Utilities Commission, on behalf of Bell Atlantic - Delaware, direct testimony regarding costs and pricing of interconnection and network elements. Filed December 16,1996. Rebuttal testimony (proprietary) filed February 11, 1997.
49. Delaware Public Utilities Commission, on behalf of Bell Atlantic - Delaware: statement regarding costs and benefits from Bell Atlantic entry into interLATA telecommunications markets. Filed

February 26, 1997. Rebuttal testimony filed April 28, 1997.
50. Delaware Public Service Commission (PSC Docket No. 00-205), on behalf of Bell Atlantic - Delaware, direct testimony responding to the Petition for Arbitration of Focal Communications Group. Filed April 25, 2000.

9. District of Columbia

51. Affidavit to the U.S. District Court for the District of Columbia on behalf of Bell Atlantic Corporation in *United States of America v. Western Electric Company, Inc. and American Telephone and Telegraph Company*, re relief from the interLATA restrictions of the MFJ in connection with the pending merger with Tele-Communications, Inc. and Liberty Media Corporation. Filed January 14, 1994, (with A.E. Kahn).
52. Affidavit to the U.S. District Court for the District of Columbia on behalf of Southwestern Bell in *United States of America v. Western Electric Company, Inc. and American Telephone and Telegraph Company*, regarding provision of telecommunications and information services across LATA boundaries outside the regions in which its local exchange operations are located. Filed May 13, 1994, (with A.E. Kahn).
53. District of Columbia, Public Service Commission (Case No. 962), on behalf of Bell Atlantic - Washington, D.C., direct testimony regarding costing and pricing of interconnection and network elements. Filed January 17, 1997. Rebuttal testimony filed May 2, 1997.
54. Public Service Commission of the District of Columbia (Case No. 962), on behalf of Bell Atlantic - Washington, D.C., direct testimony regarding costing and pricing of interconnection and network elements. Filed July 16, 2001. Rebuttal testimony filed January 11, 2002.
55. United States District Court for the District of Columbia, (MDL No. 1285, Misc. No 99-0197 (TFH)), Declaration regarding statistical issues in measuring damages from price fixing in the vitamin industry, filed October 31, 2002.

10. Florida

56. Florida Public Service Commission (Docket No. 820537-TP) on behalf of Southern Bell Telephone and Telegraph Company: economic analysis of premium intraLATA access charges. Filed July 22, 1983.
57. Florida Public Service Commission (Docket No. 820400-TP) on behalf of Southern Bell Telephone and Telegraph Company: economic principles underlying a proposed method for calculating marginal costs for private line services. Filed June 25, 1986.
58. Florida Public Service Commission (Docket No. 880069-TL) on behalf of Southern Bell Telephone and Telegraph Company: economic incentives for firms under the proposed Florida Rate Stabilization Plan. Filed June 10, 1988.
59. Florida Public Service Commission (Docket No. 900633-TL) on behalf of Southern Bell Telephone and Telegraph Company: alternative measures of cross-subsidization. May 9, 1991.
60. Florida Public Service Commission (Docket No. 920260-TL) on behalf of Southern Bell

Telephone and Telegraph Company: economic analysis of a proposed price cap regulation plan. December 18, 1992.
61. Florida Public Service Commission (Docket No. 920385-TL) on behalf of Southern Bell Telephone and Telegraph Company: the economic relationship between depreciation rates, investment, and infrastructure development. September 3, 1992.
62. Florida Public Service Commission on behalf of BellSouth, "Local Telecommunications Competition: An Evaluation of a Proposal by the Communications Staff of the Florida Public Service Commission," filed November 21, 1997 (with A. Banerjee).
63. Florida Public Service Commission (Docket No. 980000-SP) on behalf of BellSouth Telecommunications, Inc.: "Costing and Pricing Principles for Determining Fair and Reasonable Rates Under Competition," economic principles for pricing local exchange services, filed September 24, 1998.
64. Florida Public Service Commission (Docket No. 980000-SP) on behalf of BellSouth Telecommunications, Inc.: "Determining Fair and Reasonable Rates Under Competition: Response to Major Themes at the FPSC Workshop," economic principles for pricing local exchange services, filed November 13, 1998.
65. Florida Public Service Commission (Docket No. 980696-TP) on behalf of BellSouth Telecommunications, Inc.: rebuttal testimony regarding measurements of cost for sizing a universal service fund, filed September 2, 1998.
66. Florida Public Service Commission (Docket No. 990750-TP), on behalf of BellSouth Telecommunications, rebuttal testimony regarding intercarrier compensation for Internet-bound traffic, filed September 13, 1999.
67. Florida Public Service Commission (Docket No. 000075-TP) on behalf BellSouth Telecommunications, Inc.: rebuttal testimony regarding intercarrier compensation for Internet-bound traffic, filed January 10, 2001.
68. Florida Public Service Commission (Docket No000121-TP) on behalf BellSouth Telecommunications, Inc.: direct testimony regarding properties of a service quality performance assurance plan. Filed March 1, 2001. Rebuttal filed March 21, 2001.
69. Florida Public Service Commission (Docket No. 000075-TP) on behalf BellSouth Telecommunications, Inc., rebuttal testimony regarding efficient intercarrier compensation, filed April 12, 2001.
70. Florida Public Service Commission (Docket No. 960786-TL) on behalf BellSouth Telecommunications, Inc.: surrebuttal testimony regarding the state of local competition in Florida, filed August 20, 2001.
71. Florida Public Service Commission (Docket Nos. 020119-TP and 020578-TP) on behalf of BellSouth Telecommunications, Inc., regarding competitive promotional offerings. Direct testimony filed October 23, 2002, rebuttal filed November 25, 2002.

11. Georgia

72. Georgia Public Service Commission (Docket No. 3882-U) on behalf of Southern Bell Telephone and Telegraph Company: analysis of incentive regulation plans. Filed September 29, 1989.
73. Georgia Public Service Commission (Docket No. 6863-U) on behalf of BellSouth Long Distance, Inc., direct testimony concerning benefits from BellSouth participation in long distance service markets. Filed January 3, 1997. Rebuttal testimony filed February 24, 1997.
74. Georgia Public Service Commission (Docket No. 10767-U), on behalf of BellSouth Telecommunications, rebuttal testimony regarding intercarrier compensation for Internet-bound traffic, filed October 25, 1999.
75. Georgia Public Service Commission (Docket No. 10854-U), on behalf of BellSouth Telecommunications, direct testimony regarding intercarrier compensation for Internet-bound traffic, filed November 15, 1999, rebuttal testimony filed November 22, 1999.
76. Georgia Public Service Commission (Docket No. 7892-U), on behalf of BellSouth Telecommunications, rebuttal testimony regarding implementation of service quality standards, filed June 27, 2000.
77. CPR Institute for Dispute Resolution Arbitral Tribunal, Rebuttal Affidavit in Arbitrations III and IV between BellSouth Telecommunications and Supra Telecommunications & Information Systems. Filed November 5, 2001.
78. Georgia Public Service Commission (Docket No. 11901-U) on behalf of BellSouth Telecommunications, Inc., regarding the provision of DSL service to competitors' voice customers. Rebuttal testimony filed November 8, 2002.

12. Idaho

79. Idaho Public Utilities Commission (Case No. GST-T-99-1), on behalf of US West Communications, Inc., direct testimony regarding intercarrier compensation for ISP-bound traffic, November 22, 1999, rebuttal testimony filed December 2, 1999.

13. Illinois

80. Illinois Commerce Commission (Docket No. 88-0412) on behalf of Illinois Bell Telephone Company: analysis of pricing issues for public telephone service. Filed August 3, 1990. Surrebuttal testimony filed December 9, 1991.
81. United States Bankruptcy Court, Northern District of Illinois, Eastern Division Telesphere Liquidating Trust vs. Francesco Galesi, Adv. Proc. Nos. 95 A 1051 & 99 A 131: expert opinion regarding the condition of alternative operator service provider and 900 service markets. Report filed August 23, 2002.

14. Iowa

82. Iowa Utilities Board, on behalf of US West Inc. & Qwest Communications Intl, Inc., rebuttal testimony regarding public interest effects of the proposed merger, filed December 23, 1999.

15. Kentucky

83. Kentucky Public Service Commission on behalf of South Central Bell Telephone Company, testimony concerning telecommunications productivity growth and price cap plans, April 18, 1995.
84. Kentucky Public Service Commission (Administrative Case No. 96-608) on behalf of BellSouth Long Distance, Inc., testimony regarding the economic effects of BellSouth entry into interLATA services. Filed April 14, 1997. Rebuttal testimony filed April 28, 1997, supplemental rebuttal testimony filed August 15, 1997.
85. Kentucky Public Service Commission (Docket No. 98-292), on behalf of Cincinnati Bell Telephone Company, direct testimony regarding proposed price regulation plan containing earnings sharing requirements. Filed April 5, 1999.
86. Kentucky Public Service Commission (Docket No. 99-218), on behalf of BellSouth Telecommunications, direct testimony regarding intercarrier compensation for Internet-bound traffic, filed October 21, 1999. Rebuttal testimony filed November 19, 1999.
87. Kentucky Public Service Commission (Docket No. 99-296), on behalf of GTE & Bell Atlantic, direct testimony on the effects of the Bell Atlantic-GTE merger on competition in Kentucky and on the benchmarking abilities of regulators. Filed July 9, 1999, rebuttal testimony filed August 20, 1999.
88. Kentucky Public Service Commission (Docket No. 2001-105), on behalf of BellSouth Telecommunications, Inc.: local competition in Kentucky and BellSouth's performance measurements plan to support its application for interLATA authority. Rebuttal testimony filed July 30, 2001. Surrebuttal testimony filed September 10, 2001.

16. Louisiana

89. Louisiana Public Service Commission (Docket No. U-17949, Subdocket E) on behalf of South Central Bell Telephone Company, rebuttal testimony concerning productivity growth accounting and other aspects of a price regulation plan, July 24, 1995.
90. Louisiana Public Service Commission (Docket No. U-17949, Subdocket E) on behalf of South Central Bell Telephone Company, supplemental and rebuttal testimony concerning economic issues in depreciation accounting in the presence of competition and price cap regulation, November 17, 1995. Surrebuttal testimony, December 13, 1995, Further Surrebuttal testimony, January 12, 1996.
91. Louisiana Public Service Commission (Docket No. U-20883) on behalf of South Central Bell Telephone Company, "Price Regulation and Local Competition in Louisiana," affidavit evaluating a framework for local competition and price regulation in Louisiana, November 21, 1995.
92. Louisiana Public Service Commission (Docket No. U-20883, Subdocket A) on behalf of South Central Bell Telephone Company, rebuttal testimony concerning methods for measuring the cost of

providing universal service, August 16, 1995.
93. Louisiana Public Service Commission (Docket No. U-U-22020) on behalf of South Central Bell Telephone Company, testimony concerning economic principles determining wholesale prices for resold services. Filed August 30 1996. Rebuttal testimony filed September 13, 1996.
94. Louisiana Public Service Commission, on behalf of BellSouth Long Distance, Inc. (Docket No. U-22252), direct testimony regarding the probable economic benefits to consumers in Louisiana from entry by BellSouth into the interLATA long distance market. Filed March 14, 1997. Rebuttal testimony filed May 2, 1997. Supplemental testimony filed May 27, 1997.
95. Louisiana Public Service Commission (Docket No. U-24206), on behalf of BellSouth Telecommunications, direct testimony regarding intercarrier compensation for Internet-bound traffic. Filed September 3, 1999, rebuttal filed September 17, 1999.
96. Louisiana Public Service Commission (Docket No. U-22632) on behalf of BellSouth Telecommunications, rebuttal testimony concerning payphone access services, July 17,2000.
97. Louisiana Public Service Commission (Docket No. U-22252, Subdocket E), on behalf of BellSouth Telecommunications, economic properties of service quality penalty plans. Reply affidavit filed June 25, 2001.

17. Maine

98. State of Maine Public Utilities Commission (Docket No. 89-397) on behalf of New England Telephone & Telegraph Company: theoretical and historical analysis of incentive regulation in telecommunications, entitled "Incentive Regulation in Telecommunications," filed June 15, 1990.
99. State of Maine Public Utilities Commission (Docket Nos. 94-123/94-254) on behalf of New England Telephone & Telegraph Company: analysis of appropriate parameters for a price regulation plan. Filed December 13, 1994. Rebuttal testimony filed January 13, 1995.
100. Maine Public Utilities Commission (Docket No. 96-388) on behalf of NYNEX, testimony regarding the economic effects of the proposed merger between Bell Atlantic and NYNEX, Direct Testimony filed September 6, 1996. Rebuttal Testimony filed October 30, 1996.
101. Maine Public Utilities Commission (Docket No. 97-505) on behalf of NYNEX: direct testimony regarding economic principles for setting prices and estimating costs for interconnection. Filed April 21, 1997. Rebuttal testimony filed October 21, 1997.
102. Maine Public Utilities Commission on behalf of NYNEX: affidavit regarding competitive effects of NYNEX entry into interLATA markets. Filed May 27,1997 (with Kenneth Gordon, Richard Schmalensee and Harold Ware).
103. Maine Public Utilities Commission (Docket No. 99-851) on behalf of Verizon: direct testimony regarding the review of Maine's alternative regulation plan. Filed January 8, 2001. Rebuttal filed February 12, 2001.

18. Maryland

104. Maryland Public Service Commission (Case No. 8462) on behalf of The Chesapeake and Potomac Telephone Company of Maryland: competition and the appropriate regulatory treatment of Yellow Pages. Filed October 2, 1992.

105. Maryland Public Service Commission (Case No. 8584) on behalf of The Chesapeake and Potomac Telephone Company of Maryland: appropriate pricing and regulatory treatment of interconnection to permit competition for local service. Filed November 19, 1993, (with A.E. Kahn). Rebuttal testimony filed January 10, 1994, surrebuttal testimony filed January 24, 1994.

106. Maryland Public Service Commission (Case No. 8584, Phase II) on behalf of Bell Atlantic - Maryland: geographically deaveraged incremental and embedded costs of service. Filed December 15, 1994. Additional direct testimony concerning efficient rate structures for interconnection pricing filed May 5, 1995. Rebuttal testimony filed June 30, 1995.

107. Maryland Public Service Commission (Case No. 8659) on behalf of Bell Atlantic - Maryland: appropriate pricing of interconnection among competing local exchange carriers. Filed November 9, 1994.

108. *FreBon International Corp. vs. BA Corp. Civil Action*, No. 94-324 (GK): Defendants' Amended Expert Disclosure Statement, regarding markets for teleconferencing services. Filed under seal February 15, 1996.

109. Maryland Public Service Commission (Case No. 8715), on behalf of Bell Atlantic - Maryland: rebuttal testimony on the economic criteria for the reclassification of telecommunications services. Filed March 14, 1996, surrebuttal testimony filed April 1, 1996.

110. Maryland Public Service Commission, on behalf of Bell Atlantic-Maryland, (Case No. 8731-II), statement regarding costing and pricing of interconnection and unbundled network elements. Filed January 10, 1997. Rebuttal testimony filed April 4, 1997.

111. Maryland Public Service Commission, on behalf of Bell Atlantic - Maryland: statement regarding consumer benefits from Bell Atlantic's provision of interLATA service, filed March 14, 1997.

112. Maryland Public Service Commission (Case No. 8786), on behalf of Bell Atlantic - Maryland: rebuttal testimony regarding economic principles underlying costs and prices for non-recurring services and access to operations support systems. Filed November 16, 1998.

113. Maryland Public Service Commission (Case No. 8745), direct testimony on behalf of Verizon Maryland Inc. regarding efficient pricing of carrier access charges. Filed March 23, 2001. Rebuttal filed May 21, 2001. Surrebuttal filed June 11, 2001.

114. Before the Public Service Commission of Maryland (Case No. 8879), direct testimony on behalf of Verizon Maryland Inc. regarding costing principles for network elements. Filed May 25, 2001. Rebuttal testimony filed September 5, 2001. Surrebuttal filed October 15, 2001.

19. Massachusetts

115. Massachusetts Department of Public Utilities (Docket No. D.P.U. 94-50), on behalf of

NYNEX: analysis of appropriate parameters for a price regulation plan. Filed April 14, 1994. Rebuttal testimony filed October 26, 1994.

116. Massachusetts Department of Public Utilities (Docket No. D.P.U. 94-185) on behalf of NYNEX: economic analysis of terms and conditions for efficient local competition. Filed May 19, 1995. Rebuttal testimony filed August 23, 1995.

117. Affidavit to the Superior Court Department of the Trial Court (Civil Action No. 95-6363F), on behalf of New England Telephone and Telegraph Company, d/b/a NYNEX: in opposition to Plaintiffs' Motion for Class Certification. Filed July 1996.

118. Massachusetts Department of Public Utilities (Docket Nos. D.P.U. 96-73/74, 96-75, 96-80/81, 96-83, 96-94) on behalf of NYNEX: economic analysis of costs avoided from resale of local exchange services. Testimony filed September 27, 1996. Rebuttal Testimony filed October 16, 1996.

119. Massachusetts Department of Public Utilities (Docket Nos. D.P.U. 96-73/74, 96-75, 96-80/81, 96-83, 96-94) on behalf of NYNEX: Arbitration of interconnection agreements under the Telecommunications Act of 1996. Filed October 11, 1996. Rebuttal Testimony filed October 30, 1996.

120. Massachusetts Department of Public Utilities (Docket No. DTE 98-15), on behalf of Bell Atlantic – MA: direct testimony regarding the method used to determine wholesale (avoided cost) discount that applies to resold retail services. Filed January 16, 1998.

121. Massachusetts Department of Public Utilities (Docket No. D.P.U./D.T.E. 94-185-C) on behalf of Bell Atlantic: economic analysis of the usefulness of a regulatory price floor for wholesale services. Affidavit filed February 6, 1998. Reply Affidavit filed February 19, 1998.

122. Massachusetts Department of Telecommunications and Energy (D.P.U. 96-3/74, 96-75, 96-80/81, 96-83, & 96-94), on behalf of Bell Atlantic – Massachusetts: rebuttal testimony discussing the types of costs for OSSs, filed April 29, 1998.

123. Massachusetts Department of Tele communications and Energy (Docket No. 85-15, Phase III, Part 1), on behalf of Bell Atlantic – Massachusetts: rebuttal testimony discussing appropriate forward-looking technology for costing network elements, filed August 31, 1998.

124. Massachusetts Department of Telecommunications and Energy (Docket No. 98-15, Phase II), on behalf of Bell Atlantic – Massachusetts: rebuttal testimony concerning the avoided costs of resold services, filed September 8, 1998.

125. Massachusetts Department of Telecommunications and Energy (Docket No. 98-67), on behalf of Bell Atlantic-Massachusetts: direct testimony regarding regulatory rules/economic principles pertaining to exogenous adjustment factors in Bell Atlantic's price cap formula, filed September 25, 1998.

126. Massachusetts Department of Telecommunications and Energy (Docket No. 98-85), on behalf of Bell Atlantic-Massachusetts: direct testimony regarding efficiency changes from intraLATA presubscription, filed October 20, 1998.

127. Massachusetts Department of Telecommunications and Energy (Docket No. D.T.E. 97-116-B), on behalf of Bell Atlantic-Massachusetts, affidavit regarding consequences for economic efficiency of different intercarrier compensation rules for ISP-bound traffic. Filed March 29, 1999.

128. Massachusetts Department of Telecommunications & Energy (Docket No. 94-185-E), on behalf of Bell Atlantic, rebuttal testimony re: inclusion of overhead costs in the calculation of price floors for BA-MA services. Filed July 26, 1999.
129. Massachusetts Department of Telecommunications and Energy (Docket DTE –1-20), on behalf of Verizon New England Inc., D/B/A/ Verizon Massachusetts, direct testimony regarding cost concepts and pricing principals for UNEs, filed May 4, 2001. Rebuttal testimony filed December 17, 2001.
130. Massachusetts Department of Telecommunications and Energy, testimony on behalf of Verizon New England Inc. d/b/a/ Verizon Massachusetts, regarding benefits of alternative regulation in Massachusetts since adoption of price cap plan.. Filed April 12, 2001. Rebuttal testimony filed September 21, 2001. Reply filed November 14, 2001.

20. Michigan

131. Testimony before the Michigan Circuit Court (Case No. 87-709234-CE and 87-709232-CE) on behalf of Combustion Engineering, Inc., in *Her Majesty the Queen, et al., v. Greater Detroit Resource Recovery Authority, et al.*, re statistical analysis of air pollution data to determine emissions limits for the Detroit municipal waste-to-energy facility, February, 1992.
132. Michigan Public Service Commission (Case No. U-11756), on behalf of Ameritech Michigan: direct testimony regarding efficient prices for services supplied to independent phone payers, filed October 9, 1998.

21. Minnesota

133. Minnesota Public Utilities Commission (Docket No. P3009, 3052, 5096, 421, 3017/PA-99-1192), on behalf of US WEST Communications, Inc., rebuttal affidavit regarding the effects of the proposed Qwest-US West merger on economic welfare. Filed January 14, 2000.
134. Minnesota Public Utilities Commission (Docket No. P3009, 3052, 5096, 421, 3017/PA-99-1192), direct testimony regarding the effects of the proposed Qwest-US West merger on economic welfare. Filed March 29, 2000.
135. Minnesota Public Utilities Commission (PUC Docket No. P-421/C1-01-1372, OAH Docket No. 7-2500-14487-2) on behalf of Qwest Corporation, economic aspects of separate affiliate requirements, affidavit filed December 28, 2001, Surrebuttal Affidavit filed January 16, 2002.

22. Mississippi

136. Mississippi Public Service Commission (Docket No. 95-UA-313) on behalf of BellSouth Telecommunications, Inc. d/b/a South Central Bell Telephone Company, rebuttal testimony addressing cost issues, as they pertain to price regulation raised in the direct testimony by intervenors. Filed

October 13, 1995.

137. Mississippi Public Service Commission (Docket No. 95-UA-358) on behalf of BellSouth Telecommunications, Inc. d/b/a South Central Bell Telephone Company, testimony regarding universal service fund issues. Filed January 17, 1996. Rebuttal testimony filed February 28, 1996.

138. Mississippi Public Service Commission (Docket No. 97-AD-0321), on behalf of BellSouth Long Distance, Inc., direct testimony regarding the likely economic benefits to consumers in Mississippi from entry by BellSouth into the interLATA long distance market. Filed July 1, 1997. Rebuttal testimony filed September 29, 1997.

139. Mississippi Public Service Commission (Docket No. 97-AD-544), on behalf of BellSouth Telecommunications: rebuttal testimony regarding economic issues of costing and pricing unbundled network elements. Filed March 13, 1998.

140. Mississippi Public Service Commission (Docket No. 98-AD-035), on behalf of BellSouth Telecommunications: direct testimony regarding universal service funding and price benchmark issues. Filed February 23, 1998, rebuttal testimony filed March 6, 1998.

141. Mississippi Public Service Commission (Docket No. 99-AD-421), on behalf of BellSouth Telecommunications, direct testimony regarding intercarrier compensation for Internet-bound traffic, filed October 20, 1999. Rebuttal testimony filed November 12, 1999.

142. Mississippi Public Service Commission (Docket No. 97-AD-321), on behalf of BellSouth Telecommunications, Inc.: local competition in Mississippi and BellSouth's performance measurements plan to support its application for interLATA authority. Rebuttal testimony filed August 2, 2001.

23. Montana

143. Montana Public Service Commission (Docket No. 90.8.46) on behalf of US West Communications: theoretical and historical analysis of incentive regulation plans in telecommunications. Filed October 4, 1990.

144. Montana Public Service Commission (Docket No. 90.12.86) on behalf of US West Communications: economic analysis of a proposed incentive regulation plan. Filed November 4, 1991. Additional testimony filed January 15, 1992.

145. Montana Public Service Commission (Docket No. D99.8.200), on behalf of US West Communications, Inc., rebuttal testimony regarding the effects of the proposed Qwest-US West merger on economic welfare. Filed February 22, 2000.

146. Montana Department of Public Service Regulation (Docket No. D2000.6.89), on behalf of US West Communications, Inc., direct testimony regarding efficient intercarrier compensation for Internet-bound traffic. Filed July 24, 2000. Rebuttal testimony filed February 7, 2001.

147. Montana Department of Public Service Regulation (Docket No. D2000.8.124), on behalf of Qwest Corporation., direct testimony in arbitration with TouchAmerica regarding efficient intercarrier compensation for Internet-bound traffic. Filed October 20, 2000. Rebuttal testimony filed December20, 2000.

24. Nebraska

148. Nebraska Public Service Commission, on behalf of US WEST, (Application No. C-1628), economic analysis of local exchange and exchange access pricing, direct testimony filed October 20, 1998; reply testimony filed November 20, 1998.

149. Nebraska Public Service Commission, *In the Matter of the Petition of Sprint Communications Company L.P. for Arbitration of Interconnection Rates, Terms, Conditions, and Related Arrangements with U S WEST Communications, Inc. N/K/A Qwest Corporation,* (Docket No. C-2328), Direct testimony regarding intercarrier compensation for Internet-bound traffic filed September 25, 2000. Rebuttal testimony filed October 4, 2000.

25. Nevada

150. United States District Court, District of Nevada (Case No. CV-S-99-1796-KJD(RJJ) on behalf of Broadwing Communications Services, Inc., affidavit regarding damages from alleged misuse of trade secret information. Filed December 28, 2000.

26. New Hampshire

151. New Hampshire Public Service Commission (Docket 89-010)) on behalf of New England Telephone & Telegraph Company: appropriate level and structure of productivity adjustments in a proposed price regulation plan. Filed March 3, 1989.

152. New Hampshire Public Service Commission, (Docket DE 90-002), on behalf of New England Telephone & Telegraph Company: the appropriate relationship between carrier access and toll prices. Filed May 1, 1992. Reply testimony filed July 10, 1992. Rebuttal testimony filed August 21, 1992.

153. Science, Technology and Energy Committee of the New Hampshire House of Representatives on behalf of New England Telephone Company, "An Economic Perspective on New Hampshire Senate Bill 77," an analysis of resale of intraLATA toll services. April 6, 1993

154. New Hampshire Public Service Commission, (Docket DE 96-252) on behalf of NYNEX: economic analysis of costs avoided from resale of local exchange services. Filed October 1, 1996.

155. New Hampshire Public Service Commission (Docket DE 96-220) on behalf of NYNEX, testimony regarding the economic effects of the proposed merger between Bell Atlantic and NYNEX. Filed October 10, 1996.

156. New Hampshire Public Service Commission, (Docket DE 96-252) on behalf of NYNEX: Arbitration of interconnection agreements under the Telecommunications Act of 1996. Filed October 23, 1996.

157. New Hampshire Public Service Commission (Docket No. 97-171, Phase II), on behalf of Bell

Atlantic – New Hampshire: direct testimony discussing the basic economic principles regarding costs and prices of interconnection and unbundled network elements, filed March 13, 1998. Rebuttal filed April 17, 1998.

158. New Hampshire Public Utilities Commission (Docket No. 99-018), on behalf of Bell Atlantic, direct testimony regarding the use of Total Element Long Run Incremental Cost (TELRIC) methodology as the basis for prices in special contracts. Filed April 7, 1999. Rebuttal testimony filed April 23, 1999.

27. New Jersey

159. New Jersey Board of Public Utilities (Docket No. TX90050349) on behalf of New Jersey Bell Telephone Company: theoretical and empirical analysis of the Board's intraLATA compensation policy. Filed December 6, 1990.

160. New Jersey Board of Regulatory Commissioners, (Docket No. TX93060259), Affidavit analyzing statistical evidence regarding the effect of intraLATA competition on telephone prices. Filed October 1, 1993.

161. New Jersey Board of Public Utilities (Docket Nos. TX90050349, TE92111047, TE93060211) on behalf of Bell Atlantic-New Jersey: economic impacts of intraLATA toll competition and regulatory changes required to accommodate competition. Filed April 7, 1994. Rebuttal testimony filed April 25, 1994. Summary Affidavit and Technical Affidavit filed April 19, 1994.

162. New Jersey Board of Public Utilities (Docket No. TX94090388) on behalf of Bell Atlantic - New Jersey: economic analysis of issues regarding proposed presubscription for intraLATA toll traffic in New Jersey. Amended direct testimony filed April 17, 1995. Rebuttal Testimony filed May 31, 1995.

163. New Jersey Board of Public Utilities on behalf of Bell Atlantic - New Jersey: "Economic Competition in Local Exchange Markets," position paper on the economics of local exchange competition filed in connection with arbitration proceedings, August 9, 1996 (with Kenneth Gordon and Alfred E. Kahn).

164. New Jersey Board of Public Utilities (Docket No. TX95120631) on behalf of Bell Atlantic - New Jersey, incremental costs of residential basic exchange service. Filed August 15, 1996. Rebuttal testimony filed August 30, 1996.

165. New Jersey Board of Public Utilities (Docket No. TO96070519) on behalf of Bell Atlantic - New Jersey: evaluation of proxy models of the incremental cost of unbundled network elements, testimony filed September 18, 1996.

166. New Jersey Board of Public Utilities (Docket No. TX95120631) on behalf of Bell Atlantic - New Jersey: economic analysis of the avoided costs from resale of local exchange services. Rebuttal testimony filed September 27, 1996.

167. New Jersey Board of Public Utilities (Docket No. T096080621: MCI/Bell Atlantic Arbitration) on behalf of Bell Atlantic-New Jersey. Rebuttal testimony concerning the pricing of unbundled network elements, November 7, 1996.

168. New Jersey Board of Public Utilities on behalf of Bell Atlantic - New Jersey (Docket No. T097030166) economic analysis of costs and benefits from Bell Atlantic provision of interLATA services, statement filed March 3, 1997, reply affidavit filed May 15, 1997.

169. New Jersey Board of Public Utilities (Docket No. TX95120631) on behalf of Bell Atlantic - New Jersey: economic analysis of proposed universal service funds. Direct testimony filed September 24, 1997. Rebuttal testimony filed October 18, 1997.

170. New Jersey Board of Public Utilities (BPU Docket No. TO97100808, OAL Docket No. PUCOT 11326-97N) on behalf of Bell Atlantic - New Jersey: economic analysis of imputation rules for long distance services. Direct testimony filed July 8, 1998, rebuttal testimony filed September 18, 1998.

171. The New Jersey Board of Public Utilities (OAL DOCKET Nos. PUCOT 11269-97N, PUCOT 11357-97N, PUCOT 01186-94N AND PUCOT 09917-98N) on behalf of Bell Atlantic - New Jersey: economic issues regarding alleged subsidization of payphone services. Rebuttal testimony filed March 8, 1999; surrebuttal testimony filed June 21, 1999.

172. New Jersey Board of Public Utilities (Docket No. TO 00031063), on behalf of Bell Atlantic - New Jersey, direct testimony regarding the measurement of economic costs of ISP-bound traffic and economic issues concerning intercarrier compensation for such traffic. Filed April 28, 2000. Rebuttal testimony filed May 5, 2000.

173. New Jersey Board of Public Utilities (Docket No. TO 99120934), on behalf of Bell Atlantic - New Jersey, direct testimony regarding reclassification of services as competitive. Filed May 18, 2000.

174. New Jersey Board of Public Utilities (Docket No. TO00060356), on behalf of Bell Atlantic - New Jersey, affidavit regarding the measurement of economic costs for unbundled network elements. Filed July 28, 2000.

175. The New Jersey Board of Public Utilities (Docket No. TO01020095), on behalf of Verizon-New Jersey, panel testimony regarding parameters in an incentive regulation plan. Filed February 15, 2001. Rebuttal filed June 15, 2001. Supplemental rebuttal filed September 25, 2001.

176. The New Jersey Board of Public Utilities (Docket No. TO01020095), on behalf of Verizon-New Jersey, panel testimony regarding measurement of cross-subsidies. Filed February 15, 2001. Rebuttal filed June 15, 2001.

177. The New Jersey Board of Public Utilities (Docket No. TO01020095), on behalf of Verizon-New Jersey, panel testimony regarding reclassification of business services as competitive. Filed February 15, 2001. Rebuttal filed June 15, 2001.

28. New Mexico

178. New Mexico Public Regulation Commission (Case No. 3131), On behalf of U S WEST Communications, direct testimony regarding intercarrier compensation for Internet-bound traffic, filed October 14, 1999. Rebuttal testimony filed October 18, 1999.

179. New Mexico Public Regulation Commission (Utility Case No. 3147), on behalf of US West

Communications, Inc., direct testimony regarding efficient pricing and policies towards investment and new service implementation, filed December 6, 1999, rebuttal testimony filed December 28, 1999.
180. New Mexico Public Regulation Commission, on behalf of US West Communications, Inc., direct testimony regarding pricing flexible and alternatives to rate of return regulation, filed December 10, 1999.
181. New Mexico Public Regulation Commission (Case No. 3008), On behalf of U S WEST Communications, rebuttal testimony regarding local exchange rate levels and structure, filed May 19, 2000.
182. New Mexico Public Regulation Commission (Case No. 3225), on behalf of Qwest Corporation, direct testimony regarding the subsidy in existing telephone rates. Filed August 18, 2000.
183. New Mexico Public Regulation Commission (Case No. 3300), on behalf of Valor Telecommunications of New Mexico, LLC, rebuttal testimony regarding the subsidy in existing telephone rates. Filed October 19, 2000.

29. New York

184. New York State Public Service Commission (Case 28961 - Fifth Stage) on behalf of New York Telephone Company: appropriate level and structure of productivity adjustments in a proposed price regulation plan. Filed September 15, 1989.
185. Testimony before the United States District Court, Eastern District of New York on behalf of Jancyn Manufacturing Corp., in *Jancyn Manufacturing Corp. v. The County of Suffolk*. Commercial damages. Depositions: September 19, 1991, November 22, 1993; Testimony and Cross-Examination: January 11, 1994.
186. New York Public Service Commission (Case No. 28425) on behalf of New York Telephone Company, "Costs and Benefits of IntraLATA Presubscription," (with T.J. Tardiff). Filed May 1, 1992.
187. New York State Public Service Commission (Case 92-C-0665, Proceeding on Motion of the Commission to Investigate Performance-Based Incentive Regulatory Plans for New York Telephone Company) on behalf of New York Telephone Company: appropriate level and structure of productivity adjustments and competitive pricing safeguards in a proposed incentive regulation plan. Filed as part of panel testimony, October 3, 1994.
188. New York Public Service Commission (Case 94-C-0017) on behalf of New York Telephone Company, testimony regarding competition and market power in intrastate toll markets. Filed August 1, 1995.
189. New York Public Service Commission (Case Nos. 95-C-0657, 94-C-0095, 91-C-1174) on behalf of New York Telephone Company, costing principles for resold services. Filed May 31, 1996. Costing and pricing principles for unbundled network elements. Filed June 4, 1996. Rebuttal testimony filed July 15, 1996.
190. New York Public Service Commission (Case Nos. 93-C-0451 and 91-C-1249) on behalf of New York Telephone Company, statistical issues in the calculation of damages in the provision of

Mass Announcement Services: Rebuttal testimony filed July 23, 1996.

191. New York Public Service Commission (Case 96-C-0603) on behalf of NYNEX and Bell Atlantic, *Initial Panel Testimony,* regarding the economic effects of the proposed merger between Bell Atlantic and NYNEX. Filed November 25, 1996. *Reply Panel Testimony* filed December 12, 1996.

192. Affidavit to the U.S. District Court, Southern District of New York, on behalf of Multi Communication Media Inc., *Multi Communications Media Inc., v. AT&T and Trevor Fischbach*, (96 Civ. 2679 (MBM)) regarding the application of the filed tariff doctrine to contract tariffs in telecommunications. Filed December 27, 1996.

193. New York Public Service Commission on behalf of New York Telephone Company, "Competitive Effects of Allowing NYNEX To Provide InterLATA Services Originating In New York State," public interest analysis of NYNEX's proposed entry into in-region long distance service. Filed February 18, 1997 (with Harold Ware and Richard Schmalensee).

194. State of New York Public Service Commission (Case 94-C-0095 and 28425), on behalf of NYNEX, *Initial Panel Testimony*: direct testimony regarding InterLATA Access Charge Reform. Filed May 8, 1997. *Rebuttal Panel Testimony* filed July 8, 1997.

195. State of New York Public Service Commission (Cases 95-C-0657, 94-C-0095, 91-C-1174 and 96-C-0036), on behalf of Bell Atlantic, *Panel Testimony of Bell Atlantic – New York on Costs and Rates for Miscellaneous Phase 3 Services*: panel testimony regarding statistical sampling issues in cost studies for non-recurring charges. Filed March 18, 1998. Rebuttal filed June 3, 1998.

196. New York Public Service Commission, (Case 98-C-1357), on behalf of Bell Atlantic-New York, Panel Testimony on costs for wholesale services, Panel Testimony filed February 7, 2000. Panel Rebuttal Testimony filed October 19, 2000.

197. New York Public Service Commission, (Case 00-C-1945), on behalf of Verizon-New York, Panel Testimony on price regulation, filed May 15, 2001.

198. New York Public Service Commission, (Case 00-C-1945), on behalf of Verizon-New York, Panel Testimony on the New York competitive marketplace, filed May 15, 2001.

199. American Arbitration Association, New York, MCI WorldCom Communications Inc. v. Electronic Data Systems, Corporation, Expert Report on prices and incentives in a disputed contract filed June 25, 2001. Supplemental Expert Report filed July 13, 2001.

200. New York Public Service Commission (Case 01-C-0767), on behalf of Verizon-New York, panel testimony regarding incremental costs and pricing of mobile interconnection services. Filed October 31, 2001.

201. New York Public Service Commission, (Case 00-C-1945), economic issues in renewing the New York incentive regulation plan, (panel testimony), filed February 11, 2002.

30. North Carolina

202. North Carolina Utilities Commission (Docket No. P-7, Sub 825; P-10, Sub 479) on behalf of Carolina Telephone and Telegraph Company and Central Telephone Company, direct and rebuttal

testimony regarding price cap regulation for small telephone companies, February 9, 1996.
203. North Carolina Utilities Commission (Docket No. P-55, Sub1022) on behalf of BellSouth Long Distance, Inc.: direct testimony regarding the likely economic benefits to consumers in North Carolina from entry by BellSouth into the interLATA long distance market. Filed August 5, 1997. Rebuttal testimony filed September 15, 1997.
204. North Carolina Utilities Commission (Docket No. P-100, SUB 133d), on behalf of BellSouth Telecommunications: direct testimony on the proper economic basis for determining costs and prices of interconnection, unbundled network elements, and operating support systems. Filed December 15, 1997. Rebuttal filed March 9, 1998.
205. North Carolina Utilities Commission (Docket No. P-100, SUB 133g), on behalf of BellSouth Telecommunications: direct testimony on appropriate economic principles for sizing the state universal service fund. Filed February 16, 1998. Rebuttal filed April 13, 1998.
206. North Carolina Utilities Commission, *In re: Petition for Arbitration of ITC^DELTACOM Communications, Inc., with BellSouth Telecommunications, Inc., Pursuant to the Telecommunications Act of 1996*, (Docket No. P-500, Sub 10), testimony regarding economic interconnection issues, filed July 9, 1999.
207. North Carolina Utilities Commission, *In the Matter of Bell South Telecommunications, Inc., Complainant vs. US LEC of North Carolina, Respondent*, (Docket No. P-561, Sub 10), rebuttal testimony regarding economic efficiency and reciprocal compensation. Filed July 30, 1999.
208. North Carolina Utilities Commission (Docket No. P-100, SUB 133k), on behalf of BellSouth Telecommunications: rebuttal testimony regarding properties of a service quality performance assurance plan. Filed May 21, 2001.
209. North Carolina Utilities Commission (Docket No. P-55, SUB 1022), on behalf of BellSouth Telecommunications: rebuttal testimony regarding status of local competition in North Carolina. Filed October 8, 2001.

31. North Dakota

210. North Dakota Public Service Commission, on behalf of US WEST Communications, rebuttal testimony in support of US WEST's filing for a residential basic local service rate increase, filed May 30, 2000.

32. Ohio

211. The Public Utilities Commission of Ohio (Case No. 94-1695-TP-ACE) on behalf of Cincinnati Bell Telephone Company: economic analysis of terms and conditions for efficient local competition. Filed May 24, 1995.
212. Ohio Public Utility Commission (Case No. 96-899-TP-ALT) on behalf of Cincinnati Bell Telephone Company: direct testimony regarding CBT's proposed rate rebalancing and price

regulation plan. Filed February 19, 1997.

213. Ohio Public Utility Commission (Case No. 97-152-TP-ARB), on behalf of Cincinnati Bell Telephone Company: direct testimony regarding the application of MCI Telecommunications Corporation Petition for Arbitration Pursuant to Section 252 (b) of the Telecommunications Act of 1996. Filed April 2, 1997.

214. Ohio Public Utility Commission (Docket No. 98-1398-TP-AMT), on behalf of Bell Atlantic and GTE, rebuttal testimony concerning economic effects of the proposed merger of Bell Atlantic and GTE. Filed June 16, 1999, substitute rebuttal testimony filed October 12, 1999.

33. Oregon

215. Oregon Public Utility Commission (ARB 154) on behalf of US WEST Communications, direct testimony regarding intercarrier compensation for ISP-bound traffic, November 1, 1999, rebuttal testimony filed November 5, 1999.

34. Pennsylvania

216. Pennsylvania Public Utility Commission, (Docket No. P-009350715), on behalf of Bell Atlantic: a study of inflation offsets in a proposed price regulation plan. Filed October 1, 1993. Rebuttal testimony filed January 18, 1994.

217. Pennsylvania Public Utility Commission, (Docket No. I-940034) on behalf of Bell Atlantic: issues regarding proposed presubscription for intraLATA toll traffic. Filed as part of panel testimony, December 8, 1994. Reply testimony filed February 23, 1995. Surrebuttal testimony filed March 16, 1995.

218. *US WATS v. AT&T*: Retained by counsel for US WATS, a reseller of AT&T long distance services, plaintiff in an antitrust suit alleging monopolization and conspiracy in business long distance markets. Antitrust liability and damages. Confidential Report, August 22, 1995. Depositions September 30, October 1, October 12, December 3, 1995. Testimony October 18-20, 25-27, 30, 1995. Rebuttal testimony December 4, December 11, 1995.

219. Pennsylvania Public Utility Commission (Docket Nos. A-310203F0002, A-310213F0002, A-310236F0002 and A-310258F0002), on behalf of Bell Atlantic - Pennsylvania: rebuttal testimony to evaluate costing and pricing principles and cost models. Filed March 21, 1996.

220. Pennsylvania Public Utility Commission (Docket No. P-00961024), on behalf of Commonwealth Telephone Company: economic appraisal of a price cap regulation proposal, Direct testimony filed April 15, 1996. Rebuttal testimony filed July 19, 1996.

221. Pennsylvania Public Utility Commission (Docket No. R-00963550), on behalf of Bell Atlantic - Pennsylvania: economic consequences of rate rebalancing, Direct testimony filed April 26, 1996. Rebuttal testimony filed July 5, 1996.

222. Pennsylvania Public Utility Commission (Docket No. R-963550 C0006), on behalf of Bell Atlantic - Pennsylvania: economic consequences of rate rebalancing, Direct testimony filed August

30, 1996.

223. Pennsylvania Public Utility Commission (Docket No. A-310258F0002 - Interconnection Arbitration, Eastern Telelogic Corporation/Bell Atlantic) on behalf of Bell Atlantic-Pennsylvania, direct and rebuttal testimony on economic costs of interconnection and unbundled network elements, September 23, 1996.

224. Pennsylvania Public Utility Commission, on behalf of Bell Atlantic-Pennsylvania, statement regarding costs and benefits from Bell Atlantic entry into interLATA telecommunications markets. Filed February 10, 1997. Rebuttal testimony filed March 21, 1997.

225. Pennsylvania Public Utility Commission (Docket No. I-00960066), on behalf of Bell Atlantic: direct testimony providing an economic framework for the intrastate carrier switched access rates charged by Bell Atlantic. Filed June 30, 1997. Rebuttal testimony filed July 29, 1997. Surrebuttal testimony filed August 27, 1997.

226. Pennsylvania Public Utility Commission (Docket No. I-00940035), on behalf of Bell Atlantic: direct testimony regarding the relationship between access charge reform and universal service funding. Filed October 22, 1997.

227. Pennsylvania Public Utility Commission (Docket No. P-00971307), on behalf of Bell Atlantic: direct testimony concerning the classification of Bell Atlantic's business services in Pennsylvania as competitive and the calculation of an imputation price floor for those services. Filed February 11, 1998. Rebuttal filed February 18, 1998.

228. Pennsylvania Public Utility Commission (Docket No. P-00981410), on behalf of The United Telephone Company of Pennsylvania: direct testimony regarding role of productivity offset in a price cap plan, filed October 16, 1998. Rebuttal testimony filed February 4, 1999.

229. Pennsylvania Public Utility Commission, on behalf of Bell Atlantic-Pennsylvania: A report entitled "Promises Fulfilled; Bell Atlantic-Pennsylvania's Infrastructure Development." Filed January 15, 1999 (with Charles J. Zarkadas, Agustin J. Ros, and Jaime C. d'Almeida).

230. Pennsylvania Public Utility Commission (Docket Nos. A-310200F0002, A-311350F0002, A-310222F0002, A-310291F0003), on behalf of Bell Atlantic Corporation and GTE Corporation, rebuttal testimony regarding economic issues raised in the proposed merger of Bell Atlantic and GTE. Filed April 22, 1999.

231. Pennsylvania Public Utility Commission (Docket No. A-310630F0002), on behalf of Bell Atlantic, direct testimony regarding the measurement of economic costs of ISP-bound traffic and economic issues concerning intercarrier compensation for such traffic. Filed April 14, 2000. Rebuttal testimony filed April 21, 2000.

232. Pennsylvania Public Utility Commission, (Docket No. M-00001435) on behalf of Verizon-Pennsylvania, Inc.: affidavit regarding the public interest benefits of Verizon entry into interLATA services. Filed January 8, 2001.

233. Pennsylvania Public Utility Commission (Docket No. P-00981449), on behalf of Verizon North, testimony regarding parameters in a Chapter 30 price cap plan. Filed October 31, 2000. Rebuttal testimony filed February 20, 2001.

35. Rhode Island

234. Rhode Island Public Utilities Commission (Docket No. 1997) on behalf of New England Telephone & Telegraph Company, "Rhode Island Price Regulation Plan," analysis of proposed price regulation plan and evidence of the effects of incentive regulation on prices and infrastructure development. Filed September 30, 1991.

235. Rhode Island Public Utilities Commission on behalf of NYNEX (Docket No. 2252), testimony addressing the economic conditions under which competition in the local exchange and intraLATA markets will bring benefits to customers. Direct testimony, November 17, 1995.

236. Rhode Island Public Utilities Commission (Docket No. 2370), on behalf of New England Telephone and Telegraph Company, D/B/A NYNEX: economic review and revision of the Rhode Island price cap plan. Direct testimony, February 23, 1996. Rebuttal testimony filed June 25, 1996.

237. Rhode Island Public Utilities Commission, on behalf of Bell Atlantic – Rhode Island: direct testimony discussing basic economic principles regarding costs and prices of interconnection and unbundled network elements. Filed November 25, 1997.

238. Rhode Island Public Utilities Commission (Docket No. 2681), on behalf of Bell Atlantic - Rhode Island: rebuttal testimony regarding costs for OSSs, filed September 18, 1998.

239. Rhode Island Public Utilities Commission (Docket No. 2681), on behalf of Bell Atlantic: rebuttal testimony regarding entry into the local services telecommunications market. Filed January 15, 1999.

240. Rhode Island Public Utilities Commission (Docket No. 2681), on behalf of Bell Atlantic Rhode Island, direct testimony regarding incremental costs and switched access rates. Filed October 22, 1999.

241. Rhode Island Public Utilities Commission (Docket No. 2681), on behalf of Verizon Rhode Island, direct testimony regarding incremental costs and switched access rates. Filed May 1, 2002.

242. Rhode Island Public Utilities Commission (Docket No. 3179), on behalf of Verizon Rhode Island, direct testimony regarding alternative regulation. Filed July 1, 2002.

36. South Carolina

243. South Carolina Public Service Commission, on behalf of BellSouth Long Distance, Inc., (Docket No. 97-101-C) : direct testimony regarding the probable economic benefits to consumers in South Carolina from entry by BellSouth into the interLATA long distance market. Filed April 1, 1997. Rebuttal testimony filed June 30, 1997.

244. South Carolina Public Service Commission (Docket No. 97-374-C), on behalf of BellSouth Telecommunications, Inc.: rebuttal testimony concerning general economic principles for the pricing and costing of interconnection and unbundled network elements. Filed November 25, 1997.

245. South Carolina Public Service Commission (Docket No. 97-124-C), on behalf of BellSouth Telecommunications, Inc.: rebuttal testimony concerning economic principles for pricing interconnection services supplied to payphone providers. Filed December 7, 1998.

246. South Carolina Public Service Commission, *In re: Petition for Arbitration of*

ITC^DELTACOM Communications, Inc., with BellSouth Telecommunications, Inc., Pursuant to the Telecommunications Act of 1996, (Docket No1999-259-C), on behalf of BellSouth Telecommunications, testimony regarding economic interconnection issues. Filed August 25, 1999.

247. South Carolina Public Service Commission (Docket No. 2001-209-C), on behalf of BellSouth Telecommunications, Inc.: economic aspects of BellSouth's application to provide long distance services in South Carolina. Rebuttal testimony filed July 16, 2001.

37. Tennessee

248. Tennessee Public Service Commission (*In re*: The Promulgation of Agency Statements of General Applicability to Telephone Companies That Prescribe New Policies and Procedures for Their Regulation) on behalf of South Central Bell Telephone Company: theoretical analysis and appraisal of the proposed Tennessee Regulatory Reform Plan. Filed February 20, 1991.

249. Tennessee Public Service Commission (Docket No. 95-02499) on behalf of BellSouth Telecommunications, Inc. d/b/a BellSouth Telephone Company, testimony addressing the definition and measurement of the cost of supplying universal service. (Direct testimony filed October 20, 1995. Rebuttal testimony filed October 25, 1995). Additional testimony regarding economic principles underlying the creation of a competitively-neutral universal service fund: direct testimony filed October 30, 1995. Rebuttal testimony filed November 3, 1995.

250. Tennessee Public Service Commission (In re: The Avoidable Costs of Providing Bundled Services for Resale by Local Exchange Telephone Companies) on behalf of BellSouth Telecommunications, Inc. (Docket No. 96-00067): economic costing and pricing principles for resold and unbundled services. May 24, 1996. Refiled with the Tennessee Regulatory Authority (Docket No. 96-00067), August 23, 1996.

251. Tennessee Regulatory Authority (In re: The Avoidable Costs of Providing Bundled Services for Resale by Local Exchange Telephone Companies) on behalf of BellSouth Telecommunications, Inc. (Docket No. 96-01331): economic costing and pricing principles for resold and unbundled services. Filed September 10, 1996. Rebuttal testimony filed September 20, 1996.

252. Tennessee Regulatory Authority (In re: Petition to Convene a Contested Case Proceeding to Establish "Permanent Prices" for Interconnection and Unbundled Network Elements) on behalf of BellSouth Telecommunications, Inc. (Docket No. 97-01262): rebuttal testimony regarding costing principles on which to base prices of unbundled network elements. Filed October 17, 1997.

253. Tennessee Regulatory Authority (Docket No. 97-00888), on behalf of BellSouth Telecommunications, Inc.: direct testimony regarding appropriate economic principles for sizing the state universal service fund, Filed April 3, 1998. Rebuttal filed April 9, 1998.

254. Tennessee Regulatory Authority (Docket No. 99-00377), on behalf of BellSouth Telecommunications, direct testimony regarding intercarrier compensation for Internet-bound traffic in Arbitration with ICG Telecom Group, filed October 15, 1999. Rebuttal testimony filed October 25, 1999.

255. Tennessee Regulatory Authority (Docket No. 99-00430), on behalf of BellSouth

Telecommunications, direct testimony regarding intercarrier compensation for Internet-bound traffic in Arbitration with ITC-DeltaCom, filed October 15, 1999. Rebuttal testimony filed October 25, 1999.
256. Tennessee Regulatory Authority, (Docket No. 97-00409), on behalf of BellSouth Telecommunications, rebuttal testimony regarding efficient pricing for pay telephone services. Filed October 6, 2000.
257. Tennessee Regulatory Authority, (Docket No. 01-00193), on behalf of BellSouth Telecommunications: rebuttal testimony regarding performance measurements and self-effectuating penalties. Filed August 10, 2001.

38. Texas

258. *Darren B. Swain, Inc. d/b/a U.S. Communications v. AT&T Corp.*, United States District Court for the Northern District of Texas, Dallas Division, Civil Action 394CV-1088D: Retained by counsel for U.S. Communications, a reseller of AT&T long distance services, plaintiff in an antitrust suit alleging monopolization in inbound business long distance markets. Antitrust liability and damages. Confidential Report, November 17, 1995.
259. Public Utility Commission of Texas (Docket No. 8585) on behalf of Southwestern Bell Telephone Company: analysis of Texas intrastate switched access charges and bypass of switched access. Filed December 18, 1989.
260. Texas Public Utility Commission (Docket No. 21982), on behalf of Southwestern Bell Telephone Company, direct testimony regarding CLEC's rate for transport and termination of ISP-bound traffic. Filed March 13, 2000. Rebuttal testimony filed March 31, 2000.

39. Utah

261. Utah Public Service Commission (Docket No. 99-049-41), on behalf of US West Communications, Inc., rebuttal testimony regarding the effects of the proposed Qwest-US West merger on economic welfare. Filed February 28, 2000.
262. Utah Public Service Commission (Docket No. 00-999-05), on behalf of Qwest Corporation, direct testimony regarding intercarrier compensation for Internet-bound traffic. Filed February 2, 2001. Rebuttal testimony filed March 9, 2001.
263. Utah Public Service Commission on behalf of Qwest Corporation, direct testimony regarding productivity offsets in a price cap plan. Filed October 5, 2001. Rebuttal testimony filed November 22, 2001.

40. Vermont

264. Vermont Public Service Board, Petition for Price Regulation Plan of New England Telephone on behalf of New England Telephone Company, Dockets 5700/5702: analysis of appropriate parameters for a price regulation plan. Filed September 30, 1993. Rebuttal testimony filed July 5,

1994.

265. Vermont Public Service Board, (Open Network Architecture Docket No. 5713) on behalf of New England Telephone Company, economic principles for local competition, interconnection and unbundling, direct testimony filed June 7, 1995. Rebuttal testimony filed July 12, 1995.

266. Vermont Public Service Board (Docket No. 5713), on behalf of Bell Atlantic – Vermont, direct testimony regarding economic principles for setting prices and estimating costs for interconnection. Filed July 31, 1997. Rebuttal testimony filed January 9, 1998. Surrebuttal testimony filed February 26, 1998. Supplemental rebuttal testimony filed March 4, 1998.

267. Vermont Public Service Board (Docket No. 5900) on behalf of NYNEX, testimony regarding the economic effects of the proposed merger between Bell Atlantic and NYNEX. Filed September 6, 1996.

268. Vermont Public Service Board (Docket no. 6000), on behalf of Bell Atlantic: direct testimony examining the likely benefits from adopting a price regulation plan. Filed January 19, 1998.

269. Vermont Public Service Board (Docket No. 6077), on behalf of Bell Atlantic-Vermont: rebuttal testimony regarding application of imputation standard, filed November 4, 1998.

270. Vermont Public Service Board (Docket No. 6167), on behalf of Bell Atlantic, rebuttal testimony regarding reduction of access charges & pricing of new services. Filed May 20, 1999. Supplemental testimony filed May 27, 1999.

41. Virginia

271. Affidavit to the U.S. District Court for the Eastern District of Virginia (Alexandria Division) on behalf of United States Telephone Association, *United States Telephone Association, et al., v. Federal Communications Commission, et al.*, (Civil Action No. 95-533-A) regarding the Section 214 process for local exchange companies providing cable television services. Filed October 30, 1995, (with A.E. Kahn).

272. State Corporation Commission of Virginia (Case No. PUC 950067) on behalf of Bell Atlantic - Virginia, Inc., rebuttal testimony concerning economic standards for the classification of services as competitive for regulatory purposes, January 11, 1996.

273. State Corporation Commission of Virginia, on behalf of Bell Atlantic-Virginia, (Case No. PUC960), direct testimony regarding costing and pricing of interconnection and unbundled network elements. Filed December 20 ,1996. Rebuttal testimony filed June 10, 1997 (Case No. PUC970005).

274. State Corporation Commission of Virginia *In re: Joint Petition of Bell Atlantic Corporation and GTE Corporation for approval of agreement and plan of merger*, economic effects of the proposed merger of Bell Atlantic and GTE. File May 28, 1999, rebuttal testimony filed October 8, 1999.

275. Virginia State Corporation Commission, (Case No. PUC000079) on behalf of Bell Atlantic-Virginia, direct testimony regarding intercarrier compensation for Internet-bound traffic in arbitration with Focal Communications Group. Filed April 25, 2000.

276. Virginia State Corporation Commission, (Case No. PUC 000003) on behalf of Bell Atlantic-

Virginia, direct testimony regarding efficient pricing of carrier access charges. Filed May 30, 2000.

42. Washington

277. Washington Public Utilities Commission (Docket No. UT-990300), on behalf of US WEST, regarding US WEST's interconnection arbitration with AirTouch Paging in Washington. Direct testimony filed February 24, 1999; rebuttal testimony filed March 8, 1999.
278. Washington Utilities and Transportation Commission (Docket No. UT-991358), on behalf of US West Communications, Inc., rebuttal testimony regarding the effects of the proposed Qwest-US West merger on economic welfare. Filed February 22, 2000.
279. Washington Utilities and Transportation Commission (Docket No. UT-003006), on behalf of US West Communications, Inc., direct testimony regarding intercarrier compensation for internet-bound traffic. Filed April 26, 2000. Rebuttal testimony filed May 10, 2000.
280. Washington Transportation and Utilities Commission, *In the Matter of the Petition of Qwest Corporation for Competitive Classification of Business Services in Specified Wire Centers*, Docket No. UT-000883. Rebuttal testimony regarding economic criteria for classification of services as competitive. Filed October 6, 2000.

43. West Virginia

281. Public Service Commission of West Virginia (Case No. 94-1103-T-GI) on behalf of Bell Atlantic - West Virginia: economic analysis of issues regarding proposed presubscription for intraLATA toll traffic in West Virginia, March 24, 1995.
282. Public Service Commission of West Virginia (Case Nos. 96-1516-T-PC, 96-1561-T-PC, 96-1009-T-PC, and 96-1533-T-T) on behalf of Bell Atlantic - West Virginia: direct testimony regarding costing and pricing of interconnection and unbundled network elements. Filed February 13, 1997. Rebuttal testimony filed February 20, 1997.
283. Public Service Commission of West Virginia on behalf of Bell Atlantic - West Virginia: economic analysis of issues regarding Bell Atlantic's entry into the interLATA long distance market. Filed March 31, 1997.

44. Wyoming

284. Wyoming Public Service Commission (Docket No. 70000-TR-99), on behalf of US West Communications, direct testimony evaluating proposed prices of non-competitive US West services with regards to cost, pricing, competition, & regulation. Filed April 26, 1999.
285. Wyoming Public Service Commission (Docket Nos. 74142-TA-99-16, 70000-TA-99-503, 74037-TA-99-8, 70034-TA-99-4, 74089-TA-99-9, 74029-TA-99-43, 74337-TA-99-2, Record No. 5134), on behalf of US West Communications, rebuttal testimony regarding economic issues arising in

the proposed merger between U S WEST and Qwest. Filed April 4, 2000.

1. Canada

286. Canadian Radio-Television and Telecommunications Commission (Docket No. 1990-73) on behalf of Bell Canada: "The Effect of Competition on U.S. Telecommunications Performance," (with L.J. Perl). Filed November 30, 1990.

287. Canadian Radio-Television and Telecommunications Commission (Docket No. 92-78) on behalf of Alberta General Telephone: "Lessons for the Canadian Regulatory Structure from the U.S. Experience with Incentive Regulation," and "Performance Under Alternative Forms of Regulation in the U.S. Telecommunications Industry," (with T.J. Tardiff). Filed April 13, 1993.

288. Canadian Radio-Television and Telecommunications Commission (Application of Teleglobe Canada for Review of the Regulatory Framework of Teleglobe Canada Inc.): on behalf of Teleglobe Canada, Inc., structure of a price regulation plan for the franchised supplier of overseas telecommunications services in Canada. Filed December 21, 1994.

289. Canadian Radio-Television and Telecommunications Commission, Response to Interrogatory SRCI(CRTC) 1Nov94-906, "Economies of Scope in Telecommunications," on behalf of Stentor. Filed January 31, 1995.

290. Canadian Radio-Television and Telecommunications Commission, Implementation of Regulatory Framework and Related Issues, Telecom Public Notices CRTC 94-52, 94-56 and 94-58, "Economic Welfare Benefits from Rate Rebalancing," on behalf of Stentor. Filed February 20, 1995.

291. Canadian Radio-Television and Telecommunications Commission, "Imputation Test to be Applied to Competitive Local Exchange Services," position paper on imputation for local exchange services filed in response to Telecom Public Notice CRTC 95-36 on behalf of Stentor on August 18, 1995.

292. Canadian Radio-Television and Telecommunications Commission, in response to CRTC Telecom Public Notice CRTC 96-8, "Economic Aspects of Canadian Price Cap Regulation," on behalf of the Stentor companies. Filed June 10, 1996.

293. Canadian Radio-Television and Telecommunications Commission, in response to CRTC Telecom Public Notice CRTC 96-8, "Economic Aspects of Price Cap Regulation for MTS NetCom Inc.," on behalf of MTS Net Com, Inc. Filed June 10, 1996.

294. Canadian Radio-Television and Telecommunications Commission, in response to CRTC Telecom Public Notice CRTC 2000-108, "MTS Communications Inc., Recovery of 2000 and 2001 Income Tax Expense" on behalf of MTS Communications, Inc. Oral panel testimony, January 11, 2001.

295. Canadian Radio-Television and Telecommunications Commission (Public Notice CRTC 2001-37) on behalf of Aliant Telecom Inc., Bell Canada, MTS Communications Inc., and Saskatchewan Telecommunications: "Price Cap Review and Related Issues," filed May 31, 2001. Rebuttal evidence filed September 20, 2001.

2. Federal Communications Commission

1988

296. Federal Communications Commission (Docket No. 87-313) on behalf of Bell Communications Research, Inc.: empirical analysis of price cap regulation of interstate access service, entitled "The Impact of Federal Price Cap Regulation on Interstate Toll Customers." Filed March 17, 1988.

297. Federal Communications Commission (Docket No. 87-313) on behalf of Bell Communications Research, Inc.: "The Impact of the FCC Proposed Price Cap Plan on Interstate Consumers," Filed August 18, 1988. Rebuttal analysis filed November 18, 1988.

1989

298. Federal Communications Commission (Docket No. 87-313) on behalf of Cincinnati Bell Telephone Company, "Incentive Regulation and Estimates of Productivity," (with J. Rohlfs), June 9, 1989.

299. Federal Communications Commission (Docket No. 87-313) on behalf of the United States Telephone Association: "Analysis of AT&T's Comparison of Interstate Access Charges Under Incentive Regulation and Rate of Return Regulation." Filed as Reply Comments regarding the FCC's Report and Order and Second Further Notice of Proposed Rulemaking in CC Docket 87-313, August 3, 1989.

300. Federal Communications Commission (Docket No. 87-313) on behalf of Southwestern Bell Telephone Company, "Taxes and Incentive Regulation," filed as Exhibit 3 to the Reply Comments of Southwestern Bell regarding the FCC's Report and Order and Second Further Notice of Proposed Rulemaking in CC Docket 87-313, August 3, 1989.

1990

301. Federal Communications Commission (Docket 87-313) on behalf of the United States Telephone Association: "Local Exchange Carrier Productivity Offsets for the FCC Price Cap Plan," May 3, 1990.

302. Federal Communications Commission (Docket 87-313) on behalf of the United States Telephone Association: "Productivity Offsets for LEC Interstate Access," June 8, 1990.

303. Federal Communications Commission (Docket 87-313) on behalf of the United States Telephone Association: "Interstate Access Productivity Offsets for Mid-Size Telephone Companies," June 8, 1990.

304. Federal Communications Commission (Docket 87-313) on behalf of the United States Telephone Association: analysis of total factor productivity calculations, entitled "Productivity Measurements in the Price Cap Docket," December 21, 1990.

1991

305. Federal Communications Commission (Docket 87-313) on behalf of BellSouth Corporation, "The Treatment of New Services under Price Cap Regulation," (with Alfred E. Kahn), June 12, 1991.

306. Federal Communications Commission (Docket 91-141, Expanded Interconnection with Local

Telephone Company Facilities) on behalf of Bell Atlantic, "Effects of Competitive Entry in the U.S. Interstate Toll Markets." August 6, 1991.

307. Federal Communications Commission (Docket 91-141, Expanded Interconnection with Local Telephone Company Facilities) on behalf of Southwestern Bell, "Economic Effects of the FCC's Tentative Proposal for Interstate Access Transport Services." Filed September 20, 1991.

1992

308. Federal Communications Commission, (Pacific Bell Tariff F.C.C. No. 128, Transmittal No. 1579) on behalf of Pacific Bell, "The Treatment of FAS 106 Accounting Changes Under FCC Price Cap Regulation," (with T.J. Tardiff). Filed April 15, 1992. Reply comments filed July 31, 1992.

309. Federal Communications Commission, (CC Docket 92-141, In the Matter of 1992 Annual Access Tariff Filings) on behalf of Bell Atlantic, "Effects of Competitive Entry in the U.S. Interstate Toll Markets: An Update," filed July 10, 1992.

310. Federal Communications Commission (ET Docket 92-100) on behalf of BellSouth Corporation, "Assigning PCS Spectrum: An Economic Analysis of Eligibility Requirements and Licensing Mechanisms," (with Richard Schmalensee). Filed November 9, 1992.

1993

311. Federal Communications Commission (Petition for Declaratory Ruling and Related Waivers to Establish a New Regulatory Model for the Ameritech Region) on behalf of Ameritech: "Price Cap Regulation and Enhanced Competition for Interstate Access Services," filed April 16, 1993, Reply Comments, July 12, 1993.

312. Federal Communications Commission (Amendment of Part 90 of the Commission's Rules to Adopt Regulations for Automatic Vehicle Monitoring Systems) PR Docket No. 93-61 on behalf of PacTel Teletrac, "The Economics of Co-Channel Separation for Wideband Pulse Ranging Location Monitoring Systems," (with R. Schmalensee). Filed June 29, 1993.

313. Federal Communications Commission (In the Matter of Policy and Rules Concerning Rates for Competitive Common Carrier Services and Facilities Authorization Therefor) on behalf of four Regional Bell Holding Companies, Affidavit "Interstate Long Distance Competition and AT&T's Motion for Reclassification as a Nondominant Carrier," filed November 12, 1993, (with A.E. Kahn).

1994

314. Federal Communications Commission (CC Docket 94-1) on behalf of the United States Telephone Association: "Economic Performance of the LEC Price Cap Plan," filed as Attachment 5 to the United States Telephone Association Comments, May 9, 1994, "Economic Performance of the LEC Price Cap Plan: Reply Comments," filed as Attachment 4 to the United States Telephone Association Reply Comments, June 29, 1994.

315. Federal Communications Commission (CC Docket 94-1) on behalf of the United States Telephone Association: "Comments on the USTA Pricing Flexibility Proposal," filed as Attachment 4 to the United States Telephone Association Comments, May 9, 1994, "Reply Comments: Market Analysis and Pricing Flexibility for Interstate Access Services," filed as Attachment 3 to the United States Telephone Association Reply Comments, June 29, 1994 (with Richard Schmalensee).

316. Federal Communications Commission (File Nos. W-P-C 6912 and 6966) on behalf of Bell Atlantic Corporation, affidavit supporting Section 214 applications to provide video dialtone services, August 5, 1994.

317. Federal Communications Commission (File Nos. W-P-C 6982 and 6983) on behalf of NYNEX: affidavit supporting Section 214 applications to provide video dialtone services in Massachusetts and Rhode Island, September 21, 1994.

1995

318. Federal Communications Commission on behalf of Bell Atlantic Corporation, affidavit examining cost support for Asymmetric Digital Subscriber Loop (ADSL) video dialtone market trial. Filed February 21, 1995.

319. Federal Communications Commission on behalf of Bell Atlantic Corporation, affidavit examining cost support for Bell Atlantic's video dialtone tariff. Filed March 6, 1995.

320. Federal Communications Commission on behalf of the United States Telephone Association, study entitled "Competition in the Interstate Long-Distance Markets: Recent Evidence from AT&T Price Changes," *ex parte* filing in CC Docket No. 94-1, March 16, 1995.

321. Federal Communications Commission (CC Docket No. 79-252) on behalf of Bell Atlantic, BellSouth, SBC, and Pacific Telesis, "An Analysis of the State of Competition in Long-Distance Telephone Markets," study attached to *ex parte* comments examining the competitiveness of interstate long-distance telephone markets, (with J. Douglas Zona), April 1995.

322. Federal Communications Commission (File Nos. W-P-C 7074) on behalf of Southern New England Telephone Company, affidavit supporting Section 214 applications to provide video dialtone services, July 6, 1995.

323. Federal Communications Commission (CC Docket No. 95-145) on behalf of Bell Atlantic Corporation, affidavit examining economic issues raised in the investigation of Bell Atlantic's video dialtone tariff. Filed October 26, 1995. Supplemental Affidavit filed December 21, 1995.

324. Federal Communications Commission (CC Docket No. 94-1) on behalf of the United States Telephone Association, "Economic Evaluation of Selected Issues from the Fourth Further Notice of Proposed Rulemaking in the LEC Price Cap Performance Review," Attachment C to the United States Telephone Association "Comments," filed December 18, 1995 (with T. Tardiff and C. Zarkadas). Reply Comments filed March 1, 1996.

1996

325. Federal Communications Commission (CC Docket No. 95-185) on behalf of NYNEX, "Affidavit Concerning Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers," filed March 4, 1996.

326. Federal Communications Commission (CC Docket No. 96-45) on behalf of BellSouth Corporation, "Comments on Universal Service," (with Kenneth Gordon) , analysis of proposed rules to implement the universal service requirements of the Telecommunications Act of 1996, filed April 12, 1996.

327. Federal Communications Commission (CC Docket No. 96-46), on behalf of Bell Atlantic, BellSouth, GTE, Lincoln, Pacific Bell and SBC Communications, Inc., ex parte affidavit on costing

principles and cross-subsidization in broadband, joint-use networks, April 26, 1996.

328. Federal Communications Commission (CC Docket No. 96-98) videotaped presentation on economic costs for interconnection, FCC Economic Open Forum, May 20, 1996.

329. Federal Communications Commission (CC Docket No. 96-112), on behalf of the Southern New England Telephone Company: cost allocation between telephony and broadband services, Affidavit filed May 31, 1996.

330. Federal Communications Commission (CC Docket No. 96-112), on behalf of Bell Atlantic: reply comments concerning cost allocations between telephony and broadband services, Affidavit filed June 12, 1996.

331. Federal Communications Commission (CC Docket No. 96-46), on behalf of Bell Atlantic, BellSouth, GTE, Lincoln, Pacific and SBC, Declaration concerning the use of efficient component pricing in open video systems. Filed July 5, 1996.

332. Federal Communications Commission (CC Docket No. 96-98), on behalf of the United States Telephone Association, Affidavit concerning technical qualities of the Staff Industry Demand and Supply Simulation Model. Filed July 8, 1996; *ex parte* letters filed July 22, 1996 and July 23, 1996.

333. Federal Communications Commission (CC Docket No. 96-45), on behalf of BellSouth Corporation, comments concerning the use of proxy cost models for measuring the cost of universal service. Filed August 9, 1996 (with Aniruddha Banerjee).

334. Federal Communications Commission (CC Docket No. 96-149), on behalf of Bell Atlantic, Affidavit concerning safeguards for in-region supply of interexchange services by local exchange carriers. Filed August 15, 1996.

335. Federal Communications Commission (CC Docket No. 96-45), on behalf of the United States Telephone Association, "Not the Real McCoy: A Compendium of Problems with the Hatfield Model." Filed October 15, 1996

336. Federal Communications Commission (Tracking No. 96-0221) on behalf of NYNEX and Bell Atlantic, affidavit concerning the competitive effects of the proposed NYNEX-Bell Atlantic merger. Filed October 23, 1996 (with Richard Schmalensee).

337. Affidavit to the Federal Communications Commission, on behalf of SBC Communications, Inc., (Docket No. 96-149), regarding Commission's proposed rules and their impact on joint marketing. Filed November 14, 1996 (with Paul B. Vasington).

1997

338. Federal-State Joint Board on Universal Service, on behalf of the United States Telephone Association, *Remarks on Proxy Cost Models*, CC Docket No. 96-45 (videotape filed in docket). Filed January 14, 1997.

339. Federal Communications Commission, on behalf of Bell Atlantic: "An Analysis of Conceptual Issues Regarding Proxy Cost Models", a response to FCC Staff Report on issues regarding Proxy Cost Models. Filed February 13, 1997.

340. Federal Communications Commission (CC Docket No. 96-262 et. al.), statement on behalf of United States Telephone Association, "Economic Aspects of Access Reform." Filed on January 29, 1997 (with Richard Schmalensee). Rebuttal filed on February 14, 1997.

341. Federal Communications Commission (CC Docket 96-262 et al.), on behalf of USTA: a report entitled, "An Analysis of the Welfare Effects of Long Distance Market Entry by an Integrated Access and Long Distance Provider", *ex parte* filed March 7, 1997 (with Richard Schmalensee, Doug Zona and Paul Hinton).

342. Federal Communications Commission (CC Docket 96-262 et al.), on behalf of the United States Telephone Association: a report entitled, "An Update of the FCC Short-Term Productivity Study (1985-1995)", *ex parte* filed March 1997.

343. Federal Communications Commission (CC Docket No. 96-149), on behalf of Bell Atlantic, BellSouth, NYNEX, Pacific Bell and SBC: affidavit concerning economic issues raised by the BOC supply of interLATA services to an affiliate. Filed April 17, 1997.

344. Federal Communications Commission (CC Docket Nos. 93-193, Phase 1, Part 2, 94-65), on behalf of Bell Atlantic: affidavit concerning allocation of earnings sharing and refunds in the local exchange carrier price cap plan. Filed May 19, 1997.

345. Federal Communications Commission (File No. SCL-97-003), on behalf of ATU Long Distance: affidavit concerning the economic effects of classifying a proposed undersea cable between Alaska and the lower 48 states as a private carrier. Filed December 8, 1997.

346. Federal Communications Commission (CC Docket No. 80-286), on behalf of Bell Atlantic: affidavit concerning proposed reforms of jurisdictional separations. Filed December 10, 1997.

1998

347. Federal Communications Commission (*ex parte* CC Docket No. 96-262 et. al.), "The Need for Carrier Access Pricing Flexibility in Light of Recent Marketplace Developments: A Primer," research paper prepared on behalf of United States Telephone Association. Filed on January 21, 1998 (with Richard Schmalensee).

348. Federal Communications Commission, *In the Matter of Applications of WorldCom, Inc. and MCI Communications Corporation for Transfer of Control of MCI Communications Corporation to WorldCom, Inc.* (CC Docket No. 97-211), affidavit on behalf of GTE Corporation analyzing the likely economic effects of the proposed acquisition of MCI by WorldCom, (with R. Schmalensee), March 13, 1998, reply affidavit filed May 26, 1998.

349. Federal Communications Commission, *In the Matter of Customer Impact of New Access Charges* (CC Docket Nos. 96-262 and 96-45), affidavit on behalf of the United States Telephone Association analyzing long distance price reductions stemming from recent access charge reductions. Filed March 18, 1998.

350. Federal Communications Commission, *In the Matter of MCI Telecommunications Corp. Petition for Prescription of Tariffs Implementing Access Charge Reform* (CCB/CPD 98-12), affidavit on behalf of Bell Atlantic analyzing economic issues in MCI's petition for changes in the level and structure of interstate access charges. Filed March 18, 1998.

351. Federal Communications Commission, Merger of SBC Communications Inc. and Ameritech Corporation, comments on behalf of SBC and Ameritech analyzing the likely effects of the proposed merger on competition. (with R. Schmalensee) Filed July 21, 1998, reply affidavit filed November 11, 1998.

352. Federal Communications Commission, *In the Matter of United States Telephone Association Petition for Rulemaking—1998 Biennial Regulatory Review*, "Economic Standards for the Biennial Review of Interstate Telecommunications Regulation," economic rationale for regulatory simplification, Attachment to the Petition for Rulemaking of the United States Telephone Association, filed September 30, 1998 (with Robert W. Hahn).

353. Federal Communications Commission, (CC Docket No. 96-262), "Assessment of AT&T's Study of Access Charge Pass-Through," study of long distance pricing, filed *ex parte* on behalf of the United States Telephone Association, October 22, 1998 (with P.S. Brandon)

354. Federal Communications Commission, (CC Docket No. 96-262), "AT&T, MCI, and Sprint Failed to Pass Through the 1998 Interstate Access Charge Reductions to Consumers," study of long distance pricing, filed *ex parte* on behalf of the United States Telephone Association, October 16, 1998 (with P.S. Brandon)

355. Federal Communications Commission, (CC Docket No. 98-137), Affidavit on behalf of the United States Telephone Association, Review of Depreciation Requirements for Incumbent Local Exchange Carriers, November 23, 1998. (with A. Banerjee).

356. Federal Communications Commission, (CC Docket Nos. 96-262, 94-1, 97-250 and RM 9210), "Access Reform Again: Market-Based Regulation, Pricing Flexibility and the Universal Service Fund," Attachment A to the Comments of the United States Telephone Association, filed October 26, 1998; "Productivity and Pricing Flexibility: Reply Comments," Attachment A to the Reply Comments of the United States Telephone Association, filed November 9, 1998.

1999

357. Federal Communications Commission (Docket No. 99-24), affidavit on behalf of Bell Atlantic: economic requirements for regulatory forbearance for special access services. Filed January 20, 1999 (with Karl McDermott). Reply affidavit responding to claims that Bell Atlantic retains market power in the provision of special access filed April 8, 1999.

358. Federal Communications Commission, *In the Matter of Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State of New York* (CC Docket No. 99-295), Declaration on behalf of Bell Atlantic analyzing public interest issues in connection with Bell Atlantic long distance entry in New York. Filed September 29, 1999.

359. Federal Communications Commission (Docket No. 96-262), on behalf of United States Telephone Association, comments regarding rate structures for the local switching service category of the traffic-sensitive basket and common line basket, filed October 29, 1999. Reply comments filed November 29, 1999.

360. Federal Communications Commission (Docket No. 99-68), "An Economic and Policy Analysis of Efficient Intercarrier Compensation Mechanisms for Internet-Bound Traffic," on behalf of U S WEST Communications, ex parte analysis of intercarrier compensation plans for ISP-bound traffic, November 12, 1999 (with A. Banerjee and A. Ros). Reply Comments: "Efficient Inter-Carrier Compensation for Internet-Bound Traffic," (with A. Banerjee), October 23, 2000.

2000

361. Federal Communications Commission (Docket Nos. 94-1, 96-26), comments on behalf of the United States Telecom Association regarding the proposed prescription of the productivity offset in the FCC's price cap plan, January 7, 2000. Reply comments filed January 24, 2000, Ex parte presentation filed May 5, 2000.

362. Federal Communications Commission, *In the Matter of Reciprocal Compensation for CMRS Providers* (CC Docket Nos. 96-98, 95-185, WT Docket No. 97-207), "Reciprocal Compensation for CMRS Providers," on behalf of United States Telecom Association, reply comments regarding interconnection with CMRS providers, June 13, 2000 (with Charles Jackson).

363. Federal Communications Commission, *In the Matter the Remand of the Commission's Reciprocal Compensation Declaratory Ruling by the U.S. Court of Appeals for the D.C. Circuit* (CC Docket Nos. 96-98, 99-68), on behalf of Verizon, declaration regarding intercarrier compensation for Internet-bound traffic, filed July 21, 2000. Reply declaration filed August 4, 2000.

364. Federal Communications Commission, *In the Matter of Application by Verizon New England Inc., et. al. for Authorization to Provide In-Region, InterLATA Services in Massachusetts*, on behalf of Verizon New England, Appendix A, declaration regarding competition in Massachusetts and the public interest benefits of interLATA entry, September 19, 2000, Reply Declaration filed November 3, 2000. Supplemental Reply Declaration filed February 28, 2001.

2001

365. Federal Communications Commission, *In the Matter of Application by Verizon New England Inc., et. al. for Authorization to Provide In-Region, InterLATA Services in Connecticut*, on behalf of Verizon New England, Appendix A, declaration regarding competition in Connecticut and the public interest benefits of interLATA entry, May 24, 2001.

366. Federal Communications Commission, *In the Matter of Application by Verizon Pennsylvania Inc., et. al. for Authorization to Provide In-Region, InterLATA Services in Pennsylvania*, on behalf of Verizon Pennsylvania, Appendix A, declaration regarding competition in Pennsylvania and the public interest benefits of interLATA entry, June 21, 2001.

367. Federal Communications Commission (CC Docket No. 01-92), on behalf of BellSouth Corporation: Reply Declaration (with Aniruddha Banerjee) on a unified regime of inter-carrier compensation (calling party's network pays or bill and keep?). Filed November 5, 2001.

368. Federal Communications Commission (CC Docket No. 01-277), on behalf of BellSouth Corporation: Reply Affidavit on BellSouth's application for interLATA authority in Georgia and Louisiana. Filed November 13, 2001.

2002

369. Federal Communications Commission (CC Docket Nos. 01-338, 96-98, 98-47), on behalf of BellSouth Corporation: Reply Declaration (with Aniruddha Banerjee, Charles Zarkadas and Agustin Ros) regarding unbundling obligations of local exchange carriers. Filed July 17, 2002.

370. Federal Communications Commission (RM No. 10593) on behalf of BellSouth Corporation, Qwest Corporation, SBC Communications, Inc., and Verizon, regarding pricing flexibility for interstate

special access services (with A.E. Kahn), filed December 2, 2002.

3. Mexico

371. Mexican Secretariat of Communications and Transport on behalf of Southwestern Bell International Holdings Corporation, affidavit on interconnection regulation (with T.J. Tardiff). Filed October 18, 1995.
372. Comisión Federal de Telecomunicaciones de México ("Cofetel"), "Economic Parameter Values in the Telmex Price Cap Plan," arbitrator's report on behalf of COFETEL and Telmex regarding the renewal of the price cap plan for Telmex, February 15, 1999.
373. Comisión Federal de Telecomunicaciones de México, on behalf of the Commission, "Telmex's 2003-2006 Price Cap Tariff Proposal," expert report regarding the renewal of the price cap plan for Telmex, (with A. Ros, G. Martinez and A. Banerjee), filed December 13, 2002.

4. New Zealand

374. Commerce Commission of New Zealand on behalf of New Zealand Telecom, "Review of CostQuest Associates' Benchmarking Survey" En banc hearings May 13-17, 2002.

5. United States Department of Justice

375. Affidavit to the U.S. Department of Justice on behalf of NYNEX in *United States of America v. Western Electric Company, Inc. and American Telephone and Telegraph Company*, regarding provision of telecommunications services across LATA boundaries for traffic originating or terminating in New York State. Filed August 25, 1994.
376. Affidavit to the U.S. Department of Justice on behalf of SBC Communications Inc. in *United States of America v. Western Electric Company, Inc. and American Telephone and Telegraph Company*, regarding Telefonos de Mexico's (Telmex's) provision of interexchange telecommunications services within the United States. Filed May 22, 1995.
377. Affidavit to the U.S. Department of Justice on behalf of SBC Communications Inc. in *United States of America v. Western Electric Company, Inc. and American Telephone and Telegraph Company*, regarding provision of interexchange telecommunications services to customers with independent access to interexchange carriers. Filed May 30, 1995.

6. United States Senate

378. Subcommittee on Communications of the Senate Committee on Commerce, Science and Transportation, *Statement* and oral testimony regarding long distance competition and Section 271 of

the Telecommunications Act of 1996. Filed March 25, 1998.

December, 2002

FPSC
Docket No. 020507-TL

BellSouth Direct Testimony

Exhibit No. JAR-1

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 17
COMPANY/ WITNESS: BS/JAR1+JAR2
DATE: July 21, 2003

NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: http://www.fcc.gov
TTY: 1-888-835-5322

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC. 515 F 2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE
July 23, 2002

NEWS MEDIA CONTACT:
Mike Balmoris at (202) 418-0253
Email: mbalmori@fcc.gov

FEDERAL COMMUNICATIONS COMMISSION RELEASES DATA ON HIGH-SPEED SERVICES FOR INTERNET ACCESS

High-Speed Connections to the Internet Increased 33% During the Second Half of 2001 for a Total of 12.8 Million Lines in Service

Washington, D.C. – The Federal Communications Commission (FCC) today released summary statistics of its latest data on the deployment of high-speed connections to the Internet in the United States. The information being released today was filed by qualifying service providers on March 1, 2002, and includes data as of December 31, 2001. Qualifying providers file such data twice a year under the Commission's local competition and broadband data gathering program (FCC Form 477).

The local competition and broadband data gathering program was adopted by the Commission in March 2000 to assist the Commission in its efforts to monitor and further implement the pro-competitive, deregulatory provisions of the Telecommunications Act of 1996. Specifically, the data from this effort are used by the Commission for its evaluation of the deployment of advanced telecommunications capability.

Summary Statistics

- High-speed lines connecting homes and businesses to the Internet increased by 33% during the second half of 2001, from 9.6 million to 12.8 million lines, compared to a 36% increase, from nearly 7.1 million to 9.6 million lines, during the first half of 2001.

- Of the 12.8 million high-speed lines in service at the end of 2001, 11 million served residential and small business subscribers, a 41% increase from the 7.8 million residential and small business high-speed lines reported six months earlier.

- About 7.4 million of the 12.8 million high-speed lines were advanced services lines that provide services at speeds exceeding 200 kilobits per second (kbps) in both directions, an increase of 25% during the second half of 2001. About 5.8 million of the 7.4 million advanced services lines served residential and small business subscribers.

- At the end of 2001, the presence of high-speed service subscribers was reported in all fifty states, the District of Columbia, Puerto Rico, and the Virgin Islands, and in 79% of the nation's zip codes, compared to 78% six months earlier and 73% at the end of 2000.

- High-speed asymmetric DSL (ADSL) lines in service increased by 47% during the second half of 2001, from nearly 2.7 million to over 3.9 million lines, compared to a 36% increase, from nearly 2 million to 2.7 million lines, during the preceding six months.

- High-speed Internet connections over coaxial cable systems (cable modem service) increased by 36% during the final six months of 2001, from 5.2 million to 7.1 million lines. By comparison, cable modem service increased by 45%, from nearly 3.6 million to 5.2 million lines, during the first half of 2001.

- High-speed service subscribers were reported present in 98% of the most densely populated decile of zip codes at the end of 2001, the same percentage as a year earlier, and in 43% of the least densely populated decile, compared to 28% a year earlier.

- For zip codes ranked by median family income, high-speed subscribers were reported present in 97% of the top one-tenth of zip codes and in 63% of the bottom one-tenth of zip codes at the end of 2001. The comparable figures a year earlier were 96% and 55%.

As additional information becomes available, it will be routinely posted on the Commission's Internet site.

The statistical summary is available in the FCC's Reference Information Center, Courtyard Level, 445 12thStreet, S.W. Copies may be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C., telephone (202) 863-2893, facsimile (202) 863-2898, or via e-mail qualexint@aol.com. The statistical summary can also be downloaded from the **FCC-State Link** Internet site at www.fcc.gov/wcb/stats.

- FCC -

Wireline Competition Bureau contacts: Industry Analysis and Technology Division at (202) 418-0940, TTY (202) 418-0484.

High-Speed Services for Internet Access: Status as of December 31, 2001

Industry Analysis and Technology Division
Wireline Competition Bureau
July 2002

This report is available for reference in the FCC's Information Center at 445 12th Street, S.W., Courtyard Level. Copies may be purchased by calling Qualex International, Portals II, 445 12th Street, S.W., Room CY-B402, Washington, DC 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com. The report can also be downloaded from the **FCC-State Link** Internet site at www.fcc.gov/wcb/stats.

High-Speed Services for Internet Access: Subscribership as of December 31, 2001

Congress directed the Commission and the states, in section 706 of the Telecommunications Act of 1996, to encourage deployment of advanced telecommunications capability in the United States on a reasonable and timely basis.[1] To assist in its evaluation of such deployment, the Commission instituted a formal data collection program to gather standardized information about subscribership to high-speed services, including advanced services, from wireline telephone companies, cable providers, terrestrial wireless providers, satellite providers, and any other facilities-based providers of advanced telecommunications capability.[2]

We summarize here information from the fifth data collection, thereby presenting a snapshot of subscribership as of December 31, 2001.[3] Subscribership to high-speed services for Internet access increased by 33% during the second half of 2001, to a total of 12.8 million lines in service. The presence of high-speed service subscribers was reported in all fifty states, the District of Columbia, Puerto Rico, and the Virgin Islands, and in 79% of the zip codes in the United States.

Before presenting the most recent information in some detail, a brief description of the Commission's data collection program is in order to enable the reader to better understand how the nationwide information presented here may compare to similar information derived from other sources. First, a facilities-based provider of high-speed service lines (or wireless channels) in a given state reports to the Commission basic information about its service offerings and customers if the provider has at least 250 such lines in service in that state. While providers not meeting the reporting threshold may provide information on a voluntary basis, as some have done, it is likely that not all such providers have reported data.[4] In particular, we do not know how comprehensively small providers, many of which serve rural

---

[1] *See* §706, Pub.L. 104-104, Title VII, Feb. 8, 1996, 110 Stat. 153, reproduced in the notes under 47 U.S.C. §157. We use the term "high-speed" to describe services that provide the subscriber with transmissions at a speed in excess of 200 kilobits per second (kbps) in at least one direction. "Advanced services," which provide the subscriber with transmission speeds in excess of 200 kbps in each direction, are a subset of high-speed services.

[2] *Local Competition and Broadband Reporting*, CC Docket No. 99-301, Report and Order, 15 FCC Rcd 7717 (2000) (*Data Gathering Order*). During this data gathering program, qualifying providers file FCC Form 477 each year on March 1 (reporting data for the preceding December 31) and September 1 (reporting data for June 30 of the same year). An updated FCC Form 477, and Instructions for that particular form, for each specific round of the data collection may be downloaded from the FCC Forms website at www.fcc.gov/formpage.html. The formal program followed several attempts by the Common Carrier Bureau to collect information on a voluntary basis. *See Local Competition and Broadband Reporting*, CC Docket No. 99-301, Notice of Proposed Rulemaking, 14 FCC Rcd 18106 (1999).

[3] Earlier FCC Form 477 filings reported data as of December 31, 1999, June 30, 2000, December 31, 2000, and June 30, 2001. *See Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion*, CC Docket No. 98-146, Second Report, 15 FCC Rcd 20913 (2000) (*Second 706 Report*) available at www.fcc.gov/broadband/706.html, Industry Analysis Division, Common Carrier Bureau, *High-Speed Services for Internet Access: Status as of June 30, 2000* (October 2000), and *High-Speed Services for Internet Access: Status as of December 31, 2000* (August 2001) available at www.fcc.gov/wcb/stats, and *Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion*, CC Docket No. 98-146, Third Report, 17 FCC Rcd 2844 (2002) available at www.fcc.gov/broadband/706.html.

[4] High-speed lines reported in recent voluntary submissions represent less than 0.1% of total high-speed lines reported.

areas with relatively small populations, are represented in the data summarized here. Second, lines (or wireless channels) that are not "high-speed" (i.e., delivering transmissions to the subscriber at a speed in excess of 200 kbps in at least one direction) are not reported. Some asymmetric digital subscriber line (ADSL) services and Integrated Services Digital Network (ISDN) services provided by telephone companies and some services that connect subscribers to the Internet over cable systems do not meet this criterion, but may nevertheless meet the needs of the subscribers who select them.

Based on the latest information now available, readers can draw the following broad conclusions:

- Subscribership to high-speed services increased by 33% during the second half of 2001, to a total of 12.8 million lines (or wireless channels) in service. The rate of growth during the first half of 2001 was 36%. See Table 1.

- High-speed lines in service over coaxial cable systems (cable modem service) increased 36% during the second half of 2001, to about 7.1 million lines. High-speed ADSL lines in service increased 47%, to about 3.9 million lines.[5] See Table 1.

- Reported high-speed connections to end-user customers by means of satellite or fixed wireless technologies increased by 9% during the second half of 2001, and reported fiber optic connections to end-user customer premises increased by 8%. These technologies, together, accounted for about 0.7 million high-speed connections at the end of 2001. See Table 1.

- Subscribership to the subset of high-speed services that are described as advanced services (i.e., delivering to subscribers transmission speeds in excess of 200 kbps in each direction) increased by 25% during the second half of 2001, to a total of 7.4 million lines (or wireless channels) in service. Advanced services lines provided by means of ADSL technology increased by 37%, and advanced services lines provided over coaxial cable systems increased by 32%.[6] See Table 2.

- As of December 31, 2001, there were about 11 million residential and small business subscribers to high-speed services. By contrast, there were approximately 7.8 million such subscribers six months earlier, and about 5.2 million a year earlier. See Table 3.



[5] Providers are instructed to report a high-speed subscriber in the (mutually exclusive) technology category that characterizes the last few feet of distribution plant to the subscriber's premises, e.g., coaxial cable in the case of the hybrid fiber-coax (HFC) architecture of upgraded cable systems. As noted above, ADSL services that do not deliver over 200 kbps in at least one direction are not included in the data reported here. Symmetric DSL services at speeds exceeding 200 kbps are included in the "other wireline" category because they are typically used to provide data services that are functionally equivalent to the T-1 and other data services that wireline telephone companies have offered to business customers for some time.

[6] Providers also estimate the percentage of high-speed connections that are faster than 2 mbps in both directions. About 0.3 million such connections were reported as of December 31, 2001. Over 50% of these connections were reported in the other traditional wireline category and nearly 40% were reported in the optical carrier category.

- Of the 11 million high-speed lines in service to residential and small business subscribers at the end of December 2001, we estimate that about 5.8 million lines provide advanced services.[7] See Table 4.

- Among entities that reported facilities-based ADSL high-speed lines in service as of December 31, 2001, about 97% of such lines were reported by incumbent local exchange carriers (ILECs). ILECs claimed a smaller share, about 83%, of high-speed lines delivered over other traditional wireline facilities.[8] When all technologies are considered, ILECs provided about 38% of high-speed connections to end-user customers. See Table 5.

- Providers of high-speed services over coaxial cable systems report serving subscribers in 49 states and the District of Columbia. Providers of high-speed ADSL services report serving subscribers in 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands, as do providers who use wireline technologies other than ADSL, or who use optical carrier (i.e., fiber), satellite, or fixed wireless technologies in the last few feet to the subscriber's premises.[9] See Table 6.

- The Commission's data collection program gathers from providers information about the number of high-speed lines in service in individual states, in total and by technology deployed in the last few feet to the subscriber's premises. Relatively large numbers of total high-speed lines in service are associated with the more populous states. The most populous state, California, has the largest reported number of high-speed lines. The second, third, and fourth largest numbers of high-speed lines are reported for New York, Florida, and Texas, which are the third, fourth, and second most populous states, respectively. See Table 7.

- Reporting entities estimate the percentage of their high-speed lines in service that connect to residential and small business end-user customers (as opposed to connecting to medium and large business, institutional, or government end-user customers).[10] These percentages allow us to derive approximate numbers of residential and small-business high-speed lines in service by state. See Table 8.

---

[7] Filers of FCC Form 477 do not directly report the number of advanced services lines provided to residential and small business end users, as opposed to other end users. In estimating the number of advanced services lines serving residential and small business end users, we assume that reported advanced service lines were more likely to be delivered to large business users first and to residential and small business users second. *See also Second 706 Report*, 15 FCC Rcd 20943.

[8] Symmetric forms of DSL services, which are typically purchased by business customers, are included in this category.

[9] Information about providers of high-speed services other than ADSL and cable modem is reported in a single category, for the individual states, to honor requests for nondisclosure of information that reporting entities assert is competitively sensitive. In the *Data Gathering Order*, the Commission stated it would publish high-speed data only once it has been aggregated in a manner that does not reveal individual company data. *See Data Gathering Order*, 15 FCC Rcd 7760.

[10] End-user customers use the high-speed services for their own purposes and do not resell them to other entities. For purposes of the FCC Form 477 data collection, Internet Service Providers (ISPs) are not end-user customers. Reporting entities are directed to consider a line as being provided to an end-user customer in the "residential and small business" category if that customer orders high-speed service of a type that is normally associated with residential customers.

- The Commission's data collection program also requires service providers to identify each zip code in which the provider has at least one high-speed subscriber. As of December 31, 2001, subscribers to high-speed services were reported in 79% of the nation's zip codes. Multiple providers reported having subscribers in 60% of the nation's zip codes.[11] See Table 9.

- Our analysis indicates that nearly 98% of the country's population lives in the 79% of zip codes where a provider reports having at least one high-speed service subscriber. Moreover, numerous competing providers report serving high-speed subscribers in the major population centers of the country. See the map that follows Table 9.

- States vary widely with respect to the percentage of zip codes in the state in which no high-speed lines are reported to be in service. See Table 10.

- High population density has a positive association with reports that high-speed subscribers are present, and low population density has an inverse association. For example, as of December 31, 2001, high-speed subscribers are reported to be present in 98% of the most densely populated zip codes and in 43% of zip codes with the lowest population densities.[12] However, the comparable figure for the least dense zip codes was 28% a year earlier. See Table 11.

- High median family income also has a positive association with reports that high-speed subscribers are present. In the top one-tenth of zip codes ranked by median family income, high-speed subscribers are reported in 97% of zip codes. By contrast, high-speed subscribers are reported in 63% of zip codes with the lowest median family income, compared to 55% a year earlier. See Table 12.

As other information from the Commission's data collection program (FCC Form 477) becomes available, it will be included in future reports on the deployment of advanced telecommunications capability and in publications such as this one.

We invite users of this information to provide suggestions for improved data collection and analysis by:

- Using the attached customer response form,
- E-mailing comments to jeisner@fcc.gov,
- Calling the Industry Analysis and Technology Division of the Wireline Competition Bureau at (202) 418-0940, or
- Participating in any formal proceedings undertaken by the Commission to solicit comments for improvement of FCC Form 477.

---

[11] Lists of zip codes with number of service providers as reported in the FCC Form 477 filings are made available at www.fcc.gov/wcb/stats in a format that honors requests for nondisclosure of information the reporting entities assert is competitively sensitive.

[12] For this comparison, we consider the most densely populated zip codes to be those with more than 3,147 persons per square mile (the top decile of zip codes) and the least densely populated zip codes to be those with fewer than 6 persons per square mile (the bottom decile).

Table 1
High-Speed Lines 1/
(Over 200 kbps in at Least One Direction)

Types of Technology 2/	December 1999	June 2000	December 2000	June 2001	December 2001	Percent Change	
						Dec 2000 - June 2001	June 2001 - Dec 2001
ADSL	369,792	951,583	1,977,101	2,693,834	3,947,808	36 %	47 %
Other Wireline	609,909	758,594	1,021,291	1,088,066	1,078,597	7	-1
Coaxial Cable	1,411,977	2,284,491	3,582,874	5,184,141	7,059,598	45	36
Fiber	312,204	307,151	376,203	455,593	494,199	21	8
Satellite or Fixed Wireless	50,404	65,615	112,405	194,707	212,610	73	9
Total Lines	2,754,286	4,367,434	7,069,874	9,616,341	12,792,812	36 %	33 %

Table 2
Advanced Services Lines 1/
(Over 200 kbps in Both Directions)

Types of Technology 2/	December 1999	June 2000	December 2000	June 2001	December 2001	Percent Change	
						Dec 2000 - June 2001	June 2001 - Dec 2001
ADSL	185,950	326,816	675,366	998,883	1,369,143	48 %	37 %
Other Wireline	609,909	758,594	1,021,291	1,088,066	1,078,597	7	-1
Coaxial Cable	877,465	1,469,130	2,193,609	3,329,976	4,394,778	52	32
Fiber	307,315	301,143	376,197	455,549	486,483	21	7
Satellite or Fixed Wireless	7,816	3,649	26,906	73,476	75,341	173	3
Total Lines	1,988,455	2,859,332	4,293,369	5,945,950	7,404,343	38 %	25 %

1/ A high-speed line is a connection to an end-user customer that is faster than 200 kbps in at least one direction. Advanced services lines, which are a subset of high-speed lines, are connections to end-user customers that are faster than 200 kbps in both directions. The speed of the purchased service varies among end-user customers. For example, a high-speed service delivered to the end-user customer over other traditional wireline technology, such as DS1 or DS3 service, or over optical fiber to the end user's premises may be much faster than the ADSL or cable modem service purchased by a different, or by the same, end user. Numbers of lines reported here are not adjusted for the speed of the service delivered over the line or the number of end users able to utilize the lines.

2/ The mutually exclusive types of technology are, respectively: Asymmetric digital subscriber line (ADSL) technologies, which provide speeds in one direction greater than speeds in the other direction; wireline technologies "other" than ADSL, including traditional telephone company high-speed services and symmetric DSL services that provide equivalent functionality; coaxial cable, including the typical hybrid fiber-coax (HFC) architecture of upgraded cable TV systems; optical fiber to the subscriber's premises (e.g., Fiber-to-the-Home, or FTTH); and satellite and (terrestrial) fixed wireless systems, which use radio spectrum to communicate with a radio transmitter at the subscriber's premises.

Table 3
Residential and Small Business High-Speed Lines 1/
(Over 200 kbps in at Least One Direction)

Types of Technology 2/	December 1999	June 2000	December 2000	June 2001	December 2001	Percent Change	
						Dec 2000 - June 2001	June 2001 - Dec 2001
ADSL	291,757	772,272	1,594,879	2,490,740	3,615,989	56 %	45 %
Other Wireline	46,856	111,490	176,520	138,307	139,660	NM	1
Coaxial Cable	1,402,394	2,215,259	3,294,546	4,998,540	7,050,709	52	41
Fiber	1,023	325	1,994	2,623	4,139	NM	NM
Satellite or Fixed Wireless	50,189	64,320	102,432	182,165	194,897	78	7
Total Lines	1,792,219	3,163,666	5,170,371	7,812,375	11,005,396	51	41 %

Table 4
Residential and Small Business Advanced Services Lines 1/
(Over 200 kbps in Both Directions)

Types of Technology 2/	December 1999	June 2000	December 2000	June 2001	December 2001	Percent Change	
						Dec 2000 - June 2001	June 2001 - Dec 2001
ADSL	116,994	195,324	393,246	916,364	1,243,996	133 %	36 %
Other Wireline	46,856	111,490	176,520	138,307	139,660	NM	1
Coaxial Cable	872,024	1,401,434	2,177,328	3,146,953	4,388,967	45	39
Fiber	138	325	1,992	2,617	3,523	NM	NM
Satellite or Fixed Wireless	7,682	2,916	17,043	60,988	58,113	NM	-5
Total Lines	1,043,694	1,711,488	2,766,130	4,265,229	5,834,258	54 %	37 %

Note: Residential and small business advanced services lines are estimated based on data from FCC Form 477.

NM - Not meaningful due to inconsistencies in reported data.

1/ A high-speed line is a connection to an end-user customer that is faster than 200 kbps in at least one direction. Advanced services lines, which are a subset of high-speed lines, are connections to end-user customers that are faster than 200 kbps in both directions. The speed of the purchased service varies among end-user customers. For example, a high-speed service delivered to the end-user customer over other traditional wireline technology, such as DS1 or DS3 service, or over optical fiber to the end user's premises may be much faster than the ADSL or cable modem service purchased by a different, or by the same, end user. Numbers of lines reported here are not adjusted for the speed of the service delivered over the line or the number of end users able to utilize the lines.

2/ The mutually exclusive types of technology are, respectively: Asymmetric digital subscriber line (ADSL) technologies, which provide speeds in one direction greater than speeds in the other direction; wireline technologies "other" than ADSL, including traditional telephone company high-speed services and symmetric DSL services that provide equivalent functionality; coaxial cable, including the typical hybrid fiber-coax (HFC) architecture of upgraded cable TV systems; optical fiber to the subscriber's premises (e.g., Fiber-to-the-Home, or FTTH); and satellite and (terrestrial) fixed wireless systems, which use radio spectrum to communicate with a radio transmitter at the subscriber's premises.

Table 5
High-Speed Lines by Type of Provider
as of December 31, 2001
(Over 200 kbps in at Least One Direction)

Types of Technology 1/	Lines				Percent of Lines		
	RBOC 2/	Other ILEC	Non-ILEC 3/	Total	RBOC 2/	Other ILEC	Non-ILEC 3/
ADSL	3,566,594	273,072	108,142	3,947,808	90.3 %	6.9 %	2.7 %
Other Wireline	775,551	116,807	186,239	1,078,597	71.9	10.8	17.3
Coaxial Cable	*	*	7,034,490	7,059,598	*	*	99.6
Other	*	*	652,516	706,809	*	*	92.3
Total Lines	4,408,120	403,305	7,981,387	12,792,812	34.5 %	3.2 %	62.4 %

* Data withheld to maintain firm confidentiality.

1/ The mutually exclusive types of technology are, respectively: Asymmetric digital subscriber line (ADSL) technologies, which provide speeds in one direction greater than speeds in the other direction; wireline technologies "other" than ADSL, including traditional telephone company high-speed services and symmetric DSL services that provide equivalent functionality; coaxial cable, including the typical hybrid fiber-coax (HFC) architecture of upgraded cable TV systems; optical fiber to the subscriber's premises (e.g., Fiber-to-the-Home, or FTTH); and satellite and (terrestrial) fixed wireless systems, which use radio spectrum to communicate with a radio transmitter at the subscriber's premises.

2/ RBOC lines include all high-speed lines reported by BellSouth, Qwest, SBC, and Verizon.

3/ High-speed lines reported by competitive local exchange carrier (CLEC) or cable TV operations that are affiliated with a local exchange carrier are included in "Non-ILEC" lines, except that any such lines reported by an RBOC are included in "RBOC" lines.

Table 6
Providers of High-Speed Lines by Technology
as of December 31, 2001
(Over 200 kbps in at Least One Direction)

	ADSL	Coaxial Cable	Other 1/	Total (Unduplicated)
Alabama	5	8	12	19
Alaska	4	*	7	8
Arizona	5	4	8	13
Arkansas	4	*	6	10
California	10	9	22	28
Colorado	6	*	11	13
Connecticut	4	5	11	13
Delaware	*	*	*	5
District of Columbia	*	*	8	7
Florida	8	10	19	26
Georgia	9	10	19	25
Hawaii	*	0	*	*
Idaho	5	*	5	8
Illinois	11	5	19	24
Indiana	8	7	10	19
Iowa	5	4	10	13
Kansas	5	7	12	17
Kentucky	7	*	9	14
Louisiana	5	4	9	13
Maine	*	*	5	7
Maryland	6	7	13	19
Massachusetts	6	6	13	18
Michigan	11	5	13	21
Minnesota	12	8	14	22
Mississippi	*	4	4	9
Missouri	10	6	15	22
Montana	5	*	*	9
Nebraska	5	5	6	10
Nevada	5	*	12	15
New Hampshire	6	*	9	12
New Jersey	7	5	14	18
New Mexico	*	*	6	8
New York	13	5	17	22
North Carolina	11	7	14	24
North Dakota	4	*	4	7
Ohio	12	9	19	24
Oklahoma	6	*	12	16
Oregon	8	*	13	16
Pennsylvania	14	6	18	25
Puerto Rico	*	0	*	*
Rhode Island	*	*	6	7
South Carolina	11	7	12	18
South Dakota	6	*	5	10
Tennessee	10	5	9	20
Texas	20	6	24	34
Utah	5	*	10	13
Vermont	*	*	*	6
Virgin Islands	*	0	*	*
Virginia	8	5	14	19
Washington	10	*	14	18
West Virginia	*	*	5	9
Wisconsin	9	*	13	18
Wyoming	*	*	4	5
Nationwide (Unduplicated) Dec 2001	117	59	122	203
Nationwide (Unduplicated) Jun 2001	86	47	98	160
Nationwide (Unduplicated) Dec 2000	68	39	87	136
Nationwide (Unduplicated) Jun 2000	47	36	75	116
Nationwide (Unduplicated) Dec 1999	28	43	65	105

* Data withheld to maintain firm confidentiality. In this table, an asterisk also indicates 1-3 providers reporting.

1/ Other includes wireline technologies other than asymmetric digital subscriber line (ADSL), optical fiber to the subscriber's premises, satellite, and (terrestrial) fixed wireless systems.

Table 7
High-Speed Lines by Technology
(Over 200 kbps in at Least One Direction)

	Dec 1999	Jun 2000	Dec 2000	Jun 2001	Dec 2001				Percentage Change	
	Total	Total	Total	Total	ADSL	Coaxial Cable	Other 1/	Total	Dec 2000 - Jun 2001	Jun 2001 - Dec 2001
Alabama	19,796	32,756	63,334	86,234	34,785	83,933	20,261	138,979	36 %	61 %
Alaska	*	*	934	20,906	7,975	*	*	50,277	2138	140
Arizona	58,825	111,678	153,500	158,122	53,489	151,916	46,304	251,709	3	59
Arkansas	8,155	15,539	28,968	40,803	22,240	*	*	66,537	41	63
California	547,179	910,006	1,386,625	1,705,814	928,345	786,789	326,142	2,041,276	23	20
Colorado	36,726	64,033	104,534	147,220	70,615	*	*	177,419	41	21
Connecticut	36,488	63,772	111,792	149,057	41,261	137,003	12,993	191,257	33	28
Delaware	1,558	3,660	7,492	12,771	*	*	*	26,601	70	108
District of Columbia	13,288	16,926	27,757	39,101	*	*	15,410	43,278	41	11
Florida	190,700	244,678	460,795	651,167	306,015	486,977	118,269	911,261	41	40
Georgia	75,870	130,292	203,855	302,598	172,556	156,142	91,508	420,206	48	39
Hawaii	*	*	*	*	*	0	*	*	NA	NA
Idaho	*	8,070	15,908	20,233	13,643	*	*	18,445	27	-9
Illinois	77,672	166,933	242,239	350,241	110,448	204,202	108,056	422,706	45	21
Indiana	20,059	49,702	60,494	80,364	22,385	78,837	22,482	123,704	33	54
Iowa	19,258	49,159	58,199	72,583	13,193	63,788	5,043	82,024	25	13
Kansas	26,179	42,679	68,743	101,734	23,564	94,047	8,352	125,963	48	24
Kentucky	23,570	24,237	32,731	39,297	43,191	*	*	67,870	20	73
Louisiana	28,133	43,294	74,950	121,685	58,019	88,851	17,890	164,760	62	35
Maine	19,878	17,864	26,266	38,149	*	*	2,372	49,523	45	30
Maryland	52,749	71,005	124,465	181,021	79,997	143,174	37,463	260,634	45	44
Massachusetts	114,116	185,365	289,447	357,256	125,630	339,244	40,945	505,819	23	42
Michigan	81,223	135,318	198,230	395,583	52,505	329,697	51,656	433,858	100	10
Minnesota	38,268	65,272	117,283	148,012	67,527	113,900	18,429	199,856	26	35
Mississippi	*	6,514	12,305	21,517	*	12,998	*	35,586	75	65
Missouri	23,347	46,903	100,403	123,915	68,186	89,370	24,238	181,794	23	47
Montana	*	*	7,378	10,446	4,272	*	*	13,037	42	25
Nebraska	36,748	44,188	54,085	55,188	13,637	49,939	7,875	71,451	2	29
Nevada	23,514	40,582	59,879	78,535	17,598	*	*	109,850	31	40
New Hampshire	22,807	33,045	42,364	55,658	9,618	*	*	71,200	31	28
New Jersey	101,832	144,203	285,311	428,514	151,829	375,362	63,001	590,192	50	38
New Mexico	*	2,929	28,497	20,482	*	*	4,625	31,940	-28	56
New York	186,504	342,743	603,487	893,032	285,814	780,473	132,872	1,199,159	48	34
North Carolina	57,881	81,998	136,703	205,616	65,582	239,107	53,217	357,906	50	74
North Dakota	*	2,437	4,227	6,277	4,849	*	*	6,082	48	-3
Ohio	160,792	156,980	230,525	358,965	112,527	264,031	60,208	436,766	56	22
Oklahoma	96,730	163,703	95,138	92,947	39,978	*	*	114,931	NM	24
Oregon	27,062	44,186	76,839	93,242	57,899	*	*	158,048	21	70
Pennsylvania	71,926	79,892	176,670	263,236	136,829	190,915	48,695	376,439	49	43
Puerto Rico	*	*	*	*	*	0	*	*	NA	NA
Rhode Island	*	20,628	30,919	49,215	*	*	3,383	64,293	59	31
South Carolina	25,229	32,824	63,914	96,839	18,686	96,559	19,920	135,165	52	40
South Dakota	*	3,516	2,839	5,448	2,869	*	*	9,585	92	76
Tennessee	66,307	87,317	122,391	152,510	42,571	158,120	36,710	237,401	25	56
Texas	152,518	276,087	522,538	646,839	300,752	427,324	112,589	840,665	24	30
Utah	11,635	19,612	35,970	55,103	33,306	*	*	72,977	53	32
Vermont	*	1,551	7,773	16,230	*	*	*	21,795	109	34
Virgin Islands	0	*	*	*	*	0	*	*	NA	NA
Virginia	51,305	72,436	139,915	212,808	65,298	182,591	44,883	292,772	52	38
Washington	71,930	118,723	195,628	227,066	140,273	*	*	335,667	16	48
West Virginia	*	1,835	6,498	16,697	*	*	2,530	32,848	157	97
Wisconsin	18,599	34,262	76,257	127,755	28,233	*	*	182,395	68	43
Wyoming	*	*	*	*	*	*	1,385	7,856	NA	NA
Reported Total	2,754,286	4,367,434	7,069,874	9,616,341	3,947,808	7,059,598	1,785,406	12,792,812	36 %	33 %

NA - Not available.

NM - Not meaningful due to inconsistencies in reported data.

* Data withheld to maintain firm confidentiality.

1/ Other includes wireline technologies other than asymmetric digital subscriber line (ADSL), optical fiber to the subscriber's premises, satellite, and (terrestrial) fixed wireless systems.

Table 8
High-Speed Lines by Type of User as of December 31, 2001
(Over 200 kbps in at Least One Direction)

	Residential & Small Business	Other 1/	Total
Alabama	121,074	17,905	138,979
Alaska	44,559	5,718	50,277
Arizona	233,214	18,495	251,709
Arkansas	62,900	3,637	66,537
California	1,685,476	355,800	2,041,276
Colorado	156,709	20,710	177,419
Connecticut	180,616	10,641	191,257
Delaware	24,197	2,404	26,601
District of Columbia	28,621	14,657	43,278
Florida	776,704	134,557	911,261
Georgia	335,428	84,778	420,206
Hawaii	*	*	*
Idaho	13,288	5,157	18,445
Illinois	329,721	92,985	422,706
Indiana	99,837	23,867	123,704
Iowa	77,859	4,165	82,024
Kansas	120,375	5,588	125,963
Kentucky	47,060	20,810	67,870
Louisiana	148,039	16,721	164,760
Maine	46,955	2,568	49,523
Maryland	227,097	33,537	260,634
Massachusetts	447,030	58,789	505,819
Michigan	387,308	46,550	433,858
Minnesota	180,371	19,485	199,856
Mississippi	28,559	7,027	35,586
Missouri	164,774	17,020	181,794
Montana	11,676	1,361	13,037
Nebraska	69,171	2,280	71,451
Nevada	92,525	17,325	109,850
New Hampshire	62,967	8,233	71,200
New Jersey	522,979	67,213	590,192
New Mexico	28,119	3,821	31,940
New York	1,029,106	170,053	1,199,159
North Carolina	310,439	47,467	357,906
North Dakota	5,116	966	6,082
Ohio	371,141	65,625	436,766
Oklahoma	104,835	10,096	114,931
Oregon	131,279	26,769	158,048
Pennsylvania	318,833	57,606	376,439
Puerto Rico	*	*	*
Rhode Island	60,202	4,091	64,293
South Carolina	115,343	19,822	135,165
South Dakota	8,361	1,224	9,585
Tennessee	202,393	35,008	237,401
Texas	748,785	91,880	840,665
Utah	64,354	8,623	72,977
Vermont	20,354	1,441	21,795
Virgin Islands	*	*	*
Virginia	256,813	35,959	292,772
Washington	294,078	41,589	335,667
West Virginia	31,160	1,688	32,848
Wisconsin	159,328	23,067	182,395
Wyoming	6,845	1,011	7,856
Reported Total	11,005,396	1,787,416	12,792,812

* Data witheld to maintain firm confidentiality.

1/ Other includes medium and large business, institutional, and government customers.

Table 9
Percentage of Zip Codes with High-Speed Lines in Service

Number of Providers	December 1999	June 2000	December 2000	June 2001	December 2001
Zero	40.3 %	33.0 %	26.8 %	22.2 %	20.6 %
One	26.0	25.9	22.7	20.3	19.3
Two	15.5	17.8	18.4	16.7	15.7
Three	8.2	9.2	10.9	13.2	13.1
Four	4.3	4.9	6.1	8.2	9.1
Five	2.7	3.4	4.0	4.9	6.1
Six	1.7	2.5	3.0	3.6	4.2
Seven	0.8	1.7	2.3	2.8	3.2
Eight	0.3	0.8	2.0	2.2	2.5
Nine	0.2	0.4	1.6	1.9	2.0
Ten or More	0.0	0.4	2.4	3.9	4.0

High-Speed Providers by Zip Code

(As of December 31, 2001)

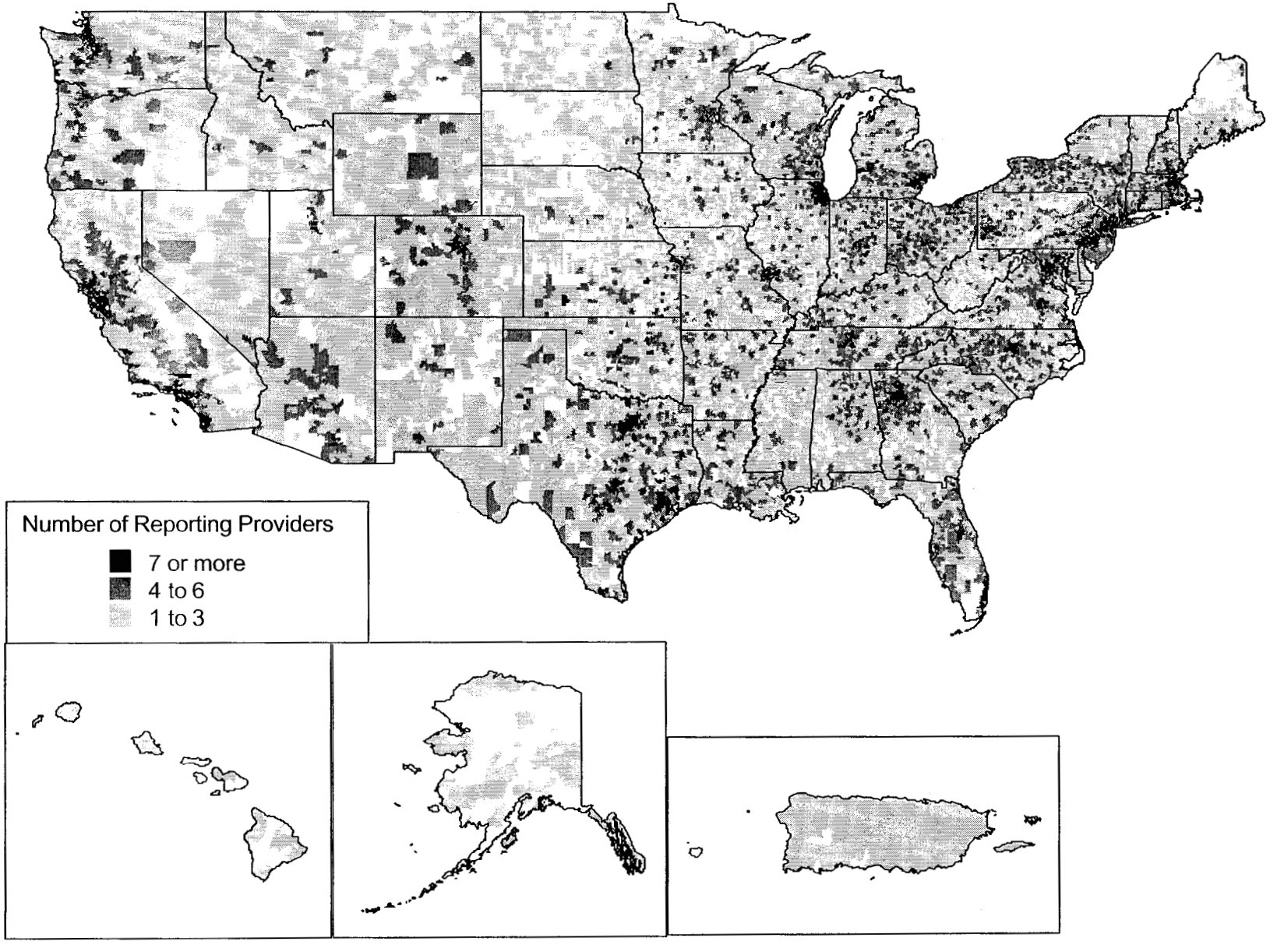


Table 10
Percentage of Zip Codes with High-Speed Lines in Service as of December 31, 2001
(Over 200 kbps in at Least One Direction)

	Number of Providers					
	Zero	One - Three	Four	Five	Six	Seven or More
Alabama	18 %	64 %	11 %	5 %	2 %	0 %
Alaska	43	53	2	1	0	0
Arizona	6	41	12	14	18	9
Arkansas	32	55	8	3	1	1
California	7	34	10	7	6	37
Colorado	13	48	10	5	4	20
Connecticut	0	49	12	11	4	23
Delaware	2	70	28	0	0	0
District of Columbia	7	22	11	7	33	19
Florida	3	34	16	12	8	26
Georgia	13	49	12	9	4	13
Hawaii	60	40	0	0	0	0
Idaho	36	58	4	1	0	0
Illinois	24	47	5	4	2	18
Indiana	18	58	10	6	3	5
Iowa	52	39	4	4	1	0
Kansas	44	41	6	5	3	2
Kentucky	35	56	7	2	0	0
Louisiana	16	63	15	5	0	0
Maine	12	81	6	1	0	0
Maryland	10	38	12	6	6	27
Massachusetts	2	28	15	11	8	36
Michigan	10	52	11	7	4	15
Minnesota	35	45	7	5	4	5
Mississippi	25	68	5	2	0	0
Missouri	30	51	5	5	3	6
Montana	44	50	6	0	0	0
Nebraska	43	51	5	2	0	0
Nevada	14	40	6	9	15	16
New Hampshire	4	53	15	11	6	11
New Jersey	1	24	16	13	9	37
New Mexico	34	55	6	3	3	0
New York	7	44	14	10	8	17
North Carolina	8	58	14	8	5	7
North Dakota	60	40	0	0	0	0
Ohio	8	52	13	11	6	10
Oklahoma	26	52	7	4	7	4
Oregon	14	59	14	8	4	2
Pennsylvania	22	45	9	7	4	14
Puerto Rico	8	92	0	0	0	0
Rhode Island	3	33	19	14	24	7
South Carolina	12	66	14	5	3	0
South Dakota	57	41	1	0	0	0
Tennessee	17	51	12	10	4	6
Texas	15	41	8	6	6	24
Utah	26	44	3	7	6	14
Vermont	23	75	2	0	0	0
Virginia	24	48	9	3	4	13
Washington	11	47	9	8	6	19
West Virginia	48	46	5	1	0	0
Wisconsin	13	56	9	9	7	6
Wyoming	29	66	5	1	0	0
Nationwide	21 %	48 %	9 %	6 %	4 %	12 %

Table 11
High-Speed Subscribership
Ranked by Population Density
(Over 200 kbps in at Least One Direction)

Deciles (Blocks of Zip Codes Grouped by Density)	Persons per Square Mile (In Each Decile of Zip Codes)	Percent of Zip Codes in Decile with at Least One High-Speed Subscriber			Percent of Population in Decile that Resides in Zip Codes with High-Speed Service		
		Dec 1999	Dec 2000	Dec 2001	Dec 1999	Dec 2000	Dec 2001
90-100	More Than 3,147	96.1 %	98.2 %	98.1 %	98.9 %	99.9 %	99.8 %
80-90	947-3,147	93.2	97.1	97.3	98.5	99.8	99.7
70-80	268-947	87.5	95.7	95.8	96.2	99.3	99.5
60-70	118-268	77.7	91.5	93.3	91.4	98.1	99.1
50-60	67-118	66.9	85.9	89.3	83.3	95.0	97.1
40-50	41-67	53.7	76.1	83.3	72.3	87.9	94.4
30-40	25-41	40.9	65.0	73.1	60.0	80.0	87.6
20-30	15-25	29.8	50.1	61.2	50.9	69.4	80.4
10-20	6-15	26.7	38.5	52.1	50.2	61.9	76.2
0-10	Fewer Than 6	19.9	27.5	43.3	38.5	49.9	67.9

Table 12
High-Speed Subscribership
Ranked by Household Income
(Over 200 kbps in at Least One Direction)

Deciles (Blocks of Zip Codes Grouped by Median Household Income)	Median Household Income (In Each Decile of Zip Codes)	Percent of Zip Codes in Decile with at Least One High-Speed Subscriber			Percent of Population in Decile that Resides in Zip Codes with High-Speed Service		
		Dec 1999	Dec 2000	Dec 2001	Dec 1999	Dec 2000	Dec 2001
90-100	$53,494 to $291,938	90.8 %	96.1 %	96.8 %	98.4 %	99.8 %	99.6 %
80-90	$43,617 to $53,478	77.1	88.9	91.7	95.8	99.0	99.3
70-80	$38,396 to $43,614	67.0	79.5	84.9	94.3	97.8	98.6
60-70	$34,744 to $38,395	59.9	74.5	79.9	91.5	96.6	97.6
50-60	$32,122 to $34,743	55.3	71.2	78.2	90.0	95.9	97.6
40-50	$29,893 to $32,121	53.7	67.4	75.5	88.9	94.5	96.8
30-40	$27,542 to $29,892	50.4	66.9	75.2	86.1	93.8	96.5
20-30	$24,855 to $27,541	50.1	65.1	71.8	85.7	93.1	95.6
10-20	$21,645 to $24,855	46.3	61.2	70.0	83.0	91.1	95.0
0-10	$0 to $21,644	41.7	54.9	62.7	83.8	91.5	95.1

Customer Response

Publication: *High-Speed Services for Internet Access: Status as of December 31, 2001.*

You can help us provide the best possible information to the public by completing this form and returning it to the Industry Analysis and Technology Division of the FCC's Wireline Competition Bureau.

1. Please check the category that best describes you:
   - _____ press
   - _____ current telecommunications carrier
   - _____ potential telecommunications carrier
   - _____ business customer evaluating vendors/service options
   - _____ consultant, law firm, lobbyist
   - _____ other business customer
   - _____ academic/student
   - _____ residential customer
   - _____ FCC employee
   - _____ other federal government employee
   - _____ state or local government employee
   - _____ Other (please specify)

2.

Please rate the report:	Excellent	Good	Satisfactory	Poor	No opinion
Data accuracy	(_)	(_)	(_)	(_)	(_)
Data presentation	(_)	(_)	(_)	(_)	(_)
Timeliness of data	(_)	(_)	(_)	(_)	(_)
Completeness of data	(_)	(_)	(_)	(_)	(_)
Text clarity	(_)	(_)	(_)	(_)	(_)
Completeness of text	(_)	(_)	(_)	(_)	(_)

3.

Overall, how do you rate this report?	Excellent	Good	Satisfactory	Poor	No opinion
	(_)	(_)	(_)	(_)	(_)

4. How can this report be improved?

5. May we contact you to discuss possible improvements?
   Name:
   Telephone #:

To discuss the information in this report, contact: 202-418-0940 or for users of TTY equipment, call 202-418-0484		
Fax this response to	or	Mail this response to
202-418-0520		FCC/WCB/IATD Mail Stop 1600 F Washington, DC 20554

High-Speed Services for Internet Access: Status as of December 31, 2002

Industry Analysis and Technology Division
Wireline Competition Bureau
June 2003



This report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, SW, Washington, DC. Copies may be purchased by contacting Qualex International, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone 202-863-2893, facsimile 202-863-2898, or via e-mail qualexint@aol.com. The report can also be downloaded from the **FCC-State Link** Internet site at www.fcc.gov/wcb/stats.

High-Speed Services for Internet Access: Status as of December 31, 2002

Congress directed the Commission and the states, in section 706 of the Telecommunications Act of 1996, to encourage deployment of advanced telecommunications capability in the United States on a reasonable and timely basis.[1] To assist in its evaluation of such deployment, the Commission instituted a formal data collection program to gather standardized information about subscribership to high-speed services, including advanced services, from wireline telephone companies, cable providers, terrestrial wireless providers, satellite providers, and any other facilities-based providers of advanced telecommunications capability.[2]

We summarize here information from the seventh data collection, thereby presenting a snapshot of subscribership as of December 31, 2002.[3] Subscribership to high-speed services for Internet access increased by 23% during the second half of 2002, to a total of 19.9 million lines in service. The presence of high-speed service subscribers was reported in all fifty states, the District of Columbia, Puerto Rico, and the Virgin Islands, and in 88% of the zip codes in the United States.

Before presenting the most recent information in some detail, a brief description of the Commission's data collection program is in order to enable the reader to better understand how the nationwide information presented here may compare to similar information derived from other sources. First, a facilities-based provider of high-speed service in a given state reports to the Commission basic information about its service offerings and customers if the provider has at least 250 high-speed lines (or wireless channels) in service in that state.[4] While providers not meeting the reporting threshold may

---

[1] *See* §706, Pub.L. 104-104, Title VII, Feb. 8, 1996, 110 Stat. 153, reproduced in the notes under 47 U.S.C. §157. We use the term "high-speed" to describe services that provide the subscriber with transmissions at a speed in excess of 200 kilobits per second (kbps) in at least one direction. "Advanced services," which provide the subscriber with transmission speeds in excess of 200 kbps in each direction, are a subset of high-speed services.

[2] *Local Competition and Broadband Reporting*, CC Docket No. 99-301, Report and Order, 15 FCC Rcd 7717 (2000) (*Data Gathering Order*). During this data gathering program, qualifying providers file FCC Form 477 each year on March 1 (reporting data for the preceding December 31) and September 1 (reporting data for June 30 of the same year). An updated FCC Form 477, and Instructions for that particular form, for each specific round of the data collection may be downloaded from the FCC Forms website at www.fcc.gov/formpage.html. Previously, the Common Carrier Bureau collected information on a voluntary basis. *See Local Competition and Broadband Reporting*, CC Docket No. 99-301, Notice of Proposed Rulemaking, 14 FCC Rcd 18106 (1999).

[3] Earlier FCC Form 477 filings reported data as of December 31, 1999, June 30, 2000, December 31, 2000, June 30, 2001, December 31, 2001, and June 30, 2002. *See Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion*, CC Docket No. 98-146, Second Report, 15 FCC Rcd 20913 (2000) (*Second 706 Report*) available at www.fcc.gov/broadband/706.html, Industry Analysis Division, Common Carrier Bureau, *High-Speed Services for Internet Access: Subscribership as of June 30, 2000* (October 2000) and *High-Speed Services for Internet Access: Subscribership as of December 31, 2000* (August 2001) available at www.fcc.gov/wcb/stats, *Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion*, CC Docket No. 98-146, Third Report, 17 FCC Rcd 2844 (2002) available at www.fcc.gov/broadband/706.html, and Industry Analysis and Technology Division, Wireline Competition Bureau, *High-Speed Services for Internet Access: Status as of December 31, 2001* (July 2002) and *High-Speed Services for Internet Access: Status as of June 30, 2002* (December 2002), available at www.fcc.gov/wcb/stats.

[4] The reporting threshold of 250 high-speed lines (or wireless channels) is calculated based collectively on all commonly-owned and commonly-controlled affiliates operating in a given state, with a 10% equity interest as indicia of ownership. For reporting purposes, an entity is a facilities-based provider of high-speed service if it provides the service over its own "local loop" facilities connecting to end users, or over unbundled network elements (UNEs), (continued....)

provide information on a voluntary basis, as some have done, it is likely that not all such providers have reported data.[5] In particular, we do not know how comprehensively small providers, many of which serve rural areas with relatively small populations, are represented in the data summarized here. Second, lines (or wireless channels) that are not "high-speed" (i.e., delivering transmissions to the subscriber at a speed in excess of 200 kbps in at least one direction) are not reported. Some asymmetric digital subscriber line (ADSL) services and Integrated Services Digital Network (ISDN) services provided by telephone companies and some services that connect subscribers to the Internet over cable systems do not meet this criterion, but may nevertheless meet the needs of the subscribers who select them.

Based on the latest information now available, readers can draw the following broad conclusions:

- Subscribership to high-speed services increased by 23% during the second half of 2002, to a total of 19.9 million lines (or wireless channels) in service. The rate of growth during the first half of 2002 was 27%. See Table 1.

- High-speed ADSL lines in service increased by 27% during the second half of 2002, to 6.5 million lines. High-speed lines in service over coaxial cable systems (cable modem service) increased by 24%, to 11.4 million lines.[6] See Table 1.

- Reported high-speed connections to end-user customers by means of satellite or fixed wireless technologies increased by 25% during the second half of 2002, and reported fiber optic connections to end-user customer premises increased by 5%. These technologies, together, accounted for about 0.8 million high-speed connections at the end of 2002. See Table 1.

(Continued from previous page)
special access lines, and other leased lines and wireless channels that it obtains from other entities and equips to provide high-speed service. Non-facilities-based Internet Service Providers (ISPs), as such, have no reporting obligation. End-user lines equipped as high-speed service by, for example, an incumbent LEC must be reported by the incumbent LEC or an affiliate (assuming the LEC and its affiliates collectively have at least 250 such lines in service in a given state) irrespective of whether the end user of the retail high-speed Internet-access service is billed by the incumbent LEC, its ISP affiliate, another affiliate, or its billing agent, or by an unaffiliated ISP that has incorporated the incumbent LEC's high-speed service into a premium Internet-access service marketed under the ISP's own name.

[5] High-speed lines reported in recent voluntary submissions represent less than 0.05% of total high-speed lines reported.

[6] Providers are instructed to report a high-speed subscriber in the (mutually exclusive) technology category that characterizes the last few feet of distribution plant to the subscriber's premises, e.g., coaxial cable in the case of the hybrid fiber-coax (HFC) architecture of upgraded cable systems. As noted above, ADSL services that do not deliver over 200 kbps in at least one direction are not included in the data reported here. Symmetric DSL services at speeds exceeding 200 kbps are included in the "other wireline" category because they are typically used to provide data services that are functionally equivalent to the T-1 and other data services that wireline telephone companies have offered to business customers for some time.

- Subscribership to the subset of high-speed services that are described as advanced services (i.e., delivering to subscribers transmission speeds in excess of 200 kbps in each direction) increased by 24% during the second half of 2002, to a total of 13.0 million lines (or wireless channels) in service. Advanced services lines provided by means of ADSL technology increased by 52%, and advanced services lines provided over coaxial cable systems increased by 22%.[7] See Table 2.

- As of December 31, 2002, there were about 17.4 million high-speed lines serving residential and small business subscribers. By contrast, there were about 14.0 million such lines six months earlier, and about 11.0 million a year earlier. See Table 3.

- Of the 17.4 million high-speed lines in service to residential and small business subscribers at the end of December 2002, we estimate that about 10.8 million lines provide advanced services.[8] See Table 4.

- Among entities that reported facilities-based ADSL high-speed lines in service as of December 31, 2002, about 95% of such lines were reported by incumbent local exchange carriers (ILECs). ILECs claimed a smaller share, about 74%, of high-speed lines delivered over other traditional wireline facilities.[9] When all technologies are considered, ILECs provided about 36% of high-speed connections to end-user customers. See Table 5.

- Providers of high-speed services over coaxial cable systems report serving subscribers in all 50 states, the District of Columbia, and Puerto Rico. Providers of high-speed ADSL services report serving subscribers in all 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands, as do providers who use wireline technologies other than ADSL, or who use optical carrier (i.e., fiber), satellite, or fixed wireless technologies in the last few feet to the subscriber's premises.[10] See Table 6.

- The Commission's data collection program gathers from providers information about the number of high-speed lines in service in individual states, in total and by technology deployed in the last few feet to the subscriber's premises. Relatively large numbers of total high-speed lines in service are

---

[7] Providers also estimate the percentage of high-speed connections that are faster than 2 mbps in both directions. About 0.4 million such connections were reported as of December 31, 2002. About 52% of these connections were reported in the other traditional wireline category and about 43% were reported in the optical carrier category.

[8] Filers of FCC Form 477 do not directly report the number of advanced services lines provided to residential and small business end users, as opposed to other end users. In estimating the number of advanced services lines serving residential and small business end users, we assume that reported advanced service lines were more likely to be delivered to large business users first and to residential and small business users second. *See also Second 706 Report*, 15 FCC Rcd 20943.

[9] Symmetric forms of DSL services, which are typically purchased by business customers, are included in this category.

[10] Information about providers of high-speed services other than ADSL and cable modem is reported in a single category, for the individual states, to honor requests for nondisclosure of information that reporting entities assert is competitively sensitive. In the *Data Gathering Order*, the Commission stated it would publish high-speed data only once it has been aggregated in a manner that does not reveal individual company data. *See Data Gathering Order*, 15 FCC Rcd 7760.

associated with the more populous states. As of December 31, 2002, the most populous state, California, has the largest reported number of high-speed lines. The second, third, and fourth largest numbers of high-speed lines are reported for New York, Florida, and Texas, which are the third, fourth, and second most populous states, respectively. See Table 7 and, for historical data, see Tables 8 – 10.

- Reporting entities estimate the percentage of their high-speed lines in service that connect to residential and small business end-user customers (as opposed to connecting to medium and large business, institutional, or government end-user customers).[11] These percentages allow us to derive approximate numbers of residential and small-business high-speed lines in service by state. See Table 11.

- The Commission's data collection program also requires service providers to identify each zip code in which the provider has at least one high-speed service subscriber. As of December 31, 2002, subscribers to high-speed services were reported in 88% of the nation's zip codes. Multiple providers reported having subscribers in 71% of the nation's zip codes.[12] See Table 12.

- Our analysis indicates that 99% of the country's population lives in the 88% of zip codes where a provider reports having at least one high-speed service subscriber. Moreover, numerous competing providers report serving high-speed subscribers in the major population centers of the country. See the map that follows Table 12.

- States vary widely with respect to the percentage of zip codes in the state in which no high-speed lines are reported to be in service. See Table 13.

- High population density has a positive association with reports that high-speed subscribers are present, and low population density has an inverse association. For example, as of December 31, 2002, high-speed subscribers are reported to be present in 99% of the most densely populated zip codes and in 60% of zip codes with the lowest population densities.[13] However, the comparable figure for the lowest-density zip codes was 43% a year earlier. See Table 14.

- High median household income also has a positive association with reports that high-speed subscribers are present. In the top one-tenth of zip codes ranked by median household income, high-speed subscribers are reported in 98% of zip codes. By contrast, high-speed subscribers are reported in 74% of zip codes with the lowest median household income, compared to 63% a year earlier. See Table 15.

---

[11] Reporting entities are instructed to consider a high-speed line as being provided to an end-user customer in the "residential and small business" category if that customer orders high-speed service of a type that is normally associated with residential customers.

[12] Lists of zip codes with number of service providers as reported in the FCC Form 477 filings are made available at www.fcc.gov/wcb/stats in a format that honors requests for nondisclosure of information the reporting entities assert is competitively sensitive.

[13] For this comparison, we consider the most densely populated zip codes to be those with more than 3,147 persons per square mile (the top decile of zip codes) and the least densely populated zip codes to be those with fewer than 6 persons per square mile (the bottom decile).

As other information from the Commission's data collection program (FCC Form 477) becomes available, it will be included in future reports on the deployment of advanced telecommunications capability and in publications such as this one.

We invite users of this information to provide suggestions for improved data collection and analysis by:

- Using the attached customer response form,
- E-mailing comments to jeisner@fcc.gov,
- Calling the Industry Analysis and Technology Division of the Wireline Competition Bureau at (202) 418-0940, or
- Participating in any formal proceedings undertaken by the Commission to solicit comments for improvement of FCC Form 477.

Table 1
High-Speed Lines [1]
(Over 200 kbps in at Least One Direction)

Types of Technology [2]	Dec 1999	Jun 2000	Dec 2000	Jun 2001	Dec 2001	Jun 2002	Dec 2002	Percent Change Dec 2001 - Jun 2002	Percent Change Jun 2002 - Dec 2002
ADSL	369,792	951,583	1,977,101	2,693,834	3,947,808	5,101,493	6,471,716	29 %	27 %
Other Wireline	609,909	758,594	1,021,291	1,088,066	1,078,597	1,186,680	1,216,208	10	2
Coaxial Cable	1,411,977	2,284,491	3,582,874	5,184,141	7,059,598	9,172,895	11,369,087	30	24
Fiber	312,204	307,151	376,203	455,593	494,199	520,884	548,471	5	5
Satellite or Fixed Wireless	50,404	65,615	112,405	194,707	212,610	220,588	276,067	4	25
Total Lines	2,754,286	4,367,434	7,069,874	9,616,341	12,792,812	16,202,540	19,881,549	27 %	23 %

Table 2
Advanced Services Lines [1]
(Over 200 kbps in Both Directions)

Types of Technology [2]	Dec 1999	Jun 2000	Dec 2000	Jun 2001	Dec 2001	Jun 2002	Dec 2002	Percent Change Dec 2001 - Jun 2002	Percent Change Jun 2002 - Dec 2002
ADSL	185,950	326,816	675,366	998,883	1,369,143	1,852,879	2,813,384	35 %	52 %
Other Wireline	609,909	758,594	1,021,291	1,088,066	1,078,597	1,186,680	1,216,208	10	2
Coaxial Cable	877,465	1,469,130	2,193,609	3,329,976	4,394,778	6,819,395	8,342,234	55	22
Fiber	307,315	301,143	376,197	455,549	486,483	518,908	548,123	7	6
Satellite or Fixed Wireless	7,816	3,649	26,906	73,476	75,341	66,073	65,929	-12	0
Total Lines	1,988,455	2,859,332	4,293,369	5,945,950	7,404,343	10,443,935	12,985,878	41 %	24 %

[1] A high-speed line is a connection to an end-user customer that is faster than 200 kbps in at least one direction. Advanced services lines, which are a subset of high-speed lines, are connections to end-user customers that are faster than 200 kbps in both directions. The speed of the purchased service varies among end-user customers. For example, a high-speed service delivered to the end-user customer over other traditional wireline technology, such as DS1 or DS3 service, or over optical fiber to the end user's premises may be much faster than the ADSL or cable modem service purchased by a different, or by the same, end user. Numbers of lines reported here are not adjusted for the speed of the service delivered over the line or the number of end users able to utilize the lines.

[2] The mutually exclusive types of technology are, respectively: Asymmetric digital subscriber line (ADSL) technologies, which provide speeds in one direction greater than speeds in the other direction; wireline technologies "other" than ADSL, including traditional telephone company high-speed services and symmetric DSL services that provide equivalent functionality; coaxial cable, including the typical hybrid fiber-coax (HFC) architecture of upgraded cable TV systems; optical fiber to the subscriber's premises (e.g., Fiber-to-the-Home, or FTTH); and satellite and (terrestrial) fixed wireless systems, which use radio spectrum to communicate with a radio transmitter at the subscriber's premises.

Table 3
Residential and Small Business High-Speed Lines [1]
(Over 200 kbps in at Least One Direction)

Types of Technology [2]	Dec 1999	Jun 2000	Dec 2000	Jun 2001	Dec 2001	Jun 2002	Dec 2002	Percent Change Dec 2001 - Jun 2002	Percent Change Jun 2002 - Dec 2002
ADSL	291,757	772,272	1,594,879	2,490,740	3,615,989	4,395,033	5,529,241	22 %	26 %
Other Wireline	46,856	111,490	176,520	138,307	139,660	223,599	213,489	60	-5
Coaxial Cable	1,402,394	2,215,259	3,294,546	4,998,540	7,050,709	9,157,285	11,342,512	30	24
Fiber	1,023	325	1,994	2,623	4,139	6,120	14,692	NM	NM
Satellite or Fixed Wireless	50,189	64,320	102,432	182,165	194,897	202,251	256,978	4	27
Total Lines	1,792,219	3,163,666	5,170,371	7,812,375	11,005,396	13,984,287	17,356,911	27 %	24 %

Table 4
Residential and Small Business Advanced Services Lines [1]
(Over 200 kbps in Both Directions)

Types of Technology [2]	Dec 1999	Jun 2000	Dec 2000	Jun 2001	Dec 2001	Jun 2002	Dec 2002	Percent Change Dec 2001 - Jun 2002	Percent Change Jun 2002 - Dec 2002
ADSL	116,994	195,324	393,246	916,364	1,243,996	1,580,575	2,197,665	27 %	39 %
Other Wireline	46,856	111,490	176,520	138,307	139,660	223,599	213,489	60	-5
Coaxial Cable	872,024	1,401,434	2,177,328	3,146,953	4,388,967	6,809,170	8,322,157	55	22
Fiber	138	325	1,992	2,617	3,523	5,118	14,408	NM	NM
Satellite or Fixed Wireless	7,682	2,916	17,043	60,988	58,113	47,787	47,903	-18	0
Total Lines	1,043,694	1,711,488	2,766,130	4,265,229	5,834,258	8,666,249	10,795,624	49 %	25 %

Note: Residential and small business advanced services lines are estimated based on data from FCC Form 477.

NM - Not meaningful due to small number of lines.

[1] A high-speed line is a connection to an end-user customer that is faster than 200 kbps in at least one direction. Advanced services lines, which are a subset of high-speed lines, are connections to end-user customers that are faster than 200 kbps in both directions. The speed of the purchased service varies among end-user customers. For example, a high-speed service delivered to the end-user customer over other traditional wireline technology, such as DS1 or DS3 service, or over optical fiber to the end user's premises may be much faster than the ADSL or cable modem service purchased by a different, or by the same, end user. Numbers of lines reported here are not adjusted for the speed of the service delivered over the line or the number of end users able to utilize the lines.

[2] The mutually exclusive types of technology are, respectively: Asymmetric digital subscriber line (ADSL) technologies, which provide speeds in one direction greater than speeds in the other direction; wireline technologies "other" than ADSL, including traditional telephone company high-speed services and symmetric DSL services that provide equivalent functionality; coaxial cable, including the typical hybrid fiber-coax (HFC) architecture of upgraded cable TV systems; optical fiber to the subscriber's premises (e.g., Fiber-to-the-Home, or FTTH); and satellite and (terrestrial) fixed wireless systems, which use radio spectrum to communicate with a radio transmitter at the subscriber's premises.

Table 5
High-Speed Lines by Type of Provider as of December 31, 2002
(Over 200 kbps in at Least One Direction)

Types of Technology [1]	Lines				Percent of Lines		
	RBOC [2]	Other ILEC	Non-ILEC [3]	Total	RBOC [2]	Other ILEC	Non-ILEC [3]
ADSL	5,584,776	572,078	314,862	6,471,716	86.3 %	8.8 %	4.9 %
Other Wireline	756,120	144,108	315,980	1,216,208	62.2	11.8	26.0
Coaxial Cable	*	*	11,349,035	11,369,087	*	*	99.8
Other	*	*	761,434	824,538	*	*	92.3
Total Lines	6,401,996	738,242	12,741,311	19,881,549	32.2 %	3.7 %	64.1 %

* Data withheld to maintain firm confidentiality.

[1] The mutually exclusive types of technology are, respectively: Asymmetric digital subscriber line (ADSL) technologies, which provide speeds in one direction greater than speeds in the other direction; wireline technologies "other" than ADSL, including traditional telephone company high-speed services and symmetric DSL services that provide equivalent functionality; coaxial cable, including the typical hybrid fiber-coax (HFC) architecture of upgraded cable TV systems; optical fiber to the subscriber's premises (e.g., Fiber-to-the-Home, or FTTH); and satellite and (terrestrial) fixed wireless systems, which use radio spectrum to communicate with a radio transmitter at the subscriber's premises.

[2] "RBOC" lines include all high-speed lines reported by BellSouth, SBC, and Verizon, and all high-speed lines reported by Qwest in states in which Qwest has ILEC operations.

[3] High-speed lines reported by competitive local exchange carrier (CLEC) or cable TV operations that are affiliated with a local exchange carrier are included in "Non-ILEC" lines, except for any such lines that are included in "RBOC" lines.

Table 6
Providers of High-Speed Lines by Technology as of December 31, 2002
(Over 200 kbps in at Least One Direction)

	ADSL	Coaxial Cable	Other [1]	Total (Unduplicated)
Alabama	7	9	11	19
Alaska	4	*	6	7
Arizona	6	5	13	19
Arkansas	4	*	7	10
California	17	10	28	41
Colorado	6	*	12	16
Connecticut	4	4	11	14
Delaware	*	*	4	7
District of Columbia	4	*	6	7
Florida	11	9	24	31
Georgia	14	10	25	34
Hawaii	*	*	*	*
Idaho	5	*	6	10
Illinois	17	5	21	31
Indiana	10	8	14	23
Iowa	13	10	16	24
Kansas	10	11	17	26
Kentucky	8	5	11	18
Louisiana	7	*	10	15
Maine	4	*	6	11
Maryland	6	9	10	20
Massachusetts	5	6	13	19
Michigan	12	7	17	28
Minnesota	17	11	20	35
Mississippi	*	5	6	13
Missouri	10	8	13	23
Montana	8	*	5	13
Nebraska	4	7	8	13
Nevada	7	*	12	16
New Hampshire	6	*	9	13
New Jersey	6	4	13	16
New Mexico	6	*	8	11
New York	15	8	20	28
North Carolina	14	7	16	26
North Dakota	10	*	10	15
Ohio	14	11	22	31
Oklahoma	8	*	15	19
Oregon	11	4	15	21
Pennsylvania	15	10	19	32
Puerto Rico	*	*	*	4
Rhode Island	*	*	7	7
South Carolina	13	7	12	20
South Dakota	9	4	7	17
Tennessee	12	7	16	27
Texas	22	10	31	43
Utah	5	*	12	15
Vermont	4	*	7	8
Virgin Islands	*	0	*	*
Virginia	9	5	13	18
Washington	11	5	15	22
West Virginia	*	5	5	11
Wisconsin	9	4	13	20
Wyoming	*	*	4	6
Nationwide (Unduplicated) Dec 2002	178	87	169	299
Nationwide (Unduplicated) Jun 2002	142	68	138	237
Nationwide (Unduplicated) Dec 2001	117	59	122	203
Nationwide (Unduplicated) Jun 2001	86	47	98	160
Nationwide (Unduplicated) Dec 2000	68	39	87	136
Nationwide (Unduplicated) Jun 2000	47	36	75	116
Nationwide (Unduplicated) Dec 1999	28	43	65	105

* Data withheld to maintain firm confidentiality. In this table, an asterisk also indicates 1-3 providers reporting.

[1] Other includes wireline technologies other than asymmetric digital subscriber line (ADSL), optical fiber to the subscriber's premises, satellite, and (terrestrial) fixed wireless systems.

Table 7
High-Speed Lines by Technology as of December 31, 2002
(Over 200 kbps in at Least One Direction)

	ADSL	Coaxial Cable	Other [1]	Total
Alabama	56,860	144,259	26,769	227,888
Alaska	14,295	*	*	55,975
Arizona	72,324	251,373	47,242	370,939
Arkansas	35,594	*	*	100,280
California	1,485,309	1,179,204	371,243	3,035,756
Colorado	113,040	*	*	298,265
Connecticut	100,722	192,155	14,983	307,860
Delaware	*	*	*	51,100
District. of Columbia	35,466	*	*	64,310
Florida	521,623	741,426	142,927	1,405,976
Georgia	305,004	243,142	106,687	654,833
Hawaii	*	*	*	*
Idaho	17,930	*	*	54,963
Illinois	300,497	316,169	117,505	734,171
Indiana	63,463	114,237	28,246	205,946
Iowa	29,161	83,994	7,898	121,053
Kansas	39,315	142,563	11,690	193,568
Kentucky	55,254	22,113	21,898	99,265
Louisiana	86,359	*	*	262,093
Maine	8,432	*	*	73,061
Maryland	115,687	241,264	34,446	391,397
Massachusetts	181,426	453,473	44,185	679,084
Michigan	111,182	472,405	57,179	640,766
Minnesota	98,316	212,126	25,120	335,562
Mississippi	*	40,276	*	80,922
Missouri	114,861	117,403	28,488	260,752
Montana	6,549	*	*	20,090
Nebraska	16,117	92,261	8,841	117,219
Nevada	36,662	*	*	159,179
New Hampshire	14,630	*	*	102,590
New Jersey	197,615	306,551	63,030	567,196
New Mexico	22,607	*	*	57,956
New York	391,686	1,457,019	148,490	1,997,195
North Carolina	124,031	406,024	63,984	594,039
North Dakota	8,826	*	*	20,024
Ohio	205,140	435,404	69,811	710,355
Oklahoma	65,378	*	*	196,556
Oregon	82,555	165,343	27,551	275,449
Pennsylvania	200,501	376,611	54,605	631,717
Puerto Rico	*	*	*	22,732
Rhode Island	*	*	3,997	89,821
South Carolina	38,293	159,944	24,743	222,980
South Dakota	6,308	7,916	3,836	18,060
Tennessee	74,034	252,596	42,740	369,370
Texas	486,833	740,469	122,326	1,349,628
Utah	57,025	*	*	121,744
Vermont	12,062	*	*	32,814
Virgin Islands	*	0	*	*
Virginia	96,805	320,154	46,496	463,455
Washington	200,189	246,627	38,247	485,063
West Virginia	*	65,542	*	78,980
Wisconsin	64,521	243,043	28,427	335,991
Wyoming	*	*	2,213	14,696
Nationwide	6,471,716	11,369,087	2,040,746	19,881,549

* Data withheld to maintain firm confidentiality.

[1] Other includes wireline technologies other than asymmetric digital subscriber line (ADSL), optical fiber to the subscriber's premises, satellite, and (terrestrial) fixed wireless systems.

Table 8
High-Speed Lines by State
(Over 200 kbps in at Least One Direction)

	Dec 1999	Jun 2000	Dec 2000	Jun 2001	Dec 2001	Jun 2002	Dec 2002
Alabama	19,796	32,756	63,334	86,234	138,979	172,365	227,888
Alaska	*	*	934	20,906	50,277	46,791	55,975
Arizona	58,825	111,678	153,500	158,122	251,709	308,621	370,939
Arkansas	8,155	15,539	28,968	40,803	66,537	84,235	100,280
California	547,179	910,006	1,386,625	1,705,814	2,041,276	2,598,491	3,035,756
Colorado	36,726	64,033	104,534	147,220	177,419	243,810	298,265
Connecticut	36,488	63,772	111,792	149,057	191,257	236,490	307,860
Delaware	1,558	3,660	7,492	12,771	26,601	36,619	51,100
District of Columbia	13,288	16,926	27,757	39,101	43,278	55,197	64,310
Florida	190,700	244,678	460,795	651,167	911,261	1,119,693	1,405,976
Georgia	75,870	130,292	203,855	302,598	420,206	512,135	654,833
Hawaii	*	*	*	*	*	*	*
Idaho	*	8,070	15,908	20,233	18,445	43,119	54,963
Illinois	77,672	166,933	242,239	350,241	422,706	553,442	734,171
Indiana	20,059	49,702	60,494	80,364	123,704	159,392	205,946
Iowa	19,258	49,159	58,199	72,583	82,024	102,932	121,053
Kansas	26,179	42,679	68,743	101,734	125,963	149,733	193,568
Kentucky	23,570	24,237	32,731	39,297	67,870	90,284	99,265
Louisiana	28,133	43,294	74,950	121,685	164,760	207,257	262,093
Maine	19,878	17,864	26,266	38,149	49,523	61,406	73,061
Maryland	52,749	71,005	124,465	181,021	260,634	316,666	391,397
Massachusetts	114,116	185,365	289,447	357,256	505,819	583,627	679,084
Michigan	81,223	135,318	198,230	395,583	433,858	538,416	640,766
Minnesota	38,268	65,272	117,283	148,012	199,856	273,907	335,562
Mississippi	*	6,514	12,305	21,517	35,586	57,595	80,922
Missouri	23,347	46,903	100,403	123,915	181,794	224,282	260,752
Montana	*	*	7,378	10,446	13,037	17,969	20,090
Nebraska	36,748	44,188	54,085	55,188	71,451	92,849	117,219
Nevada	23,514	40,582	59,879	78,535	109,850	138,042	159,179
New Hampshire	22,807	33,045	42,364	55,658	71,200	86,200	102,590
New Jersey	101,832	144,203	285,311	428,514	590,192	693,036	567,196
New Mexico	*	2,929	28,497	20,482	31,940	44,942	57,956
New York	186,504	342,743	603,487	893,032	1,199,159	1,460,894	1,997,195
North Carolina	57,881	81,998	136,703	205,616	357,906	461,736	594,039
North Dakota	*	2,437	4,227	6,277	6,082	14,164	20,024
Ohio	160,792	156,980	230,525	358,965	436,766	580,078	710,355
Oklahoma	96,730	163,703	95,138	92,947	114,931	151,213	196,556
Oregon	27,062	44,186	76,839	93,242	158,048	199,549	275,449
Pennsylvania	71,926	79,892	176,670	263,236	376,439	516,488	631,717
Puerto Rico	*	*	*	*	*	*	22,732
Rhode Island	*	20,628	30,919	49,215	64,293	72,553	89,821
South Carolina	25,229	32,824	63,914	96,839	135,165	175,088	222,980
South Dakota	*	3,516	2,839	5,448	9,585	12,555	18,060
Tennessee	66,307	87,317	122,391	152,510	237,401	294,573	369,370
Texas	152,518	276,087	522,538	646,839	840,665	1,050,511	1,349,628
Utah	11,635	19,612	35,970	55,103	72,977	93,928	121,744
Vermont	*	1,551	7,773	16,230	21,795	29,990	32,814
Virgin Islands	0	*	*	*	*	*	*
Virginia	51,305	72,436	139,915	212,808	292,772	360,722	463,455
Washington	71,930	118,723	195,628	227,066	335,667	422,348	485,063
West Virginia	*	1,835	6,498	16,697	32,848	58,209	78,980
Wisconsin	18,599	34,262	76,257	127,755	182,395	257,099	335,991
Wyoming	*	*	*	*	7,856	10,990	14,696
Nationwide	2,754,286	4,367,434	7,069,874	9,616,341	12,792,812	16,202,540	19,881,549

* Data withheld to maintain firm confidentiality.

Table 9
ADSL High-Speed Lines by State
(Over 200 kbps in at Least One Direction)

	Dec 1999	Jun 2000	Dec 2000	Jun 2001	Dec 2001	Jun 2002	Dec 2002
Alabama	*	*	12,320	*	34,785	45,350	56,860
Alaska	0	0	0	*	7,975	11,337	14,295
Arizona	*	*	32,395	39,828	53,489	68,280	72,324
Arkansas	*	*	*	*	22,240	28,477	35,594
California	122,855	373,574	622,894	735,677	928,345	1,214,543	1,485,309
Colorado	*	*	42,810	52,617	70,615	100,197	113,040
Connecticut	*	*	22,348	30,142	41,261	61,093	100,722
Delaware	*	*	*	*	*	*	*
District of Columbia	*	*	*	16,313	*	28,723	35,466
Florida	*	37,806	115,133	170,702	306,015	391,188	521,623
Georgia	*	*	56,588	106,649	172,556	237,922	305,004
Hawaii	*	*	*	*	*	*	*
Idaho	*	*	*	*	13,643	16,108	17,930
Illinois	3,150	12,812	48,278	89,080	110,448	195,560	300,497
Indiana	*	*	6,442	2,375	22,385	36,685	63,463
Iowa	*	*	*	9,532	13,193	18,751	29,161
Kansas	0	*	14,281	*	23,564	28,713	39,315
Kentucky	5,690	*	16,327	20,256	43,191	55,454	55,254
Louisiana	*	*	22,788	37,444	58,019	73,120	86,359
Maine	0	*	*	6,877	*	*	8,432
Maryland	*	*	*	51,051	79,997	95,439	115,687
Massachusetts	*	15,802	53,700	82,699	125,630	147,139	181,426
Michigan	786	*	25,482	41,428	52,505	80,588	111,182
Minnesota	*	25,975	40,870	51,640	67,527	86,184	98,316
Mississippi	*	*	*	*	*	*	*
Missouri	*	*	38,759	53,250	68,186	84,642	114,861
Montana	*	*	1,760	2,842	4,272	7,108	6,549
Nebraska	*	*	*	9,293	13,637	11,547	16,117
Nevada	*	*	10,023	*	17,598	24,073	36,662
New Hampshire	*	*	3,339	5,651	9,618	11,781	14,630
New Jersey	*	*	59,332	102,430	151,829	172,472	197,615
New Mexico	*	*	*	7,578	*	18,224	22,607
New York	9,307	41,656	124,146	197,135	285,814	338,229	391,686
North Carolina	*	8,662	23,815	41,332	65,582	89,680	124,031
North Dakota	*	*	*	*	4,849	6,575	8,826
Ohio	*	33,603	55,046	87,567	112,527	151,612	205,140
Oklahoma	*	*	*	31,321	39,978	50,617	65,378
Oregon	*	19,989	31,644	25,877	57,899	68,747	82,555
Pennsylvania	7,377	18,313	60,083	89,595	136,829	162,258	200,501
Puerto Rico	0	0	0	*	*	*	*
Rhode Island	0	*	*	*	*	*	*
South Carolina	*	*	5,168	9,704	18,686	26,184	38,293
South Dakota	*	*	*	1,652	2,869	4,389	6,308
Tennessee	*	*	13,705	22,902	42,571	57,984	74,034
Texas	*	73,117	158,513	197,668	300,752	368,796	486,833
Utah	*	*	17,352	23,476	33,306	47,637	57,025
Vermont	0	*	*	*	*	9,409	12,062
Virgin Islands	0	0	0	*	*	*	*
Virginia	7,425	9,510	26,750	39,114	65,298	75,524	96,805
Washington	*	52,345	79,130	64,812	140,273	172,652	200,189
West Virginia	0	*	*	*	*	*	*
Wisconsin	*	1,063	8,623	17,800	28,233	42,052	64,521
Wyoming	*	*	*	*	*	*	*
Nationwide	369,792	951,583	1,977,101	2,693,834	3,947,808	5,101,493	6,471,716

* Data withheld to maintain firm confidentiality.

Table 10
Coaxial Cable High-Speed Lines by State
(Over 200 kbps in at Least One Direction)

	Dec 1999	Jun 2000	Dec 2000	Jun 2001	Dec 2001	June 2002	Dec 2002
Alabama	8,415	17,164	36,432	47,325	83,933	104,990	144,259
Alaska	0	0	0	0	*	*	*
Arizona	*	*	*	*	151,916	194,431	251,373
Arkansas	*	*	*	*	*	*	*
California	221,472	297,415	476,544	609,174	786,789	1,013,503	1,179,204
Colorado	*	*	*	*	*	*	*
Connecticut	28,702	47,127	78,234	106,019	137,003	160,913	192,155
Delaware	*	*	*	*	*	*	*
District of Columbia	*	*	*	*	*	*	*
Florida	110,000	129,830	255,978	372,190	486,977	595,806	741,426
Georgia	18,114	48,947	75,474	109,922	156,142	183,886	243,142
Hawaii	*	*	*	*	0	*	*
Idaho	0	*	*	*	*	*	*
Illinois	*	83,737	126,490	144,872	204,202	242,394	316,169
Indiana	7,412	33,431	37,052	56,441	78,837	98,414	114,237
Iowa	14,027	42,081	48,008	59,253	63,788	77,592	83,994
Kansas	*	*	48,541	74,337	94,047	111,615	142,563
Kentucky	*	*	*	*	*	12,867	22,113
Louisiana	*	*	*	64,219	88,851	115,198	*
Maine	*	*	*	*	*	*	*
Maryland	*	42,412	65,668	97,466	143,174	181,864	241,264
Massachusetts	*	148,233	210,019	243,670	339,244	391,391	453,473
Michigan	51,111	94,586	130,296	301,842	329,697	402,642	472,405
Minnesota	14,346	30,485	64,215	80,259	113,900	166,323	212,126
Mississippi	*	*	*	*	12,998	27,872	40,276
Missouri	*	16,482	42,255	51,733	89,370	110,026	117,403
Montana	0	*	*	*	*	*	*
Nebraska	*	*	*	37,168	49,939	73,306	92,261
Nevada	*	*	*	*	*	*	*
New Hampshire	*	*	*	*	*	*	*
New Jersey	*	*	*	*	375,362	454,750	306,551
New Mexico	0	0	*	*	*	*	*
New York	110,382	*	377,521	564,423	780,473	967,949	1,457,019
North Carolina	24,200	42,713	73,092	115,949	239,107	313,884	406,024
North Dakota	0	*	*	*	*	*	*
Ohio	*	*	127,692	213,606	264,031	363,675	435,404
Oklahoma	*	*	*	*	*	*	*
Oregon	*	*	*	*	*	*	165,343
Pennsylvania	34,878	38,340	85,104	131,119	190,915	300,840	376,611
Puerto Rico	0	0	0	0	0	0	*
Rhode Island	*	*	*	*	*	*	*
South Carolina	15,176	20,190	44,812	68,487	96,559	126,598	159,944
South Dakota	0	*	*	*	*	*	7,916
Tennessee	*	*	77,760	96,119	158,120	199,121	252,596
Texas	76,520	137,670	227,070	328,900	427,324	577,233	740,469
Utah	*	*	*	*	*	*	*
Vermont	*	*	*	*	*	*	*
Virgin Islands	0	0	0	0	0	0	0
Virginia	23,140	40,337	78,585	131,553	182,591	238,300	320,154
Washington	*	*	*	*	*	217,644	246,627
West Virginia	*	*	*	*	*	48,858	65,542
Wisconsin	*	*	*	*	*	189,585	243,043
Wyoming	0	0	*	*	*	*	*
Nationwide	1,411,977	2,284,491	3,582,874	5,184,141	7,059,598	9,172,895	11,369,087

* Data withheld to maintain firm confidentiality.

Table 11
High-Speed Lines by Type of User as of December 31, 2002
(Over 200 kbps in at Least One Direction)

	Residential & Small Business	Other [1]	Total
Alabama	204,297	23,591	227,888
Alaska	51,332	4,643	55,975
Arizona	347,296	23,643	370,939
Arkansas	95,124	5,156	100,280
California	2,557,288	478,468	3,035,756
Colorado	265,593	32,672	298,265
Connecticut	291,253	16,607	307,860
Delaware	45,333	5,767	51,100
District of Columbia	39,537	24,773	64,310
Florida	1,218,313	187,663	1,405,976
Georgia	549,160	105,673	654,833
Hawaii	*	*	*
Idaho	48,909	6,054	54,963
Illinois	623,027	111,144	734,171
Indiana	170,346	35,600	205,946
Iowa	113,029	8,024	121,053
Kansas	185,343	8,225	193,568
Kentucky	78,890	20,375	99,265
Louisiana	240,605	21,488	262,093
Maine	66,319	6,742	73,061
Maryland	332,580	58,817	391,397
Massachusetts	580,325	98,759	679,084
Michigan	586,946	53,820	640,766
Minnesota	310,948	24,614	335,562
Mississippi	71,910	9,012	80,922
Missouri	237,124	23,628	260,752
Montana	18,107	1,983	20,090
Nebraska	113,839	3,380	117,219
Nevada	136,708	22,471	159,179
New Hampshire	92,694	9,896	102,590
New Jersey	450,493	116,703	567,196
New Mexico	51,205	6,751	57,956
New York	1,755,637	241,558	1,997,195
North Carolina	525,668	68,371	594,039
North Dakota	18,839	1,185	20,024
Ohio	630,503	79,852	710,355
Oklahoma	183,421	13,135	196,556
Oregon	242,996	32,453	275,449
Pennsylvania	531,761	99,956	631,717
Puerto Rico	11,937	*	22,732
Rhode Island	81,480	8,341	89,821
South Carolina	200,788	22,192	222,980
South Dakota	16,710	1,350	18,060
Tennessee	327,643	41,728	369,370
Texas	1,204,532	145,096	1,349,628
Utah	108,772	12,972	121,744
Vermont	29,118	3,696	32,814
Virgin Islands	*	*	*
Virginia	399,681	63,774	463,455
Washington	412,586	72,477	485,063
West Virginia	73,294	5,686	78,980
Wisconsin	309,915	26,076	335,991
Wyoming	13,383	1,313	14,696
Nationwide	17,356,911	2,524,638	19,881,549

* Data witheld to maintain firm confidentiality.

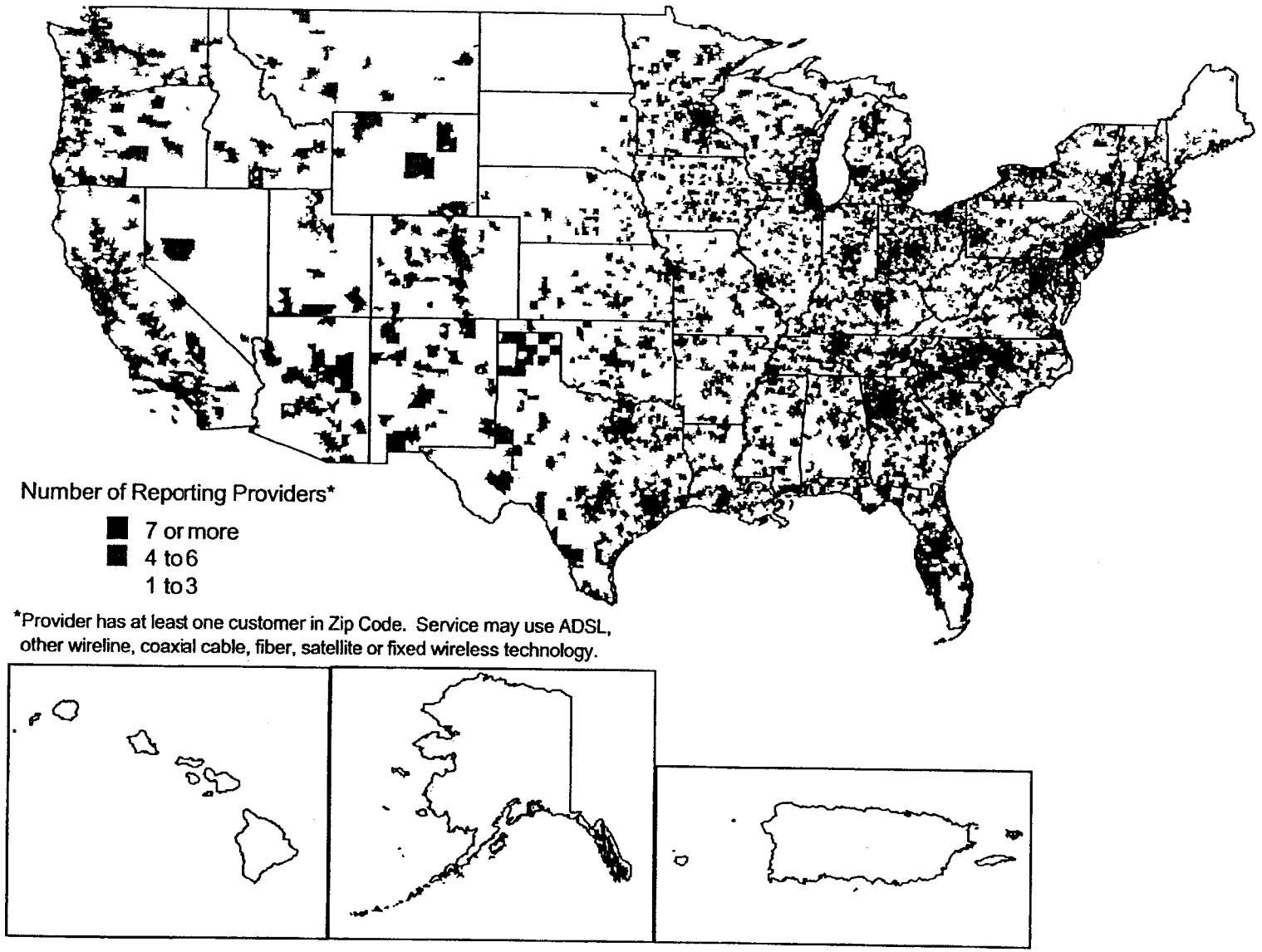
[1] Other includes medium and large business, institutional, and government customers.

Table 12
Percentage of Zip Codes with High-Speed Lines in Service

Number of Providers	Dec 1999	Jun 2000	Dec 2000	Jun 2001	Dec 2001	Jun 2002	Dec 2002
Zero	40.3 %	33.0 %	26.8 %	22.2 %	20.6 %	16.1 %	12.0 %
One	26.0	25.9	22.7	20.3	19.3	18.4	17.3
Two	15.5	17.8	18.4	16.7	15.7	16.2	16.8
Three	8.2	9.2	10.9	13.2	13.1	13.3	14.4
Four	4.3	4.9	6.1	8.2	9.1	9.6	10.3
Five	2.7	3.4	4.0	4.9	6.1	6.9	7.3
Six	1.7	2.5	3.0	3.6	4.2	4.6	5.0
Seven	0.8	1.7	2.3	2.8	3.2	3.2	3.9
Eight	0.3	0.8	2.0	2.2	2.5	2.8	2.7
Nine	0.2	0.4	1.6	1.9	2.0	2.4	2.2
Ten or More	0.0	0.4	2.4	3.9	4.0	6.4	8.0

High-Speed Providers by Zip Code

(As of December 31, 2002)



*Provider has at least one customer in Zip Code. Service may use ADSL, other wireline, coaxial cable, fiber, satellite or fixed wireless technology.

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TL
Exhibits JAR-2
Page 17 of 20

Table 13
Percentage of Zip Codes with High-Speed Lines in Service as of December 31, 2002
(Over 200 kbps in at Least One Direction)

	Number of Providers										
	Zero	One	Two	Three	Four	Five	Six	Seven	Eight	Nine	Ten or More
Alabama	12 %	16 %	18 %	22 %	17 %	9 %	3 %	2 %	1 %	0 %	0 %
Alaska	23	55	12	8	2	0	0	0	0	0	0
Arizona	3	6	14	18	9	9	8	3	6	6	18
Arkansas	26	27	22	11	7	4	2	1	1	0	0
California	3	8	11	12	8	6	5	5	5	4	33
Colorado	6	14	18	20	8	5	5	4	2	4	14
Connecticut	1	7	18	16	13	9	5	7	10	7	7
Delaware	0	2	4	12	40	25	18	0	0	0	0
District of Columbia	4	4	11	4	0	15	19	44	0	0	0
Florida	1	3	7	12	13	11	11	7	6	6	23
Georgia	6	12	12	17	15	11	6	4	1	1	15
Hawaii	13	38	16	32	0	0	0	0	0	0	0
Idaho	19	26	21	15	14	5	0	0	0	0	0
Illinois	12	20	18	13	7	5	4	3	1	2	15
Indiana	9	22	18	18	10	8	5	2	2	1	5
Iowa	29	27	16	11	8	6	3	1	0	0	0
Kansas	26	28	16	8	6	4	4	3	3	2	0
Kentucky	27	25	16	13	9	6	3	1	0	0	0
Louisiana	10	18	20	16	16	12	5	2	1	0	0
Maine	11	26	28	28	7	1	0	0	0	0	0
Maryland	2	7	13	12	13	9	10	5	5	4	20
Massachusetts	1	3	6	13	16	12	9	9	5	3	24
Michigan	4	14	17	17	11	9	7	4	4	3	9
Minnesota	23	18	15	11	9	5	3	3	3	5	5
Mississippi	12	24	21	16	14	8	4	1	1	0	0
Missouri	19	22	20	13	8	4	3	5	4	1	0
Montana	26	30	20	14	4	5	1	0	0	0	0
Nebraska	29	27	20	12	9	4	0	0	0	0	0
Nevada	8	25	19	7	11	16	5	7	2	0	0
New Hampshire	5	7	21	26	18	7	8	5	3	0	0
New Jersey	0	4	7	14	13	15	13	10	10	8	6
New Mexico	19	29	22	8	11	2	4	5	0	0	0
New York	4	13	17	16	12	9	7	6	5	4	9
North Carolina	3	12	13	20	17	13	6	6	5	2	3
North Dakota	46	38	11	3	1	1	0	0	0	0	0
Ohio	3	10	15	20	14	11	8	5	4	2	7
Oklahoma	15	26	22	9	6	5	4	6	4	1	0
Oregon	8	14	20	19	14	8	8	7	3	0	0
Pennsylvania	13	16	16	13	9	8	5	3	3	3	10
Puerto Rico	4	16	68	12	0	0	0	0	0	0	0
Rhode Island	3	6	10	18	14	21	17	13	0	0	0
South Carolina	8	13	17	19	18	13	10	2	0	0	0
South Dakota	34	30	20	11	3	2	0	0	0	0	0
Tennessee	6	14	17	17	12	11	7	5	2	2	5
Texas	10	15	17	11	9	7	5	4	3	2	17
Utah	18	16	15	12	9	2	4	2	3	8	11
Vermont	10	31	29	13	10	6	2	0	0	0	0
Virginia	13	15	19	19	9	4	5	3	3	3	7
Washington	6	13	17	17	9	9	6	5	5	5	8
West Virginia	27	29	18	14	8	4	1	0	0	0	0
Wisconsin	8	16	24	17	14	6	5	7	2	2	0
Wyoming	16	29	28	16	6	6	0	0	0	0	0
Nationwide	12 %	17 %	17 %	14 %	10 %	7 %	5 %	4 %	3 %	2 %	8 %

Table 14
High-Speed Subscribership
Ranked by Population Density
(Over 200 kbps in at Least One Direction)

Deciles (Blocks of Zip Codes Grouped by Density)	Persons per Square Mile (In Each Decile of Zip Codes)	Percent of Zip Codes in Decile with at Least One High-Speed Subscriber			Percent of Population in Decile that Resides in Zip Codes with High-Speed Service		
		Dec 2000	Dec 2001	Dec 2002	Dec 2000	Dec 2001	Dec 2002
90-100	More Than 3,147	98.2 %	98.1 %	98.7 %	99.9 %	99.8 %	100.0 %
80-90	947-3,147	97.1	97.3	98.2	99.8	99.7	100.0
70-80	268-947	95.7	95.8	97.9	99.3	99.5	99.9
60-70	118-268	91.5	93.3	96.7	98.1	99.1	99.7
50-60	67-118	85.9	89.3	95.0	95.0	97.1	99.1
40-50	41-67	76.1	83.3	91.5	87.9	94.4	97.8
30-40	25-41	65.0	73.1	87.6	80.0	87.6	95.6
20-30	15-25	50.1	61.2	77.8	69.4	80.4	90.8
10-20	6-15	38.5	52.1	69.4	61.9	76.2	86.4
0-10	Fewer Than 6	27.5	43.3	59.7	49.9	67.9	80.9

Table 15
High-Speed Subscribership
Ranked by Household Income
(Over 200 kbps in at Least One Direction)

Deciles (Blocks of Zip Codes Grouped by Median Household Income)	Median Household Income (In Each Decile of Zip Codes)	Percent of Zip Codes in Decile with at Least One High-Speed Subscriber			Percent of Population in Decile that Resides in Zip Codes with High-Speed Service		
		Dec 2000	Dec 2001	Dec 2002	Dec 2000	Dec 2001	Dec 2002
90-100	$53,494 to $291,938	96.1 %	96.8 %	98.3 %	99.8 %	99.6 %	99.9 %
80-90	$43,617 to $53,478	88.9	91.7	95.3	99.0	99.3	99.8
70-80	$38,396 to $43,614	79.5	84.9	92.1	97.8	98.6	99.5
60-70	$34,744 to $38,395	74.5	79.9	88.2	96.6	97.6	99.1
50-60	$32,122 to $34,743	71.2	78.2	87.1	95.9	97.6	98.9
40-50	$29,893 to $32,121	67.4	75.5	85.6	94.5	96.8	98.5
30-40	$27,542 to $29,892	66.9	75.2	85.4	93.8	96.5	98.3
20-30	$24,855 to $27,541	65.1	71.8	83.2	93.1	95.6	98.1
10-20	$21,645 to $24,855	61.2	70.0	83.1	91.1	95.0	97.9
0-10	$0 to $21,644	54.9	62.7	74.5	91.5	95.1	97.5

Customer Response

Publication: *High-Speed Services for Internet Access: Status as of December 31, 2002.*

You can help us provide the best possible information to the public by completing this form and returning it to the Industry Analysis and Technology Division of the FCC's Wireline Competition Bureau.

1. Please check the category that best describes you:
   - _____ press
   - _____ current telecommunications carrier
   - _____ potential telecommunications carrier
   - _____ business customer evaluating vendors/service options
   - _____ consultant, law firm, lobbyist
   - _____ other business customer
   - _____ academic/student
   - _____ residential customer
   - _____ FCC employee
   - _____ other federal government employee
   - _____ state or local government employee
   - _____ Other (please specify)

2.

Please rate the report:	Excellent	Good	Satisfactory	Poor	No opinion
Data accuracy	(_)	(_)	(_)	(_)	(_)
Data presentation	(_)	(_)	(_)	(_)	(_)
Timeliness of data	(_)	(_)	(_)	(_)	(_)
Completeness of data	(_)	(_)	(_)	(_)	(_)
Text clarity	(_)	(_)	(_)	(_)	(_)
Completeness of text	(_)	(_)	(_)	(_)	(_)

3.

Overall, how do you rate this report?	Excellent	Good	Satisfactory	Poor	No opinion
	(_)	(_)	(_)	(_)	(_)

4. How can this report be improved?

5. May we contact you to discuss possible improvements?
   Name:
   Telephone #:

To discuss the information in this report, contact: 202-418-0940 or for users of TTY equipment, call 202-418-0484		
Fax this response to	or	Mail this response to
202-418-0520		FCC/WCB/IATD Mail Stop 1600 F Washington, DC 20554

ACCESS SERVICE

7 - Special Access (a.k.a. BellSouth SPA) Service (Cont'd)

7.2 Service Descriptions (Cont'd)

7.2.17 BellSouth ADSL Service

(A) BellSouth ADSL service is intended as an industrial offering that is made available to Network Service Providers for provision of high speed data service to their customers, and provides subject to the terms and conditions set forth herein, for the establishment of a point-to-point Virtual Circuit (VC) between two customer designated locations. BellSouth ADSL service is primarily intended to provide a virtual circuit between an end-user premises location designated by Network Service Providers (NSP), including Internet/Intranet Service providers (ISP), Competitive Local Exchange Companies (CLEC), etc., hereinafter referred to as customer, and the customer's location. The design, maintenance, and operation of BellSouth ADSL service contemplates end-to-end communication consisting of combinations of overlay services such as in-service, Telephone Company-provided, compatible end-user premises exchange line facility, BellSouth Exchange Access Asynchronous Transfer Mode Service (XAATMS) or Managed Shared Asynchronous Transfer Mode Service (MSATMS) and other appropriate transport facilities. BellSouth ADSL service may also be configured as BellSouth ADSL service, End-User Aggregation.

The designated end-user premises location must be served by an existing, in-service, Telephone Company provided exchange line facility and, with the exception of BellSouth ADSL service, End-User Aggregation (EUA), the designated customer location must be connected to BellSouth XAATMS or MSATMS, with the BellSouth XAATMS or MSATMS port enabled for Unspecified Bit Rate (UBR)transmission. Both the end-user and the customer-designated premises must be in the same Local Access and Transport Area (LATA). BellSouth ADSL service utilizes the facilities used by these services in order to establish a VC between the customer-designated location and the customer-specified end-user premises location. BellSouth ADSL service, End-User Aggregation, does not overlay BellSouth XAATMS or MSATMS.

Multiple VCs (simultaneous connections to the same and/or other customer-designated premises) are available as overlays of a single exchange line facility when provisioned using BellSouth XAATMS or MSATMS provisioning methods. Multiple VCs are not available with EUA. (N)

An in-service exchange line facility, as referred to in association with BellSouth ADSL service, is the serving Central Office line equipment and all the plant facilities up to and including the Telephone Company-provided Network Interface Device (NID).

(B) BellSouth ADSL service is furnished where suitable facilities are available as determined by the Telephone Company. BellSouth ADSL service Central Office availability will be as listed in the National Exchange Carriers Association (N.E.C.A.) F.C.C. Tariff No. 4.

****

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 18
COMPANY/ WITNESS: MCI FCC Tariff/ 5/30/03 letter to LA Comm.
DATE: July 21, 2003

BELLSOUTH

BellSouth Interconnection Services
675 W. Peachtree Street, NE
Room 34S91
Atlanta, Georgia 30375

Jim Tamplin
404.927.8997
FAX: 404.529.7839

Sent Via Certified Mail

May 23, 2003

Linda Prior
MCI WorldCom
5055 Northpoint Parkway
Alpharetta, GA 30022

Dear Linda:

Enclosed for your files is a fully executed signature page for the DSL Amendment to the Interconnection Agreement between BellSouth Telecommunications and MCImetro Access Transmission Services LLC in Louisiana.

BellSouth will file this Amendment with the appropriate Public Service Commission for approval.

If you have any questions relative to these Amendments, please call me at 404.927.8997.

Sincerely,

Jim Tamplin
Manager, Interconnection Services

AMENDMENT
TO THE
AGREEMENT BETWEEN
MCIMETRO ACCESS TRANSMISSION SERVICES LLC
AND
BELLSOUTH TELECOMMUNICATIONS, INC.
DATED JUNE 17, 2002

Pursuant to this Amendment, (the "Amendment"), MCImetro Access Transmission Services LLC ("MCIm"), and BellSouth Telecommunications, Inc. ("BellSouth"), hereinafter referred to collectively as the "Parties," hereby agree to amend that certain Louisiana Interconnection Agreement between the Parties dated June 17, 2002 ("Agreement").

WHEREAS, BellSouth and MCIm entered into the Agreement on June 17, 2002, and;

WHEREAS. The Parties desire to add provisions to meet the requirements of the Louisiana Public Service Commission Order in Docket #R-26173,

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

1. The Parties agree to add a new Section 4.24 to Attachment 3 of the Agreement, titled Provisioning of DSL over UNE-P and UNE Loops as set forth below:

4.24 Provisioning of DSL over UNE-P and UNE Loops

4.24.1 In Louisiana, in order to comply with the Louisiana Public Service Commission's Order in Docket No. R-26713, and notwithstanding any contrary provisions in this Agreement, BellSouth Tariff F.C.C. Number 1, or any other agreements or tariffs of BellSouth, BellSouth shall continue to provide BellSouth ® FastAccess® Internet service ("FastAccess"), or wholesale Low Speed DSL ("wholesale ADSL") to the end-user who obtains voice service from MCIm over UNE-P and UNE loops.

4.24.2 If MCIm acquires the retail voice service on a UNE-P basis for an end-user served by BellSouth where the end-user subscribes to FastAccess, or wholesale ADSL at the time of such acquisition and MCIm's voice end-user desires BellSouth to continue to provide FastAccess to the end-user or wholesale ADSL to the end-user's ISP and has granted permission to MCIm to request on the end-user's behalf that FastAccess or wholesale ADSL continue to be provided, MCIm will follow the Local Ordering Handbook guidelines when ordering the UNE-P service. By allowing the ADL++ to remain on the line, MCIm grants BellSouth the right to use the high frequency portion of its loop without charge, for the provision of FastAccess or wholesale ADSL.

4.24.3 If MCIm wishes BellSouth to provide FastAccess or wholesale ADSL on the high frequency portion of a loop to a MCIm end-user served by UNE-P, and the end-user has granted permission to MCIm to request on the end-user's behalf that FastAccess or wholesale ADSL be provided, MCIm will include the UNE-P telephone number and ADL++ on the FastAccess or wholesale Low Speed DSL order for the UNE-P account. By including this ADL++ on the FastAccess or wholesale Low Speed DSL order , MCIm grants BellSouth the right to use the high frequency portion of its loop without charge, for the provision of FastAccess or wholesale ADSL. This assumes that the existing loop will qualify for FastAccess or wholesale ADSL. If the loop does not qualify for FastAccess or wholesale ADSL, FastAccess or wholesale ADSL will not be available for that end-user.

4.24.4 If MCIm acquires the voice and data services on a UNE loop basis for an end-user currently served by BellSouth, where the end-user subscribes to BellSouth FastAccess or has DSL service from an ISP that uses wholesale ADSL, and MCIm desires a seamless transition of the BellSouth voice and data services to the voice and data services of the CLEC, then MCIm shall order a UNE loop with the Order Coordination (OC) feature. The OC feature allows for a "hot cut" from the end user's existing service to the CLEC's UNE loop in a coordinated manner so that the required interruption of the end user's voice and data services are limited to a 15 minute window. Some UNE loops include the OC feature as a standard function that is included in the non-recurring charge of the loop itself, and other loops offer OC as separate feature with an a additional charge. Furthermore, the CLEC may also order the Order Coordination – Time Specific (OC-TS) feature. The OC-TS feature allows the CLEC to specify the time in which the "hot-cut" takes place. OC-TS is a chargeable option on all loop types. In all cases where the CLEC desires a seamless transition for the end-user, the CLEC is responsible for ensuring that its dial tone and data service is available on its specified collocation cross-connect prior to the conversion time.

2. The Parties agree to add new ADL++ USOCs to Table 1 to Attachment 1 with the ADL++ USOCs as set forth in Exhibit 1 of this Amendment, attached hereto and incorporated herein by this reference.

3. This Agreement shall be deemed effective June 1, 2003 ("Effective Date").

4. All of the other provisions of the Agreement, dated June 17, 2002, shall remain in full force and effect.

5. Either or both of the Parties is authorized to submit this Amendment to the respective state regulatory authorities for approval subject to Section 252(e) of the Federal Telecommunications Act of 1996.

Signature Page

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

BellSouth Telecommunications, Inc.

By: _____

Name: ELIZABETH R.M. SHAROISH

Title: DIRECTOR

Date: 5/22/03

MCImetro Access Transmission Services LLC

By: _____

Name: Marcel Henry

Title: Vice-President, National Contract and Carrier Management

Date: 5/22/03

UNBUNDLED NETWORK ELEMENTS - Louisiana													Attachment: 1		Table: 1	
CATEGORY		RATE ELEMENTS	Interim	Zone	BCS	USOC	RATES ($)					Svc Order Submitted Elec per LSR	Svc Order Submitted Manually per LSR	Incremental Charge - Manual Svc Order vs. Electronic-1st	Incremental Charge - Manual Svc Order vs. Electronic-Add'l	Incremental Charge - Manual Svc Order vs. Electronic-Disc 1st	Incremental Charge - Manual Svc Order vs. Electronic-Disc Add'l
							Rec	Nonrecurring		Nonrecurring Disconnect		OSS Rates($)					
								First	Add'l	First	Add'l	SOMEC	SOMAN	SOMAN	SOMAN	SOMAN	SOMAN
UNBUNDLED PORT/LOOP COMBINATIONS - COST BASED RATES																	
	BellSouth ADSL (RES)																
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit with data rates up to 1.5 Mbps downstream and up to 256 Kbps upstream via integrated fiber facilities, provisioning only, no rate			UEPRX	ADLAA	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated, identifies virtual circuits (vc) with multiple destination capability, 1 destination			UEPRX	ADLB1	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated, identifies virtual circuits (vc) with multiple destination capability, 2 destinations			UEPRX	ADLB2	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated, identifies virtual circuits (vc) with multiple destination capability, 3 destinations			UEPRX	ADLB3	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated to assign outside plant facilities for the optical Network Unit (ONU) utilizing FITL-A technology			UEPRX	ADLPL	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated to identify a second, third or fourth virtual circuit associated with a first virtual circuit and a common Local Exchange Service			UEPRX	ADLVC	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, ADSL virtual circuit with data rates up to 1.5 Mbps downstream and up to 256 Kbps upstream, provisioning only, zero rate			UEPRX	ADL11	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Constant Bit Rate (CBR) with Data rates of 384 Kbps downstream and 384 Kbps upstream, provisioning only			UEPRX	ADL22	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates from 1.5-1.8 Mbps downstream and from 512-768 Kbps upstream, provisioning only			UEPRX	ADL31	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates from 2.0 to 4.0 Mbps downstream and from 640 to 896 Kbps upstream, provisioning only			UEPRX	ADL41	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates from 4.0 to 6.0 Mbps downstream and from 640 Kbps to 896 Kbps upstream, provisioning only			UEPRX	ADL51	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates at least 768 Kbps downstream and 512 Kbps upstream, provisioning only			UEPRX	ADL61	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Symmetric Virtual Circuit with upstream and downstream data rates of at least 192 Kbps, provisioning only			UEPRX	ADL71	0.00	0.00	0.00								
	BellSouth ADSL (BUS)																
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit with data rates up to 1.5 Mbps downstream and up to 256 Kbps upstream via integrated fiber facilities, provisioning only, no rate			UEPBX	ADLAA	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated, identifies virtual circuits (vc) with multiple destination capability, 1 destination			UEPBX	ADLB1	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated, identifies virtual circuits (vc) with multiple destination capability, 2 destinations			UEPBX	ADLB2	0.00	0.00	0.00								

UNBUNDLED NETWORK ELEMENTS - Louisiana													Attachment 1		Table: 1	
CATEGORY	RATE ELEMENTS	Interim	Zone	BCS	USOC	RATES ($)					Svc Order Submitted Elec per LSR	Svc Order Submitted Manually per LSR	Incremental Charge - Manual Svc Order vs. Electronic-1st	Incremental Charge - Manual Svc Order vs. Electronic-Add'l	Incremental Charge - Manual Svc Order vs. Electronic-Disc 1st	Incremental Charge - Manual Svc Order vs. Electronic-Disc Add'l
						Rec	Nonrecurring		Nonrecurring Disconnect		OSS Rates($)					
							First	Add'l	First	Add'l	SOMEC	SOMAN	SOMAN	SOMAN	SOMAN	SOMAN
	Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated, identifies virtual circuits (vc) with multiple destination capability, 3 destinations			UEPBX	ADLB3	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated to assign outside plant facilities for the optical Network Unit (ONU) utilizing FITL-A technology			UEPBX	ADLPL	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated to identify a second, third or fourth virtual circuit associated with a first virtual circuit and a common Local Exchange Service			UEPBX	ADLVC	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, ADSL virtual circuit with data rates up to 1.5 Mbps downstream and up to 256 Kbps upstream, provisioning only, zero rate			UEPBX	ADL11	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Constant Bit Rate (CBR) with Data rates of 384 Kbps downstream and 384 Kbps upstream, provisioning only			UEPBX	ADL22	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates from 1.5-1.8 Mbps downstream and from 512-768 Kbps upstream, provisioning only			UEPBX	ADL31	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates from 2.0 to 4.0 Mbps downstream and from 640 to 896 Kbps upstream, provisioning only			UEPBX	ADL41	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates from 4.0 to 8.0 Mbps downstream and from 640 Kbps to 896 Kbps upstream, provisioning only			UEPBX	ADL51	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates at least 768 Kbps downstream and 512 Kbps upstream, provisioning only			UEPBX	ADL61	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, Symmetric Virtual Circuit with upstream and downstream data rates of at least 192 Kbps, provisioning only			UEPBX	ADL71	0.00	0.00	0.00								
UNBUNDLED PORT LOOP COMBINATIONS - MARKET RATES																
	BellSouth ADSL (RES)															
	Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit with data rates up to 1.5 Mbps downstream and up to 256 Kbps upstream via integrated fiber facilities, provisioning only, no rate			UEPRX	ADLAA	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated, identifies virtual circuits (vc) with multiple destination capability, 1 destination			UEPRX	ADLB1	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated, identifies virtual circuits (vc) with multiple destination capability, 2 destinations			UEPRX	ADLB2	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated, identifies virtual circuits (vc) with multiple destination capability, 3 destinations			UEPRX	ADLB3	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated to assign outside plant facilities for the optical Network Unit (ONU) utilizing FITL-A technology			UEPRX	ADLPL	0.00	0.00	0.00								
	Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated to identify a second, third or fourth virtual circuit associated with a first virtual circuit and a common Local Exchange Service			UEPRX	ADLVC	0.00	0.00	0.00								

UNBUNDLED NETWORK ELEMENTS - Louisiana														Attachment: 1		Table: 1	
CATEGORY		RATE ELEMENTS	Interim	Zone	BCS	USOC	RATES ($)					Svc Order Submitted Elec per LSR	Svc Order Submitted Manually per LSR	Incremental Charge - Manual Svc Order vs. Electronic-1st	Incremental Charge - Manual Svc Order vs. Electronic-Add'l	Incremental Charge - Manual Svc Order vs. Electronic-Disc 1st	Incremental Charge - Manual Svc Order vs. Electronic-Disc Add'l
							Rec	Nonrecurring		Nonrecurring Disconnect		OSS Rates($)					
								First	Add'l	First	Add'l	SOMEC	SOMAN	SOMAN	SOMAN	SOMAN	SOMAN
		Asymetric Digital Subscriber Line (ADSL) Service, ADSL virtual circuit with data rates up to 1.5 Mbps downstream and up to 256 Kbps upstream, provisioning only, zero rate			UEPRX	ADL11	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Constant Bit Rate (CBR) with Data rates of 384 Kbps downstream and 384 Kbps upstream, provisioning only			UEPRX	ADL22	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates from 1.5-1.8 Mbps downstream and from 512-768 Kbps upstream, provisioning only			UEPRX	ADL31	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates from 2.0 to 4.0 Mbps downstream and from 640 to 896 Kbps upstream, provisioning only			UEPRX	ADL41	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates from 4.0 to 8.0 Mbps downstream and from 640 Kbps to 896 Kbps upstream, provisioning only			UEPRX	ADL51	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates at least 768 Kbps downstream and 512 Kbps upstream, provisioning only			UEPRX	ADL61	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Symmetric Virtual Circuit with upstream and downstream data rates of at least 192 Kbps, provisioning only			UEPRX	ADL71	0.00	0.00	0.00								
	BellSouth ADSL (BUS)																
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit with data rates up to 1.5 Mbps downstream and up to 256 Kbps upstream via integrated fiber facilities, provisioning only, no rate			UEPBX	ADLAA	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated, identifies virtual circuits (vc) with multiple destination capability, 1 destination			UEPBX	ADLB1	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated, identifies virtual circuits (vc) with multiple destination capability, 2 destinations			UEPBX	ADLB2	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated, identifies virtual circuits (vc) with multiple destination capability, 3 destinations			UEPBX	ADLB3	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated to assign outside plant facilities for the optical Network Unit (ONU) utilizing FITL-A technology			UEPBX	ADLPL	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, provisioning only, non-rated to identify a second, third or fourth virtual circuit associated with a first virtual circuit and a common Local Exchange Service			UEPBX	ADLVC	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, ADSL virtual circuit with data rates up to 1.5 Mbps downstream and up to 256 Kbps upstream, provisioning only, zero rate			UEPBX	ADL11	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Constant Bit Rate (CBR) with Data rates of 384 Kbps downstream and 384 Kbps upstream, provisioning only			UEPBX	ADL22	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates from 1.5-1.8 Mbps downstream and from 512-768 Kbps upstream, provisioning only			UEPBX	ADL31	0.00	0.00	0.00								

UNBUNDLED NETWORK ELEMENTS - Louisiana

CATEGORY		RATE ELEMENTS	Interim	Zone	BCS	USOC	RATES ($)					Svc Order Submitted Elec per LSR	Svc Order Submitted Manually per LSR	Attachment: 1 Incremental Charge - Manual Svc Order vs. Electronic- 1st	Attachment: 1 Incremental Charge - Manual Svc Order vs. Electronic- Add'l	Table: 1 Incremental Charge - Manual Svc Order vs. Electronic- Disc 1st	Table: 1 Incremental Charge - Manual Svc Order vs. Electronic- Disc Add'l
							Rec	Nonrecurring		Nonrecurring Disconnect		OSS Rates($)					
								First	Add'l	First	Add'l	SOMEC	SOMAN	SOMAN	SOMAN	SOMAN	SOMAN
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates from 2.0 to 4.0 Mbps downstream and from 640 to 896 Kbps upstream, provisioning only			UEPBX	ADL41	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates from 4.0 to 6.0 Mbps downstream and from 640 Kbps to 896 Kbps upstream, provisioning only			UEPBX	ADL51	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Virtual Circuit Unspecified Bit Rate (UBR) with Data Rates at least 768 Kbps downstream and 512 Kbps upstream, provisioning only			UEPBX	ADL61	0.00	0.00	0.00								
		Asymetric Digital Subscriber Line (ADSL) Service, Symmetric Virtual Circuit with upstream and downstream data rates of at least 192 Kbps, provisioning only			UEPBX	ADL71	0.00	0.00	0.00								

AT&T C

Enter Search Term or AT&T Keyword:

AT&T Consumer

AT&T Consumer Home > DSL



Why AT&T DSL is right for you

Check Availability

Enter your phone number to see if AT&T DSL Service is available in your area.

SUBMIT

- AT&T DSL Offer
  - DSL Basics
  - DSL vs. Dial-Up & Cable
  - Why AT&T DSL?
  - See What You Can Do

AT&T DSL info in an easy-to-print format

PRINT IT

AT&T DSL Offers You More

AT&T DSL gives you advantages over other high-speed Internet providers.

INSTALLATION



You'll get everything you need to get started in about 30 minutes.

Find out more about installation.

SECURITY



You'll make your computer invisible to hackers with FREE firewall software.

Find out more about security.

ISP SERVICE



You'll enjoy AT&T's award-winning ISP service.

Find out more about our ISP service.

REGULA

39

- High-speed access over existing ph
- **FREE** Insta
- **FREE** DSL
- 24/7 Live Support
- Price and guarantee one year

Call To

1 800 80

AT&T DSL Comes From A Company You Can Trust

As a leader in home communications, AT&T brings a tradition of reliability and innovation to DSL service.

24/7 SUPPORT



You'll have access to a dedicated customer service team, available 24/7 to assist you with live technical support. And our One-Year Service Guarantee is there to make sure you get the speed and reliability you expect.*

INNOVATION



You'll continue to find new ways to harness the power of the Internet to fit your lifestyle. You can trust in the future of AT&T DSL Service, since it comes from a leader in technology.

You can get it now.

Call 1 800 800-0274, and place your order today.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 12
COMPANY/ WITNESS: BS/WKM
DATE: July 23, 2003

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TL
Exhibit WKM-1
Page 1 of 12

DOCUMENT NUMBER-DATE

13987 DEC 23 02

FPSC-COMMISSION CLERK

Terms & Conditions | Privacy Policy | Contact AT&T Consumer | © 2002 AT&T. All rights reserved.





Internet

Access
BTI is a national Internet Service Provider (ISP) offering a choice of access options including: Dedicated, Frame Relay, DSL and dial up (56K and ISDN) connections. Both business and residential customers enjoy the high speeds and reliable transmission of BTI Internet access. More

Network Security
If your company does business over the Internet, security is a high priority for you. Our engineers are experts in the latest network security technologies and will put their expertise to work for you. We can assist you with the implementation of security for virtual private networks, firewalls and other security-based systems. If you currently have a security plan, we can provide testing and audit services to give you peace of mind that your system is air tight.

Internet Access & Use Policy

Access Numbers

Contact a BTI Sales Specialist at datasales@btitele.com.

4300 Six Forks Road Raleigh, NC 27609
Tel: 800.849.9100 | Fax: 919.863.7319
info@btitele.com

Copyright © 2001 Business Telecom, Inc.
All rights reserved.
Terms of Use | Privacy Policy | Copyright Notice

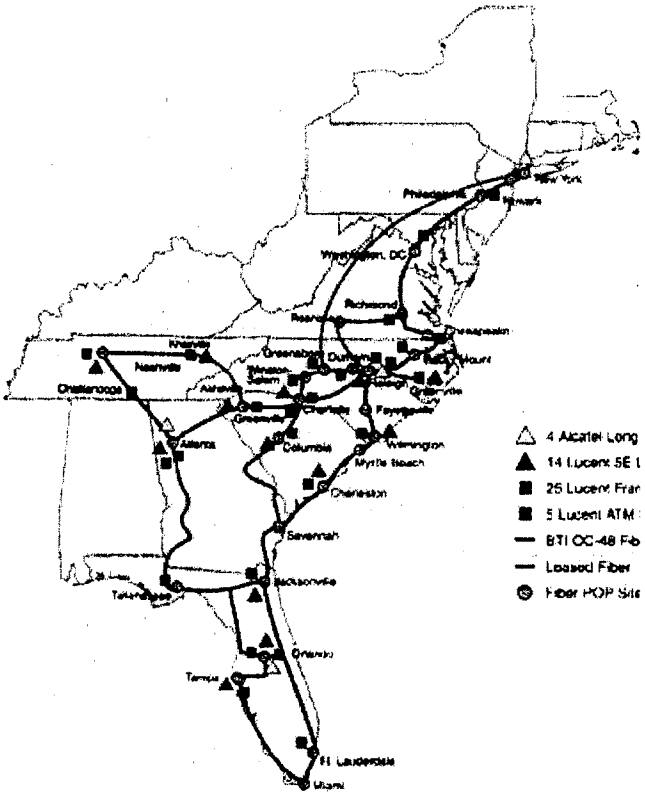
Customer Support:
800.849.2111
customersupport@btitele.com
BTINet

Telecom Simplified

Network Map

By the Numbers

- 14 Lucent Technologies 5E 2000 digital local switches
- Over 85 Alcatel Litespan 2012 digital loop carriers
- 4 Alcatel USA 600E Tandem long distance switches
- 25 Lucent Technologies B-STDX 9000 frame relay switches
- Over 4,400 route miles of fiber optics
- 5 Lucent Technologies ATM Switches



4300 Six Forks Road Raleigh, NC 27609
Tel: 800.849.9100 | Fax: 919.863.7319
info@btitele.com

Copyright © 2001 Business Telecom, Inc.
All rights reserved.
Terms of Use | Privacy Policy | Copyright Notice

Customer Support:
800.849.2111
customersupport@btitele.com
BTINet

Mpower Dedicated SDSL High-Speed Internet Service



Mpower your business with SDSL Broadband Internet Service—the technology to make your business more productive.

Mpower's SDSL (Symmetrical Digital Subscriber Line) offers equal upstream and downstream speeds up to 1.5 Megabits per second (Mbps). Unlike ADSL, which only allows quick downloads, SDSL gives you the power to both receive and send large files at high speeds. SDSL moves data 50 times faster than a dial-up modem and 10 times faster than ISDN. It performs at speeds equal to that of a T1 but at a fraction of the cost.

Mpower SDSL is a flexible technology that allows you to grow your communications capabilities as you grow your business. With Mpower High-Speed Internet Service, you'll enjoy:

- Multiple convenient tiers of speed from which to choose—up to 1.5 Mbps
- SDSL Modem included
- Web hosting
- Email addresses
- Domain name hosting
- Always-on, secure, high-speed Internet connection

Mpower's SDSL offers a business-focused solution that includes the most important Internet support features available:

- Reliable 24/7 help desk
- Full domain name registration and email support

Related Links

Becoming an Mpower SDSL Customer

E-mail, Domain Name & Web Hosting Service Setup

Acceptable Use Policies

Order Services ▶

Mpower Communications

Get Mpower Service

Mpower Communications is a facilities-based communications provider offering a full range of data, telephony, Internet access, and Web hosting services for small and medium-sized businesses.

Our bundles include economical local phone service packages, including long distance, as well as Symmetrical Digital Subscriber Line (SDSL) technology. SDSL offers consistent upload and download Internet connection speeds that can be used to transport large files between offices, vendors, or customers.

We can put together a communications package that meets your specific business needs. Our customized bundles typically save our customers from 20-60%, based on geographic location, number of lines serviced, and Local Area Network (LAN) configuration.

To begin the Mpower order process, please complete the following information.

Are you a Business or Residence? Business

Business Name*

Title*

Contact Name*

Address 1

Address 2

City

State

ZIP

Phone Number* ( ) -

Email*

When is the best time for an Mpower representative to contact you? Select

To be contacted by a sales representative about ordering any of the services listed below, select the services you are interested in and click Submit.

Local Voice Services

☐ Mpower Business Voice Service ☐ Centrex
☐ Trunks ☐ Long Distance
☐ Calling Card ☐ Mpower Business Toll-Free Services

Data and Internet Services

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TL
Exhibit WKM-1
Page 6 of 12

☐ Data Only SDSL ☐ Web Hosting
☐ MpowerConnect

Mpower Voice Mail
☐ Mpower Standard Voice Mail ☐ Mpower Business Center ☐ Mpower Guaranteed Fax Mailbox

Integrated Products
☐ MpowerOffice Accelerator ☐ MpowerOffice Velocity

Submit

* Fields marked with an asterisk are required.

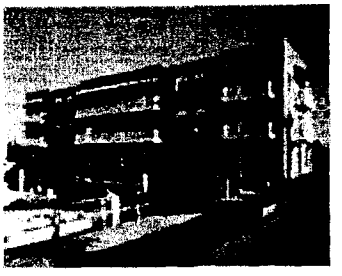
Contact Us | Legal | Privacy | Home

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TL
Exhibit WKM-1
Page 7 of 12

NETWORKTELEPHONE.NET

NTC Facts | NTC Footprint | NTC Milestones | Management Team

NETWORK TELEPHONE



We're Network Telephone, one of the fastest growing telecommunications companies in the Southeast. Based in the historic resort city of Pensacola, Florida, Network Telephone's new corporate headquarters are located on the downtown's scenic waterfront.

Network Telephone provides small and medium-sized businesses with digital subscriber lines (DSL)--the hottest high-speed Internet technology available; local and long-distance telephone services; ISDN and high-speed Internet options for efficient web hosting; streaming video; and other cutting-edge multimedia applications.

If you do not have Adobe Acrobat Reader to view PDF files, you can follow the link below and download it. It's **FREE!**

NETWORKTELEPHONE.NET

DSL Facts | DSL Speed Demo | DSL Locator | Order DSL

Improve the productivity of your business with **FREE* DSL**. PowerLine DSL Bundles from Network Telephone consolidate your high-speed Internet access, local phone service and long-distance calling, all on one concise bill. With thousands of DSL customers already in service, you will take comfort in the service you receive from one of the largest, most trusted providers in the Southeast.

Network Telephone gives your business hassle-free ordering and a 90 day satisfaction guarantee!

Why pay for DSL? Get it for FREE*!



*Free PowerLine DSL Terms and Conditions.

Terms and conditions regarding our Speeds for Leads Promotion.

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 020507-TL
Exhibit WKM-1
Page 9 of 12

NETWORKTELEPHONE.NET

DSL Facts | DSL Speed Demo | DSL Locator | Order DSL

PowerLine DSL is a proven technology that takes advantage of existing copper telephone lines to transmit high-speed, secure, reliable Internet access. A DSL line allows for one line to carry both voice and data signals, and for the data part of the line to be continuously connected. With PowerLine DSL service, you can benefit from Internet speeds up to 12 times faster than a typical ISDN connection and 50 times faster than a traditional 28.8 Kbps modem.

Network Telephone's PowerLine DSL is the foundation for successful e-business applications. PowerLine DSL delivers unsurpassed performance at an unbelievable price. And it's scalable to future connectivity needs, unlike other Internet technologies. Small and mid-sized businesses compete in a next-generation marketplace with PowerLine DSL.

High-Speed

PowerLine DSL is 50 to 100 times faster than dial-up, up to speeds of 1.5 Mbps, or roughly equivalent to a T1.

Affordable

PowerLine DSL delivers T1-comparable speeds to multiple users at a price that's as much as 50% lower than typical T1 costs. There's no better price/performance option available.

Reliable

PowerLine DSL takes full advantage of your existing telecommunications infrastructure. And it's scalable to your business needs - as your business grows, PowerLine DSL can be upgraded without costly equipment or down-time.

Secure

PowerLine DSL technology provides a dedicated Internet connection via private telephone wires. Unlike traditional dial-up modems or cable modems, PowerLine DSL protects your valuable data with the most secure connection available.

Convenient

PowerLine DSL offers seamless integration with virtually any existing network. Your existing phone lines and numbers stay the same.

WORLDCOM.



- US Home
- US Products
- Internet Access
  - Enterprise DSL
  - Internet DSL Solo
  - Internet DSL Office
  - Private Label DSL
- Dial
- Dedicated
- ISDN PRI
- Broadband Solutions
- Corporate Remote Access
- Ethernet Solutions

Search:



Printer Friendly
Bookmark This Page
Site Map

Ready to talk to a Sales Consultant?
Click here, and we'll give you a call

DSL

WorldCom[SM] DSL provides reliable, efficient connections for continuous p service for your business communications. DSL delivers broadband applic ordinary copper local loops and is scalable to support network expansion. used for 128Kb to T1 and above transmission for access to high-speed se networks such as Internet, frame relay, and ATM.

WorldCom's suite of DSL offerings let you select the service that best fits applications:

- **Internet DSL Office**
  This multi-user DSL solution for business Internet access applicatic symmetric bandwidth with available speeds of 128Kb, 384Kb, 768 1.0Mb. Standard features include DSL router, multiple static IP ad hosting, email, and WorldCom news server access. This is an ideal SOHO and branch office locations interested in high-speed Interne

- **Internet DSL Solo**
  DSL Solo is a single-user business service for customers interestec speed, cost-effective Internet access. Internet DSL Solo offers asy bandwidth up to 384Kb, static IP addresses, and DSL modem, witt existing, active voice lines.

- **Enterprise DSL**
  WorldCom Enterprise DSL is a single or integrated business DSL ac to frame relay and ATM service. This service offers class-of-service seven symmetric speeds ranging from 128Kb up to 1.5Mb. This se business-grade DSL for remote corporate locations, branch offices,

- **Private Label DSL**
  Private Label DSL offers basic, business, and premium broadband resale to your end-users. Private Label DSL provides speeds up to

Benefits to Your Business

WorldCom DSL can help your business realize the following benefits:

- **Network Reliability** – WorldCom's DSL service is offered in more markets, and is a direct extension of our backbone network.
- **Flexibility** – WorldCom supports a broad range of network transp application options including Internet, frame relay, ATM, and VPN, Level Agreements (SLAs) on our network.
- **Full Product Portfolio** – Select the DSL service options to best fi requirements, such as DSL line speed, class of service, single or m single or integrated service with multiple Permanent Virtual Circuit
- **Range of Applications** – WorldCom DSL meets a broad range of

SIGN UP FOR OUR E-NEWSLETTER

SIGN UP FOR FUTURE EMAIL UPDATES

application requirements. It offers remote workers and small- to m businesses a high-speed access alternative to traditional leased lin corporations can use DSL to extend broadband access to corporate resources for remote sites, branch offices, or traveling employees.

Find out more...

For more information on WorldCom[SM] products and services for y please contact us online or call us toll-free at 1-800-465-7187.

© 2002 WorldCom, Inc. All rights reserved : Privacy poli

www2-md-atlas.worldcom.com :80 v:-New:1.1.2.1.2.30.1039452531-

Copper Mountain Networks
10145 Pacific Height Blvd
Suite 100
San Diego, CA 92024
(858) 458-1800
(858) 410-7283 Fax
sales@coppermountain.com

Copper Mountain Networks Date: 05/14/02

Price Quote: 05/14/02

Product Name and Description	Product Category	Part No	Unit Price	Quantity	Total List Price	Discnt	Extended Price
CE200 Base System	Base	200-010-10	$ 9,995	2	$ 19,990		19,990.00
CE200 Software	Software	111-007-00	$ -	2	$ -		-
SDSL Line Card, 24 ports	Line Module	120-021-10	$ 4,995	11	$ 54,945		54,945.00
							$ 74,935

The CopperEdge DSLAM is available with the following WAN interfaces:
Ethernet WAN included
DS3 ATM @ $8,995
DS3 FR @ $8,995
Quad T1 FR @ $4,995
V.35 (2 ports) @ $2,995
T1 IMA ATM @ $.10,495

Terms
Payment terms - Net 30 days on approved credit
FCA Copper Mountain Networks, San Diego, CA, USA
One year warranty hardware only, 30 days software only
This price quotation is valid for 30 days from date of quotation

DSLAM Costs

284 ADSL Ports - CopperMountain

Qty	Description	Unit Price	Extended
2	CE200 Base System	$ 9,995	$ 19,990
2	CE200 Software	-	-
11	SDSL Line Card, 24 ports	4,995	54,945
	TOTAL		$ 74,935
	Annual Maintenance (15%)		$ 11,240
	Maintenance Ammortized Monthly (/12)		937



HD CO DSLAM - HARDWIRE CAPACITY FOR 432 LINES, EQUIPPED WITH LINE UNITS FOR 252 LINES

MBOS MODEL: BBSWADSL20
CONFIGURATION: HIGH DENSITY CO DSLAM WITH 1 RACK, 2 SHELVES

Part Number	Description	MNEMONIC	Qty	LIST PRICE	EXTENDED PRICE
	CO DSLAM-432: MBOS Model BBSWADSL20				
3EC16911AC	Configured Equipment Rack 2 Shlf - 7'	HLTR-A	1	$ 18,515	$ 18,515
3EC16866AA	Extender Cable, Short		2	$ 130	$ 260
3EC16661AA	DS3 NT	D3NT-A	2	$ 5,807	$ 11,614
3EC16663AA	DS3 I/O Module	HD3I-A	1	$ 109	$ 109
3EC16687AA	Alarm Control Unit	AACU-C	1	$ 981	$ 981
3EC16435AA	Extender Unit	ADSE-B	2	$ 2,464	$ 4,928
3EC16689AA	Continuity Test Unit	HCTU-A	1	$ 245	$ 245
3EC16526AA	ADSL Line Termination Unit (12 lines per card)	ADLT-J	21	$ 2,148	$ 45,108
3EC16683AB	Low Pass Filter CO (12 lines per card)	HLPC-B	21	$ 493	$ 10,353
Unit Total:	**CO DSLAM-432: MBOS Model BBSWADSL20**		1		**$ 92,113**

DSLAM Costs

252 ADSL Ports - Alcatel

Qty	Description	Unit Price	Extended
1	Configured Equipment Rack 2 Shlf - 7'	$ 18,515	$ 18,515
2	Extender Cable, Short	$ 130	$ 260
			$ -
2	DS3 NT	$ 5,807	$ 11,614
1	DS3 I/O Module	$ 109	$ 109
1	Alarm Control Unit	$ 981	$ 981
2	Extender Unit	$ 2,464	$ 4,928
1	Continuity Test Unit	$ 245	$ 245
			$ -
21	ADSL Line Termination Unit (12 lines per card)	$ 2,148	$ 45,108
21	Low Pass Filter CO (12 lines per card)	$ 493	$ 10,353

TOTAL	$ 92,113
Annual Maintenance (15%)	$ 13,817
Maintenance Ammortized Monthly (/12)	1,151

Net to Net

Date: 05/21/02

Price Quote: 05/21/02

Product Name and Description	Product Category	Part No	Unit Price	Quantity	Total List Price	Discnt	Extended Price
Chassis	Base	IPD12000	$2,195	1	$ 2,195		2,195.00
Mgmt Module	Software	MUM-200-2	$6,995	1	$ 6,995		6,995.00
ADSL Line Cards	Line Module	AAM8000-24	$9,995	11	$109,945		109,945.00
Uplink Module	Line Module	UIM200	$ 195	1	$ 195		195.00
							$ 119,330

USING COPPER MOUNTAIN DSLAMS

Year by Year Summary		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
New Loops - Annual		132	118	0	0	0	250
Total Loops - To-Date		132	250	250	250	250	
Average annual loop months		2.02	3.02	3.75	3.75	3.75	
Cash Inflows							
NRC Revenue		$ 13,200	$ 11,800	$ -	$ -	$ -	$ 25,000
MRC Business Revenue	50%	$ 34,538	$ 97,139	$ 119,925	$ 119,925	$ 119,925	$ 491,452
MRC Residential Revenue	50%	$ 21,279	$ 60,440	$ 74,925	$ 74,925	$ 74,925	$ 306,494
Total Cash Inflows		$ 69,017	$ 169,379	$ 194,850	$ 194,850	$ 194,850	$ 822,946
Cash Outflows							
Direct Costs							
Start-up Costs							
Collocation Buildout (PHR-5)		$ 12,589	$ -	$ -	$ -	$ -	$ 12,589
Collocation DSLAMs (PHR-6)		$ 74,935	$ -	$ -	$ -	$ -	$ 74,935
DS3 Interoffice Transport Install (PHR-8)		$ 671	$ -	$ -	$ -	$ -	$ 671
Line Sharing Splitter Capacity		$ 1,137	$ -	$ -	$ -	$ -	$ 1,137
NRC:							
Collocation 2-Wire Cross Connects (1st)		$ 531	$ 487	$ -	$ -	$ -	$ 1,018
Collocation 2-Wire Cross Connects (addl)		$ 5,308	$ 4,733	$ -	$ -	$ -	$ 10,040
Line Share Splitter Activation UNE		$ 2,809	$ 2,511	$ -	$ -	$ -	$ 5,320
MRC:							
Collocation Operations		$ 11,128	$ 11,128	$ 11,128	$ 11,128	$ 11,128	$ 55,640
Collocation DSLAM Maintenance (PHR-6)		$ 11,240	$ 11,240	$ 11,240	$ 11,240	$ 11,240	$ 56,201
Collocation 2-Wire Cross Connects (PHR-6)		$ 266	$ 752	$ 930	$ 930	$ 930	$ 3,808
DS3 Interoffice Transport (Blackhaul)		$ 31,782	$ 31,782	$ 31,782	$ 31,782	$ 31,782	$ 158,910
Internet Service Bus (Bandwidth & Email) (PHR-9)		$ 3,456	$ 9,720	$ 12,000	$ 12,000	$ 12,000	$ 49,176
Internet Service Resl (Bandwidth & Email) (PHR-9)		$ 1,944	$ 5,468	$ 6,750	$ 6,750	$ 6,750	$ 27,662
Line Sharing Splitter UNE Monthly (56 lines)		$ 7,158	$ 7,158	$ 7,158	$ 7,158	$ 7,158	$ 35,789
Line Share Splitter Activation (PHR-7)		$ 6,375	$ 18,018	$ 22,290	$ 22,290	$ 22,290	$ 91,263
Total Direct Costs		$ 171,328	$ 102,997	$ 103,278	$ 103,278	$ 103,278	$ 584,159
Cash Gross Margin $		$ (102,311)	$ 66,382	$ 91,572	$ 91,572	$ 91,572	$ 238,787
Sales Costs							
SPIF (One-time Commision on Sale)		$ 5,277	$ 4,717	$ -	$ -	$ -	$ 9,994
Marketing Costs (Based on Resl MRC)		$ 6,563	$ 5,894				$ 12,457
Residual (3% Business MRC Revenue)		$ 1,038	$ 2,914	$ 3,598	$ 3,598	$ 3,598	$ 14,744
Total Sales Cost		$ 12,908	$ 13,525	$ 3,598	$ 3,598	$ 3,598	$ 37,225
Cash Contribution Margin		$ (115,217)	$ 52,857	$ 87,974	$ 87,974	$ 87,974	$ 201,562
Operating Costs							
Provision, Pro, Mngt, Cust Serv, Etc.		$ 3,960	$ 3,540	$ -	$ -	$ -	$ 7,500
Provision, Pro, Mngt, Cust Serv, Etc.		$ 1,880	$ 1,770	$ -	$ -	$ -	$ 3,750
Total Operating Costs		$ 5,840	$ 5,310	$ -	$ -	$ -	$ 11,250
Cash Operating Margin		$ (121,157)	$ 47,547	$ 87,974	$ 87,974	$ 87,974	$ 190,312
Total Cash Outflow		$ 190,174	$ 121,832	$ 106,876	$ 106,876	$ 106,876	$ 632,634
Net Cash Flow - Annual		$ (121,157)	$ 47,547	$ 87,974	$ 87,974	$ 87,974	$ 190,312
Net Cash Flow - To-Date		$ (121,157)	$ (73,610)	$ 14,364	$ 102,338	$ 190,312	
Validation Results							
Internal Rate of Return (IRR)		44.2%					
Months to Payback on Investment		(46)					
Total Startup Costs		$ 89,332					

USING ALCATEL DSLAMS

24

79.95

Year by Year Summary	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
New Loops - Annual	132	118	0	0	0	250
Total Loops - To-Date	132	250	250	250	250	
Average annual loop months	2.02	3.02	3.75	3.75	3.75	
Cash Inflows						
NRC Revenue	$ 13,200	$ 11,800	$ -	$ -	$ -	$ 25,000
MRC Business Revenue	$ 34,538	$ 97,139	$ 119,925	$ 119,925	$ 119,925	$ 491,452
MRC Residential Revenue	$ 21,279	$ 80,440	$ 74,925	$ 74,925	$ 74,925	$ 306,494
Total Cash Inflows	$ 69,017	$ 189,379	$ 194,850	$ 194,850	$ 194,850	$ 822,946
Cash Outflows						
Direct Costs:						
Start-up Costs						
Collocation Buildout (PHR-5)	$ 12,589	$ -	$ -	$ -	$ -	$ 12,589
Collocation DSLAMs (PHR-6)	$ 92,113	$ -	$ -	$ -	$ -	$ 92,113
DS3 Interoffice Transport Install (PHR-8)	$ 671	$ -	$ -	$ -	$ -	$ 671
Line Sharing Splitter Capacity	$ 1,137	$ -	$ -	$ -	$ -	$ 1,137
NRC:						
Collocation 2-Wire Cross Connects (1st)	$ 531	$ 487	$ -	$ -	$ -	$ 1,018
Collocation 2-Wire Cross Connects (addtl)	$ 5,306	$ 4,733	$ -	$ -	$ -	$ 10,040
Line Share Splitter Activation (PHR-7)	$ 2,809	$ 2,511	$ -	$ -	$ -	$ 5,320
MRC:						
Collocation Operations	$ 11,128	$ 11,128	$ 11,128	$ 11,128	$ 11,128	$ 55,640
Collocation DSLAM Maintenance (PHR-6)	$ 13,817	$ 13,817	$ 13,817	$ 13,817	$ 13,817	$ 69,085
Collocation 2-Wire Cross Connects (PHR-8)	$ 298	$ 752	$ 930	$ 930	$ 930	$ 3,808
DS3 Interoffice Transport (Backhaul)	$ 31,782	$ 31,782	$ 31,782	$ 31,782	$ 31,782	$ 158,910
Internet Service Bus (Bandwidth & Email) (PHR-9)	$ 3,456	$ 9,720	$ 12,000	$ 12,000	$ 12,000	$ 49,176
Internet Service Real (Bandwidth & Email) (PHR-9)	$ 1,944	$ 5,466	$ 6,750	$ 6,750	$ 6,750	$ 27,662
Line Sharing Splitter Capacity	$ 7,158	$ 7,158	$ 7,158	$ 7,158	$ 7,158	$ 35,789
Line Share Splitter Activation (PHR-7)	$ 8,376	$ 18,018	$ 22,290	$ 22,290	$ 22,290	$ 91,263
Total Direct Costs	$ 191,083	$ 105,873	$ 105,855	$ 105,855	$ 105,855	$ 614,220
Cash Gross Margin $	$ (122,066)	$ 83,506	$ 88,995	$ 88,995	$ 88,995	$ 208,726
Sales Costs						
SPIF (One-time Commision on Sale)	$ 5,277	$ 4,717	$ -	$ -	$ -	$ 9,994
Marketing Costs (Based on Real MRC)	$ 6,583	$ 5,904				$ 12,487
Residual (3% Business MRC Revenue)	$ 1,036	$ 2,914	$ 3,598	$ 3,598	$ 3,598	$ 14,744
Total Sales Cost	$ 12,908	$ 13,525	$ 3,598	$ 3,598	$ 3,598	$ 37,226
Cash Contribution Margin	$ (134,972)	$ 80,281	$ 85,397	$ 85,397	$ 85,397	$ 171,501
Operating Costs						
Provision, Proj Mngt, Cust Serv, Etc	$ 3,960	$ 3,540	$ -	$ -	$ -	$ 7,500
Provision, Proj Mngt, Cust Serv, Etc	$ 1,980	$ 1,770	$ -	$ -	$ -	$ 3,750
Total Operating Costs	$ 5,940	$ 5,310	$ -	$ -	$ -	$ 11,250
Cash Operating Margin	$ (140,912)	$ 44,971	$ 85,397	$ 85,397	$ 85,397	$ 160,251
Total Cash Outflow	$ 209,929	$ 124,408	$ 109,453	$ 109,453	$ 109,453	$ 662,695
Net Cash Flow - Annual	$ (140,912)	$ 44,971	$ 85,397	$ 85,397	$ 85,397	$ 160,251
Net Cash Flow - To-Date	$ (140,912)	$ (95,941)	$ (10,544)	$ 74,853	$ 160,251	
Validation Results						
Internal Rate of Return (IRR)	34.8%					
Months to Payback on Investment	(48)					
Total Startup Costs	$ 104,844					

USING NET-TO- NET DSLAMS

Year by Year Summary	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Total
New Loops - Annual	132	118	0	0	0	250
Total Loops - To-Date	132	250	250	250	250	
Cash Inflows						
NRC Revenue	$ 13,200	$ 11,800	$ -	$ -	$ -	$ 25,000
MRC Business Revenue	$ 34,538	$ 97,139	$ 119,925	$ 119,925	$ 119,925	$ 491,452
MRC Residential Revenue	$ 21,278	$ 60,440	$ 74,925	$ 74,925	$ 74,925	$ 306,494
Total Cash Inflows	$ 69,017	$ 169,379	$ 194,850	$ 194,850	$ 194,850	$ 822,946
Cash Outflows						
Direct Costs:						
Start-up Costs						
Collocation Buildout (PHR-5)	$ 12,589	$ -	$ -	$ -	$ -	$ 12,589
Collocation DSLAMs (PHR-6)	$ 118,330	$ -	$ -	$ -	$ -	$ 118,330
DS3 Interoffice Transport Install (PHR-8)	$ 671	$ -	$ -	$ -	$ -	$ 671
Line Sharing Splitter Capacity	$ 1,137	$ -	$ -	$ -	$ -	$ 1,137
NRC:						
Collocation 2-Wire Cross Connects (1st)	$ 531	$ 487	$ -	$ -	$ -	$ 1,018
Collocation 2-Wire Cross Connects (addl)	$ 5,308	$ 4,733	$ -	$ -	$ -	$ 10,040
Line Share Splitter Activation (PHR-7)	$ 2,809	$ 2,511	$ -	$ -	$ -	$ 5,320
MRC:						
Collocation Operations	$ 11,128	$ 11,128	$ 11,128	$ 11,128	$ 11,128	$ 55,640
Collocation DSLAM Maintenance (PHR-6)	$ -	$ 19,467	$ 19,467	$ 19,467	$ 19,467	$ 77,868
Collocation 2-Wire Cross Connects (PHR-6)	$ 266	$ 752	$ 930	$ 930	$ 930	$ 3,808
DS3 Interoffice Transport (Backhaul)	$ 31,782	$ 31,782	$ 31,782	$ 31,782	$ 31,782	$ 158,910
Internet Service Bus (Bandwidth & Email) (PHR-9)	$ 3,456	$ 9,720	$ 12,000	$ 12,000	$ 12,000	$ 49,176
Internet Service Rest (Bandwidth & Email) (PHR-9)	$ 1,944	$ 5,468	$ 6,750	$ 6,750	$ 6,750	$ 27,662
Line Sharing Splitter Capacity	$ 7,158	$ 7,158	$ 7,158	$ 7,158	$ 7,158	$ 35,789
Line Share Splitter Activation (PHR-7)	$ 6,375	$ 18,018	$ 22,290	$ 22,290	$ 22,290	$ 91,263
Total Direct Costs	$ 204,483	$ 111,229	$ 111,505	$ 111,505	$ 111,505	$ 650,221
Cash Gross Margin 3	$ (135,466)	$ 58,156	$ 83,345	$ 83,345	$ 83,345	$ 172,725
Sales Costs						
SPIF (One-time Commision on Sale)	$ 5,277	$ 4,717	$ -	$ -	$ -	$ 9,994
Marketing Costs (Based on Resi MRC)	$ 6,593	$ 5,894			$	$ 12,487
Residual (3% Business MRC Revenue)	$ 1,036	$ 2,914	$ 3,598	$ 3,598	$ 3,598	$ 14,744
Total Sales Cost	$ 12,906	$ 13,525	$ 3,598	$ 3,598	$ 3,596	$ 37,225
Cash Contribution Margin	$ (148,372)	$ 44,631	$ 79,747	$ 79,747	$ 79,747	$ 135,500
Operating Costs						
Provision, Proj Mngt, Cust Serv, Etc.	$ 3,960	$ 3,540	$ -	$ -	$ -	$ 7,500
Provision, Proj Mngt, Cust Serv, Etc.	$ 1,980	$ 1,770	$ -	$ -	$ -	$ 3,750
Total Operating Costs	$ 5,940	$ 5,310	$ -	$ -	$ -	$ 11,250
Cash Operating Margin	$ (154,312)	$ 39,321	$ 79,747	$ 79,747	$ 79,747	$ 124,250
Total Cash Outflow	$ 223,329	$ 130,058	$ 115,103	$ 115,103	$ 115,103	$ 698,696
Net Cash Flow - Annual	$ (154,312)	$ 39,321	$ 79,747	$ 79,747	$ 79,747	$ 124,250
Net Cash Flow - To-Date	$ (154,312)	$ (114,991)	$ (35,244)	$ 44,503	$ 124,250	
Valuation Results						
Internal Rate of Return (IRR)	25.5%					
Months to Payback on Investment	(51)					
Total Startup Costs	$ 133,727					

FINAL DRAFT/06-11-01

Ex 20

[Insert Date]

[insert name of addressee,
name of company,
street address, city, state and zip code]

RE: BellSouth Tariffed Digital Subscriber Line ("DSL") Service on Unbundled Network Element – Platform ("UNE-P") Loops

Dear **[Insert addressee's name]**:

BellSouth has recently discovered that, as a result of a recent failure of a systems edit, BellSouth is currently providing its tariffed Asymmetrical Digital Subscriber Line ("ADSL") service to certain Internet Service Provider ("ISP") customers on one or more UNE-P loops purchased by your company. (A list of the affected telephone numbers is attached hereto.)

Since your company owns all features and functionalities of unbundled loops purchased from BellSouth, BellSouth does not have access to the high frequency spectrum on those loops for purposes of providing tariffed ADSL to its ISP customers. BellSouth thus intends to notify the affected ISPs, within ten (10) days of the date of this letter, that it will be discontinuing tariffed DSL service on the affected lines. (The affected ISPs include BellSouth® Internet Services.)

To the extent your company desires to have ISPs continue to provide tariffed DSL on the affected lines, those lines could be converted to resold lines. On a resold line, BellSouth would continue to have access to the high frequency spectrum, as your company is only purchasing the low frequency spectrum in a resold situation. Unless we hear to the contrary within ten (10) days of the date of this letter, the DSL will be disconnected.

Very truly yours,

Gregory R. Follensbee

Attachment

#252061

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 20
COMPANY/ WITNESS. MCI/ Final Draft 6/11/03
DATE: July 22 2003
and 5/30/03 letter to LA Comm.

BellSouth Telecommunications, Inc.
365 Canal Street
Suite 3000
New Orleans, LA 70130

Debbie.Canale@bellsouth.com

Debbie V. Canale
Director - Regulatory

504 528 7478
Fax 504 528 7556

May 30, 2003

Mr. Lawrence C. St. Blanc
Executive Secretary
Louisiana Public Service Commission
One American Place, Suite 1630
Baton Rouge, LA 70825

RE: LPSC Docket Number R-26173
Louisiana Public Service Commission, ex parte
In re: In re: BellSouth's provision of ADSL Service to end-users over CLEC Loops.

Dear Mr. St. Blanc:

This communication will serve as BellSouth's report on the status of the implementation of the LPSC's Orders No. R-26173 and R-26173-A. (the "Orders"). As we have interpreted the Orders, there are two components requiring compliance by BellSouth effective June 1, 2003. These two components include:

- ***Creating a process to continue to provide wholesale and retail DSL service to existing wholesale and retail DSL customers who switch to UNE-P voice providers.*** This is on target for implementation beginning June 1, 2003.

- ***Creating a process to accept new orders from UNE-P voice customers who subsequently choose to receive BellSouth's wholesale or retail DSL service.*** In order to better ensure accuracy and efficiency, this capability must be delayed due to systems issues highlighted below with a targeted availability date of June 15, 2003. With this letter, we are requesting the LPSC's forbearance from this portion of its requirements until June 15, 2003 so that we may effectively implement the alterations described below for this particular process.

Conversion of existing DSL customers to UNE-P.

The Commission's April 4th Order states that "BellSouth shall have until June 1, 2003, to fully implement the requirements of the Order." The first paragraph of the ordering paragraph requires BellSouth "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." BellSouth has worked hard to implement the necessary processes and procedures to ensure that this customer will maintain his existing wholesale or retail DSL service when he switches to a UNE-P voice provider. We anticipate that on June 1, 2003, we will be able to continue to provide BellSouth's retail DSL unregulated Internet access service (BellSouth® FastAccess® DSL) or BellSouth's wholesale DSL provided through a third party Internet service provider (e.g., EarthLink, MSN or AOL) to customers who switch voice services to a CLEC using UNE-P. Consequently, if, for example, on June 2, a BellSouth voice customer with BellSouth FastAccess elects to convert voice service to a CLEC UNE-P that has executed the necessary contractual amendment, BellSouth anticipates that the conversion will occur with the FastAccess remaining on the UNE-P line.

BellSouth acceptance of <u>new</u> orders for wholesale and retail DSL service from UNE-P voice customers.

The first paragraph of the Order also states that the "requirement likewise applies to CLEC voice customers who subsequently choose to receive BellSouth's wholesale or retail DSL service." BellSouth interprets this as currently requiring BellSouth to accept orders for new wholesale and retail DSL on existing UNE-P lines ("New DSL Service"). This requirement involves creation of a separate more difficult set of new procedures. This is because the DSL service is not already established, and BellSouth must make significant systems changes to determine many factors, such as whether the UNE-P line physically qualifies for DSL service and whether the CLEC has given permission for BellSouth to use the high frequency portion of the loop. These issues implicate both the wholesale and retail DSL systems. The first step in the process must, by definition, involve the wholesale systems. Once those systems are capable of handling an order for New DSL service, then all ISPs, including BellSouth's own ISP operation, can begin modifying their systems and start placing orders.

BellSouth's wholesale DSL pre-ordering, ordering and provisioning systems consist of a number of complex, inter-related systems. These systems are designed to ensure an order is accurately placed; is ordered on the correct end-user's line; is provisioned correctly; and can be properly billed to the ISP. No less than a dozen separate systems are involved in these processes. As such, modification of functionality must be carefully and methodically performed to ensure accuracy.

Changes to all of these systems must be made through planned, scheduled software releases. Despite diligent effort, and because of unanticipated problems, BellSouth will be unable to complete certain alterations to our systems until the June 14, 2003 software release. As a consequence, BellSouth will be unable to accept New DSL Orders into its wholesale systems until June 15 at the earliest. All of this assumes the software releases are error-free, which will not be known until the June 14 software release is implemented.

Like the wholesale systems, BellSouth's retail ordering system also performs a series of checks before processing the FastAccess DSL order downstream to the wholesale system. Testing on our retail systems is scheduled to begin immediately upon completion of the work on our wholesale systems. It is planned that the availability of these systems will follow shortly behind the availability of the wholesale systems in the mid-June timeframe. If all goes as planned, the FastAccess order should proceed through the systems at that time. If testing discloses unanticipated errors or problems, we will notify the Commission immediately.

BellSouth is committed to effectively and efficiently complying with the Order put forth by the LPSC. We wanted to give you a full and candid report of the status of our efforts to date. Please let us know if we can provide additional information or need to take further formal action to address these matters.

Sincerely,

Debbie V. Canale

Debbie V. Canale

cc: Official Service List
Victoria McHenry, General Counsel
Tommy E. Williams, Vice-President-Regulatory

492701

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 020507-TL EXHIBIT NO. 21
COMPANY/
WITNESS: MCI/BS Responses to MCI GA's Discovery
DATE: July 22, 2003

EXHIBIT EF-1
OVERVIEW OF AGREED UPON CONTRACTUAL TERMS

1. BellSouth may provision the FastAccess or the new UNE voice service on a separate facility.
2. BellSouth may use a SPOC (single point of contact) to be determined to determine if end user has FastAccess, to discuss the terms of maintaining such service, and to shepherd the order.
3. Florida Digital Networks will also assign a SPOC to manage orders on their side.
4. The transfer of service from one facility to another shall be seamless and transparent for the end user such that there shall be no more than a momentary disruption of service.
5. BellSouth may elect to maintain FastAccess service on the same loop such that the FastAccess service is not altered when the end user switches to FDN voice service. The FDN service will then be put on a new, separate facility.
6. In the event BellSouth chooses to provision FastAccess on the same loop as the voice loop, FDN will allow BellSouth to use the high frequency portion of this loop in the above case and will not charge BellSouth for use of this spectrum.
7. FDN will forward end user information as necessary for BellSouth to perform its obligations to continue FastAccess service.
8. In the event BellSouth chooses to provision FastAccess on the same loop as the voice loop, FDN will authorize BellSouth to access the UNE loop for testing purposes.

Ex 22

EF-1 - EF-2

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 22
COMPANY/ WITNESS: BS/EF-1 & EF-2
DATE: July 23, 2003

DOCUMENT NUMBER-DATE
13985 DEC 23 02
FPSC-COMMISSION CLERK

	ADSL over UNE loop and UNE loop-port					
		UNE Loop			UNE Loop-Port	
Item	Components	Costs	Timeframe	Components	Costs	Timeframe

BELLSOUTH

BellSouth Interconnection Services
675 West Peachtree Street
Atlanta, Georgia 30375

Exh. EX 23

Carrier Notification
SN91083757

Date: July 11, 2003

To: Competitive Local Exchange Carriers (CLEC)

Subject: CLECs - Introduction of New Unbundled Network Elements-Platform (UNE-P) Uniform Service Order Codes (USOC) in Georgia and North Carolina

As explained in Carrier Notification Letter SN9108368, BellSouth has been working to accommodate the ordering of the customized code restriction USOC CREX7 with UNE-P service in Georgia and North Carolina. The capability has been developed and this is to announce that such ordering is now available.

The implementation of this capability has resulted in the addition of four new UNE-P USOCs: UEPRV and UEPRU in Georgia; and UEPRZ and UEPRY in North Carolina. BellSouth's Retail to UNE-P USOC mapping in Georgia, North Carolina and Florida has also been modified as shown on the following table:

Description	UNE Line Class of Service USOC	State	BellSouth Retail USOC(s) Technical Equivalent to the UNE-P USOC Listed
2-Wire Voice Grade Unbundled Port without Caller ID capability, Georgia	UEPRV	GA	VR1, VR4
2-Wire Voice Grade Unbundled Port for use with Caller ID, Georgia	UEPRU	GA	VR1CL, VR4CL
2-Wire Voice Grade Unbundled Port without Caller ID capability, North Carolina	UEPRZ	NC	ACO, ARO
2-Wire Voice Grade Unbundled Port for use with Caller ID, North Carolina	UEPRY	NC	ACOCL, AROCL
Florida Extended Dialing for use with Caller ID	UEPA1	FL	VR6CL, VR5CL
Florida Extended Dialing without Caller ID capability	UEPA8	FL	VR6, VR5

Your company's Interconnection Agreement must be amended before these new USOCs, highlighted above, may be ordered. During the week of July 14, 2003, BellSouth will be contacting CLECs with UNE-P lines and presenting each with a contract amendment adding these USOCs. Please execute and return this amendment expeditiously to avoid ordering clarifications.

On September 1, 2003, BellSouth will begin returning for clarification orders that are not ordered according to the table above and the ordering instructions provided in Version 11 of the UNE-P Web guide referenced below.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 23
COMPANY/ WITNESS. AT&T/7/11/03 Carrier Notification
DATE: July 22 2003

As information, the previous USOCs mapping is shown below:

Description	UNE Line Class of Service USOC	State	BellSouth Retail USOC(s) Technical Equivalent to the UNE-P USOC Listed
2-Wire Voice Grade Port without Caller ID capability	UEPRL	GA	VR1, VR4
		FL	VR5, VR6
		NC	ACO, ARO
2-Wire Voice Grade Port for use with Caller ID	UEPRC	GA	VR1CL, VR4CL
		FL	VR5CL, VR6CL
		NC	ACOCL, AROCL

In addition to implementing the aforementioned new UNE-P USOCS and USOC mapping, BellSouth is also adding the following additional BellSouth Retail USOCs to the USOC mapping matrix in the UNE-P Web guide:

LOGCL, LODCL, NN6CX, 1FP, 1JB, 1KB, 1KD, 1MJ, 1OK, 1ON, 1OO, 1OP, 1WB, 2EB, NAL2B, AMCCX, KN92K, KN92P, NLNCX, NN9CX, NN9CK,NN6OX, NN61X, AMC1X, TQB1X, KN91K, KN91P, NLN1X, NN91X, NN91K.

These BellSouth retail USOCs are mapped to existing UNE-P USOCs. Therefore, no change to the Interconnection Agreement is required.

Version 11 of the UNE-P Web guide, which will be available on July 15, 2003, will include all modified USOC mapping described in this Carrier Notification Letter. It will also provide detailed instructions for ordering the new UNE-P USOCs and ordering UNE-P service from the BellSouth Retail USOCs added to the mapping matrix. The ordering information provided in this guide for the additional USOCs shall serve as the specific instructions until the Local Ordering Handbook can be updated.

If you have any questions regarding the implementation of these new USOCs, please contact your BellSouth Local Support Manager.

Sincerely,

ORIGINAL SIGNED BY JERRY HENDRIX

Jerry Hendrix – Assistant Vice President
BellSouth Interconnection Services

Legal Department

Meredith Mays
Senior Regulatory Counsel

BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(404) 335-0750

August 5, 2003

Mrs. Blanca S. Bayó
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 020507-TL (FCCA Complaint)

Dear Ms. Bayó:

Today, BellSouth Telecommunications, Inc.'s served its Late Filed Hearing Exhibit No. 24 to Florida Public Service Commission, Staff in the above referenced docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

Meredith Mays

Meredith Mays (CEA)

cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey
Nancy B. White

500454

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 020507-TL EXHIBIT NO. 24
COMPANY/ WITNESS: Staff/Late Filed Cable Modem Presence in BS Territory
DATE: 7/22/03

DOCUMENT NUMBER-DATE
07142 AUG-5 03
FPSC-COMMISSION CLERK

CERTIFICATE OF SERVICE
DOCKET NO. 020507-TL

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Electronic Mail, Hand Delivered* and/or FedEx this 5th day of August 2003 to the following:

Patricia Christensen*
Staff Counsel
Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
pchriste@psc.state.fl.us

Vicki Gordon Kaufman (+)
Joseph A. McGlothlin
McWhirter, Reeves, McGlothlin, Davidson, Rief & Bakas, P.A.
117 South Gadsden Street
Tallahassee, Florida 32301
Tel. No. (850) 222-2525
Fax. No. (850) 222-5606
Attys. for AIN
Attys. for AT&T
vkaufman@mac-law.com
jmcglothlin@mac-law.com

Nanette Edwards, Esq. (+)
Director - Regulatory
ITC^DeltaCom
4092 S. Memorial Parkway
Huntsville, AL 35802
Tel. No. (256) 382-3856
Fax. No. (256) 382-3936
nedwards@itcdeltacom.com

Floyd Self, Esq. (+)
Messer, Caparello & Self
215 S. Monroe Street
Suite 701
P.O. Box 1876
Tallahassee, FL 32302
Represents ITC^DeltaCom
fself@lawfla.com

Virginia Tate (+)
AT&T
Law and Government Affairs
1200 Peachtree Street, N.E.
Suite 8100
Atlanta, Georgia 30309
Tel. No. (404) 810-4922
Fax. No. (404) 810-5901
vctate@att.com

Richard D. Melson (+)
Hopping Green Sams & Smith, P.A.
123 South Calhoun Street
Tallahassee, FL 32314
Tel. No. (850) 222-7500
Fax. No. (850) 224-8551
Atty. For MCI
rmelson@hgss.com

Donna Canzano McNaulty (+)
MCI WorldCom Communications, Inc.
1203 Governors Square Boulevard,
Suite 201
Tallahassee, Florida 32301
Tel. No. (850) 422-1254
Fax. No. (850) 422-2586
donna.mcnulty@wcom.com

Dulaney L. O'Roark III (+)
WorldCom, Inc.
Six Concourse Parkway
Suite 3200
Atlanta, GA 30328
Tel. No. (770) 284-5498
Fax. No. (770) 284-5488
De.ORoark@mci.com

Meredith E. Mays (KA)

(+) Signed Protective Agreement
(*) Hand Delivered

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 020507-TL EXHIBIT NO. 25
COMPANY/
WITNESS: MCI / EF-2
DATE: July 22 2003