EXHIBIT NO. 1

DOCKET NO.: 030851-TP

WITNESS: Access

PARTY: Access

DESCRIPTION:

1. Access' Responses to BellSouth's 1st Set of Interrogatories (Nos.1-84) – Page 1
2. Access' Responses to BellSouth's 1st Request for PODs (Nos.1-21) – Page 35
3. Access' Responses to BellSouth's 3rd Request for PODs (Nos. 23-24) – Page 65
4. Access' Responses to Staff's 1st Set of Interrogatories (Nos.1-7) – Page 66
5. Access' Responses to Staff's 1st Request for PODs (Nos.1-8) – Page 71
6. Access' Responses to Staff's 2nd Set of Interrogatories (Nos.8-11) – Page 74
7. Access' Responses to Staff's 2nd Request for PODs (No. 9) – Page 85

PROFFERING PARTY: STAFF

I.D. # Access-Stip-1

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 1
COMPANY/ FPSC Staff
WITNESS. Access - Stip-1
DATE: 02/24-27/04

In re: Implementation of requirements arising From Federal Communications Commission Triennial UNE review: Local Circuit Switching For Mass Market Customers

Docket No. 030851-TP

Filed: November 3, 2003

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ACCESS INTEGRATED NETWORKS, INC.'S RESPONSE TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST SET OF INTERROGATORIES (NOS. 1-84)

Access Integrated Networks, Inc. ("ACCESS") hereby provides its Objections and Answers to BellSouth Telecommunications, Inc.'s First Set of Interrogatories. ACCESS hereby adopts, incorporates by reference, and renews the preliminary Objections that it filed on October 20, 2003. ACCESS's further responses are as follows:

INTERROGATORY NO. 1: Identify each switch owned by ACCESS INTEGRATED NETWORKS, INC. that ACCESS INTEGRATED NETWORKS, INC. uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch).

RESPONSE: ACCESS does not own any switches.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 2: For each switch identified in response to Interrogatory No. 1, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch;

(b) provide the street address, including the city and state in which the switch

is located;

(c) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);

(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(f) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide ("LERG"); or, state if the switch is not identified in the LERG.

RESPONSE: See Response to Interrogatory No. 1.

INTERROGATORY NO. 3: Identify any other switch not previously identified in Interrogatory No. 1 that ACCESS INTEGRATED NETWORKS, INC. uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch). In answering this Interrogatory, do not include ILEC switches used by ACCESS INTEGRATED NETWORKS, INC. either on an unbundled or resale basis.

RESPONSE: ACCESS utilizes only ILEC switches.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 4: For each switch identified in response to Interrogatory No. 3, please:

(a) identify the person that owns the switch;

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(b) provide the Common Language Location Identifier ("CLLI") code of the switch;

(c) provide the street address, including the city and state in which the switch is located;

(d) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);

(e) describe in detail the arrangement by which you are making use of the switch, including stating whether you are leasing the switch or switching capacity on the switch;

(f) identify all documents referring or relating to the rates, terms, and conditions of ACCESS INTEGRATED NETWORKS, INC.'s use of the switch; and

(g) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide ("LERG"); or, state if the switch is not identified in the LERG.

RESPONSE: See Response to Interrogatory No. 3.

INTERROGATORY NO. 5: Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switches identified in response to Interrogatory No. 1. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located

RESPONSE: See Response to Interrogatory No. 1.

INTERROGATORY NO. 6: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area from the switches identified in response to Interrogatory 1.

RESPONSE: See Response to Interrogatory No. 1.

INTERROGATORY NO. 7: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 6, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;

(b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;

(c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;

(d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;

(e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;

(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;

(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;

(h) The number of end user customers to whom you provide eight (8)

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voice-grade equivalent lines;

(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;

(j) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;

(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;

(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines; and

(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

RESPONSE: See Response to Interrogatory No. 6.

INTERROGATORY NO. 8: Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switches identified in response to Interrogatory No. 3. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user is located.

RESPONSE: See Response to Interrogatory No. 3.

INTERROGATORY NO. 9: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area from the switches identified in response to Interrogatory No. 8.

RESPONSE: See Response to Interrogatory No. 3.

INTERROGATORY NO. 10: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 9, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;

(b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;

(c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;

(d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;

(e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;

(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;

(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;

(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;

(h) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;

(i) The number of end user customers to whom you provide ten (10)

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voice-grade equivalent lines;

(j) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;

(k) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines; and

(l) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

RESPONSE: See Response to Interrogatory No. 9.

INTERROGATORY NO. 11: Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida using an ILEC's switch either on an unbundled or resale basis. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

RESPONSE: As stated in preliminary Objections filed October 20, 2003, ACCESS objects to Interrogatory No. 11 on the grounds that, because BellSouth provides each switch that ACCESS uses to provide service, the information sought by BellSouth is already in BellSouth's possession. To require ACCESS to expend resources and personnel to prepare and provide such information already well known to BellSouth would be oppressive and unduly burdensome.

Objection by Counsel for ACCESS

INTERROGATORY NO. 12: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers

in that wire center area using an ILEC's switch either on an unbundled or resale basis.

RESPONSE: As stated in preliminary Objections filed on October 20, 2003, ACCESS objects to Interrogatory No. 12 on grounds that, because BellSouth provides each switch that ACCESS uses to provide service, the information sought by Interrogatory No. 12 is already within BellSouth's possession. To require ACCESS to expend resources and personnel to prepare and provide such information already well known to BellSouth would be oppressive and unduly burdensome.

Objection by Counsel

INTERROGATORY NO. 13: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 12, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;

(b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;

(c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;

(d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;

(e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;

(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;

(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;

(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;

(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;

(j) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;

(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;

(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines; and

(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

RESPONSE: As stated in preliminary Objections filed on October 20, 2003, ACCESS objects, with respect to BellSouth's switching, on the grounds that the information sought is already known to BellSouth. To require ACCESS to expend resources and personnel to prepare and provide such information already well known to BellSouth would be oppressive and unduly burdensome.

Objection by Counsel

INTERROGATORY NO. 14: Do you offer to provide or do you provide switching capacity to another local exchange carrier for its use in providing qualifying service anywhere in the nine states in the BellSouth region. If the answer to this Interrogatory is in the affirmative,

for each switch that you use to offer or provide such switching capacity, please:

(a) Provide the Common Language Location Identifier ("CLLI") code of the switch;

(b) Provide the street address, including the city and state in which the switch is located;

(b) Identify the type of switch by manufacturer and model (e.g., Nortel DMS100);

(c) State the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(d) State the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(e) Identify all documents referring or relating to the rates, terms, and conditions of ACCESS INTEGRATED NETWORKS, INC.'s provision of switching capability.

RESPONSE: ACCESS does not offer or provide switching capacity to any other local exchange carriers.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 15: Identify every business case in your possession, custody or control that evaluates, discusses, analyzes or otherwise refers or relates to the offering of a qualifying service using: (1) the Unbundled Network Element Platform (UNE-P), (2) self-provisioned switching, (3) switching obtained from a third party provider other than an ILEC, or (4) any combination of these items.

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RESPONSE: As stated in preliminary Objections filed on Otober 20, 2003, ACCESS objects to Interrogatory No. 15 on the grounds it seeks information that is irrelevant to the issues in this case, and is not reasonably calculated to lead to the discovery of admissible evidence, inasmuch as the FCC has determined in the Triennial Review Order that the impairment analysis to be conducted by the Commission is not to be based on individual carriers' business models. ACCESS further objects on the grounds the interrogatory seeks discovery of proprietary and confidential business information.

Objection by Counsel

INTERROGATORY NO. 16: Identify any documents that you have provided to any of your employees or agents, or to any financial analyst, bank or other financial institution, shareholder or any other person that describes, presents, evaluates or otherwise discusses in whole or part, how you intend to offer or provide local exchange service, including but not limited to such things as the markets in which you either do participate or intend to participate, the costs of providing such service, the market share you anticipate obtaining in each market, the time horizon over which you anticipate obtaining such market share, and the average revenues you expect per customer.

RESPONSE: As stated in preliminary Objections filed on October 20, 2003, ACCESS objects to Interrogatory No. 16 on the grounds it seeks information that is irrelevant to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence, given the FCC's ruling in the Triennial Review Order that the impairment analysis is not to be based on individual carriers' business models. ACCESS also objects on the grounds the interrogatory asks for proprietary and confidential business information. ACCESS also objects on the grounds the request for "any" documents is overbroad, oppressive, and unduly

burdensome.

Objection by counsel

INTERROGATORY NO. 17: If not identified in response to a prior Interrogatory, identify every document in your possession, custody, or control referring or relating to the financial viability of self-provisioning switching in your providing qualifying services to end user customers.

RESPONSE: ACCESS objects to Interrogatory No. 17 on the grounds it seeks information that is irrelevant to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence, given the FCC's ruling in the Triennial Review Order that the impairment analysis is not to be based on individual carriers' business models. ACCESS also objects on the grounds the interrogatory asks for proprietary and confidential business information. Notwithstanding this objection, and without waiving it, ACCESS states there are no responsisve documents to be identified as Access Integrated Networks, Inc. has not performed an analysis of the financial viability of self-provisioning switching to our end users.

Objection by Counsel. Answer provided by Sharyl Fowler.

INTERROGATORY NO. 18: Do you have switches that are technically capable of providing, but are not presently being used to provide, a qualifying service in Florida? If the answer to this Interrogatory is in the affirmative, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch;

(b) provide the street address, including the city and state in which the switch is located;

(c) identify the type of switch by manufacturer and model (e.g., Nortel

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DMS100);

(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(e) identify any documents in your possession, custody or control that discuss, evaluate, analyze or otherwise refer or relate to whether those switches could be used to provide a qualifying service in Florida.

RESPONSE: No. ACCESS has no switches.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 19: Identify each MSA in Florida where you are currently offering a qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: ACCESS provides service to at least one customer in every Florida MSA (as defined by the Office of Management and Budget Bulletin No. 03-04 dated June 6, 2003) as shown below.

Deltona - Daytona Beach – Ormond Beach

Jacksonville

Miami – Ft. Lauderdale – Miami Beach

Ocala

Orlando

Palm Bay – Melbourne – Titusville

Panama City – Lynn Haven

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Pensacola – Ferry Pass – Brent

Port St. Lucie – Ft. Pierce

Tallahassee

Tampa – St. Petersburg – Clearwater

Vero Beach

Answer provided by Mark Ozanick

INTERROGATORY NO. 20: If you offer a qualifying service outside of the MSAs identified in response to Interrogatory 19, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: ACCESS offers qualifying service outside of the MSAs identified in response to Interrogatory 19. ACCESS identifies these geographic areas as "counties". ACCESS provides service to at least one customer in each of the following counties:

Columbia

Dixie

Flagler

Jackson

Levy

Monroe

Putnam

Washington

Answer provided by Mark Ozanick

INTERROGATORY NO. 21: Describe with particularity the qualifying services that you offer in the geographic areas described in response to Interrogatories 19 and 20, including the rates, terms, and conditions under which such services are offered. If the qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms, and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identifies the relevant geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

RESPONSE: See pages 45 - 67 of Access's tariff, Section 3 Description of Service, copies of which are attached and which Access incorporates by reference as its answer to this interrogatory.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 22: Identify each MSA in Florida where you are currently offering a non-qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: Access does not offer non-qualifying services.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 23: If you offer a non-qualifying service outside of the MSAs identified in response to Interrogatory 22, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities,

UNE-P, resale, or in some other fashion.

RESPONSE: Access does not offer non-qualifying services.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 24: Describe with particularity the non-qualifying services that you offer in the geographic areas described in response to Interrogatories 22 and 23, including the rates, terms, and conditions under which such services are offered. If the non-qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms, and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identifies the relevant geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

RESPONSE: **N/A**--Access does not offer non-qualifying services.

INTERROGATORY NO. 25: Please state the total number of end users customers in the State of Florida to whom you only provide qualifying service.

RESPONSE: Total end users in FL to whom we provide only qualifying service – 4184.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 26: For those end user customers to whom you only provide qualifying service in the State of Florida, please state the average monthly revenues you receive from each such end user customer.

RESPONSE: As stated in preliminary objections filed on October 20, 2003, ACCESS

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objects to Interrogatory No. 26 on the grounds it requests information that is irrelevant to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence, given that the FCC has ruled in the Triennial Review Order the impairment analysis is not to be based on individual carriers' business models. ACCESS also objects on the grounds the interrogatory seeks confidential and proprietary business information. Further, ACCESS objects because the Interrogatory is ambiguous and unclear. (ACCESS interprets the Interrogatory to refer to an aggregate number. If BellSouth intends to require ACCESS to calculate monthly revenues for each customer, then ACCESS also objects on the grounds that the request is unduly burdensome and oppressive.)

Objection by Counsel

INTERROGATORY NO. 27: For those end user customers to whom you only provide qualifying service in the State of Florida, please state the average number of lines that you provide each such end user customer.

RESPONSE: For the total 4184 end users in the State of Florida to whom we provide only qualifying service, the average number of lines per end user is 2.94 lines.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 28: Please state the total number of end users customers in the State of Florida to whom you only provide non-qualifying service.

RESPONSE: N/A--ACCESS does not provide non-qualifying services to any end users.

INTERROGATORY NO. 29: For those end user customers to whom you only provide non-qualifying service in the State of Florida, please state the average monthly revenues you receive from each such end user customer.

RESPONSE: N/A--ACCESS does not provide non-qualifying services to any end users.

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INTERROGATORY NO. 30: Please state the total number of end users customers in the State of Florida to whom you provide both qualifying and non-qualifying service.

RESPONSE: N/A--ACCESS does not provide non-qualifying services to any end users.

INTERROGATORY NO. 31: For those end user customers to whom you provide qualifying and non-qualifying service in the State of Florida, please state the average monthly revenues you receive from each such end user customer.

RESPONSE: N/A--ACCESS does not provide non-qualifying services to any end users.

INTERROGATORY NO. 32: For those end user customers to whom you provide qualifying and non-qualifying service in the State of Florida, please state the average number of lines that you provide each such end user customer.

RESPONSE: N/A--ACCESS does not provide non-qualifying services to any end users.

INTERROGATORY NO. 33: Please provide a breakdown of the total number of end user customers served by ACCESS INTEGRATED NETWORKS, INC. in Florida by class or type of end user customers (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers. For each such classification, and/or if you provide another type of classification, define and describe with specificity the classification so that it can be determined what kinds of customers you have in each classification).

RESPONSE: ACCESS has only two classifications of service – Business and Residential. There are 3868 business end users and 494 residential end users. For the definition and description of these classifications, please see pages 47 – 67 (attached) of ACCESS's tariff filed with the Florida Public Service Comission.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 34: For each class or type of end user customer referenced in Interrogatory No. 33, please state the average acquisition cost for each such end user class or type. Please provide this information for each month from January 2000 to the present.

RESPONSE: As stated in preliminary Objections filed on October 20, 2003, ACCESS objects to Interrogatory No. 34 on the grounds that it seeks information that is irrelevant to the issues in this case and is not reasonably calculated to lead to the discovery of admissible evidence, given that the FCC has ruled in the Triennial Review Order that the impairment analysis is not to be based on individual carriers' business models. ACCESS also objects on the grounds that it requests confidential and proprietary business information. ACCESS further objects on the grounds that the request for information on a monthly basis beginning in January 2000 is unduly burdensome.

Objection by Counsel

INTERROGATORY NO. 35: For each class or type of end user customer referenced in Interrogatory No. 33, please state the typical churn rate for each such end user class or type. Please provide this information for each month from January 2000 to the present.

RESPONSE: ACCESS objects to this interrogatory on the grounds it seeks information that is irrelevant to the issues in the case and is not reasonably calculated to lead to the discovery of admissible evidence, given that the FCC has ruled in the Triennial Review Order the impairment analysis is not to be based on individual carriers' business models. ACCESS further objects on the grounds the interrogatory seeks confidential and proprietary business information. ACCESS further objects on the grounds that the request for monthly data dating to January 2000 is unreasonable, oppressive, and unduly burdensome.

Objection by Counsel

INTERROGATORY NO. 36: For each class or type of end user customer referenced in Interrogatory No. 33, please state the share of the local exchange market you have obtained. Please provide this information for each month from January 2000 to the present.

RESPONSE: There are no such documents. ACCESS does not track market share, as we do not have the information necessary to do so.

Answer provided by Rodney Page

INTERROGATORY NO. 37: Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to your cumulative market share of the local exchange market in Florida.

RESPONSE: ACCESS does not track market share, as we do not have the information necessary to do so.

Answer provided by Rodney Page

INTERROGATORY NO. 38: Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to any projections that you have made regarding your cumulative market share growth in the local exchange market in Florida.

RESPONSE: There are no such documents. ACCESS does not track market share, as we do not have the information necessary to do so.

Answer provided by Rodney Page

INTERROGATORY NO. 39: Describe how the marketing organization that is responsible for marketing qualifying service in Florida is organized, including the organization's structure, size in terms of full time or equivalent employees including contract and temporary employees, and the physical work locations for such employees. In answering this Interrogatory, please state whether you utilize authorized sales representatives in your marketing efforts in

Florida, and, if so, describe with particularity the nature, extent, and rates, terms, and conditions of such use.

RESPONSE: As stated in preliminary Objections filed October 20, 2003, ACCESS objects to Interrogatory No. 11 on the grounds that it seeks information that is irrelevant to the issues in the case and is not reasonably calculated to lead to the discovery of admissible evidence, given that the FCC has ruled the impairment analysis is not to be based on individual carriers' business models. ACCESS also objects on the grounds the interrogatory seeks disclosure of confidential and proprietary business information. ACCESS further objects to the question as framed because it is unduly burdensome and oppressive. ACCESS literally has hundreds of different arrangements with its field representatives. To identify each and every such variation would be unduly burdensome, oppressive, and excessively time consuming.

Objection by Counsel

INTERROGATORY NO. 40: How do you determine whether you will serve an individual customer's location with multiple DSOs or whether you are going to use a DS1 or larger transmission system? Provide a detailed description of the analysis you would undertake to resolve this issue, and identify the factors that you would consider in making this type of a decision.

RESPONSE: ACCESS does not make this determination. Decisions of this nature are made by the customer.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 41: Is there a typical or average number of DS0s at which you would chose to serve a particular customer with a DS1 or larger transmission system, all other things being equal? If so, please provide that typical or average number and explain how this

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number was derived.

RESPONSE: AIN does not make this determination. Decisions of this nature are made by the customer.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 42: What additional equipment, if any, would be required (on the customer's side of the demarcation point rather than on network side of the demarcation point) to provide service to a customer with a DS1 rather than multiple DS0s? For instance, if a customer had 10 DS0s, and you want to provide the customer with the same functionality using a DS1, would a D-4 channel bank, or a digital PBX be required in order to provide equivalent service to the end user that has 10 DS0s? If so, please provide the average cost of the equipment that would be required to provide that functional equivalency (that is, the channel bank, or the PBX or whatever would typically be required should you decide to serve the customer with a DS1 rather than multiple DS0s.)

RESPONSE: ACCESS does not provide customer premise equipment, nor do we determine what type of equipment the customer chain of service would require. Decisions of this nature are made by the customer.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 43: What cost of capital do you use in evaluating whether to offer a qualifying service in a particular geographic market and how is that cost of capital determined?

RESPONSE: ACCESS objects to Interrogatory No. 43 on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on individual carriers' business models, the interrogatory seeks information that is irrelevant and not reasonably

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calculated to lead to the discovery of admissible evidence. ACCESS further objects on the grounds the interrogatory seeks discovery of proprietary and confidential business information. Notwithstanding these objections, and without waiving it, ACCESS states that ACCESS's business policy is to provide service wherever requested in its overall service area, which is coextensive with BellSouth's service area. ACCESS does not differentiate among locations within its overall service area based on cost of capital considerations.

Objection by Counsel; answer provided by Sharyl Fowler

INTERROGATORY NO. 44: With regard to the cost of capital you use in evaluating whether to provide a qualifying service in a particular geographic market, what are the individual components of that cost of capital, such as the debt-equity ratio, the cost of debt and the cost of equity?

RESPONSE: Please see the answer to Interrogatory 43 above, which ACCESS incorporates by reference as its answer to this interrogatory.

INTERROGATORY NO. 45: In determining whether to offer a qualifying service in a particular geographic market, what time period do you typically use to evaluate that offer? That is, do you use one year, five years, ten years or some other time horizon over which you evaluate the project?

RESPONSE: ACCESS's policy is to offer all qualifying services in all geographic areas within its service area. ACCESS does not use a "time period" as a criterion.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 46: Provide your definition of sales expense as that term is used in your business.

RESPONSE: ACCESS objects on the grounds that, inasmuch as the FCC has ruled that

the impairment analysis is not to be based on individual carriers' business models, the interrogatory seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Notwithstanding this objection, and without waiving it, ACCESS states that, because of the answer to No. 47 below, this interrogatory is moot.

Objection by Counsel

INTERROGATORY NO. 47: Based on the definition of sales expense in the foregoing Interrogatory, please state how you estimate sales expense when evaluating whether to offer a qualifying service in a particular geographic market?

RESPONSE: ACCESS incorporates by reference its objection to No. 46. Notwithstanding this objection, and without waiving it, ACCESS states that as a matter of policy, ACCESS offers its services throughout its entire service area, which is coextensive with BellSouth's service area. No such estimate is made for particular geographic markets within that area.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 48: Provide your definition of general and administrative (G&A) costs as you use those terms in your business.

RESPONSE: ACCESS objects to the interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on individual carriers' business models, the interrogatory seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Notwithstanding that objection, and without waiving it, ACCESS states that, in light of the answer to No. 49 below, this interrogatory as applied to ACCESS is moot.

Objection by Counsel

INTERROGATORY NO. 49: Based on the definition of G&A costs in the foregoing

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Interrogatory, please state how you estimate G&A expenses when evaluating whether to offer a qualifying service in a particular geographic market?

RESPONSE: ACCESS incorporates by reference its objection to No. 48 above. Notwithstanding that objection, and without waiving it, ACCESS states that ACCESS's policy is to offer its services throughout its service area, which is coextensive with BellSouth's service area. No such estimate is made for particular geographic markets within that area.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 50: For each day since January 1, 2000, identify the number of individual hot cuts that BellSouth has performed for ACCESS INTEGRATED NETWORKS, INC. in each state in BellSouth's region.

RESPONSE: None.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 51: For each individual hot cut identified in response to Interrogatory No. 50, state:

i. Whether the hot cut was coordinated or not;

ii. If coordinated, whether the hot cut occurred as scheduled;

iii. If the hot cut did not occur as scheduled, state whether this was due to a problem with BellSouth, ACCESS INTEGRATED NETWORKS, INC., the end-user customer, or some third party, and describe with specificity the reason the hot cut did not occur as scheduled;

iv. If there was a problem with the hot cut, state whether ACCESS INTEGRATED NETWORKS, INC. complained in writing to BellSouth or anyone else.

RESPONSE: N/A-- ACCESS does not participate in the Hot Cut process.

INTERROGATORY NO. 52: Does ACCESS INTEGRATED NETWORKS, INC. have a preferred process for performing batch hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe, or otherwise refer or relate to this preferred process.

RESPONSE: Not applicable. Please see response # 50.

INTERROGATORY NO. 53: Does ACCESS INTEGRATED NETWORKS, INC. have a preferred process for performing individual hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe, or otherwise refer or relate to this preferred process.

RESPONSE: Not applicable. Please see response # 50.

INTERROGATORY NO. 54: State whether ACCESS INTEGRATED NETWORKS, INC. agrees that it jointly developed BellSouth's process for individual hot cuts with BellSouth as set forth in the parties' April 16, 2001 Memorandum of Understanding. If ACCESS INTEGRATED NETWORKS, INC. does not agree, explain why and explain ACCESS INTEGRATED NETWORKS, INC.'s view of its involvement in the development of that process.

RESPONSE: Not applicable. Please see response # 50.

INTERROGATORY NO. 55: If ACCESS INTEGRATED NETWORKS, INC. has a preferred process for individual hot cuts that differs from BellSouth's process, identify each specific step in ACCESS INTEGRATED NETWORKS, INC.'s process that differs from BellSouth's process.

RESPONSE: Not applicable.

INTERROGATORY NO. 56: If ACCESS INTEGRATED NETWORKS, INC. has a preferred process for bulk hot cuts that differs from BellSouth's process, identify each specific step in ACCESS INTEGRATED NETWORKS, INC.'s process that differs from BellSouth's process.

RESPONSE: Not applicable. Please see response # 50.

INTERROGATORY NO. 57: Does ACCESS INTEGRATED NETWORKS, INC. have any estimates of what a typical individual hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

RESPONSE: Not applicable. See Response to Interrogatory No. 50. ACCESS has no such estimates.

INTERROGATORY NO. 58: Does ACCESS INTEGRATED NETWORKS, INC. have any estimates of what a typical bulk hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

RESPONSE: Not applicable. See Response to Interrogatory No. 50. ACCESS has no such estimates.

INTERROGATORY NO. 59: What is the largest number of individual hot cuts that ACCESS INTEGRATED NETWORKS, INC. has requested in any individual central office in each of the nine BellSouth states on a single day? In answering this Interrogatory, identify the central office for which the request was made, and the number of hot cuts that were requested. State with specificity what the outcome was for each of the hot cuts in each of the central offices so described, if not provided in response to an earlier interrogatory.

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RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 60: Does any ILEC in the BellSouth region have a batch hot cut process that is acceptable to ACCESS INTEGRATED NETWORKS, INC. or that ACCESS INTEGRATED NETWORKS, INC. believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 61: Does any ILEC in the BellSouth region have a cost for a batch hot cut process that is acceptable to ACCESS INTEGRATED NETWORKS, INC.? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 62: Does any ILEC in the BellSouth region have an individual hot cut process that is acceptable to ACCESS INTEGRATED NETWORKS, INC. or that ACCESS INTEGRATED NETWORKS, INC. believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 63: Does any ILEC in the BellSouth region have a rate for an individual hot cut process that is acceptable to ACCESS INTEGRATED NETWORKS, INC.? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 64: Does any ILEC outside the BellSouth region have a batch

hot cut process that is acceptable to ACCESS INTEGRATED NETWORKS, INC. or that ACCESS INTEGRATED NETWORKS, INC. believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 65: Does any ILEC outside the BellSouth region have a rate for a batch hot cut process that is acceptable to ACCESS INTEGRATED NETWORKS, INC.? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 66: Does any ILEC outside the BellSouth region have an individual hot cut process that is acceptable to ACCESS INTEGRATED NETWORKS, INC. or that ACCESS INTEGRATED NETWORKS, INC. believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 67: Does any ILEC outside the BellSouth region have a rate for an individual hot cut process that is acceptable to ACCESS INTEGRATED NETWORKS, INC.? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 68 Does ACCESS INTEGRATED NETWORKS, INC. order coordinated or non-coordinated hot cuts?

RESPONSE:

Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 69: Does ACCESS INTEGRATED NETWORKS, INC. use the CFA database?

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 70: Identify every issue related to BellSouth's hot cut process raised by ACCESS INTEGRATED NETWORKS, INC. at the Florida CLEC collaborative since October 2001.

RESPONSE: Not applicable. Please see response # 50.

INTERROGATORY NO. 71: What is the appropriate volume of loops that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 72: What is the appropriate process that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 73: If ACCESS INTEGRATED NETWORKS, INC. disagrees with BellSouth's individual hot cut process, identify every step that ACCESS INTEGRATED NETWORKS, INC. contends is unnecessary and state with specificity why the step is unnecessary.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 74: If ACCESS INTEGRATED NETWORKS, INC. disagrees with BellSouth's bulk hot cut process, identify every step that ACCESS INTEGRATED NETWORKS, INC. contends is unnecessary and state with specificity why the step is unnecessary.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 75: Identify by date, author and recipient every written complaint ACCESS INTEGRATED NETWORKS, INC. has made to BellSouth regarding BellSouth's hot cut process since October 2001.

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 76: How many unbundled loops does ACCESS INTEGRATED NETWORKS, INC. contend BellSouth must provision per state per month to constitute sufficient volume to assess BellSouth's hot cut process?

RESPONSE: Not applicable. See Response to Interrogatory No. 50.

INTERROGATORY NO. 77: What is the appropriate information that you contend the Florida Public Service Commission should consider in evaluating whether the ILEC is capable of migrating multiple lines served using unbundled local circuit switching to switches operated by a carrier other than the ILEC in a timely manner in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: ACCESS has no position.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 78: What is the average completion interval metric for provision of high volumes of loops that you contend the Florida Public Service Commission

should require in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: ACCESS has no position.

INTERROGATORY NO. 79: What are the rates that you contend the Florida Public Service Commission should adopt in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: ACCESS has no position.

INTERROGATORY NO. 80: What are the appropriate product market(s) that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: ACCESS has not formulated a position at this time.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 81: What are the appropriate geographic market(s) that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: ACCESS has not formulated a position at this time.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 82: Do you contend that there are operational barriers within the meaning of FCC Rule 51.319(d)(2)(iii)(B)(2) that would support a finding that requesting

telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such operational barrier, and state all facts and identify all documents supporting your contention.

RESPONSE: ACCESS has not formulated a position at this time.

Answer provided by Sharyl Fowler

INTERROGATORY NO. 83: Do you contend that there are economic barriers within the meaning of FCC Rule 51.319(d)(2)(iii)(B)(3) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such economic barrier, and state all facts and identify all documents supporting your contention.

RESPONSE: ACCESS has not formulated a position at this time.

INTERROGATORY NO. 84: What is the maximum number of DS0 loops for each geographic market that you contend requesting telecommunications carriers can serve through unbundled switching when serving multiline end users at a single location that the Florida Public Service Commission should consider in establishing a "cutoff" consistent with FCC Rule 51.319(d)(2)(iii)(B)(4)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: ACCESS has not formulated a position at this time.

Answer provided by Sharyl Fowler

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All objections to the above interrogatories have been provided by the undersigned.

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Attorneys for ACCESS Integrated Networks, Inc.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers.	))))	Docket No. 030851-TP Filed: November 3, 2003

ACCESS INTEGRATED NETWORKS, INC.'S RESPONSE TO BELLSOUTH TELECOMMUNICATIONS, INC.'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS

Access Integrated Networks, Inc. ("ACCESS") hereby provides its Response to BellSouth Telecommunications, Inc.'s ("BellSouth") First Request for Production of Documents. As part Of its Response, ACCESS incorporates by reference, adopts, and renews the preliminary Objections to the First Request for Production of Documents that it filed on October 20, 2003. ACCESS's further Responses are as follows:

REQUESTS FOR PRODUCTION

1. Produce all documents identified in response to BellSouth's First Set of Interrogatories.

RESPONSE: ACCESS incorporates by reference the General and Specific Objections of its preliminary Objections dated October 20, and all Objections stated in response to the First Set of Interrogatories. ACCESS has provided certain tariff sheets in response to the Interrogatories.

2. Produce every business case in your possession, custody or control that evaluates, discusses, analyzes or otherwise refers or relates to the offering of a qualifying service in the State of Florida.

RESPONSE: ACCESS objects to this request on the grounds that, inasmuch as the FCC

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has ruled in the TRO that the impairment analysis is not to be based in individual carriers' business models, the request asks for documents that are irrelevant. The request is not reasonably calculated to lead to the discovery of admissible evidence. ACCESS objects on the grounds the request seeks documents that comprise proprietary and confidential information. ACCESS objects on the grounds the request is overbroad and unduly burdensome.

3. Produce all documents referring or relating to the average monthly revenues you receive from end user customers in Florida to whom you only provide qualifying service.

RESPONSE: ACCESS objects on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, the request asks for documents that are irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. ACCESS objects on the grounds the documents comprise proprietary and confidential business information. ACCESS objects on the grounds the request for "all" documents is overbroad and unduly burdensome.

4. Produce all documents referring or relating to the average number of access lines you provide to end user customers in Florida to whom you only provide qualifying service.

RESPONSE: ACCESS objects to the request for documents that are not related to intrastate Florida operations within BellSouth's service area. ACCESS objects on the grounds the information with respect to switching provided by BellSouth is already in BellSouth's possession. To require ACCESS to locate and provide documents containing information already known by BellSouth would be unduly burdensome and oppressive.

5. Produce all documents referring or relating to the average monthly revenues you receive from end user customers in Florida to whom you only provide non-qualifying service.

RESPONSE: There are no such documents. ACCESS does not provide "non-

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qualifying" services.

6. Produce all documents referring or relating to the average monthly revenues you receive from end user customers in Florida to whom you provide both qualifying and non-qualifying service.

RESPONSE: There are no such documents. ACCESS does not provide "non-qualifying" services.

7. Produce all documents referring or relating to the average number of access lines you provide to end user customers in Florida to whom you provide both qualifying and non-qualifying service.

RESPONSE: There are no such documents. ACCESS does not provide "non-qualifying" services.

8. Provide all documents referring or relating to the classifications used by ACCESS INTEGRATED NETWORKS, INC. to offer service to end user customers Florida (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers).

RESPONSE: ACCESS has only 2 classifications – Business and Residential. Documentation provided directly from Tariff filed with FL PSC, (pages 45 – 67) have been provided.

9. Produce all documents referring or relating to the average acquisition cost for each class or type of end user customer served by ACCESS INTEGRATED NETWORKS, INC., as requested in BellSouth's First Set of Interrogatories, No. 34

RESPONSE: ACCESS objects to this request on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual

carriers, the request seeks documents that are irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. ACCESS objects on the grounds the documents are proprietary and confidential business information. ACCESS objects on the grounds the request is overbroad, unduly burdensome and oppressive.

10. Produce all documents referring or relating to the typical churn for each class or type of end user customer served by ACCESS INTEGRATED NETWORKS, INC., as requested in BellSouth's First Set of Interrogatories, No. 35.

RESPONSE: ACCESS objects to the request on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on individual carriers' business models, the request seeks documents that are irrelevant and the request is not reasonably calculated to lead to the discovery of admissible evidence. ACCESS objects on the grounds the request seeks proprietary and confidential business information. ACCESS objects to the request for "all" documents on the grounds it is overbroad and unduly burdensome.

11. Produce all documents referring or relating to how ACCESS INTEGRATED NETWORKS, INC. determines whether to serve an individual customer's location with multiple DS0s or with a DS1 or larger transmission system.

RESPONSE: There are no such documents. The determination is made by the end user.

12. Produce all documents referring or relating to the typical or average number of DS0s at which ACCESS INTEGRATED NETWORKS, INC. would choose to serve a particular customer with a DS1 or larger transmission system as opposed to multiple DS0, all other things being equal.

RESPONSE: There are no such documents. The determination is made by the end user.

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13. Produce all documents referring or relating to the cost of capital used by ACCESS INTEGRATED NETWORKS, INC. in evaluating whether to offer a qualifying service in a particular geographic market.

RESPONSE: ACCESS incorporates by reference its objection to Interrogatory 43. Notwithstanding the objection and without waiving it, ACCESS states there are no such documents. ACCESS provides qualifying services in all geographic areas of its service area.

14. Produce all documents referring or relating to the time period used by ACCESS INTEGRATED NETWORKS, INC. in evaluating whether to offering a qualifying service in a particular geographic market (e.g., one year, five years, ten years or some other time horizon over which a project is evaluated)?

RESPONSE: ACCESS incorporates by reference its objection to Interrogatory 45. Notwithstanding the objection and without waiving it, ACCESS states there are no such documents. ACCESS provides qualifying services in all geographic areas of its service area.

15. Produce all documents referring or relating to your estimates of sales expense when evaluating whether to offer a qualifying service in a particular geographic market.

RESPONSE: ACCESS incorporates by reference its objection to Interrogatory 49. Notwithstanding the objection and without waiving it, ACCESS states there are no such documents. ACCESS provides qualifying services in all geographic areas of its service area.

16. Produce all documents referring or relating to your estimates of general and administrative (G&A) expenses when evaluating whether to offer a qualifying service in a particular geographic market.

RESPONSE: There are no such documents. ACCESS provides qualifying services in all geographic areas of its service area.

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17. Produce all documents referring or relating to any complaints by ACCESS INTEGRATED NETWORKS, INC. or its end user customers about individual hot cuts performed by BellSouth since January 1, 2000.

RESPONSE: There are no such documents. ACCESS does not participate in the hot cut process.

18. Produce all documents referring or relating to a batch hot cut process used by any ILEC in the BellSouth region that is acceptable to ACCESS INTEGRATED NETWORKS, INC. or that ACCESS INTEGRATED NETWORKS, INC. believes is superior to BellSouth's batch hot cut process.

RESPONSE: There are no such documents.

19. Produce all documents referring or relating to an individual hot cut process used by any ILEC in the BellSouth region that is acceptable to ACCESS INTEGRATED NETWORKS, INC. or that ACCESS INTEGRATED NETWORKS, INC. believes is superior to BellSouth's individual hot cut process.

RESPONSE: There are no such documents.

20. Produce all documents referring or relating to a batch hot cut process used by any ILEC outside the BellSouth region that is acceptable to ACCESS INTEGRATED NETWORKS, INC. or that ACCESS INTEGRATED NETWORKS, INC. believes is superior to BellSouth's batch hot cut process.

RESPONSE: There are no such documents.

21. Produce all documents referring or relating to an individual hot cut process used by any ILEC outside the BellSouth region that is acceptable to ACCESS INTEGRATED NETWORKS, INC. or that ACCESS INTEGRATED NETWORKS, INC. believes is superior to

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BellSouth's individual hot cut process.

RESPONSE: There are no such documents.

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DESCRIPTION OF SERVICE

3.1 General

AIN will provide Local Exchange Service in the State of Florida as specified herein. AIN will provide services over its own facilities or will utilize the facilities, in whole or in part, of other telecommunications companies.

The Company's Local Exchange Services provide a Customer with a telephonic connection to, and a telephone number address on, the public switched telecommunications network. Each Exchange Access Service enables users to:

A. receive calls from other stations on the public switched telecommunications network;

B. access other services offered by the Company as set forth in this price list;

C. access certain interstate and international calling services provided by the Company;

D. access (at no additional charge) the Company's operators and business office for service related assistance;

E. access (at no additional charge) emergency services by dialing 0- or 9-1-1;

F. access (at no additional charge) the telecommunications relay service (TRS) system by dialing 7-1-1; and

G. access services provided by other common carriers that purchase the Company's switched access services as provided under the Company's Federal and State price lists, or that maintain other types of traffic exchange arrangements with the Company.

Each Exchange Access Service is available on a "full" service basis, whereby service is delivered to a demarcation/connection block at the Customer's premises.

The Company provides access to operator services, "911" services, and relay services for the hearing impaired, as required in Chapter 364.337(2), Fla. Statutes.

General section now found on this page was
previously located on sheet 40 of Florida Price List No. 1.

Descriptions of service previously located on sheets 40 and 41 of Florida Price List No. 1
Are now located throughout section 3 of this Price List.

Issued by: Steven T. Brown, Senior Director Regulatory and ILEC Relations
Access Integrated Networks, Inc.
4885 Riverside Drive, Suite 202
Macon, Georgia 31210

DESCRIPTION OF SERVICE

3.2 Exchange Service Areas

Local exchange services are provided, subject to availability of facilities and equipment, in areas currently served by the following Incumbent LECs: 1) BellSouth Telecommunications, Inc.

3.3 Rate Groups

Charges for local services provided by the Company in certain areas may be based, in part, on the Rate Group associated with the Customers End Office. The Rate Group is determined by the total access lines and PBX trunks in the local calling area which can be reached from each End Office.

Local calling areas, Rate Group, and Band assignments are equivalent to those specified in BellSouth Telecommunications, Inc., Florida General Subscriber Service Tariff ("GSST").

In the event that an Incumbent LEC or the Florida Public Service Commission reclassifies an exchange or End Office from one Rate Group to another, the reclassification will also apply to AIN Customers who purchase services under this price list.

BellSouth Rate Group Equivalents

Rate Group	Exchange Access Lines and PBX Trunks In Local Calling Area - Upper Limit
1	up to 2,000
2	2,001 to 7,000
3	7,001 to 22,000
4	22,001 to 55,000
5	55,001 to 120,000
6	120,001 to 195,000
7	195,001 to 280,000
8	280,001 to 375,000
9	375,001 to 450,000
10	450,001 to 550,000
11	550,001 to 700,000
12	700,001 +

DESCRIPTION OF SERVICE

3.4 Basic Local Service Offerings

3.4.1 Residential Local Exchange Service

Residential Local Exchange Service provides the Customer with a single, analog, voice-grade telephonic communications channel which can be used to place or receive one call at a time. Residential Local Exchange Service lines are provided for the connection of Customer-provided wiring, telephones, facsimile machines or other station equipment. An optional per line Hunting feature is available, for an additional charge, for multi-line Customers which routes a call to the next idle line in a prearranged group when the called line is busy.

Local exchange service lines and trunks are provided on a single party (individual) basis only. No multi-party lines are provided. Service is available on a flat rate, measured rate or message rate basis depending on the service plan selected by the Customer. Not all service plans will be available in all areas.

Recurring charges for Residential Local Exchange Service are billed monthly in advance. Usage charges, if applicable, are billed in arrears. Non-recurring charges for installation or rearrangement of service are billed on the next month's bill immediately following work performed by the Company.

DESCRIPTION OF SERVICE

3.4 Basic Local Service Offerings (Cont'd)

3.4.2 Business Local Exchange Service

Business Local Exchange Service provides the Customer with a single, analog, voice-grade telephonic communications channel which can be used to place or receive one call at a time. Business Local Exchange Service lines are provided for the connection of Customer-provided wiring, telephones, facsimile machines or other station equipment. An optional per line Hunting feature is available, for an additional charge, for multi-line Customers which routes a call to the next idle line in a prearranged group when the called line is busy.

Local exchange service lines and trunks are provided on a single party (individual) basis only. No multi-party lines are provided. Service is available on a flat rate, measured rate or message rate basis depending on the service plan selected by the Customer. Not all service plans will be available in all areas.

Recurring charges for Business Local Exchange Service are billed monthly in advance. Usage charges, if applicable, are billed in arrears. Non-recurring charges for installation or rearrangement of service are billed on the next month's bill immediately following work performed by the Company.

DESCRIPTION OF SERVICE

3.4 Basic Local Service Offerings (Cont'd)

3.4.3 PBX Trunk Service

PBX Trunk service provides a Customer with a single, voice-grade telephonic communications channel which can be used to place or receive one call at a time. Trunks are provided for connection of Customer-provided private branch exchanges (PBX) or other station equipment to the public switched telecommunications network. An optional per trunk Hunting feature is available for Customers which routes a call to the next idle trunk in a prearranged group.

PBX Trunks are available as Inward, Outward or Two-Way combination trunks where services and facilities permit.

PBX Trunks may also be equipped with Direct Inward Dialing (DID) capability and DID number blocks for additional charges.

Recurring charges for PBX Trunk Service are billed monthly in advance. Usage charges, if applicable, are billed in arrears. Non-recurring charges for installation or rearrangement of service are billed on the next month's bill immediately following work performed by the Company.

DESCRIPTION OF SERVICE

3.4 Basic Local Service Offerings (Cont'd)

3.4.4 Direct Inward Dialing (DID) Service

Direct Inward Dialing ("DID") permits calls incoming to a PBX system or other Customer Premises Equipment to be routed to a specific station without the assistance of an attendant. DID calls are routed directly to the station associated with the called number. DID service as offered by the Company provides the necessary trunks, telephone numbers, and out-pulsing of digits to enable DID service at a Customer's location. DID service requires special PBX software and hardware not provided by the Company. Such hardware and software is the responsibility of the Customer.

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DESCRIPTION OF SERVICE

3.5 Optional Calling Features

3.5.1 General

The features in this section are made available on an individual basis or as part of multiple feature packages. All features are provided subject to availability. Certain features may not be available with all classes of service. Transmission levels for calls forwarded or calls placed or received using optional calling features may not be acceptable for all some uses in some cases.

3.5.2 Feature Descriptions

A. Call Forwarding Variable - Permits the end-user to automatically forward (transfer) all incoming calls to another telephone number, and to restore it to normal operation at their discretion. The end-user must dial an activation code from his/her exchange line along with the forward-to number in order to turn the feature on. A separate code is dialed by the end-user to deactivate the feature.

B. Three Way Calling: Permits the end-user to add a third party to an established connection. When the third party answers, a two-way conversation can be held before adding the original party for a three-way conference. The end-user initiating the conference controls the call and may disconnect the third party to reestablish the original connection or establish a connection to a different third party. The feature may be used on both outgoing and incoming.

DESCRIPTION OF SERVICE

3.5 Optional Calling Features (Cont'd)

3.5.2 Feature Descriptions (Cont'd)

C. Call Waiting - Basic: Call Waiting provides a tone signal to indicate to a Customer already engaged in a telephone call that a second caller is attempting to dial in. It permits the Customer to place the first call on hold, answer the second call and then alternate between both callers. Cancel Call Waiting is provided with the feature and allows a Call Waiting end-user to disable the Call Waiting feature for the duration of a single outgoing telephone call. Cancel Call Waiting is activated by dialing a special code prior to placing a call, and is automatically deactivated when the Customer disconnects from the call.

D. Speed Calling: Permits the Customer to place calls to other telephone numbers by dialing a one or two digit code rather than the complete telephone number. The feature is available as either an eight (8) code list or a thirty (30) code list. Code lists may include local and/or toll telephone numbers. The Customer has the ability to add or remove telephone numbers and codes to/from the a speed calling list without assistance from the Company.

E. Call Forwarding Busy Line, Basic: Permits the forwarding of incoming calls when the end-user's line is busy. The forwarded number is fixed by the end-user service order.

F. Call Forwarding Don't Answer, Basic: Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The ringing interval before forwarding and the forward-to number are fixed by the service order.

G. Call Forwarding Busy Line w/ Customer Control: Permits the forwarding of incoming calls when the end-user's line is busy. The forwarded number is fixed by the end-user service order. However, the end-user has the ability to turn the feature on or off at his/her discretion.

DESCRIPTION OF SERVICE

3.5 Optional Calling Features (Cont'd)

3.5.2 Feature Descriptions (Cont'd)

H. Call Forwarding Don't Answer w/ Customer Control: Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The ringing interval before forwarding and the forward-to number are fixed by the service order. However, the end-user has the ability to turn the feature on or off at his/her discretion.

I. Call Forwarding Multipath: This feature provides customers who subscribe to Call Forwarding Busy Line, Call Forwarding Don't Answer, Customer Control of Call Forwarding Busy Line, Customer Control of Call Forwarding Don't Answer, Call Forwarding Variable, or Remote Access to Call Forwarding Variable the capability to specify the number of calling paths that will be forwarded to another telephone number.

J. Call Forwarding Variable, Remote Access - Permits the end-user to automatically forward (transfer) all incoming calls to another telephone number, and to restore it to normal operation at their discretion. The end-user must dial an activation code along with the forward-to number in order to turn the feature on. A separate code is dialed by the end-user to deactivate the feature. Feature activation may be performed from the end-user's exchange line or remotely from some other line. Remote access requires the end-user to 1) dial a special access number 2) enter their seven-digit telephone number and 3) enter a personal identification number prior to forwarding their calls.

DESCRIPTION OF SERVICE

3.5 Optional Calling Features (Cont'd)

3.5.2 Feature Descriptions (Cont'd)

K. Call Waiting - Deluxe: Allows the end-user to control the treatment applied to incoming calls while the Customer is off-hook on an existing call. This feature includes the capabilities of Call Waiting Basic plus additional call treatment options. Treatment options offered with Call Waiting Deluxe include:

Answer the waiting call and placing the first party on hold;
Answer the waiting call and disconnecting from the first party;
Direct the waiting caller to hold via a recording
Forward the waiting caller to another location (e.g., voice mailbox or telephone answering service)

Full utilization of Call Waiting Deluxe requires specialized CPE not provided by the Company. It is the responsibility of the Customer to provide the necessary CPE. The end -user must have call Basic or Deluxe for display of calling party identification information for waiting calls. The end-user must have a Call Forwarding Don't Answer feature active in order to forward a waiting call to another location.

L. Three Way Calling with Transfer: This feature allows a user to hold an in-progress call and complete a second call while maintaining privacy from the first call, or to add on the previously held call for a three-way conference. This feature shall not be used to extend calls on a planned and continuing basis to intentionally avoid the payment in whole or in part of message charges, toll or otherwise, that would regularly be applicable between the stations bridged together by the subscriber.

DESCRIPTION OF SERVICE

3.5 Optional Calling Features (Cont'd)

3.5.2 Feature Descriptions (Cont'd)

M. Star 98 Access: Star 98 Access is an optional network feature which allows subscribers to dial *98 to access a service. Generally subscribers use this feature to access their local voice mail service from their home or business telephone line. Star 98 Access is only available to subscribers on lines which are equipped with a version of Call Forwarding Don't Answer. Star 98 Access may not be compatible with all auxiliary calling features.

N. Call Forwarding Don't Answer w/ Ring Control: Permits the forwarding of incoming calls when the end-user's line remains unanswered after a pre-designated ringing interval. The forward-to number is fixed by the service order. However, the end-user has the ability to change the time interval before forwarding occurs at his/her discretion.

DESCRIPTION OF SERVICE

3.5 Optional Calling Features (Cont'd)

3.5.2 Feature Descriptions (Cont'd)

O. Remote Call Forwarding - Remote Call Forwarding (RCF) is a local exchange telecommunications service feature whereby all calls dialed to a telephone number equipped for RCF are automatically forwarded to another dialable exchange or 8XX Service telephone number. The calling party pays only the applicable charges to call the number equipped with an RCF feature, while the RCF Customer pays the applicable charges for the forwarded portion of the call.

Remote Call Forwarding service is offered subject to availability of suitable facilities. Remote Call Forwarding service is not offered where the terminating station is a coin telephone. The Company will not provide identification of the originating telephone number to the RCF Customer. Transmission characteristics may vary depending on the distance and routing necessary to complete the remotely forwarded call. Therefore, the normal grade end-to-end transmission is not guaranteed on such calls.

Each Remote Call Forwarding feature allows for forwarding one call at a given time. An additional path is necessary for each additional call to be forwarded simultaneously.

P. Multiple Directory Number Distinctive Ringing: This feature allows an end user to determine the source of an incoming call from a distinctive ring. The end user may have up to two additional numbers assigned to a single line (i.e. Distinctive Ringing - First Number and Distinctive Ringing - Second Number). The designated primary number will receive a normal ringing pattern, other numbers will receive distinctive ringing patterns. The pattern is based on the telephone number that the calling party dials.

DESCRIPTION OF SERVICE

3.5 Optional Calling Features (Cont'd)

3.5.2 Feature Descriptions (Cont'd)

Q. Call Return: allows the Customer to return a call to the last incoming call whether answered or not. Upon activation, it will re-dial the number automatically and continue to check the number every 45 seconds for up to 30 minutes if the number is busy. The Customer is alerted with a distinctive ringing pattern when the busy number is free. When the Customer answers the ring, the call is then completed. The calling party's number will not be delivered or announced to the call recipient under any circumstances.

R. Repeat Dialing: Permits the end-user to have calls automatically re-dialed when the first attempt reaches a busy number. The line is checked every 45 seconds for up to 30 minutes and alerts the Customer with a distinctive ringing pattern when the busy number and the Customer's line are free. The Customer can continue to make and receive calls while the feature is activated. The following types of calls cannot be reached using Repeat Dialing:

Calls to 800 Service numbers
Calls to 900 Service numbers
Calls preceded by an interexchange carrier access code
International Direct Distance Dialed calls
Calls to Directory Assistance
Calls to 911

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DESCRIPTION OF SERVICE

3.5 Optional Calling Features (Cont'd)

3.5.2 Feature Descriptions (Cont'd)

S. Call Selector: Allows a Customer to assign a maximum of 15 telephone numbers to a special list. The Customer will hear a distinctive ring when calls are received from telephone numbers on that list.

T. Preferred Call Forwarding: Permits the end-user to automatically forward to another number calls received from up to six end-user pre-selected telephone numbers programmed into the features screening list. The end-user controls when the feature is active, the forward-to number and can add or remove calling numbers from the feature's screening list.

U. Call Block: Allows the end-user to automatically block incoming calls from up to six end-user pre-selected telephone numbers programmed into the feature's screening list. Callers whose numbers have been blocked will hear a recorded message stating that their call has been blocked. The end-user controls when the feature is active, and can add or remove calling numbers from the feature's screening list.

V. Call Tracing: Allows the tracing of nuisance calls to a specified telephone number suspected of originating from a given local office. The tracing is activated upon entering the specified dial code. The originating telephone number, outgoing trunk number or terminating number, and the time and date are generated for every call to the specified telephone number can then be identified.

DESCRIPTION OF SERVICE

3.5 Optional Calling Features (Cont'd)

3.5.2 Feature Descriptions (Cont'd)

W. Caller ID - Basic: Permits the end-user to view a Directory Number of the calling party on incoming telephone calls. Information is displayed on a specialized CPE not provided by the Company. The feature also provides the date and time of each incoming call. It is the responsibility of the Customer to provide the necessary CPE.

X. Caller ID - Deluxe: Permits the end-user to view a Directory Name and Directory Number of the calling party on incoming telephone calls. Information is displayed on a specialized CPE not provided by the Company. The feature also provides the date and time of each incoming call. It is the responsibility of the Customer to provide the necessary CPE. In some situations, the calling party's city and state may be displayed rather than a Directory Name, depending on available call data.

Y. Anonymous Call Rejection: Permits the end -user to automatically reject incoming calls when the call originates from a telephone number which has blocked delivery of its calling number (see Calling Number Delivery Blocking). When active, calls from private numbers will be routed to a special announcement then terminated. The feature may be turned on or off by the end-user by dialing the appropriate feature control code. Anonymous Call Rejection is offered as a stand alone feature or as an add-on to Caller ID Deluxe.

Z. Hunting: the Company offers basic "serial hunting," which defaults to the next available trunk within a group, when the prior trunk is busy.

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DESCRIPTION OF SERVICE

3.5 Optional Calling Features (Cont'd)

3.5.2 Feature Descriptions (Cont'd)

AA. User Transfer/Conferencing: A user of this feature may hold an in-progress call and complete a second call, or may add on the previously held call for a three-way conference. The feature also allows an incoming call to be transferred to another access arrangement.

BB. Call Pickup: This feature allows a subscriber to answer a call which has been directed to another serving arrangement within the same call pickup group by dialing a code.

CC. Call Hold: A user of this feature can place an established call on hold by depressing the switchhook and dialing a code.

DESCRIPTION OF SERVICE

3.6 Directory Assistance and Listing Services

3.6.1 Directory Assistance

A Directory Assistance charge applies per local directory assistance call. The Customer may make two (2) requests for a telephone number per call. The Directory Assistance Charge applies regardless of whether the Directory Assistance operator is able to supply the requested number.

A credit will be given for calls to Directory Assistance as follows:

S The Customer experiences poor transmission or is cut-off during the call; or
S The Customer is given an incorrect telephone number.

To obtain such a credit, the Customer must notify its Customer Service representative within 24 hours of occurrence.

Directory Assistance section now found on this page was previously located on sheet 45 of Florida Price List No. 1.

DESCRIPTION OF SERVICE

3.6 Directory Assistance and Listing Services (Cont'd)

3.6.2 Directory Listings

A. General

The following rules apply to basic listings in light face type in the white pages (alphabetical section) of the telephone directory and to the Directory Assistance records of the Company.

Only information necessary to identify the Customer is included in these listings. The Company use abbreviations in listings. The Company may reject a residential listing which is judged to be advertising. It may also reject a listing it judges to be objectionable. A name made up by adding a term such as Company, Shop, Agency, Works, etc. to the name of a commodity or service will not be accepted as a listing unless the subscriber is legally doing business under that name.

One basic listing for each individual line service, auxiliary line or PBX system is provided at no additional charge to the Customer. A basic listing includes a name, designation, address and telephone number of the Customer. It appears in the White Pages of the telephone directory and in the Company's Directory Assistance records.

A name may be repeated in the white pages only when only when a different address or telephone number is used.

Directory Listings section now found on pages 62 through 64 was previously located on sheet 45 of Florida Price List No. 1.

DESCRIPTION OF SERVICE

3.6 Directory Assistance and Listing Services (Cont'd)

3.6.2 Directory Listings (Cont'd)

B. Nonpublished Service

Nonpublished service means that the Customer's telephone number is not listed in the directory, nor does it appear in the Company's Directory Assistance Records.

This service is subject to the rules and regulations for E911 service, where applicable.

The Company will complete calls to a nonpublished number only when the caller dials direct or gives the operator number. No exceptions will be made, even if the caller says it is an emergency.

When the Company agrees to keep a number unlisted, it does so without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a nonpublished number in the directory or disclosing it to some. If, in error, the telephone number is published in the directory, the Company's only obligation is to credit or refund any monthly charges the Customer paid for nonpublished service.

The subscriber indemnifies (i.e., promises to reimburse the Company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a nonpublished service or the disclosing of said number to any person.

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DESCRIPTION OF SERVICE

3.6 Directory Assistance and Listing Services (Cont'd)

3.6.2 Directory Listings (Cont'd)

C. Nonlisted Service

Nonlisted service means that the Customer's telephone number is not listed in the directory, but does it appear in the Company's Directory Assistance Records.

This service is subject to the rules and regulations for E911 service, where applicable.

The Company will complete calls to a nonlisted number.

When the Company agrees to keep a number unlisted, it does so without any obligation. Except for cases of gross negligence or willful misconduct, the Company is not liable for any damages that might arise from publishing a nonlisted number in the directory or disclosing it to some. If, in error, the telephone number is listed in the directory, the Company's only obligation is to credit or refund any monthly charges the Customer paid for nonlisted service.

The subscriber indemnifies (i.e., promises to reimburse the Company for any amount the Company must pay as a result of) and save the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by the publication of a nonlisted service or the disclosing of said number to any person.

DESCRIPTION OF SERVICE

3.7 Local Operator Services

3.7.1 Local Operator Handled Calling Services are provided to Customers and Users of Company-provided Exchange Access Service. Per call charges which reflect the level of operator assistance and billing arrangement requested by the Customer apply in addition to any other applicable local usage charges.

3.7.2 Operator Service Call Types

A. Customer Dialed Calling/Credit Card Call - This charge applies in addition to local usage charges for station to station calls billed to an authorized Calling Card or Commercial Credit Card. The Customer must dial the destination telephone number and card number where the capability exists for the Customer to do so.

B. Operator Dialed Calling/Credit Card Call - This charge applies in addition to local usage charges for station to station calls billed to an authorized Calling Card or Commercial Credit Card and the operator dials the destination telephone number at the request of the Customer.

C. Operator Station - These charges apply in addition to local usage charges for non-Person-to-Person calls placed using the assistance of a Company operator and billed to the originating line, Collect, to a Third Party, by deposit of coins in Pay Telephones, or via some method other than a Calling Card or Commercial Credit Card.

D. Person-to-Person - This charge applies in addition to local usage charges for calls placed with the assistance of a Company operator to a particular party at the destination number. This charge applies regardless of billing method, including but not limited to billing to the originating line, a Calling Card, Commercial Credit Card, Collect, by deposit of coins in Pay Telephones, or to a Third Party. Charges do not apply unless the specified party or an acceptable substitute is available.

Local Operator Services section now found on pages 65 through 67 was previously located on sheet 46 of Florida Price List No. 1.

DESCRIPTION OF SERVICE

3.7 Local Operator Services (Cont'd)

3.7.3 Available Billing Arrangements

A. Bill to Line - A billing arrangement whereby the originating caller may bill the charges for a call to the Company-provided local exchange line from which the call is placed. The terms and conditions of the Company apply to payment arrangements.

B. Calling Card - A billing arrangement whereby the originating caller may bill the charges for a call to an approved LEC-issued calling card. The terms and conditions of the local exchange carrier apply to payment arrangements.

C. Collect Billing - A billing arrangement whereby the originating caller may bill charges for a call to the called party, provided the called party agrees to accept the charges. The terms and conditions of the called party's local exchange company apply to payment arrangements.

D. Commercial Credit Card - A billing arrangement whereby the originating caller may bill the charges for a call to an approved commercial credit card. The terms and conditions of the credit card company apply to payment arrangements.

E. Third Party Billing - A billing arrangement by which the charges for a call may be billed to a telephone number that is different from the calling number and the called number. The terms and conditions of the third party's local exchange company apply to payment arrangements.

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DESCRIPTION OF SERVICE

3.7 Local Operator Services (Cont'd)

3.7.4 Operator Dialed Surcharge

This charge applies to Operator Station and Person-to-Person calls for which the caller has the ability to dial the called number, but chooses instead to have the Company operator perform the dialing. This charge is in addition to local usage charges and other applicable operator service charges.

3.7.5 Partially Automated Surcharge

This charge applies to Operator assisted Station to Station calls (including those billed to calling cards) where the customer dials the terminating number, and elects to have the Operator handle the billing method. This charge is in addition to local usage charges and other applicable operator service charges.

3.7.6 Busy Line Verification and Line Interrupt Service

Upon request of a calling party the Company will verify a busy condition on a designated local service line. The operator will determine if the line is clear or in use and report to the calling party. At the request of the Customer, the operator will interrupt the call on the busy line. Busy Line Interruption is only permitted in cases where the calling party indicates an emergency exists and requests interruption.

No charge will apply when the calling party advises that the call is to or from an official public emergency agency. Busy Verification and Interrupt Service is furnished where and to the extent that facilities permit.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers.

Docket No. 030851-TP

Served: January 7, 2004

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ACCESS INTEGRATED NETWORKS, INC.'S RESPONSES TO BELLSOUTH TELECOMMUNICATIONS, INC.'S THIRD REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 23 – 24)

Access Integrated Networks, Inc. ("ACCESS") hereby provides its Responses to BellSouth Telecommunications, Inc.'s ("BellSouth") Third Request for Production of Documents. ACCESS's responses are as follows:

REQUESTS FOR PRODUCTION

23. Produce copies of all responses made by you to data requests, interrogatories, and requests for production of documents from the staff of the Florida Public Service Commission in Docket Nos. 030851-TP. This request includes your response that either has been made or will be made to the Florida Public Service Commission's staff's 2003 TRO data request.

Response: BellSouth was previously served with copies of such documents, except for ACCESS's response to staff's data request which is attached and can also be obtained from the Florida Public Service Commission.

24. Produce copies of all responses made by you to data requests, interrogatories, and requests for production of documents from any other party in Docket 030851-TP.

Response: BellSouth was previously served with copies of such documents, or the documents are otherwise publicly available.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's Triennial UNE review: Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP FILED: DECEMBER 11, 2003

RESPONSE OF ACCESS INTEGRATED NETWORKS, INC. ("ACCESS") TO STAFF'S FIRST SET OF INTERROGATORIES

Access Integrated Networks, Inc. ("ACCESS"), by and through its undersigned attorney, hereby serves its Responses to Staff's First Set of Interrogatories (Nos. 1 through 7).

INTERROGATORIES:

1. Please describe the mechanism that you believe could be used to determine if a given current hot cut process does or does not give rise to impairment in a given market.

ANSWER: ACCESS has never participated in this process, and has not formulated a position. Answer provided by Sharyl Fowler.

2. Please describe what operational issues you have encountered with Florida ILECs regarding loop migrations that you believe should be considered in evaluating a mass market batch hot cut process. Please list each issue by ILEC and describe its relative importance in the hot cut process.

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ANSWER: ACCESS has never participated in this process, and thus has no operational experience on which to base an answer.

Answer provided by Sharyl Fowler.

3. Please identify the specific sub-processes that you believe should be employed to perform a batch cut. Describe each sub-process, the time required for each and why it is necessary to the batch cut process.

ANSWER: ACCESS has never participated in this process, and thus has no experience on which to determine a preferred process.

Answer provided by Sharyl Fowler.

4. (a) Please identify the number of hot cuts performed on your behalf for each month in 2001, 2002, and 2003 year-to-date.

ANSWER: None.

Answer provided by Sharyl Fowler.

(b) Please identify the projected number of needed hot cuts per month you will require for each of the years 2003, 2004 and 2005.

ANSWER: ACCESS does not currently participate in the hot cut process. Answer provided by Sharyl Fowler.

5. What volume of loops do you believe should constitute a batch?

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ANSWER: ACCESS has never participated in this process, and thus has no experience on which to formulate a position.

Answer provided by Sharyl Fowler.

6. (a) Is there a need to revise, augment or amend any of the performance assessment metrics ordered in Dockets Nos. 000121A, 000121B or 000121C to account for current and prospective hot cut and batch cut monitoring purposes?

(b) If the response to (a) is affirmative, please identify what revisions, augments or amendments should be made to the performance assessment metrics ordered in Docket Nos. 000121A, 000121B or 000121C.

(c) If the response to (a) is negative, please explain how the existing performance assessment metrics are adequate to account for current and prospective hot cut and batch cut monitoring purposes.

(d) To the extent not provided in response to (b), please describe to what extent existing ILEC Performance Assessment Plans results should be used to evaluate any potential mass market batch cut process.

ANSWER: Because ACCESS has never participated in the hot cut process, ACCESS has no position on 6 (a-d).

Answer provided by Sharyl Fowler.

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7. (a) Please identify any telecommunications equipment commercially available that can be set up to transfer UNE-Ls from ILEC switches to a non-ILEC switches, and the manufacturer(s) of such equipment.

ANSWER: ACCESS has no information regarding such equipment.

Answer provided by Sharyl Fowler.

(b) If such equipment exists, what level of initial demand and subsequent churn for mass market UNE-Ls is it capable of handling after the initial set up?

N/A

(c) Does this equipment rely on a process that requires manual intervention?

N/A

(d) If the response to (c) is affirmative, please describe the extent of manual intervention required, compared to that in the ILECs' current processes.

N/A

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(e) If the response to (c) is negative, please describe how this equipment avoids manual intervention.

N/A

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's Triennial UNE review: Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP FILED: DECEMBER 11, 2003

RESPONSE OF ACCESS INTEGRATED NETWORKS, INC. TO STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS

Access Integrated Networks, Inc. ("ACCESS"), by and through its undersigned attorney, hereby serves its response to Staff's First Request for Production of Documents.

REQUESTS AND RESPONSES

1. Please provide all documents that support your response to Interrogatory No. 2.

RESPONSE: There are no documents that are responsive to this request. ACCESS does not currently participate in the hot cut process.

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2. Please provide all documents that support your response to Interrogatory No. 3.

RESPONSE: There are no responsive documents. ACCESS does not currently participate in the hot cut process.

3. Please provide all documents that support your response to Interrogatory No. 5.

RESPONSE: There are no documents that are responsive to this request. ACCESS does not currently participate in the hot cut process.

4. Please provide all documents that support your response to Interrogatory No. 6 (b).

RESPONSE: There are no responsive documents.

5. Please provide all documents that support your response to Interrogatory No. 6 (c).

RESPONSE: There are no responsive documents.

6. Please provide all documents that support your response to Interrogatory No. 7 (a).

RESPONSE: There are no responsive documents.

7. Please provide all documents that support your response to Interrogatory No. 7 (d).

RESPONSE: There are no responsive documents.

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8. Please provide all documents that support your response to Interrogatory No. 7 (e).

RESPONSE: There are no responsive documents.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's Triennial UNE review: Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP DECEMBER 24, 2003

ACCESS INTEGRATED NETWORKS, INC.'S RESPONSE
TO STAFF'S SECOND SET OF INTERROGATORIES (NOS. 8 - 11)

Access Integrated Networks Inc. ("ACCESS"), through its undersigned counsel, hereby submits its answers to Staff's Second Set of Interrogatories.

INTERROGATORIES:

8. (a) For all switches that you have provisioned in the State of Florida, please identify from which switches you also have self-provisioned local loops to one or more end users.

Answer: None.

Answer provided by Sharyl Fowler

(b) For those switches identified in response to (a), please identify the capacity of the loops self-provisioned and the number of each loop type provisioned to end users.

Not applicable.

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(c) For those loops identified in response to (b), please state the terms, conditions, and rates under which your company is providing the loop in conjunction with the switching component.

Not applicable.

(d) For those switches identified in response to (a), please identify the switch name and its current software release.

Not applicable.

(e) For those switches identified in response to (a), are there any features being offered by the ILEC in the wire centers served by this switch that your switch is incapable of providing?

Not applicable.

(f) If the response to (e) is affirmative, please identify what features cannot be provided, what classes of customers use such features, and what actions would be necessary in order to provide these features.

Not applicable.

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(g) For those switches identified in response to (a), please identify the anticipated year of retirement.

Not applicable.

(h) For those switches identified in response to (a), please describe any existing plans to upgrade the switch's capacity or to implement software upgrades.

Not applicable.

(i) For those switches identified in response to (a), will you provide wholesale switching capacity to another CLEC?

Not applicable.

(j) If the response to (i) is affirmative, please identify the terms, conditions, and rates you would require of a wholesale customer, including contract terms and take or pay requirements, and state whether your company will ensure that the calling scopes and features that are offered to wholesalers will be the same that the ILEC offers.

Not applicable.

(k) If the response to (i) is affirmative, please identify the operational support system interface capabilities, including version number and a copy of the methods and procedures, that your company uses or will use when offering unbundled local switch capability to CLECs in the State of Florida.

Not applicable.

(l) If the response to (i) is affirmative, do you currently provide wholesale switching capacity to another CLEC?

Not applicable.

(m) If the response to (l) is affirmative, please identify to what CLECs you currently provide wholesale switching and the switch used.

Not applicable.

(n) If the response to (l) is affirmative, please state your company's mean time to repair and other response intervals for servicing existing switches.

Not applicable.

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(o) If the response to (i) is affirmative, please state your company's signaling capability and signaling redundancy that will be used in making available unbundled local switching to CLECs in the State of Florida.

Not applicable.

(p) If the response to (i) is affirmative, please describe your company's methods and procedures to prevent or minimize service degradation, including but not limited to delay and/or echo return loss attenuation, to a CLEC that utilizes your company's unbundled local switching in Florida.

Not applicable.

(q) If the response to (i) is affirmative, will your company also make available transport as a stand-alone service to CLECs within the State of Florida?

Not applicable.

(r) If the response to (i) is affirmative, will your company make transport available in conjunction with the provision of unbundled local switching capacity to CLEC?

Not applicable.

(s) What is the total available capacity on your company's network to provide transport?

Not Applicable.

(t) If the response to (i) is affirmative, under what rates, terms, and conditions are you willing to provide transport in conjunction with the provision of unbundled local switching capacity to CLECs in Florida?

Not applicable.

(u) For those loops identified in response to (b), please identify, by wire center, the location of such facilities and whether those facilities:

(1) Use fiber to the customer's premises;

(2) Use coax to the customer's premises;

(3) Use twisted copper pair to the customer's premises;

(4) Use fixed wireless technology to the customer's premises.

Not applicable.

9. (a) For all switches or switching capacity that you have leased to provide service in the state of Florida, please identify from which switches you have self-provisioned local loops to one or more end users.

Answer: ACCESS has no self provisioned loops.

Answer provided by Sharyl Fowler

(b) For those switches identified in response to (a), please identify the capacity of the loops self-provisioned and the number of each loop type provisioned to end users.

Not applicable.

(c) For those loops identified in response to (b), please state the terms, conditions, and rates under which your company is providing the loop in conjunction with the switching component.

Not applicable.

(d) For those switches identified in response to (a), please identify the switch name and its current software release.

Not applicable.

(e) For those switches identified in response to (a), are there any features being offered by the ILEC in the wire centers served by this switch that your switch is incapable of providing?

Not applicable.

(f) If the response to (e) is affirmative, please identify what features cannot be provided, what classes of customers use such features, and what actions would be necessary in order to provide these features.

Not applicable.

(g) For those switches identified in response to (a), please identify the anticipated year of retirement.

Not applicable.

(h) For those switches identified in response to (a), please describe any existing plans to upgrade the switch's capacity or to implement software upgrades.

Not applicable.

10. (a) Are you aware of any unaffiliated CLECs that either are willing to provide or currently are providing in Florida, wholesale unbundled local switching in combination with unbundled analog loops?

Answer: No.

Answer provided by Sharyl Fowler

(b) If the response to (a) is affirmative, please identify such companies of which you aware, and identify in which LATAs and wire centers they offer this combination.

Not applicable.

(c) If the response to (a) is affirmative, please explain whether or not you believe these entities qualify as wholesale providers, and the basis for your belief.

Not applicable.

11. Please identify in which Florida wire centers you actively market your services, and what services you market in each wire center.

ANSWER: ACCESS has only two classifications of service – Business and Residential. For the definition and description of these classifications,

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please see pages 43 – 64 (included as Attachment 1) of ACCESS' tariff filed with the Florida Public Service Commission. It is ACCESS' business policy to provide these classifications of service wherever requested within its overall service area as is described in the Interconnection Agreement

The wire centers within this overall service area are listed below.

ARCHFLMA	GCVLFLMA	MIAMFLIC	PNSCFLBL
BCRTFLBT	GENVFLMA	MIAMFLKE	PNSCFLFP
BCRTFLMA	GLBRFLMC	MIAMFLME	PNSCFLHC
BCRTFLSA	GSVLFLMA	MIAMFLNM	PNSCFLPB
BKVLFLJF	GSVLFLNW	MIAMFLNS	PNSCFLWA
BLDWFLMA	HAVNFLMA	MIAMFLOL	PNVDFLMA
BLGLFLMA	HBSDFLMA	MIAMFLPB	PRRNFLMA
BNNLFLMA	HLNVFLMA	MIAMFLPL	PRSNFLFD
BRSNFLMA	HLWDFLHA	MIAMFLRR	PTSLFLMA
BYBHFLMA	HLWDFLMA	MIAMFLSH	PTSLFLSO
CCBHFLAF	HLWDFLPE	MIAMFLSO	SBSTFLFE
CCBHFLMA	HLWDFLWH	MIAMFLWD	SBSTFLMA
CDKYFLMA	HMSTFLHM	MIAMFLWM	SNFRFLMA
CFLDFLMA	HMSTFLNA	MICCFLBB	STAGFLBS
CHPLFLJA	HTISFLMA	MLBRFLMA	STAGFLMA
CNTMFLLE	HWTHFLMA	MLTNFLRA	STAGFLSH
COCOFLMA	ISLMFLMA	MNDRFLAV	STAGFLWG
COCOFLME	JCBHFLAB	MNDRFLLO	STRTFLMA
CSCYFLBA	JCBHFLMA	MNDRFLLW	SYHSFLCC
DBRYFLDL	JCBHFLSP	MXVLFLMA	TRENFLMA
DBRYFLMA	JCVLFLAR	NDADFLAC	TTVLFLMA
DELDFLMA	JCVLFLBW	NDADFLBR	VERNFLMA
DLBHFLKP	JCVLFLCL	NDADFLGG	VRBHFLBE
DLBHFLMA	JCVLFLFC	NDADFLOL	VRBHFLMA
DLSPFLMA	JCVLFLJT	NKLRFLMA	WPBHFLAN
DNLNFLWM	JCVLFLLF	NSBHFLMA	WPBHFLGA
DRBHFLMA	JCVLFLNO	NWBYFLMA	WPBHFLGR
DYBHFLFN	JCVLFLOW	OLTWFLLN	WPBHFLHH
DYBHFLMA	JCVLFLRV	ORLDFLAP	WPBHFLLE
DYBHFLOB	JCVLFLSJ	ORLDFLCL	WPBHFLRB
DYBHFLOS	JCVLFLSM	ORLDFLMA	WPBHFLRP
DYBHFLPO	JCVLFLWC	ORLDFLPC	WWSPFLSH
EGLLFLBG	JPTRFLMA	ORLDFLPH	YNFNFLMA
EGLLFLIH	KYHGFLMA	ORLDFLSA	YULEFLMA
EORNFLMA	KYWSFLMA	ORPKFLMA	
FLBHFLMA	LKCYFLMA	ORPKFLRW	
FRBHFLFP	LKMRFLMA	OVIDFLCA	

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FTLDFLCR	LYHNFLOH	PACEFLPV
FTLDFLCY	MDBGFLPM	PAHKFLMA
FTLDFLJA	MIAMFLAE	PCBHFLNT
FTLDFLMR	MIAMFLAL	PLCSFLMA
FTLDFLOA	MIAMFLBA	PLTKFLMA
FTLDFLPL	MIAMFLBC	PMBHFLCS
FTLDFLSG	MIAMFLBR	PMBHFLFE
FTLDFLSU	MIAMFLCA	PMBHFLMA
FTLDFLWN	MIAMFLFL	PMBHFLTA
FTPRFLMA	MIAMFLGR	PNCYFLCA
GCSPFLCN	MIAMFLHL	PNCYFLMA

Answer provided by Sharyl Fowler

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Attorneys for Access Integrated Networks, Inc.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's triennial UNE review; Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP DECEMBER 24, 2003

ACCESS INTEGRATED NETWORK, INC.'S RESPONSE TO STAFF'S SECOND REQUEST FOR PRODUCTION OF DOCUMENTS (NO. 9)

Access Integrated Networks, Inc., through its undersigned attorney, hereby responds to Staff's Second Requet for Production of Documents (No. 9).

DOCUMENTS REQUESTED

9. Referring to the company's response to Interrogatory No. 8(k), please provide a copy of the OSS methods and procedures documentation.

RESPONSE: There are no responsive documents.

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EXHIBIT NO. 2

DOCKET NO.: 030851-TP

WITNESS: Allegiance

PARTY: Allegiance

DESCRIPTION:

1. Allegiance's Responses to BellSouth's 1st Set of Interrogatories (Nos.1-84) – Page 1
2. Allegiance's Responses to BellSouth's 2nd Set of Interrogatories (Nos. 85-112) – Page 18
3. Allegiance's Responses to Staff's 1st Set of Interrogatories (Nos. 1-7) – Page 20
4. Allegiance's Responses to Staff's 1st Request for PODs (Nos. 1-8) – Page 23
5. Allegiance's Responses to Staff's 2nd Set of Interrogatories (Nos. 8-11) – Page 25

PROFFERING PARTY: STAFF

I.D. # Allegiance-Stip-1

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 2
COMPANY/ FPSC Staff
WITNESS: Allegiance-Stip-1
DATE: 02/24-27/04

Docket No. 030851-TP
BellSouth Telecommunications Inc.'s First Set of Interrogatories to Allegiance Telecom of Florida, Inc.

Question 5

Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switches identified in response to Interrogatory No. 1. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

Answer

The following is a list of collocations CLLI codes for Allegiance Telecom that serves our customers in the BellSouth region of Florida.

Collocation Name	CLLI Code	Street Address	City
Alhambra	MIAMFLAE	115 Alhambra Cir.,	Miami
Allapattah	MIAMFLAL	2470 NW 38th St.,	Miami
Arch creek	NDADFLAC	2100 NE 164th,	Miami
Bayshore	MIAMFLBA	2010 SW 17TH Ave.,	Miami
Flagler	MIAMFLFL	2105 W Flagler St.,	Miami
Hialeah	MIAMFLHL	1245 W 69th St.,	Miami
Homestead	HMSTFLHM	75 NE Civic Court,	Miami
Indian Creek	MIAMFLIC	6800 Harding Ave,	Miami
Miami Beach	MIAMFLBR	1550 Lenox Ave,	Miami
Miami Canal	MIAMFLCA	2301 SW 100thAve,	Miami
Miami Grande	MIAMFLGR	45 NW 5th St,	Miami
Miami Shores	MIAMFLSH	8451 NE 1ST Ave.,	Miami
Northside	MIAMFLNS	2615 NW 79TH St.,	Miami
Oleta	NDADFLOL	19251 NE 26th Ave.,	Miami
Opa Locka	MIAMFLOL	2660 E Superior St,	Miami
Palmetto	MIAMFLPL	9056 NW 41ST AV,	Miami
Perrine	PRRNFLMA	16645 S Federal Hwy,	Miami
Poinciana	MIAMFLPB	25 Nahkoda Dr.,	Miami
Red Road	MIAMFLRR	6100 SW 57th Ave.,	Miami

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Silver Oaks	MIAMFLSO	10701 SW 88th St.,	Miami
West Miami	MIAMFLWM	1155 SW 67th Ave.,	Miami
Coral Ridge	FTLDFLCR	2530 E Oakland Park Bl.	Ft. Lauderdale
Hollywood West	HLWDFLWH	250 SW 62nd Ave,	Miami
Main Relief	FTLDFLMR	211 NE 2nd St.	Ft. Lauderdale
Oakland	FTLDFLOA	4200 W Oakland Park Bl.,	Ft. Lauderdale
Plantation	FTLDFLPL	4036 Bryan Blvd.,	Ft. Lauderdale
Pompano Beach	PMBHFLFE	1230 N Federal Hwy.	Ft. Lauderdale
Annex	WPBHFLAN	325 Gardenia St.,	Ft. Lauderdale
Boca Main	BCRTFLMA	838 S Dixie Hwy.,	Boca Raton
Gardens	WPBHFLGR	3700 RCA Blvd,	West Palm Beach
Green Acres	WPBHFLGA	3800 S Military Trail.,	West Palm Beach
Haverhill	WPBHFLHH	1500 N Haverhill,	West Palm Beach
Riviera Beach	WPBHFLRB	3640 Ave E,	Riviera Beach
Cypress	FTLDFLCY	5395 NW 14th Ave.	Ft. Lauderdale
Jacaranda	FTLDFLJA	10141 W. Broward Blvd.	Ft. Lauderdale
Hallandale	HLWDFLHA	120 NE 12th Ave.	Ft. Lauderdale
Main	HLWDFLMA	715 N. Federal Hwy.	Ft. Lauderdale
Pembroke Pines	HLWDFLPE	68 NW 98th Ave.	Ft. Lauderdale
Biscayne	MIAMFLBC	251 NW 29th St.	Miami
Margate	PMBHFLMA	1180 Banks Rd.	West Palm Beach

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Confidential-Subject to Protective Agreement in Relevant Southeastern Region State Area Docket No. 030851-TP

Docket No. 030851-TP
BellSouth Telecommunications Inc.'s First Set of Interrogatories
to Allegiance Telecom of Florida, Inc.

Question 6

For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice grade equivalent lines you are providing to end user customers in that wire center area from the switches identified in response to Interrogatory 1.

Answer

CLLI	Lines
BCRTFLMA	1,152
FTLDFLCR	567
FTLDFLCY	19
FTLDFLJA	4
FTLDFLMR	935
FTLDFLOA	672
FTLDFLPL	874
HLWDFLHA	19
HLWDFLMA	45
HLWDFLPE	20
HLWDFLWH	572
HMSTFLHM	228
MIAMFLAE	1,043
MIAMFLAL	393
MIAMFLBA	429
MIAMFLBC	37
MIAMFLBR	635
MIAMFLCA	406
MIAMFLFL	282
MIAMFLGR	915
MIAMFLHL	1,701
MIAMFLIC	247
MIAMFLNS	123

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MIAMFLOL	604
MIAMFLPB	620
MIAMFLPL	534
MIAMFLRR	755
MIAMFLSH	456
MIAMFLSO	597
MIAMFLWM	641
NDADFLAC	470
NDADFLOL	1,005
PMBHFLFE	814
PMBHFLMA	2
PRRNFLMA	946
WPBHFLAN	801
WPBHFLGA	595
WPBHFLGR	446
WPBHFLHH	895
WPBHFLRB	739
	22,238

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BellSouth Telecommunications Inc.'s First Set of Interrogatories to Allegiance Telecom of Florida, Inc.

Question 7

With regard to the voice grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 6, separate the lines by end user and end user location in the following manner:

(a) the number of end user customers to whom you provide one (1) voice grade equivalent line;

(b) the number of end user customers to whom you provide two (2) voice grade equivalent lines;

(c) the number of end user customers to whom you provide three (3) voice grade equivalent lines;

(d) the number of end user customers to whom you provide four (4) voice grade equivalent lines;

(e) the number of end user customers to whom you provide five (5) voice grade equivalent lines;

(f) the number of end user customers to whom you provide six (6) voice grade equivalent lines;

(g) the number of end user customers to whom you provide seven (7) voice grade equivalent lines;

(h) the number of end user customers to whom you provide eight (8) voice grade equivalent lines;

(i) the number of end user customers to whom you provide nine (9) voice grade equivalent lines;

(j) the number of end user customers to whom you provide ten (10) voice grade equivalent lines;

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(k) the number of end user customers to whom you provide eleven (11) voice grade equivalent lines;

(l) the number of end user customers to whom you provide twelve (12) voice grade equivalent lines;

(m) the number of end user customers to whom you provide more than twelve (12) voice grade equivalent lines;

Answer

	Customers	Lines
1 Line	173	173
2 Lines	248	496
3 Lines	251	753
4 Lines	125	500
5 Lines	77	385
6 Lines	48	288
7 Lines	30	210
8 Lines	32	256
9 Lines	6	54
10 Lines	14	140
11 Lines	10	110
12 Lines	101	1,212
Over 12 Lines	834	17,661
	1,949	22,238

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BellSouth Telecommunications Inc.'s First Set of Interrogatories to Allegiance Telecom of Florida, Inc.

Question 11

Identify by name, address, and CLLI code each wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida using an ILEC's switch either on an unbundled or resale basis. If you assert that you cannot identify or do not know how to ascertain boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

Answer

Allegiance Telecom does not track this information.

[redacted]

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BellSouth Telecommunications Inc.'s First Set of Interrogatories
to Allegiance Telecom of Florida, Inc.

Question 12

For each ILEC wire center area identified in the forgoing Interrogatory (or ILEC exchange if you do not provide the information by serving wire center area) identify the total number of voice grade equivalent lines you are providing to the end user customers in that serving wire center area using an ILEC switch either on an unbundled or resale basis.

Answer

Allegiance Telecom does not track this information.

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BellSouth Telecommunications Inc.'s First Set of Interrogatories to Allegiance Telecom of Florida, Inc.

Question 13

With regard to the voice grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 12, separate the lines by end user and end user location in the following manner:

(a) the number of end user customers to whom you provide one (1) voice grade equivalent line;

(b) the number of end user customers to whom you provide two (2) voice grade equivalent lines;

(c) the number of end user customers to whom you provide three (3) voice grade equivalent lines;

(d)the number of end user customers to whom you provide four (4) voice grade equivalent lines;

(e)the number of end user customers to whom you provide five (5) voice grade equivalent lines;

(f)the number of end user customers to whom you provide six (6) voice grade equivalent lines;

(g)the number of end user customers to whom you provide seven (7) voice grade equivalent lines;

(h)the number of end user customers to whom you provide eight (8) voice grade equivalent lines;

(i) the number of end user customers to whom you provide nine (9) voice grade equivalent lines;

(j) the number of end user customers to whom you provide ten (10) voice grade equivalent lines;

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(k) the number of end user customers to whom you provide eleven (11) voice grade equivalent lines;

(l) the number of end user customers to whom you provide twelve (12) voice grade equivalent lines;

(m) the number of end user customers to whom you provide more than twelve (12) voice grade equivalent lines;

Answer

	Customers	Lines
1 Line	27	27
2 Lines	29	58
3 Lines	45	135
4 Lines	31	124
5 Lines	30	150
6 Lines	24	144
7 Lines	13	91
8 Lines	6	48
9 Lines	6	54
10 Lines	7	70
11 Lines	4	44
12 Lines	9	108
Over 12 Lines	31	1,050
	262	2,103

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Docket No. 030851-TP
BellSouth Telecommunications Inc.'s First Set of Interrogatories to Allegiance Telecom of Florida, Inc.

Question 33

Please provide a breakdown of the total number of end user customers served by Allegiance in Florida by class or type of end user customers (e.g., residential customers, small business customers, enterprise customers), or whatever type of classification that you use to classify your customers. For each such classification, and/or if you provide another type of classification, define and describe with specificity the classification so that it can be determined what kinds of customers you have in each classification.

Answer

Business Customers
1,950

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Docket No. 030851-TP
BellSouth Telecommunications Inc.'s First Set of Interrogatories to Allegiance Telecom of Florida, Inc.

Question 50

For each day since January 1, 2000, identify the number of individual hot cuts that BellSouth has performed for Allegiance in each state in BellSouth's region.

Answer

Florida	Approximately 38,000
Georgia	Approximately 46,000 Approximately 84,000

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BellSouth Telecommunications Inc.'s First Set of Interrogatories to Allegiance Telecom of Florida, Inc.

Question 51 (i)

For each individual hot cut identified in response to Interrogatory No. 50, state:

i. Whether the hot cut was coordinated or not;

Answer

Coordinated Hot Cut

Florida	3,911
Georgia	17,656

Hot Cut

Florida	34,596
Georgia	28,401

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BellSouth Telecommunications Inc.'s First Set of Interrogatories to Allegiance Telecom of Florida, Inc.

Question 51 (ii)

For each individual hot cut identified in response to Interrogatory No. 50, state:

ii. If coordinated, whether the hot cut occurred as scheduled;

Answer

Allegiance Telecom does not track this information.

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Docket No. 030851-TP
BellSouth Telecommunications Inc.'s First Set of Interrogatories to Allegiance Telecom of Florida, Inc.

Question 51 (iii)

For each individual hot cut identified in response to Interrogatory No. 50, state:

iii. If the hot cut did not occur as scheduled, state whether this was due to a problem with BellSouth, Allegiance, the end-user customer, or some third party, and describe with specificity the reason the hot cut did not occur as scheduled;

Answer

See response to Question (ii).

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BellSouth Telecommunications Inc.'s First Set of Interrogatories
to Allegiance Telecom of Florida, Inc.

Question 51 (iv)

For each individual hot cut identified in response to Interrogatory No. 50, state:

iv. If there was a problem with the hot cut, state whether Allegiance complained in writing to BellSouth or anyone else.

Answer

See response to Question (ii).

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Docket No. 030851-TP
BellSouth Telecommunications Inc.'s First Set of Interrogatories
to Allegiance Telecom of Florida, Inc.

Question 59

What is the largest number of individual hot cuts that Allegiance has requested in any individual central office in each of the nine BellSouth states on a single day? In answering this Interrogatory, identify the central office for which the request was made, and the number of hot cuts that were requested. State with specificity what the outcome was for each of the hot cuts in each of the central offices so described, if not provided in response to an earlier interrogatory.

Answer

Allegiance Telecom does not track this information.

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Docket No. 030851-TP
BellSouth Telecommunications Inc.'s Second Set of Interrogatories to Allegiance Telecom of Florida, Inc.

Question

95. **Describe the criteria you consider to enter a specific market offering qualified services. In your response please detail how, and the extent to which, you rely on both business customers and residential customers to meet the financial criteria. Also identify the criteria used to select the customers that are marketed to or contacted in your marketing campaigns.**

Answer

Allegiance deployed a switch in Miami as part of its strategy to become a national local service provider. The geographic location of the switch was based on several factors including minimizing backhaul costs from collocation sites, space availability and where Allegiance could get access to CAPs.

The single most important criterion for Allegiance in determining where to build a collocation is the number of lines served by the individual wire center. Given the costs of collocation construction, equipment, power, and the like, a CLEC must be reasonably confident it can acquire enough customers in a wire center to cover those costs and earn a profit in order to proceed with construction of the collocation. Allegiance generally has not built collocations in wire centers with fewer than 9,000 - 10,000 business lines.

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BellSouth Telecommunications Inc.'s Second Set of Interrogatories to Allegiance Telecom of Florida, Inc.

Question

106. Identify the retail rates you charge for special access or similar transport services offered to customers. Your response should include all relevant non-recurring and recurring rates you charge your customers.

Answer

Allegiance Telecom does not offer stand alone Special Access service to our end user customers. A full list of our products and services are available in the following Tariffs:

Florida Local Tariff - Florida Price List No. 3
Florida Access Tariff - Florida Price List No. 2
Florida IXC Tariff - Florida Tariff No. 1
All Tariffs are located on the Allegiance telecom website, at:
http://www.algx.com/about/regulatory.jsp
Terms and Conditions are located in Section 2 of the local tariff.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re:	
IMPLEMENTATION OF REQUIREMENTS ARISING FROM FEDERAL COMMUNICATIONS COMMISSION TRIENNIAL UNE REVIEW: LOCAL CIRCUIT SWITCHING FOR MASS MARKET CUSTOMERS	Docket No. 030851-TP Filed: December 11, 2003

ALLEGIANCE TELECOM OF FLORIDA, INC.'S RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES

Allegiance Telecom of Florida, Inc. ("Allegiance"), pursuant to the Order Establishing Procedure, Order No. PSC-03-1054-PCO-TP, issued September 22, 2003, and Second Order on Procedure, Order No. PSC-03- 1265-PCO-TP (hereinafter collectively "Procedural Orders"), issued November 7, 2003 by the Florida Public Service Commission (hereinafter "Commission"), Rule 28-106.206 of the Florida Administrative Code, and Rules 1.280 and 1.350 of the Florida Rules of Civil Procedure, hereby submits the following responses to Commission Staff's ("Staff") First Set of Interrogatories to Allegiance.

1. Please describe the mechanism that you believe could be used to determine if a given current hot cut process does or does not give rise to impairment in a given market.

Allegiance Telecom takes no position on this issue at this time.

2. Please describe what operational issues you have encountered with Florida ILECs regarding loop migrations that you believe should be considered in evaluating a mass market batch hot cut process. Please list each issue by ILEC and describe its relative importance in the hot cut process.

Allegiance Telecom does not currently use a batch cut process.

3. Please identify the specific sub-processes that you believe should be employed to perform a batch cut. Describe each sub-process, the time required for each and why it is necessary to the batch cut process.

Allegiance Telecom does not currently use a batch cut process.

4. (a) Please identify the number of hot cuts performed on your behalf for each month in 2001, 2002, and 2003 year-to-date.

This information is confidential and will be provided through a confidential filing with the Division of Commission Clerk and Administrative Services.

(b) Please identify the projected number of needed hot cuts per month you will require for each of the years 2003, 2004 and 2005.

Allegiance objects to this Interrogatory as requesting information that is entirely speculative and requiring Allegiance to develop projections that it does not have or maintain in the course of its operations.

5. What volume of loops do you believe should constitute a batch?

Allegiance Telecom does not currently use a batch cut process and takes no position on this issue at this time.

6. (a) Is there a need to revise, augment or amend any of the performance assessment metrics ordered in Dockets Nos. 000121A, 000121B or 000121C to account for current and prospective hot cut and batch cut monitoring purposes?

Allegiance Telecom does not currently use a batch cut process and takes no position on this issue at this time.

(b) If the response to (a) is affirmative, please identify what revisions, augments or amendments should be made to the performance assessment metrics ordered in Docket Nos. 000121A, 000121B or 000121C.

See response to 6 (a).

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(c) If the response to (a) is negative, please explain how the existing performance assessment metrics are adequate to account for current and prospective hot cut and batch cut monitoring purposes.

See response to 6 (a).

(d) To the extent not provided in response to (b), please describe to what extent existing ILEC Performance Assessment Plans results should be used to evaluate any potential mass market batch cut process.

See response to 6 (a).

7. (a) Please identify any telecommunications equipment commercially available that can be set up to transfer UNE-Ls from ILEC switches to a non-ILEC switches, and the manufacturer(s) of such equipment.

Allegiance Telecom has no knowledge of such equipment to transfer UNE-Ls from ILEC switches to a non-ILEC switches.

(b) If such equipment exists, what level of initial demand and subsequent churn for mass market UNE-Ls is it capable of handling after the initial set up?

See Response to 7 (a).

(c) Does this equipment rely on a process that requires manual intervention?

See Response to 7 (a).

(d) If the response to (c) is affirmative, please describe the extent of manual intervention required, compared to that in the ILECs' current processes.

See Response to 7 (a).

(e) If the response to (c) is negative, please describe how this equipment avoids manual intervention.

See Response to 7 (a).

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re:	
IMPLEMENTATION OF REQUIREMENTS ARISING FROM FEDERAL COMMUNICATIONS COMMISSION TRIENNIAL UNE REVIEW: LOCAL CIRCUIT SWITCHING FOR MASS MARKET CUSTOMERS	Docket No. 030851-TP Filed: December 11, 2003

ALLEGIANCE TELECOM OF FLORIDA, INC.'S
RESPONSES TO STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS

Allegiance Telecom of Florida, Inc. ("Allegiance"), pursuant to the Order Establishing Procedure, Order No. PSC-03-1054-PCO-TP, issued September 22, 2003, and Second Order on Procedure, Order No. PSC-03- 1265-PCO-TP (hereinafter collectively "Procedural Orders"), issued November 7, 2003 by the Florida Public Service Commission (hereinafter "Commission"), Rule 28-106.206 of the Florida Administrative Code, and Rules 1.280 and 1.350 of the Florida Rules of Civil Procedure, hereby submits the following responses to Commission Staff's ("Staff") First Request for Production of Documents to Allegiance.

1. Please provide all documents that support your response to Interrogatory No. 2.

   There are no such documents.

2. Please provide all documents that support your response to Interrogatory No. 3.

   There are no such documents.

3. Please provide all documents that support your response to Interrogatory No. 5.

   There are no such documents.

4. Please provide all documents that support your response to Interrogatory No. 6 (b).

   There are no such documents.

5. Please provide all documents that support your response to Interrogatory No. 6 (c).

   There are no such documents.

6. Please provide all documents that support your response to Interrogatory No. 7 (a).

There are no such documents.

7. Please provide all documents that support your response to Interrogatory No. 7 (d).

There are no such documents.

Respectfully submitted,

Charles V. Gerkin, Jr.
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9201 North Central Expressway
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Attorney for Allegiance Telecom of Florida, Inc.

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DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 8(a)

For all switches that you have provisioned in the State of Florida, please identify from which switches you also have self-provisioned local loops to one or more end users.

Answer

Allegiance has no self-provisioned loops to end users in Florida.

Question 8(b)

For those switches identified in response to (a), please identify the capacity of the loops self-provisioned and the number of each loop type provisioned to end users.

Answer

Not applicable. See response to Question 8(a).

Question 8(c)

For those loops identified in response to (b), please state the terms, conditions, and rates under which your company is providing the loop in conjunction with the switching component.

Answer

Not applicable. See response to Question 8(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 8(d)

For those switches identified in response to (a), please identify the switch name and its current software release.

Answer

Not applicable. See response to Question 8(a).

Question 8(e)

For those switches identified in response to (a), are there any features being offered by the ILEC in the wire centers served by this switch that your switch is incapable of providing?

Answer

Not applicable. See response to Question 8(a).

Question 8(f)

If the response to (e) is affirmative, please identify what features cannot be provided, what classes of customers use such features, and what actions would be necessary in order to provide these features.

Answer

Not applicable. See response to Question 8(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 8(g)

For those switches identified in response to (a), please identify the anticipated year of retirement.

Answer

Not applicable. See response to Question 8(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 8(h)

For those switches identified in response to (a), please describe any existing plans to upgrade the switch's capacity or to implement software upgrades.

Answer

Not applicable. See response to Question 8(a).

Question 8(i)

For those switches identified in response to (a), will you provide wholesale switching capacity to another CLEC?

Answer

Not applicable. See response to Question 8(a).

Question 8(j)

If the response to (i) is affirmative, please identify the terms, conditions, and rates you would require of a wholesale customer, including contract terms and take or pay requirements, and state whether your company will ensure that the calling scopes and features that are offered to wholesalers will be the same that the ILEC offers.

Answer

Not applicable. See response to Question 8(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 8(k)

If the response to (i) is affirmative, please identify the operational support system interface capabilities, including version number and a copy of the methods and procedures, that your company uses or will use when offering unbundled local switch capability to CLECs in the State of Florida.

Answer

Not applicable. See response to Question 8(a).

Question 8(l)

If the response to (i) is affirmative, do you currently provide wholesale switching capacity to another CLEC?

Answer

Not applicable. See response to Question 8(a).

Question 8(m)

If the response to (l) is affirmative, please identify to what CLECs you currently provide wholesale switching and the switch used.

Answer

Not applicable. See response to Question 8(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 8(n)

If the response to (l) is affirmative, please state your company's mean time to repair and other response intervals for servicing existing switches.

Answer

Not applicable. See response to Question 8(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 8(o)

If the response to (i) is affirmative, please state your company's signaling capability and signaling redundancy that will be used in making available unbundled local switching to CLECs in the State of Florida.

Answer

Not applicable. See response to Question 8(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 8(p)

If the response to (i) is affirmative, please describe your company's methods and procedures to prevent or minimize service degradation, including but not limited to delay and/or echo return loss attenuation, to a CLEC that utilizes your company's unbundled local switching in Florida.

Answer

Not applicable. See response to Question 8(a).

Question 8(q)

If the response to (i) is affirmative, will your company also make available transport as a stand-alone service to CLECs within the State of Florida?

Answer

Not applicable. See response to Question 8(a).

Question 8(r)

If the response to (i) is affirmative, will your company make transport available in conjunction with the provision of unbundled local switching capacity to CLEC?

Answer

Not applicable. See response to Question 8(a).

Question 8(s)

What is the total available capacity on your company's network to provide transport?

Answer

Allegiance does not provide transport services to third parties.

Question 8(t)

If the response to (i) is affirmative, under what rates, terms, and conditions are you willing to provide transport in conjunction with the provision of unbundled local switching capacity to CLECs in Florida?

Answer

Not applicable. See response to Question 8(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 8(u)

For those loops identified in response to (b), please identify, by wire center, the location of such facilities and whether those facilities:

(1) Use fiber to the customer's premises;
(2) Use coax to the customer's premises;
(3) Use twisted copper pair to the customer's premises;
(4) Use fixed wireless technology to the customer's premises.

Answer

Not applicable. See response to 8(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 9(a)

For all switches or switching capacity that you have leased to provide service in the state of Florida, please identify from which switches you have self-provisioned local loops to one or more end users.

Answer

Allegiance does not lease switching capacity to provide service in the state of Florida.

Question 9(b)

For those switches identified in response to (a), please identify the capacity of the loops self-provisioned and the number of each loop type provisioned to end users.

Answer

Not applicable. See response to Question 9(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 9(c)

For those loops identified in response to (b), please state the terms, conditions, and rates under which your company is providing the loop in conjunction with the switching component.

Answer

Not applicable. See response to Question 9(a).

Question 9(d)

For those switches identified in response to (a), please identify the switch name and its current software release.

Answer

Not applicable. See response to Question 9(a).

Question 9(e)

For those switches identified in response to (a), are there any features being offered by the ILEC in the wire centers served by this switch that your switch is incapable of providing?

Answer

Not applicable. See response to Question 9(a).

Question 9(f)

If the response to (e) is affirmative, please identify what features cannot be provided, what classes of customers use such features, and what actions would be necessary in order to provide these features.

Answer

Not applicable. See response to Question 9(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 9(g)

For those switches identified in response to (a), please identify the anticipated year of retirement.

Answer

Not applicable. See response to Question 9(a).

Question 9(h)

For those switches identified in response to (a), please describe any existing plans to upgrade the switch's capacity or to implement software upgrades.

Answer

Not applicable. See response to Question 9(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 10(a)

Are you aware of any unaffiliated CLECs that either are willing to provide or currently are providing in Florida, wholesale unbundled local switching in combination with unbundled analog loops?

Answer

Allegiance is not aware of any unaffiliated CLECs that provide wholesale unbundled local switching in combination with unbundled analog loops.

Question 10(b)

If the response to (a) is affirmative, please identify such companies of which you aware, and identify in which LATAs and wire centers they offer this combination.

Answer

Not applicable. See response to Question 10(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 10(c)

If the response to (a) is affirmative, please explain whether or not you believe these entities qualify as wholesale providers, and the basis for your belief.

Answer

Not applicable. See response to Question 10(a).

DOCKET NO. 030851-TP
STAFF'S SECOND SET OF INTERROGATORIES TO
ALLEGIANCE TELECOM, INC.

Question 11

Please identify in which Florida wire centers you actively market your services, and what services you market in each wire center.

Answer

See response to Staff First Set of Interrogatories to Allegiance Telecom, Inc. in Docket No. 030851-TP for a list of wire centers where Allegiance operates in Florida. Allegiance provides voice and data services in each wire center.

EXHIBIT NO. 3

DOCKET NO.: 030851-TP

WITNESS: Granite

PARTY: Granite

DESCRIPTION:

1. Granite's Responses to Staff's 1st Set of Interrogatories (Nos.1-7) and Responses to Staff's 1st PODs (Nos. 1-8) – Page 1
2. Granite's Responses to Staff's 2nd Set of Interrogatories (Nos.8-11) and Responses to Staff's 2nd PODs (No. 9) – Page 3
3. Granite's Responses to BellSouth's 1st Set of Interrogatories (Nos.1-84) – Page 8
4. Granite's Responses to BellSouth's 2nd Set of Interrogatories (Nos. 85-112) – Page 94

PROFFERING PARTY: STAFF

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 3
COMPANY/ FPSC Staff
WITNESS: Granite-Stip-1
DATE: 02/24-27/04

I.D. # Granite-Stip-1

Docket No. 030851-TP
Staff's First Set of Interrogatories (1-7) and
Staff's First Request for Production of Documents (1–8)
to Granite Telecommunications, LLC

Respondent: Jason Spinard
General Counsel
Granite Telecommunications, LLC
234 Copeland Street
Quincy, MA 02169

Interrogatory No. 3

Please identify the specific sub-processes that you believe should be employed to perform a batch cut. Describe each sub-process, the time required for each and why it is necessary to batch cut.

RESPONSE

Granite does not have sufficient experience with BellSouth's batch cut process to propose specific sub-processes that should be employed to perform a batch cut.

Interrogatory No. 4

(a) Please identify the number of hot cuts performed on your behalf for each month in 2001, 2003, and 2003 year-to-date.

(b) Please identify the projected number of needed hot cuts per month you will require for each of the years 2003, 2004, 2005.

RESPONSE

(a) zero
(b) zero

Interrogatory No. 5

What volume of loops do you believe should constitute a batch?

RESPONSE

Granite does not have sufficient experience with BellSouth's batch cut process to propose a volume of loops that should constitute a batch.

Docket No. 030851-TP
Staff's First Set of Interrogatories (1-7) and
Staff's First Request for Production of Documents (1–8)
to Granite Telecommunications, LLC

Respondent: Jason Spinard
General Counsel
Granite Telecommunications, LLC
234 Copeland Street
Quincy, MA 02169

Interrogatory No. 7

(a) Please identify any telecommunications equipment available that can be set up to transfer UNE-Ls from ILEC switches to non-ILEC switches and the manufacturer(s) of such equipment.

(b) If such equipment exists, what level of initial demand and subsequent churn for mass market UNE-Ls is it capable of handling after the initial set up?

(c) Does this equipment rely on a process that requires manual intervention?

(d) If the response to (c) is affirmative, please describe the extent of manual intervention required, compared to that of the ILEC's current process.

(e) If the response to (c) is negative, please describe how this equipment avoids manual intervention.

RESPONSE

(a) Granite is unable to identify any telecommunications equipment available that can be set up to transfer UNE-Ls from ILEC switches to non-ILEC switches and the manufacturer(s) of such equipment

(b) Please refer to response to interrogatory 7(a).

(c) Please refer to response to interrogatory 7(a).

(d) Please refer to response to interrogatory 7(a).

(e) Please refer to response to interrogatory 7(a).

Docket No. 030851-TP
Staff's Second Set of Interrogatories (8-11) and
Staff's Second Request for Production of Documents (No. 9)
to Granite Telecommunications, LLC

Respondent: Jason Spinard
General Counsel
Granite Telecommunications, LLC
234 Copeland Street
Quincy, MA 02169

Interrogatory No. 8

(a) For all switches that you have provisioned in the State of Florida, please identify from which switches you also have self-provisioned local loops to one or more end users.
(b) For those switches identified in response to (a), please identify the capacity of the loops self-provisioned and the number of each loop type provisioned to end users.
(c) For those loops identified in response to (b), please state the terms, conditions, and rates under which your company is providing the loop in conjunction with the switching component.
(d) For those switches identified in response to (a), please identify the switch name and its current software release.
(e) For those switches identified in response to (a), are there any features being offered by the ILEC in the wire centers serviced by this switch that your switch that your switch is incapable of providing?
(f) If the response to (e) is affirmative, please identify what features cannot be provided, what classes of customers use such features, and what actions would be necessary in order to provide these features.
(g) For those switches identified in response to (a), please identify the anticipated year of retirement.
(h) For those switches identified in response to (a), please describe any existing plans to upgrade the switch's capacity or to implement software upgrades.
(i) For those switches identified in response to (a), will you provide wholesale switching capacity to another CLEC?
(j) If the response to (i) is affirmative, please identify the terms, conditions, and rates you would require of a wholesale customer, including contract terms and take or pay requirements, and state whether your company will ensure that the calling scopes and features that are offered to wholesalers will be the same that the ILEC offers.
(k) If the response to (i) is affirmative, please identify the operational support system interface capabilities, including version number and a copy of the methods and procedures, that your company uses or will use when offering unbundled local switch capability to CLECs in the State of Florida.
(l) If the response to (i) is affirmative, do you currently provide wholesale switching capacity to another CLEC?
(m) If the response to (l) is affirmative, please identify to what CLECs you currently provide wholesale switching and the switch used.

Respondent: Jason Spinard
General Counsel
Granite Telecommunications, LLC
234 Copeland Street
Quincy, MA 02169

Interrogatory No. 8 (Continued)

(n) If the response to (l) is affirmative, please state your company's mean time to repair and other response intervals for servicing existing switches.

(o) If the response to (i) is affirmative, please state your company's signaling capability and signaling redundancy that will be used in making available unbundled local switching to CLECs in the State of Florida.

(p) If the response to (i) is affirmative, please describe your company's methods and procedures to prevent or minimize service degradation, including but not limited to d3elay and/or echo return loss attenuation, to a CLEC that utilizes your company's unbundled local switching in Florida.

(q) If the response to (i) is affirmative, will your company also make available transport as a stand-alone service to CLECs within the State of Florida?

(r) If the response to (i) is affirmative, will your company make transport available in conjunction with the provision of unbundled local switching capacity to CLEC?

(s) What is the total available capacity on your company's network to provide transport?

(t) If the response to (i) is affirmative, under what rates, terms, and conditions are you willing to provide transport in conjunction with the provision of unbundled local switch8ing capacity to CLECs in Florida?

(u) For those loops identified in response to (b), please identify, by wire center, the location of such facilities and whether those facilities:
    (1) Use fiber to the customer's premises;
    (2) Use coax to the customer's premises;
    (3) Use twisted copper pair to the customer's premises;
    (4) Use fixed wireless technology to the customer's premises.

RESPONSE

Granite Telecommunications, LLC ("Granite") is provisioning service utilizing BellSouth's unbundled network element platform, and has not provisioned any switches or switching equipment in Florida. Granite is unable to respond to the remaining subparts to Interrogatory 8, accordingly.

Docket No. 030851-TP
Staff's Second Set of Interrogatories (8-11)
Staff's Second Request for Production of Documents (No. 9)
to Granite Telecommunications, LLC

Respondent: Jason Spinard
General Counsel
Granite Telecommunications, LLC
234 Copeland Street
Quincy, MA 02169

Interrogatory No. 9

(a) For all switches or switching capacity that you have leased to provide service in the state of Florida, please identify from which switches you have self-provisioned local loops to one or more end users.
(b) For those switches identified in response to (a), please identify the capacity of the loops self-provisioned and the number of each loop type provisioned to end users.
(c) For those loops identified in response to (b), please state the terms, conditions, and rates under which your company is providing the loop in conjunction with the switching component.
(d) For those switches identified in response to (a), please identify the switch name and its current software release.
(e) For those switches identified in response to (a), are there any features being offered by the ILEC in the wire centers serviced by this switch that your switch is incapable of providing?
(f) If the response to (e) is affirmative, please identify what features cannot be provided, what classes of customers use such features, and what actions would be necessary in order to provide these features.
(g) For those switches identified in response to (a), please identify the anticipated year of retirement.
(h) For those switches identified in response to (a), please describe any existing plans to upgrade the switch's capacity or to implement software upgrades.

RESPONSE

Please refer to response to Interrogatory 8.

Docket No. 030851-TP
Staff's Second Set of Interrogatories (8-11)
Staff's Second Request for Production of Documents (No. 9)
to Granite Telecommunications, LLC

Respondent: Jason Spinard
General Counsel
Granite Telecommunications, LLC
234 Copeland Street
Quincy, MA 02169

Interrogatory No. 10

(a) Are you aware of any unaffiliated CLECs that either are willing to provide or currently are providing in Florida, wholesale unbundled local switching in combination with unbundled analog loops?
(b) If the response to (a) is affirmative, please identify such companies of which you are aware, and identify in which LATAs and wire centers they offer this combination.
(c) If the response to (a) is affirmative, please explain whether or not you believe these entities qualify as wholesale providers, and the basis for your belief.

RESPONSE

Granite is unaware of any unaffiliated CLECs that either are willing to provide or currently are providing in Florida, wholesale unbundled local switching in combination with unbundled analog loops. Granite maintains that the absence of such "wholesale" CLECs is testament to the non-existence of Triennial Review Order ("TRO")-established triggers in Florida and elsewhere which has given rise to the Federal Communications Commission's "mass market" impairment presumption. Granite maintains that if the TRO's triggers were met, Granite would be able to obtain competitively-priced, and readily available switching, as an alternative to incumbent unbundled local switching. With ready access to such alternative sources of local switching, Granite would not be required to rely on incumbent unbundled local switching to serve Florida subscribers. Such is not the case in Florida today.

Docket No. 030851-TP
Staff's Second Set of Interrogatories (8-11)
Staff's Second Request for Production of Documents (No. 9)
to Granite Telecommunications, LLC

Respondent: Jason Spinard
General Counsel
Granite Telecommunications, LLC
234 Copeland Street
Quincy, MA 02169

Interrogatory No. 11

Please identify in which Florida wire centers you actively market your services, and what services you market in each wire center.

RESPONSE

Granite is making competitive local exchange carrier services available in areas served by BellSouth. Granite is actively marketing those services set forth in its Florida tariff in major metropolitan areas without particular regard to specific wire centers.

Docket No. 030851-TP
BellSouth Telecommunications Inc.'s First Set of Interrogatories
to Granite Telecommunications, LLC

Respondent: Jason Spinard

Question No. 1

Identify each switch owned by Granite that Granite uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch).

Answer

Granite Telecommunications, Inc. ("Granite") incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite does not own a switch in any state.

Respondent: Jason Spinard

Question No.2

For each switch identified in response to Interrogatory No. 1, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch;

(b) provide the street address, including the city and state in which the switch is located;

(c) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);

(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(f) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide ("LERG"); or, state if the switch is not identified in the LERG.

Answer

Please refer to response to Interrogatory No. 1.

Respondent: Jason Spinard

Question No. 3

Identify any other switch not previously identified in Interrogatory No. 1 that Granite uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch). In answering this Interrogatory, do not include ILEC switches used by Granite either on an unbundled or resale basis.

Answer

Please refer to response to Interrogatory No. 1.

Respondent: Jason Spinard

Question No. 4

For each switch identified in response to Interrogatory No. 3, please:

(a) identify the person that owns the switch;

(b) provide the Common Language Location Identifier ("CLLI") code of the switch;

(c) provide the street address, including the city and state in which the switch is located;

(d) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);

(e) describe in detail the arrangement by which you are making use of the switch, including stating whether you are leasing the switch or switching capacity on the switch;

(f) identify all documents referring or relating to the rates, terms, and conditions of Granite's use of the switch; and

(g) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide ("LERG"); or, state if the switch is not identified in the LERG.

Answer

Please refer to response to Interrogatory No. 1.

Respondent: Jason Spinard

Question No. 5

Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switches identified in response to Interrogatory No. 1. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

Answer

Please refer to response to Interrogatory No. 1.

Respondent: Jason Spinard

Question No. 6

For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area from the switches identified in response to Interrogatory 1.

Answer

Please refer to response to Interrogatory No. 1.

Respondent: Jason Spinard

Question No. 7

With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 6, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;

(b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;

(c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;

(d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;

(e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;

(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;

(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;

(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;

(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;

(j) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;

(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;

Respondent: Jason Spinard

Question No. 7, Continued…

(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines; and

(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

Answer

Please refer to response to Interrogatory No. 1.

Respondent: Jason Spinard

Question No. 8

Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switches identified in response to Interrogatory No. 3. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user is located.

Answer

Please refer to response to Interrogatory No. 1.

Respondent: Jason Spinard

Question No. 9

For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area from the switches identified in response to Interrogatory No. 3.

Answer

Please refer to response to Interrogatory No. 1.

Respondent: Jason Spinard

Question No. 10

With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 9, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;

(b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;

(c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;

(d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;

(e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;

(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;

(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;

(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;

(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;

(j) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;

(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;

Respondent: Jason Spinard

Question No. 10, Continued…

(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines; and

(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

Answer

Please refer to response to Interrogatory No. 1.

Respondent: Jason Spinard

Question No. 11

Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida using an ILEC's switch either on an unbundled or resale basis. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

Answer

Granite Telecommunications, Inc. ("Granite") incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks proprietary information that is not currently protected under the provisions of a protective order in this proceeding. Granite will provide the requested information upon execution of a protective order or non-disclosure agreement between BellSouth and Granite.

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Respondent: Jason Spinard

Question No. 12

For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area using an ILEC's switch either on an unbundled or resale basis.

Answer

Granite Telecommunications, Inc. ("Granite") incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks proprietary information that is not currently protected under the provisions of a protective order in this proceeding. Granite will provide the requested information upon execution of a protective order or non-disclosure agreement between BellSouth and Granite.

Respondent: Jason Spinard

Question No. 13

With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 12, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;

(b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;

(c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;

(d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;

(e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;

(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;

(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;

(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;

(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;

(j) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;

(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;

Respondent: Jason Spinard

Question No. 13, Continued…

(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines; and

(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad, unduly burdensome and oppressive. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding. Subject to, and without waiving the foregoing general and specific objections, Granite responds as follows. Granite does not retain information regarding its end user customers b the number of voice-grade equivalent lines.

Respondent: Jason Spinard

Question No. 14

Do you offer to provide or do you provide switching capacity to another local exchange carrier for its use in providing qualifying service anywhere in the nine states in the BellSouth region. If the answer to this Interrogatory is in the affirmative, for each switch that you use to offer or provide such switching capacity, please:

(a) Provide the Common Language Location Identifier ("CLLI") code of the switch;

(b) Provide the street address, including the city and state in which the switch is located;

(c) Identify the type of switch by manufacturer and model (e.g., Nortel DMS100);

(d) State the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(e) State the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(f) Identify all documents referring or relating to the rates, terms, and conditions of Granite's provision of switching capability.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Without waiving the foregoing general objections, Granite responds as follows. Granite does not currently offer to provide or provide switching capacity to another local exchange carrier for its use in qualifying service anywhere in the nine states in the BellSouth Region.

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to Granite Telecommunications, LLC

Respondent: Jason Spinard

Question No. 15

Identify every business case in your possession, custody or control that evaluates, discusses, analyzes or otherwise refers or relates to the offering of a qualifying service using: (1) the Unbundled Network Element Platform (UNE-P), (2) self-provisioned switching, (3) switching obtained from a third party provider other than an ILEC, or (4) any combination of these items.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad, unduly burdensome and oppressive. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Respondent: Jason Spinard

Question No. 16

Identify any documents that you have provided to any of your employees or agents, or to any financial analyst, bank or other financial institution, shareholder or any other person that describes, presents, evaluates or otherwise discusses in whole or part, how you intend to offer or provide local exchange service, including but not limited to such things as the markets in which you either do participate or intend to participate, the costs of providing such service, the market share you anticipate obtaining in each market, the time horizon over which you anticipate obtaining such market share, and the average revenues you expect per customer.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad, unduly burdensome and oppressive. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding. Subject to, and without waiving the foregoing general and specific objections, Granite responds as follows. Granite's Florida Local exchange service and market descriptions are contained in its local exchange price list, Florida P.S.C. Price List No. 1, on file with the Florida Public Service Commission.

Respondent: Jason Spinard

Question No. 17

If not identified in response to a prior Interrogatory, identify every document in your possession, custody, or control referring or relating to the financial viability of self-provisioning switching in your providing qualifying services to end user customers.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite does have any documents relating to the financial viability of self-provisioning switching.

Respondent: Jason Spinard

Question No. 18

Do you have switches that are technically capable of providing, but are not presently being used to provide, a qualifying service in Florida? If the answer to this Interrogatory is in the affirmative, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch;

(b) provide the street address, including the city and state in which the switch is located;

(c) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);

(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(f) identify any documents in your possession, custody or control that discuss, evaluate, analyze or otherwise refer or relate to whether those switches could be used to provide a qualifying service in Florida.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite does not have any switches technically capable of providing a qualifying service.

Respondent: Jason Spinard

Question No. 19

Identify each MSA in Florida where you are currently offering a qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

Answer

Please refer to Granite's response to Interrogatory No. 11.

Respondent: Jason Spinard

Question No. 20

If you offer a qualifying service outside of the MSAs identified in response to Interrogatory 19, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite's Florida local exchange market descriptions are contained in its local exchange price list, Florida P.S.C. Price List No. 1, on file with the Florida Public Service Commission.

Respondent: Jason Spinard

Question No. 21

Describe with particularity the qualifying services that you offer in the geographic areas described in response to Interrogatories 19 and 20, including the rates, terms, and conditions under which such services are offered. If the qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms, and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identifies the relevant geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

Answer

Please refer to response to Interrogatory No. 20.

Respondent: Jason Spinard

Question No. 22

Identify each MSA in Florida where you are currently offering a non-qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite does not offer a non-qualifying service.

Respondent: Jason Spinard

Question No. 23

If you offer a non-qualifying service outside of the MSAs identified in response to Interrogatory 22, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

Answer

Please refer to response to Interrogatory No. 22.

Respondent: Jason Spinard

Question No 24

Describe with particularity the non-qualifying services that you offer in the geographic areas described in response to Interrogatories 22 and 23, including the rates, terms, and conditions under which such services are offered. If the non-qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms, and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identifies the relevant geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

Answer

Please refer to response to Interrogatory No. 22.

Respondent: Jason Spinard

Question No. 25

Please state the total number of end users customers in the State of Florida to whom you only provide qualifying service.

Answer

Granite Telecommunications, Inc. ("Granite") incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks proprietary information that is not currently protected under the provisions of a protective order in this proceeding. Granite will provide the requested information upon execution of a protective order or non-disclosure agreement between BellSouth and Granite.

Respondent: Jason Spinard

Question No. 26

For those end user customers to whom you only provide qualifying service in the State of Florida, please state the average monthly revenues you receive from each such end user customer.

Answer

Granite Telecommunications, Inc. ("Granite") incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks proprietary information that is not currently protected under the provisions of a protective order in this proceeding. Granite will provide the requested information upon execution of a protective order or non-disclosure agreement between BellSouth and Granite.

Respondent: Jason Spinard

Question No. 27

For those end user customers to whom you only provide qualifying service in the State of Florida, please state the average number of lines that you provide each such end user customer.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad, unduly burdensome and oppressive. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Respondent: Jason Spinard

Question No. 28

Please state the total number of end users customers in the State of Florida to whom you only provide non-qualifying service.

Answer

Please refer to response to Interrogatory No. 22.

Respondent: Jason Spinard

Question No. 29

For those end user customers to whom you only provide non-qualifying service in the State of Florida, please state the average monthly revenues you receive from each such end user customer.

Answer

Please refer to response to Interrogatory No. 22.

Respondent: Jason Spinard

Question No. 30

Please state the total number of end users customers in the State of Florida to whom you provide both qualifying and non-qualifying service.

Answer

Please refer to response to Interrogatory No. 25.

Respondent: Jason Spinard

Question No. 31

For those end user customers to whom you provide qualifying and non-qualifying service in the State of Florida, please state the average monthly revenues you receive from each such end user customer.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Respondent: Jason Spinard

Question No. 32

For those end user customers to whom you provide qualifying and non-qualifying service in the State of Florida, please state the average number of lines that you provide each such end user customer.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Respondent: Jason Spinard

Question No. 33

Please provide a breakdown of the total number of end user customers served by Granite in Florida by class or type of end user customers (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers. For each such classification, and/or if you provide another type of classification, define and describe with specificity the classification so that it can be determined what kinds of customers you have in each classification).

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Respondent: Jason Spinard

Question No. 34

For each class or type of end user customer referenced in Interrogatory No. 33, please state the average acquisition cost for each such end user class or type. Please provide this information for each month from January 2000 to the present.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad, unduly burdensome and oppressive. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding. Subject to, and without waiving the foregoing general and specific objections, Granite responds as follows. Granite does not calculate or track acquisition costs per subscriber.

Respondent: Jason Spinard

Question No. 35

For each class or type of end user customer referenced in Interrogatory No. 33, please state the typical churn rate for each such end user class or type. Please provide this information for each month from January 2000 to the present.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad, unduly burdensome and oppressive. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding. Subject to, and without waiving the foregoing general and specific objections, Granite responds as follows. Granite does not calculate or track churn rates for each such end user class or type.

Respondent: Jason Spinard

Question No. 36

For each class or type of end user customer referenced in Interrogatory No. 33, please state the share of the local exchange market you have obtained. Please provide this information for each month from January 2000 to the present.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad, unduly burdensome and oppressive. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding. Subject to, and without waiving the foregoing general and specific objections, Granite responds as follows. Granite does not calculate share of the local exchange market you it has obtained.

Respondent: Jason Spinard

Question No. 37

Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to your cumulative market share of the local exchange market in Florida.

Answer

Please refer to response to Interrogatory 36.

Respondent: Jason Spinard

Question No. 38

Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to any projections that you have made regarding your cumulative market share growth in the local exchange market in Florida.

Answer

Please refer to response to Interrogatory 36.

Respondent: Jason Spinard

Question No. 39

Describe how the marketing organization that is responsible for marketing qualifying service in Florida is organized, including the organization's structure, size in terms of full time or equivalent employees including contract and temporary employees, and the physical work locations for such employees. In answering this Interrogatory, please state whether you utilize authorized sales representatives in your marketing efforts in Florida, and, if so, describe with particularity the nature, extent, and rates, terms, and conditions of such use.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite does not maintain a Florida marketing organization.

Respondent: Jason Spinard

Question No. 40

How do you determine whether you will serve an individual customer's location with multiple DSOs or whether you are going to use a DS1 or larger transmission system? Provide a detailed description of the analysis you would undertake to resolve this issue, and identify the factors that you would consider in making this type of a decision.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite has had no cause for making the analysis described, nor can it speculate as to the factors that might be considered in such an analysis were one to be made.

Respondent: Jason Spinard

Question No. 41

Is there a typical or average number of DS0s at which you would chose to serve a particular customer with a DS1 or larger transmission system, all other things being equal? If so, please provide that typical or average number and explain how this number was derived.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite has not established an average number of DS0s at which it would chose to serve a particular customer with a DS1 or larger transmission system.

Respondent: Jason Spinard

Question No. 42

What additional equipment, if any, would be required (on the customer's side of the demarcation point rather than on network side of the demarcation point) to provide service to a customer with a DS1 rather than multiple DS0s? For instance, if a customer had 10 DS0s, and you want to provide the customer with the same functionality using a DS1, would a D-4 channel bank, or a digital PBX be required in order to provide equivalent service to the end user that has 10 DS0s? If so, please provide the average cost of the equipment that would be required to provide that functional equivalency (that is, the channel bank, or the PBX or whatever would typically be required should you decide to serve the customer with a DS1 rather than multiple DS0s.)

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite has not made a determination on what additional equipment would be required to provide service to a customer with a DS1 rather than multiple DS0's.

Respondent: Jason Spinard

Question No. 43

What cost of capital do you use in evaluating whether to offer a qualifying service in a particular geographic market and how is that cost of capital determined?

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding. Subject to, and without waiving the foregoing general and specific objections, Granite responds as follows. Granite does not rely on external financing. The cost of capital is unknown and irrelevant to Granite's operations.

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Respondent: Jason Spinard

Question No. 44

With regard to the cost of capital you use in evaluating whether to provide a qualifying service in a particular geographic market, what are the individual components of that cost of capital, such as the debt-equity ratio, the cost of debt and the cost of equity?

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Respondent: Jason Spinard

Question No. 45

In determining whether to offer a qualifying service in a particular geographic market, what time period do you typically use to evaluate that offer? That is, do you use one year, five years, ten years or some other time horizon over which you evaluate the project?

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

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Respondent: Jason Spinard

Question No. 46

Provide your definition of sales expense as that term is used in your business.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Respondent: Jason Spinard

Question No. 47

Based on the definition of sales expense in the foregoing Interrogatory, please state how you estimate sales expense when evaluating whether to offer a qualifying service in a particular geographic market?

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Docket No. 030851-TP
BellSouth Telecommunications Inc.'s First Set of Interrogatories
to Granite Telecommunications, LLC

Respondent: Jason Spinard

Question No. 48

Provide your definition of general and administrative (G&A) costs as you use those terms in your business.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Respondent: Jason Spinard

Question No. 49

Based on the definition of G&A costs in the foregoing Interrogatory, please state how you estimate G&A expenses when evaluating whether to offer a qualifying service in a particular geographic market?

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it is overbroad. Granite further objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Respondent: Jason Spinard

Question No. 50

For each day since January 1, 2000, identify the number of individual hot cuts that BellSouth has performed for Granite in each state in BellSouth's region.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. BellSouth has not performed hot cuts for Granite.

Respondent: Jason Spinard

Question No. 51

For each individual hot cut identified in response to Interrogatory No. 50, state:

(a) Whether the hot cut was coordinated or not;

(b) If coordinated, whether the hot cut occurred as scheduled;

(c) If the hot cut did not occur as scheduled, state whether this was due to a problem with BellSouth, Granite, the end-user customer, or some third party, and describe with specificity the reason the hot cut did not occur as scheduled;

(d) If there was a problem with the hot cut, state whether Granite complained in writing to BellSouth or anyone else.

Answer

Please refer to response to Interrogatory No. 50.

Respondent: Jason Spinard

Question No. 52

Does Granite have a preferred process for performing batch hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe, or otherwise refer or relate to this preferred process.

Answer

Please refer to response to Interrogatory No. 50.

Respondent: Jason Spinard

Question No. 53

Does Granite have a preferred process for performing individual hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe, or otherwise refer or relate to this preferred process.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite has not established a preferred process for hot cuts. Generally, Granite maintains that the hot cut process should be transparent to subscribers, priced on actual, forward looking costs, and demonstrated to support commercially viable volumes.

Respondent: Jason Spinard

Question No. 54

If Granite has a preferred process for individual hot cuts that differs from BellSouth's process, identify each specific step in Granite's process that differs from BellSouth's process.

Answer

Please refer to response to Interrogatory 53.

Respondent: Jason Spinard

Question No. 55

If Granite has a preferred process for bulk hot cuts that differs from BellSouth's process, identify each specific step in Granite's process that differs from BellSouth's process.

Answer

Please refer to response to Interrogatory 53.

Respondent: Jason Spinard

Question No. 56

Does Granite have any estimates of what a typical individual hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite does not have any estimates of what a typical individual hot cut should cost.

Respondent: Jason Spinard

Question No. 57

Does Granite have any estimates of what a typical bulk hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite does not have any estimates of what a typical bulk hot cut should cost.

Docket No. 030851-TP
BellSouth Telecommunications Inc.'s First Set of Interrogatories
to Granite Telecommunications, LLC

Respondent: Jason Spinard

Question No. 58

What is the largest number of individual hot cuts that Granite has requested in any individual central office in each of the nine BellSouth states on a single day? In answering this Interrogatory, identify the central office for which the request was made, and the number of hot cuts that were requested. State with specificity what the outcome was for each of the hot cuts in each of the central offices so described, if not provided in response to an earlier interrogatory.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite has not requested any hot cuts in Florida.

Respondent: Jason Spinard

Question No. 59

Does any ILEC in the BellSouth region have a batch hot cut process that is acceptable to Granite or that Granite believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite has not made a determination regarding an acceptable batch cut process or a superior batch cut process.

Respondent: Jason Spinard

Question No. 60

Does any ILEC in the BellSouth region have a cost for a batch hot cut process that is acceptable to Granite? If so, name the ILEC and provide the rate and the source of the rate.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite has not made a determination regarding an acceptable hot cut process or rate.

Respondent: Jason Spinard

Question No. 61

Does any ILEC in the BellSouth region have an individual hot cut process that is acceptable to Granite or that Granite believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 62

Does any ILEC in the BellSouth region have a rate for an individual hot cut process that is acceptable to Granite? If so, name the ILEC and provide the rate and the source of the rate.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 63

Does any ILEC outside the BellSouth region have a batch hot cut process that is acceptable to Granite or that Granite believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 64

Does any ILEC outside the BellSouth region have a rate for a batch hot cut process that is acceptable to Granite? If so, name the ILEC and provide the rate and the source of the rate.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 65

Does any ILEC outside the BellSouth region have an individual hot cut process that is acceptable to Granite or that Granite believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 66

Does any ILEC outside the BellSouth region have a rate for an individual hot cut process that is acceptable to Granite? If so, name the ILEC and provide the rate and the source of the rate.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 67

Does Granite order coordinated or non-coordinated hot cuts?

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite does not order coordinated or non-coordinated hot cuts.

Respondent: Jason Spinard

Question No. 68

Does Granite use the CFA database?

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite does not use the CFA database.

Respondent: Jason Spinard

Question No. 69

Identify every issue related to BellSouth's hot cut process raised by Granite at the Florida CLEC collaborative since October 2001.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 70

What is the appropriate volume of loops that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 71

What is the appropriate process that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 72

If Granite disagrees with BellSouth's individual hot cut process, identify every step that Granite contends is unnecessary and state with specificity why the step is unnecessary.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 73

If Granite disagrees with BellSouth's bulk hot cut process, identify every step that Granite contends is unnecessary and state with specificity why the step is unnecessary.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 74

Identify by date, author and recipient every written complaint Granite has made to BellSouth regarding BellSouth's hot cut process since October 2001.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite has not made a complaint to BellSouth regarding the batch hot cut process.

Respondent: Jason Spinard

Question No. 75

How many unbundled loops does Granite contend BellSouth must provision per state per month to constitute sufficient volume to assess BellSouth's hot cut process?

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 76

What is the appropriate information that you contend the Florida Public Service Commission should consider in evaluating whether the ILEC is capable of migrating multiple lines served using unbundled local circuit switching to switches operated by a carrier other than the ILEC in a timely manner in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 77

What is the average completion interval metric for provision of high volumes of loops that you contend the Florida Public Service Commission should require in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 78

What are the rates that you contend the Florida Public Service Commission should adopt in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

Answer

Please refer to response to Interrogatory No. 60.

Respondent: Jason Spinard

Question No. 79

What are the appropriate product market(s) that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite maintains that the appropriate product market(s) that it contends the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i) should be developed from the entirety of evidence presented in this proceeding, and cannot be accurately defined in the absence of a record.

Respondent: Jason Spinard

Question No. 80

What are the appropriate geographic market(s) that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

Answer

Please refer to response to Interrogatory No. 79.

Respondent: Jason Spinard

Question No. 81

Do you contend that there are operational barriers within the meaning of FCC Rule 51.319(d)(2)(iii)(B)(2) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such operational barrier, and state all facts and identify all documents supporting your contention.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite agrees with the factual findings of operational and economic barriers to competition without access to unbundled circuit switching for mass market voice customers provided by the Federal Communications Commission in its Triennial Review Order ("TRO"). This is based on the lack of meaningful competitive alternatives are amply discussed in the TRO, and as Granite believes the evidence presented in the instant proceeding will specifically demonstrate impairment in support of the FCC's mass market presumption in the State of Florida.

Respondent: Jason Spinard

Question No. 82

Do you contend that there are economic barriers within the meaning of FCC Rule 51.319(d)(2)(iii)(B)(3) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such economic barrier, and state all facts and identify all documents supporting your contention.

Answer

Please refer to response to Interrogatory No. 81.

Respondent: Jason Spinard

Question No. 83

What is the maximum number of DS0 loops for each geographic market that you contend requesting telecommunications carriers can serve through unbundled switching when serving multiline end users at a single location that the Florida Public Service Commission should consider in establishing a "cutoff" consistent with FCC Rule 51.319(d)(2)(iii)(B)(4)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

Answer

Granite incorporates its October 23, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's First Request for Production of Documents (1-21) and First Set of Interrogatories (1-83)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite maintains that requesting telecommunications carriers may serve any number of DS0 loops and that there is no maximum number of DS0 loops for each geographic market that requesting telecommunications carriers can serve through unbundled switching.

Respondent: Jason Spinard

Question No. 85

Identify each market in the U.S. where you provide local telephone service, the year and month when you first offered local exchange service, the type of customers (residence or business) you serve, and the number of lines served in each market.

Answer No. 85

Granite Telecommunications, Inc. ("Granite") incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks proprietary information that is not currently protected under the provision of a protective order in this proceeding. Granite will provide the requested information upon execution of a protective order or non-disclosure agreement between BellSouth and Granite.

Question No.86

For those end user customers to whom you provide qualifying and non-qualifying service in the state of Florida, state the average monthly revenues (and identify the revenue separately for qualifying and non qualifying services, local and long distance services, and any other services) you receive from each such end user customer for those customers:

a. End users with 1 line;
b. End users with 2 lines;
c. End users with 3 lines;
d. End users with 4 lines;
e. End users with 5 lines;
f. End users with 6 lines;
g. End users with 7 lines;
h. End users with 8 lines;
i. End users with 9 lines;

Respondent: Jason Spinard

Question No.86, Continued

j. End users with 10 lines;
k. End users with 11 lines;
l. End users with 12 lines;
m. End users with 13 lines;
n. End users with 14 lines;
o. End users with 15 lines;
p. End users with 16 lines;
q. End users with 17 lines;
r. End users with 18 lines;
s. End users with 19 lines;
t. End users with 20 lines;
u. End users with 21 lines;
v. End users with 22 lines;
w. End users with 23 lines;
x. End users with 24 lines;
y. End users with more than 24 lines.

Answer No. 86

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Without waiving the foregoing general objections, Granite responds as follows. Granite will provide the requested information upon execution of a protective order or non-disclosure agreement between BellSouth and Granite.

Question No. 87

For each class or type of end user customer you identified in response to BellSouth's 1st Interrogatories, Request No. 33, state the general and administrative (G&A) expenses in Florida.

Respondent: Jason Spinard

Answer No. 87

Granite Telecommunications, Inc. ("Granite") incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Question No. 88

Provide your revenues, separately identified by qualifying and non-qualifying services, in Florida for the period 1996 through present.

Answer No. 88

Granite Telecommunications, Inc. ("Granite") incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Question No. 89

Provide a statement of income (1996 through present) or profitability for each market in Florida or for the most granular level that you have in Florida.

Answer No. 89

Granite Telecommunications, Inc. ("Granite") incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Granite

Answer No. 89, Continued

specifically objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Question No. 90

For each 100 of the types of end user customers identified in your response to BellSouth's Second Interrogatories, Item No. 86 above, state how many are added as a result of:

a. Telemarketing;
b. Direct mail;
c. Customer-initiated call for service;
d. Customer-initiated Internet request for service;
e. Direct contact (other than telemarketing) from service rep;
f. Other Sales Channel (please describe).

Answer No. 90

Granite Telecommunications, Inc. ("Granite") incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Question No. 91

For the customers identified in response to BellSouth's Second Interrogatories, Request No. 86 above, identify with particularity the average customer acquisition cost by sales channel.

Answer No. 91

Please refer to response to Interrogatory No. 86.

Respondent: Jason Spinard

Question No. 92

Describe with particularity whether and how you use (a) newspaper (b) television (c) radio media to (d) direct mail marketing and telemarketing to attract residential or other business subscribers. Identify all documentation you relied upon to support your response.

Answer No. 92

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Without waiving the foregoing general objections, Granite responds as follows. Granite does not currently utilize (a) newspaper, (b) television, or (c) radio media to attract residential or other business subscribers. Granite does utilize third party (d) telemarketing to attract business customers.

Question No. 93

For each of the sales channels identified in your response to BellSouth's Second Interrogatories, Request No. 90 and as related to each customer line size as described in 86 above, provide a take rate per product offering as measured as a percentage of the number of potential customers actually contacted.

Answer No. 93

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Without waiving the foregoing general objections, Granite responds as follows. Granite does not retain this sales information.

Respondent: Jason Spinard

Question No. 94

Identify the percentage of your customers by line size as described in your response to BellSouth's Second Interrogatories, Request No. 86 above, that accept your service under a bundle or package that includes any combination of local service, long distance, DSL or other data product or voicemail. Identify all documentation you relied upon to support your response.

Answer No. 94

Granite Telecommunications, Inc. ("Granite") incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Question No. 95

Describe the criteria you consider to enter a specific market offering qualified services. In your response please detail how, and the extent to which, you rely on both business customers and residential customers to meet the financial criteria. Also identify the criteria used to select the customers that are marketed to or contacted in your marketing campaigns.

Answer No. 95

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Without waiving the foregoing general objections, Granite responds as follows. Granite does not utilize set criteria for selecting the customers that are marketed to or contacted.

Respondent: Jason Spinard

Question No. 96

What percentage of the total lines in each market in Florida satisfy the criteria described in your response to 95?

Answer No. 96

Please refer to response to Interrogatory No. 95.

Question No. 97

For each of the customer line counts described in your response to BellSouth's Second Interrogatories, Request No. 86 above, please provide the quantity and percentage of customers that accept your service for:

a. local, long distance and Voicemail;
b. local and long distance;
c. Local, long distance, and DSL or other data product.

Answer No. 97

Please refer to response to Interrogatory No. 86.

Question No. 98

Please provide, on a customer segment basis (residence, small business, large business), or the next most granular level available, the quantity and percentage of your customers that accept service, without purchasing a package (a la carte).

Answer No. 98

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Without waiving the foregoing general objections, Granite responds as follows. Granite does not retain the quantity and percentage of customers that accept service without purchasing a package (a la carte).

Respondent: Jason Spinard

Question No. 99

Please identify all documents and underlying data that you use to compute churn rates.

Answer No. 99

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Without waiving the foregoing general objections, Granite responds as follows. Granite does not maintain churn rate data.

Question No. 100

Please provide your bad debt expense as a percentage of revenue over the period 1996 to present.

Answer No. 100

Granite Telecommunications, Inc. ("Granite") incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Question No. 101

With regard to long distance services, please provide the following:

a. your average revenue per minute (ARPU) for long distance service in the state;

b. average revenue per minute (ARPU) for long distance service in the state for residential customers;

c. average revenue per minute (ARPU) for long distance service in the state for business customers in total;

d. average revenue per minute (ARPU) for long distance service in the state for business customers with 1-3 lines

e. average revenue per minute (ARPU) for long distance service in the state for business customers with 4-8 lines.

f. average revenue per minute (ARPU) for long distance service in the state for business customers with 9-23 lines.

g. average revenue per minute (ARPU) for long distance service in the state and for business customers with 24 or more lines.

Answer No. 101

Granite Telecommunications, Inc. ("Granite") incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Granite specifically objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Question No. 102

With regard to bundles of local and long distance services offered to retail customers:

a. Provide the proportion or percentage (nationally) of residential customers that receive a bundled offering of local and long distance service.

b. Provide the proportion (for the state) of residential customers that receive a bundled offering of local and long distance service.

c. Provide the average monthly revenue per customer for those customers with 1 line and with 2 lines.

d. Provide the proportion (nationally) of your business customers that receive a bundled offering of local and long distance service.

e. Provide the proportion (for the state) of your business customers that receive a bundled offering of local and long distance service.

f. Provide the average monthly revenue per customer for those customers with 4 lines and with 5 lines.

g. Provide the proportion (nationally) of business customers with 1-3 lines that receive a bundled offering of local and long distance service.

h. Provide the proportion (in the state) of business customers with 1-3 lines that receive a bundled offering of local and long distance service.

i. Provide the average monthly revenue per customer for those customers identified with 7 lines and with 8 lines.

j. Provide the proportion (nationally) of business customers with 4-8 lines that receive a bundled offering of local and long distance service.

k. Provide the proportion (in the state) of business customers with 4-8 lines that receive a bundled offering of local and long distance service.

l. Provide the average monthly revenue per customer for those customers with 10 lines and with 11 lines.

Answer No. 102

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Without waiving the foregoing general objections, Granite responds as follows. Granite does not retain this information.

Question No.103

With respect to your retail bundled offerings that include DSL or Data Services:

a. Provide the proportion (nationally and for the state) of residential customers that receive a bundled offering that includes DSL.

b. Provide the average price discount for such bundles from the retail rates in a.

c. Provide the proportion (nationally, and for the state) of business customers that receive a bundled offering including DSL or data services.

d. Provide the average price discount for such bundles from the retail rates in c.

e. Provide the proportion (nationally, and for the state) of business customers in the 1-3 line size that receive a bundled offering including DSL or data services.

f. Provide the average price discount for such bundles from the retail rates in e.

g. Provide the proportion (nationally, and for the state) of business customers in the 4-8 line size that receive a bundled offering including DSL or data services.

h. Provide the average price discount for such bundles from the retail rates in g.

i. Provide the proportion (nationally, and for the state) of business customers in the 9-23 line size that receive a bundled offering including DSL or data services.

j. Provide the average price discount for such bundles from the retail rates in i.

k. Provide the proportion (nationally, and for the state) of business customers with 24 or more lines that receive a bundled offering including data services.

l. Provide the average price discount for such bundles from the retail rates in k.

Answer No. 103

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Without waiving the foregoing general objections, Granite responds as follows. Granite does not offer retailed bundled offerings that include DSL or Data Services.

Respondent: Jason Spinard

Question No. 104

With respect to any discounts you offer on long distance services:

a. Provide the approximate proportion of your long distance business customers that receive service via a contract with a volume and/or term discount. Provide the response by:
   i. Business with 1-3 lines
   ii. Businesses with 4-8 lines
   iii. Businesses with 9-23 lines
   iv. Businesses with 24 or more lines

b. For the answer in a above, approximately what is the discount in percentage terms for each line size?

c. For the answer in a above, approximately what is the range of terms for each line size?

d. Provide the approximate proportion of your long distance residential customers that receive service via a contract with a volume and/or term discount.

e. For the answer in c above, approximately what is the discount in percentage terms?

f. What is the lowest price per minute that the company sells to a customer for long distance service?

g. For the question e above, what terms and conditions are required in order to obtain this rate?

Answer No. 104

Granite Telecommunications, Inc. ("Granite") incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Granite

specifically objects to this Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Question No. 105

With respect to any long distance services you provide:

a. What proportion of your total long distance service that is provided to customers nationally is provided through your own switches?

b. What proportion of your total long distance service that is provided to customers nationally is not provided through your own switches?

c. What proportion of your total long distance service that is provided to customers in the state of Florida is provided through your own switches?

d. What proportion of your total long distance service that is provided to customers in the state of Florida is not provided through your own switches?

e. What proportion of your total long distance service that is provided to customers nationally is provided via resale of another Company's long distance service? Provide annual number of long distance minutes that are resold nationally.

f. What proportion of your total long distance service that is provided to customers nationally is not provided via resale of another Company's long distance service? Provide annual number of long distance minutes that are not resold nationally.

g. For resold long distance service, what is the average cost per minute (i.e., the average amount paid to the reselling company per minute) for long distance service provided to customers nationally?

h. For g above, does this include nonrecurring charges?

Respondent: Jason Spinard

i. For resold long distance service, what is the average cost per minute (i.e., the average amount paid to the reselling company per minute) for long distance service provided to customers in the state of Florida?

j. For answer g, under what terms and conditions do your purchase the resold service?

k. For answer i, under what terms and conditions do you purchase the resold service?

Answer No. 105

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Without waiving the foregoing general objections, Granite responds as follows. For Questions (a), (b), (c) and (d) Granite does not have any switches and 100% of our services are not provided through our own switches. Granite specifically objects to this remaining Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Question No. 106

Identify the retail rates you charge for special access or similar transport services offered to customers. Your response should include all relevant non-recurring and recurring rates you charge your customers.

Answer No. 106

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing

general objections, Granite responds as follows. Granite does not provide special access or transport services to customers.

Question No.107

With respect to transport material prices you pay for equipment:

a. What is the average vendor discount (in percentage) from vendor retail prices you receive for 1/0 multiplexer equipment?

b. Provide the material prices, year of acquisition, capacity expressed in DS0 equivalents and the engineered utilization for the most recent acquisitions of 1/0 multiplexer equipment.

c. What is the average vendor discount (in percentage) from vendor retail prices the company receives for 3/1 multiplexer equipment?

d. Provide the material prices, year of acquisition, capacity expressed in DS0 equivalents and the engineered utilization for the most recent acquisitions of 3/1 multiplexer equipment.

e. What is the average vendor discount (in percentage) from vendor retail prices the company receives for optical fiber?

f. Provide the material prices, year of acquisition, fiber capacity and the engineered utilization for the most recent acquisitions of optical fiber?

Answer No. 107

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite has not currently purchased transport facilities.

Respondent: Jason Spinard

Question No. 108

With respect to the cost you pay for leased transport capacity:

a. Provide the monthly price(s) paid for most recent lease of DS1 capacity from a company other than BellSouth. Include all monthly rate elements such as per termination and/or per mile rates.

b. Provide the non-recurring price(s) paid for most recent lease of DS1 capacity from a company other than BellSouth. Include all non-recurring rate elements.

c. Provide the monthly price(s) paid for most recent lease of DS3 capacity from a company other than BellSouth. Include all monthly rate elements such as per termination and/or per mile rates.

d. Provide the non-recurring price(s) paid for most recent lease of DS3 capacity from a company other than BellSouth. Include all non-recurring rate elements.

e. Provide the monthly price(s) paid for most recent lease of OC3 capacity from a company other than BellSouth. Include all monthly rate elements such as per termination and/or per mile rates.

f. Provide the non-recurring price(s) paid for most recent lease of OC3 capacity from a company other than BellSouth. Include all non-recurring rate elements.

g. Provide the monthly price(s) paid for most recent lease of OC12 capacity from a company other than BellSouth. Include all monthly rate elements such as per termination and/or per mile rates.

h. Provide the non-recurring price(s) paid for most recent lease of OC12 capacity from a company other than BellSouth. Include all non-recurring rate elements.

i. Provide the monthly price(s) paid for most recent lease of OC48 capacity from a company other than BellSouth. Include all monthly rate elements such as per termination and/or per mile rates.

Respondent: Jason Spinard

Question No. 108, *Continued*

j. Provide the non-recurring price(s) paid for most recent lease of OC48 capacity from a company other than BellSouth. Include all non-recurring rate elements.

k. Provide the monthly price(s) paid for most recent lease of OC192 capacity from a company other than BellSouth. Include all monthly rate elements such as per termination and/or per mile rates.

l. Provide the non-recurring price(s) paid for most recent lease of OC192 capacity from a company other than BellSouth. Include all non-recurring rate elements.

Answer No. 108

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite has not currently leased transport capacity.

Question No.109

With respect to the prices you pay for voice mail equipment:

a. What is the average vendor discount (in percentage) from vendor retail prices you receive for voice mail equipment?

b. Provide the material prices, year of acquisition, capacity expressed in number of voice mailboxes and the engineered utilization for the most recent acquisitions of voice mail equipment.

Respondent: Jason Spinard

Answer No. 109

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows. Granite has not currently purchased voice mail equipment.

Question No.110

With respect to the prices you pay for Operator Assistance Costs:

a. What proportion of your total operator services provided to customers nationally is provided via resale of another Company's operator service? Provide annual number of operator minutes that are resold nationally.

b. What proportion of your total operator services that is provided to customers nationally is not provided via resale of another Company's operator service? Provide annual number of operator minutes that are not resold nationally.

c. For resold operator service, what is the average cost per minute (i.e., the average amount paid to the reselling company per minute) for operator services provided to customers nationally?

d. For resold operator service, what is the average cost per minute (i.e., the average amount paid to the reselling company per minute) for operator service provided to customers in the state of Florida?

e. For answer c above under what terms and conditions do you purchase the resold service?

f. For answer d above, under what terms and conditions do you purchase the resold service?

Respondent: Jason Spinard

Answer No. 110

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Without waiving the foregoing general objections, Granite responds as follows. For Questions (a), (b), (c) and (d) Granite does not have any switches and 100% of our services are not provided through our own switches. Granite specifically objects to this remaining Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

Question No. 111

In the FCC's Triennial Review Order, TRO, released August 21, 2003, it discusses determination of economic entry on the basis of the "most efficient business model" and "most efficient network architecture" (¶517):

a. Do you employ "the most efficient business model" as that phrase is used in 517 of the TRO? Explain with particularity your answer.
b. Do you employ "the most efficient network architecture" as that phrase is used at paragraph 517 of the TRO? Explain with particularity your answer.
c. Are you the least cost competitive (CLEC) provider in the state?
d. If the answer to c is anything other than an unqualified no, please identify which provider you believe is the least cost provider.
e. If the answer to c is anything other than an unqualified no, please estimate the percentage by which you believe your costs exceed (on an average basis) the costs of the least cost competitive provider.

Respondent: Jason Spinard

Answer No. 111

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Subject to, and without waiving the foregoing general objections, Granite responds as follows.

(a) Granite employs its services through the UNE platform.

(b) See Response to Interrogatory 111 (a).

(c) Granite does not retain this information.

(d) Granite does not retain this information.

(e) Granite does not retain this information.

Question No. 112

If you offer long distance services to your customers, state for each state in the BellSouth region the average access charges you pay for (a) originating and (b) terminating long distance services. An average based on the most recently available month or quarter will be sufficient.

Answer No. 112

Granite incorporates its November 7, 2003 *Objections of Granite Telecommunications, LLC to BellSouth's Second Request for Production of Documents (22) and Second Set of Interrogatories (85-112)* in Docket No. 030851-TP herein by reference. Without waiving the foregoing general objections, Granite responds as follows. For Questions (a), (b), (c) and (d) Granite does not have any switches and 100% of our services are not provided through our own switches. Granite specifically objects to this remaining Request on the grounds that it seeks information that is not relevant nor reasonably calculated to lead to the discovery of admissible evidence and is beyond the scope of the issues presented in this proceeding.

EXHIBIT NO. 4

DOCKET NO.: 030851-TP

WITNESS: ITC DeltaCom/BTI

PARTY: ITC DeltaCom/BTI

DESCRIPTION:

1. ITC DeltaCom/BTI's Responses to Staff's 1st Set of Interrogatories (Nos.1-7) – Page 1
2. ITC DeltaCom/BTI's Responses to Staff's 1st Request for PODs (Nos. 1-8) – Page 7
3. ITC DeltaCom/BTI's Responses to Staff's 2nd Request for PODs (No. 9) – Page 17
4. ITC DeltaCom/BTI's Responses to Staff's 3rd Set of Interrogatories (No. 12-17) – Page
5. ITC DeltaCom/BTI's Responses to BellSouth's 1st Set of Interrogatories (Nos.1-84) – Page 18
6. ITC DeltaCom/BTI's Responses to BellSouth's 1st Request for PODs (Nos. 1-21) – Page 34
7. ITC DeltaCom/BTI's Response to BellSouth's 3rd Request for PODs (Nos. 23-24) – Page 40

PROFFERING PARTY: STAFF

I.D. # ITCDELTACOM/BTI-Stip-1

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 4
COMPANY/ FPSC Staff
WITNESS: ITC DeltaCom/BTI-Stip-1
DATE: 02/24-27/04

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's Triennial UNE review: Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP

ITC^DELTACOM'S RESPONSES TO
STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1 - 7)

ITC^DeltaCom Communications, Inc. d/b/a ITC^DeltaCom d/b/a Grapevine and Business Telecom, Inc. (hereinafter referred to collectively as "ITC^DeltaCom"), pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.340 and 1.280, Florida Rules of Civil Procedure, hereby submit the following Responses to Staff's First Set of Interrogatories to ITC^DeltaCom.

RESPONSES TO INTERROGATORIES

1. Please describe the mechanism that you believe could be used to determine if a given current hot cut process does or does not give rise to impairment in a given market.

RESPONSE: ITC^DeltaCom believes that in order to find no impairment, the hot cut process must be electronic and equivalent to the seamless transfer of customers using UNE-P. The customer service needs to be transferred without interruption in parity with BellSouth retail requests. The process must provide all service attributes, i.e., IDLC, DSL, etc. that currently exist.

Response provided by: Mary Conquest
4092 South Memorial Parkway
Huntsville, Alabama 35802

000001

2. Please describe what operational issues you have encountered with Florida ILECs regarding loop migrations that you believe should be considered in evaluating a mass market batch hot cut process. Please list each issue by ILEC and describe its relative importance in the hot cut process.

RESPONSE: In 2000, ITC^DeltaCom moved away from performing hot cuts for DS0 loops in BellSouth territory due to the following:

a). Problems with coordination of the hot cut itself such as technicians not showing up on the day of the cut; loss of service to customer/outage issues; and the intervals for transfer of service from BellSouth to ITC^DeltaCom.
b). IDLC (additional analog to digital conversions resulting in a degraded service which was not known at the time of the placement of the order). The customer in these situations cannot use a fax or dial up to the internet.
c). Pre-testing of the loop issues
d). Pending facility issues
e). Cost. It was determined that the cost and intervals for obtaining collocation were too high to support.

ITC^DeltaCom provided reports to BellSouth regularly during the time period that it ordered DS0's. As a result of the problems encountered, ITC^DeltaCom changed its focus to UNE-P which became available in 2000.

See sample reports to BellSouth contained in confidential Attachment A. ITC^DeltaCom would need additional time to pull together all weekly reports provided to BellSouth regarding problems with hot cuts.

ITC^DeltaCom does not have experience ordering DS0 loops in either Sprint or Verizon territory in Florida.

Response provided by: Steve Moses
1530 DeltaCom Drive
Anniston, Alabama 36207

3. Please identify the specific sub-processes that you believe should be employed to perform a batch cut. Describe each sub-process, the time required for each and why it is necessary to the batch cut process.

RESPONSE:

1- Process must be electronic and address all service combinations. Example UNE-P with DSL migrating to UNE-L, IDLC, etc.

2- Process must be more than an electronic ordering process, seamless provisioning must be provided. CLECs cannot afford to have customers out of service due to the transfer. Unmanned Central Offices cannot wait for a weekly or biweekly visit from tech.

3- Wholesale processes must have parity with BellSouth's retail, for example in due dates, service tracking, etc.

4- BellSouth should staff to support volumes, and new Performance Measures with SEEM penalties should be created.

5- While BellSouth's TIRKS design and provisioning systems require eleven critical tracking dates, ITC^DeltaCom would propose four steps be tracked and posted via a web interface. These steps should reflect when the LEC, in this case BellSouth has made the facility assignment and what the assign is, when the central office/frame work has been tested and is completed including the number of lines tested, when cooperative testing is scheduled, and when the final overall test has been completed. Dates such as issue date and completion date would remain a part of the process, however, since the process is electronic the issue date and completion date would be reflected in the existing CSOTS and completion notifier process and covered by existing SEEM measures.

6- BellSouth should make available an after hours process that is mutually acceptable to both parties. For example with 14-day notice BellSouth should be able to schedule its work force to provide a Saturday or Sunday cut.

7- External support, i.e. NAPC, E911, etc. should be at a level that supports increased over volumes. For example today when "large port" is in progress service degradation occurs. Steps must be taken to assure almost real-time provisioning.

000003

There are no economies of scale with regard to time. The time for a batch hot cut process is equivalent to the time for an individual hot cut times the number of lines.

Response provided by: Mary Conquest

4. (a) Please identify the number of hot cuts performed on your behalf for each month in 2001, 2002, and 2003 year-to-date.

RESPONSE: See confidential Attachment B. ITC^DeltaCom pulled this data together by using the CHC (Coordinated Hot Cut) field in its back office systems.

Response provided by: Mary Conquest

(b) Please identify the projected number of needed hot cuts per month you will require for each of the years 2003, 2004 and 2005.

RESPONSE: Unknown. The answer to this question is entirely dependent upon to what extent UNEP is available. Bottom line is that the OSS/provisioning processes in place today are really designed to support UNE-P.

Response provided by: Mary Conquest

5. What volume of loops do you believe should constitute a batch?

RESPONSE: A batch is dependent on serving wire center and number of lines in service on a by-customer basis. For example, a large customer may have 5,000 numbers that would need to be a batch. However, a batch typically consists of 25-50 lines.

Response provided by: Mary Conquest

6. (a) Is there a need to revise, augment or amend any of the performance assessment metrics ordered in Dockets Nos. 000121A, 000121B or 000121C to account for current and prospective hot cut and batch cut monitoring purposes?

RESPONSE: Yes

Response provided by: Mary Conquest

(b) If the response to (a) is affirmative, please identify what revisions, augments or amendments should be made to the performance assessment metrics ordered in Docket Nos. 000121A, 000121B or 000121C.

RESPONSE: Staff should host a workshop to allow CLECs to collective determine how to measure the cuts. Today, Ordering % Flow Thru and all timeliness measures relating to the electronic order process should be applied and SEEMs assigned for this process.

Provisioning Measures P-7, P-7A, P-7B, P-7C are all specific to Hot Cuts, other Provisioning measures, i.e. P-3, P-5, P-8, P-9, P-12 should also be applied and appropriate SEEMs determined.

Response provided by: Mary Conquest

(c) If the response to (a) is negative, please explain how the existing performance assessment metrics are adequate to account for current and prospective hot cut and batch cut monitoring purposes.

RESPONSE: Not applicable.

(d) To the extent not provided in response to (b), please describe to what extent existing ILEC Performance Assessment Plans results should be used to evaluate any potential mass market batch cut process.

RESPONSE: See response to Interrogatory 6(b) above.

000005

7. (a) Please identify any telecommunications equipment commercially available that can be set up to transfer UNE-Ls from ILEC switches to a non-ILEC switches, and the manufacturer(s) of such equipment.

RESPONSE: Unknown.

Response provided by: Mary Conquest

(b) If such equipment exists, what level of initial demand and subsequent churn for mass market UNE-Ls is it capable of handling after the initial set up?

RESPONSE: See response to Interrogatory 7(a) above.

(c) Does this equipment rely on a process that requires manual intervention?

RESPONSE: See response to Interrogatory 7(a) above.

(d) If the response to (c) is affirmative, please describe the extent of manual intervention required, compared to that in the ILECs' current processes.

RESPONSE: See response to Interrogatory 7(a) above.

(e) If the response to (c) is negative, please describe how this equipment avoids manual intervention.

RESPONSE: See response to Interrogatory 7(a) above.

000008

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's Triennial UNE review: Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP

ITC^DELTACOM'S RESPONSE TO STAFF'S FIRST
REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1 - 8)

ITC^DeltaCom Communications, Inc. d/b/a ITC^DeltaCom d/b/a Grapevine and Business Telecom, Inc. (hereinafter referred to collectively as "ITC^DeltaCom"), pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.340 and 1.280, Florida Rules of Civil Procedure, hereby submit the following Responses to Staff's First Request for Production of Documents to ITC^DeltaCom.

DOCUMENTS REQUESTED

1. Please provide all documents that support your response to Interrogatory No. 2.

   RESPONSE: The Triennial Review Order

   See confidential Attachment A, previously provided.

2. Please provide all documents that support your response to Interrogatory No. 3.

   RESPONSE: ITC^DeltaCom has not identified any responsive documents at this time.

3. Please provide all documents that support your response to Interrogatory No. 5.

   RESPONSE: ITC^DeltaCom has no responsive documents to this request.

4. Please provide all documents that support your response to Interrogatory No. 6 (b).

   RESPONSE: ITC^DeltaCom has no responsive documents to this request.

000007

5. Please provide all documents that support your response to Interrogatory No. 6 (c).

RESPONSE: Not applicable

6. Please provide all documents that support your response to Interrogatory No. 7 (a).

RESPONSE: ITC^DeltaCom has no responsive documents to this request.

7. Please provide all documents that support your response to Interrogatory No. 7 (d).

RESPONSE: ITC^DeltaCom has no responsive documents to this request.

8. Please provide all documents that support your response to Interrogatory No. 7 (e).

RESPONSE: ITC^DeltaCom has no responsive documents to this request.

Respectfully submitted this 18th day of December, 2003.

Floyd Self, Esq.
Messer, Caparello & Self
215 S. Monroe Street, Suite 701
Tallahassee, FL 32302
(850) 222-0720

and

Nanette S. Edwards, Esq.
Director –Regulatory
ITC^DeltaCom Communications, Inc.
4092 S. Memorial Parkway
Huntsville, AL 35802
(256) 382-3856

Attorneys for ITC^DeltaCom Communications, Inc.

000008

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's Triennial UNE review: Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP DECEMBER 29, 2003

ITC^DELTACOM'S RESPONSES TO
STAFF'S SECOND SET OF INTERROGATORIES (NOS. 8 - 11)

Pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.340 and 1.280, Florida Rules of Civil Procedure, ITC^DeltaCom Communications, Inc. d/b/a ITC^DeltaCom d/b/a Grapevine ("ITC^DeltaCom"), on behalf of itself, its parent, Interstate FiberNet, Inc. and its affiliate, Business Telecom, Inc., hereby submits the following Responses to Staff's Second Set of Interrogatories to ITC^DeltaCom.

RESPONSES TO INTERROGATORIES

8. (a) For all switches that you have provisioned in the State of Florida, please identify from which switches you also have self-provisioned local loops to one or more end users.

RESPONSE: None. ITC^DeltaCom leases the local loop as a UNE or as special access services in all cases.

Response provided by: Joe Gillenwaters
1791 O.G. Skinner Driver
West Point, Georgia 31833

(b) For those switches identified in response to (a), please identify the capacity of the loops self-provisioned and the number of each loop type provisioned to end users.

RESPONSE: Not applicable.

(c) For those loops identified in response to (b), please state the terms, conditions, and rates under which your company is providing the loop in conjunction with the switching component.

RESPONSE: Not applicable.

(d) For those switches identified in response to (a), please identify the switch name and its current software release.

RESPONSE: Not applicable.

(e) For those switches identified in response to (a), are there any features being offered by the ILEC in the wire centers served by this switch that your switch is incapable of providing?

RESPONSE: Not applicable.

(f) If the response to (e) is affirmative, please identify what features cannot be provided, what classes of customers use such features, and what actions would be necessary in order to provide these features.

RESPONSE: Not applicable.

(g) For those switches identified in response to (a), please identify the anticipated year of retirement.

RESPONSE: Not applicable.

(h) For those switches identified in response to (a), please describe any existing plans to upgrade the switch's capacity or to implement software upgrades.

000010

RESPONSE: Not applicable.

(i) For those switches identified in response to (a), will you provide wholesale switching capacity to another CLEC?

RESPONSE: Not applicable.

(j) If the response to (i) is affirmative, please identify the terms, conditions, and rates you would require of a wholesale customer, including contract terms and take or pay requirements, and state whether your company will ensure that the calling scopes and features that are offered to wholesalers will be the same that the ILEC offers.

RESPONSE: Not applicable.

(k) If the response to (i) is affirmative, please identify the operational support system interface capabilities, including version number and a copy of the methods and procedures, that your company uses or will use when offering unbundled local switch capability to CLECs in the State of Florida.

RESPONSE: Not applicable.

(l) If the response to (i) is affirmative, do you currently provide wholesale switching capacity to another CLEC?

RESPONSE: Not applicable.

(m) If the response to (l) is affirmative, please identify to what CLECs you currently provide wholesale switching and the switch used.

000021

RESPONSE: Not applicable.

(n) If the response to (l) is affirmative, please state your company's mean time to repair and other response intervals for servicing existing switches.

RESPONSE: Not applicable.

(o) If the response to (i) is affirmative, please state your company's signaling capability and signaling redundancy that will be used in making available unbundled local switching to CLECs in the State of Florida.

RESPONSE: Not applicable.

(p) If the response to (i) is affirmative, please describe your company's methods and procedures to prevent or minimize service degradation, including but not limited to delay and/or echo return loss attenuation, to a CLEC that utilizes your company's unbundled local switching in Florida.

RESPONSE: Not applicable.

(q) If the response to (i) is affirmative, will your company also make available transport as a stand-alone service to CLECs within the State of Florida?

RESPONSE: Not applicable.

(r) If the response to (i) is affirmative, will your company make transport available in conjunction with the provision of unbundled local switching capacity to CLEC?

RESPONSE: Not applicable.

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(s) What is the total available capacity on your company's network to provide transport?

RESPONSE: See responses to BellSouth's First Set of Interrogatories in Docket 030852-TP.

(t) If the response to (i) is affirmative, under what rates, terms, and conditions are you willing to provide transport in conjunction with the provision of unbundled local switching capacity to CLECs in Florida?

RESPONSE: Not applicable.

(u) For those loops identified in response to (b), please identify, by wire center, the location of such facilities and whether those facilities:

(1) Use fiber to the customer's premises;

(2) Use coax to the customer's premises;

(3) Use twisted copper pair to the customer's premises;

(4) Use fixed wireless technology to the customer's premises.

RESPONSE: Not applicable.

9. (a) For all switches or switching capacity that you have leased to provide service in the state of Florida, please identify from which switches you have self-provisioned local loops to one or more end users.

RESPONSE: None.

Response provided by: Joe Gillenwaters

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(b) For those switches identified in response to (a), please identify the capacity of the loops self-provisioned and the number of each loop type provisioned to end users.

RESPONSE: Not applicable.

(c) For those loops identified in response to (b), please state the terms, conditions, and rates under which your company is providing the loop in conjunction with the switching component.

RESPONSE: Not applicable.

(d) For those switches identified in response to (a), please identify the switch name and its current software release.

RESPONSE: Not applicable.

(e) For those switches identified in response to (a), are there any features being offered by the ILEC in the wire centers served by this switch that your switch is incapable of providing?

RESPONSE: Not applicable.

(f) If the response to (e) is affirmative, please identify what features cannot be provided, what classes of customers use such features, and what actions would be necessary in order to provide these features.

RESPONSE: Not applicable.

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(g) For those switches identified in response to (a), please identify the anticipated year of retirement.

RESPONSE: Not applicable.

(h) For those switches identified in response to (a), please describe any existing plans to upgrade the switch's capacity or to implement software upgrades.

RESPONSE: Not applicable.

10. (a) Are you aware of any unaffiliated CLECs that either are willing to provide or currently are providing in Florida, wholesale unbundled local switching in combination with unbundled analog loops?

RESPONSE: No.

Response provided by: Joe Gillenwaters

(b) If the response to (a) is affirmative, please identify such companies of which you are aware, and identify in which LATAs and wire centers they offer this combination.

RESPONSE: Not applicable.

(c) If the response to (a) is affirmative, please explain whether or not you believe these entities qualify as wholesale providers, and the basis for your belief.

RESPONSE: Not applicable.

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11. Please identify in which Florida wire centers you actively market your services, and what services you market in each wire center.

RESPONSE: See confidential attachment.

Response provided by: Elisha Kusen
4092 South Memorial Parkway
Huntsville, Alabama 35802

Respectfully submitted this 29th day of December, 2003.

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000018

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's triennial UNE review; Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP DECEMBER 29, 2003

ITC^DELTACOM'S RESPONSES TO
STAFF'S SECOND REQUEST FOR PRODUCTION OF DOCUMENTS (NO. 9)

Pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.340 and 1.280, Florida Rules of Civil Procedure, ITC^DeltaCom Communications, Inc. d/b/a ITC^DeltaCom d/b/a Grapevine ("ITC^DeltaCom"), on behalf of itself, its parent, Interstate FiberNet, Inc. and its affiliate, Business Telecom, Inc., hereby submits the following Response to Staff's Second Request for Production of Documents to ITC^DeltaCom.

REQUEST FOR PRODUCTION OF DOCUMENTS

9. Referring to the company's response to Interrogatory No. 8(k), please provide a copy of the OSS methods and procedures documentation.

RESPONSE: Not applicable.

Respectfully submitted this 29th day of December, 2003.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Implementation of Requirements Arising From Federal Communications Commission Triennial UNE Review: Local Circuit Switching for Mass Market Customers	)	Docket No.: 030851-TP

ITC^DELTACOM'S RESPONSES TO BELLSOUTH'S FIRST SET OF INTERROGATORIES (Nos. 1-84)

ITC DeltaCom Communications, Inc. d/b/a ITC^DeltaCom d/b/a Grapevine and BTI Corporation (hereinafter "ITC"), pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.340 and 1.280, Florida Rules of Civil Procedure, hereby submit the following Responses to BellSouth Telecommunications, Inc.'s First Set of Interrogatories to ITC.

RESPONSES

43. What cost of capital do you use in evaluating whether to offer a qualifying service in a particular geographic market and how is that cost of capital determined?

RESPONSE: ITC^DeltaCom does not use a cost of capital in evaluating whether to offer a qualifying service in a particular geographic market.

Response provided by: Kevin McEacharn, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

44. With regard to the cost of capital you use in evaluating whether to provide a qualifying service in a particular geographic market, what are the individual components of that cost of capital, such as the debt-equity ratio, the cost of debt and the cost of equity?

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RESPONSE: See Response to Interrogatory No. 43.

Response provided by: Kevin McEacharn, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

45. In determining whether to offer a qualifying service in a particular geographic market, what time period do you typically use to evaluate that offer? That is, do you use one year, five years, ten years or some other time horizon over which you evaluate the project?

RESPONSE: The FCC's TRO specifically contemplates the consideration of financial and related information of an efficient "model" competitor and not that of ITC^DeltaCom or any other particular competitor.

ITC^DeltaCom's determination of whether to offer a "qualifying service in a particular geographic market" and the time periods involved in such evaluation are irrelevant and not reasonably calculated to lead to the discovery of admissible evidence.

Response Provided By: Jerry Watts ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

46. Provide your definition of sales expense as that term is used in your business.

RESPONSE: ITC^DeltaCom uses that term as defined by GAAP.

Response provided by: Kevin McEacharn, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

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47. Based on the definition of sales expense in the foregoing Interrogatory, please state how you estimate sales expense when evaluating whether to offer a qualifying service in a particular geographic market?

RESPONSE: See response to Interrogatory No. 46.

Response provided by: Kevin McEacharn, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

48. Provide your definition of general and administrative (G&A) costs as you use those terms in your business.

RESPONSE: See response to Interrogatory No. 46.

Response provided by: Kevin McEacharn, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

49. Based on the definition of G&A costs in the foregoing Interrogatory, please state how you estimate G&A expenses when evaluating whether to offer a qualifying service in a particular geographic market?

RESPONSE: See response to Interrogatory No. 46

Response provided by: Kevin McEacharn, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

50. For each day since January 1, 2000, identify the number of individual hot cuts that BellSouth has performed for DeltaCom in each state in BellSouth's region.

RESPONSE: Upon information and belief, BellSouth is in possession of documents and other information requested in Interrogatory Nos. 50 and 51.

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51. For each individual hot cut identified in response to Interrogatory No. 50, state:

i. Whether the hot cut was coordinated or not;

ii. If coordinated, whether the hot cut occurred as scheduled;

iii. If the hot cut did not occur as scheduled, state whether this was due to a problem with BellSouth, DeltaCom, the end-user customer, or some third party, and describe with specificity the reason the hot cut did not occur as scheduled;

iv. If there was a problem with the hot cut, state whether DeltaCom complained in writing to BellSouth or anyone else.

RESPONSE: See Response to Interrogatory 51.

52. Does DeltaCom have a preferred process for performing batch hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe, or otherwise refer or relate to this preferred process.

RESPONSE: ITC^DeltaCom's preferred process is one that is electronic for all components, i.e. provisioning, billing, and scheduling and is seamless to the customer.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

53. Does DeltaCom have a preferred process for performing individual hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with

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particularity and identify all documents that discuss, describe, or otherwise refer or relate to this preferred process.

RESPONSE: See Response to Interrogatory 52.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

54. State whether DeltaCom agrees that it jointly developed BellSouth's process for individual hot cuts with BellSouth as set forth in the parties' April 16, 2001 Memorandum of Understanding. If DeltaCom does not agree, explain why and explain DeltaCom's view of its involvement in the development of that process.

RESPONSE: Withdrawn by BellSouth.

55. If DeltaCom has a preferred process for individual hot cuts that differs from BellSouth's process, identify each specific step in DeltaCom's process that differs from BellSouth's process.

RESPONSE: See Response to Interrogatory 52.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

56. If DeltaCom has a preferred process for bulk hot cuts that differs from BellSouth's process, identify each specific step in DeltaCom's process that differs from BellSouth's process.

RESPONSE: See Response to Interrogatory 52.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

57. Does DeltaCom have any estimates of what a typical individual hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

RESPONSE: No.

Response Provided By: Steve Brownworth, ITC^DeltaCom, 1791 O. G. Skinner Drive,West Point, Georgia 31833

58. Does DeltaCom have any estimates of what a typical bulk hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

RESPONSE: ITC^DeltaCom does not have a specific batch rate at this time. However, ITC^DeltaCom believes the rate should be based cost based and non-discriminatory.

Response Provided By: Jerry Watts, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

59. What is the largest number of individual hot cuts that DeltaCom has requested in any individual central office in each of the nine BellSouth states on a single day? In

answering this Interrogatory, identify the central office for which the request was made, and the number of hot cuts that were requested. State with specificity what the outcome was for each of the hot cuts in each of the central offices so described, if not provided in response to an earlier interrogatory.

RESPONSE: The requested information is in the possession, custody and control of BellSouth.

60. Does any ILEC in the BellSouth region have a batch hot cut process that is acceptable to DeltaCom or that DeltaCom believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

RESPONSE: ITC^DeltaCom is participating in the "hot cut" workshops sponsored by the Commissions; however, ITC^DeltaCom has not reviewed all processes being proposed.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

61. Does any ILEC in the BellSouth region have a cost for a batch hot cut process that is acceptable to DeltaCom? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: No.

Response Provided By: Jerry Watts, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

62. Does any ILEC in the BellSouth region have an individual hot cut process that is acceptable to DeltaCom or that DeltaCom believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

RESPONSE: See Response to Interrogatory 60.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

63. Does any ILEC in the BellSouth region have a rate for an individual hot cut process that is acceptable to DeltaCom? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: No.

Response Provided By: Jerry Watts, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

64. Does any ILEC outside the BellSouth region have a batch hot cut process that is acceptable to DeltaCom or that DeltaCom believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

RESPONSE: Unknown. See Response to Interrogatory 60.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

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65. Does any ILEC outside the BellSouth region have a rate for a batch hot cut process that is acceptable to DeltaCom? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Unknown. ITC^DeltaCom does not have sufficient information to respond at this time.

Response Provided By: Jerry Watts, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

66. Does any ILEC outside the BellSouth region have an individual hot cut process that is acceptable to DeltaCom or that DeltaCom believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

RESPONSE: Unknown. See Response to Interrogatory 60.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

67. Does any ILEC outside the BellSouth region have a rate for an individual hot cut process that is acceptable to DeltaCom? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Unknown.

Response Provided By: Jerry Watts. ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

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68. Does DeltaCom order coordinated or non-coordinated hot cuts?

RESPONSE: ITC^DeltaCom orders both.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

69. Does DeltaCom use the CFA database?

RESPONSE: Yes.

Response provided by: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

70. Identify every issue related to BellSouth's hot cut process raised by DeltaCom at the Florida CLEC collaborative since October 2001.

RESPONSE: This information is public and is easily available to BellSouth and is in BellSouth's possession.

Response provided by: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

71. What is the appropriate volume of loops that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: The appropriate volume of loops must meet the operational and economic models as defined by the FCC and the TRO. Furthermore, the volume of loops must be established such that the quality of service to the consumer is not impacted.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

72. What is the appropriate process that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: The appropriate process to use in establishing a batch hot cut process is one that passes the operational and economic models as defined by the FCC and the TRO. Moreover, the process must be established such that the quality of service to the end user is not impacted and CLECs are not impaired.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

73. If DeltaCom disagrees with BellSouth's individual hot cut process, identify every step that DeltaCom contends is unnecessary and state with specificity why the step is unnecessary.

RESPONSE: ITC^DeltaCom is investigating and will update its response.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

74. If DeltaCom disagrees with BellSouth's bulk hot cut process, identify every step that DeltaCom contends is unnecessary and state with specificity why the step is unnecessary.

RESPONSE :

ITC^DeltaCom's concerns include but are not limited to the following:
1). Length and intervals
2). Recovery of plant unclear
3). Service outages
4). Added cost when outside normal work hours
5). While dial tone is tested on plant test date, no guarantee exists it will be available on due date.
6). 24/7 support available

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

75. Identify by date, author and recipient every written complaint DeltaCom has made to BellSouth regarding BellSouth's hot cut process since October 2001.

RESPONSE: See Response to Interrogatory 70. Furthermore, BellSouth has in its possession reports that ITC^DeltaCom's executives provided to BellSouth executives regarding the BellSouth hot cut performance.

Response Provided By: Nanette Edwards, Regulatory Affairs Manager, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

76. How many unbundled loops does DeltaCom contend BellSouth must provision per state per month to constitute sufficient volume to assess BellSouth's hot cut process?

RESPONSE: To establish a per state number would posture CLEC against CLEC when competing for resources. We feel there should be no limit.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

77. What is the appropriate information that you contend the Florida Public Service Commission should consider in evaluating whether the ILEC is capable of migrating multiple lines served using unbundled local circuit switching to switches operated by a carrier other than the ILEC in a timely manner in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: In addition to the requirements set forth in the Triennial Review Order, ITC^DeltaCom believes that the FPSC must consider (1) the quality of service impacts to the consumer of batch hot cuts; (2) the volume/capacity of companies such as Verisign/TSI for handling port orders; (3) the volume/capacity of ports that Neustar can handle; and (4) the volume/capacity that the individual CLEC can perform. This is not an exhaustive list of issues that must be reviewed but certainly represents several of ITC^DeltaCom's concerns.

Response Provided By: Mary Conquest, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

78. What is the average completion interval metric for provision of high volumes of loops that you contend the Florida Public Service Commission should require in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: The provision of high volumes of loops must be, at a minimum, equal to the order completion interval for UNE-P; otherwise, there will be no real competition in the mass market place.

Response Provided By: Jerry Watts, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

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79. What are the rates that you contend the Florida Public Service Commission should adopt in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Rates must be compliant with the FCC UNE Pricing Rules. Also, rates must be set appropriately to allow CLECs to overcome the economic barriers associated with the hot cut process.

Response Provided By: Jerry Watts, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

80. What are the appropriate product market(s) that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: ITC^DeltaCom does not have sufficient information at this time to answer.

Response Provided By: Jerry Watts, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

81. What are the appropriate geographic market(s) that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: See Response to Interrogatory 80.

Response Provided By: Jerry Watts, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

82. Do you contend that there are operational barriers within the meaning of FCC Rule 51.319(d)(2)(iii)(B)(2) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such operational barrier, and state all facts and identify all documents supporting your contention.

RESPONSE: Yes. See ITC^DeltaCom ex parte filing on January 24, 2003 in Docket No. 98-147.

Response Provided By: Jerry Watts, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

83. Do you contend that there are economic barriers within the meaning of FCC Rule 51.319(d)(2)(iii)(B)(3) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such economic barrier, and state all facts and identify all documents supporting your contention.

RESPONSE: Yes. See ITC^DeltaCom ex parte filing January 24, 2003 in Docket No. 98-147.

Response Provided By: Jerry Watts, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

84. What is the maximum number of DS0 loops for each geographic market that you contend requesting telecommunications carriers can serve through unbundled switching when serving multiline end users at a single location that the Florida Public Service Commission should consider in establishing a "cutoff" consistent with FCC Rule 51.319(d)(2)(iii)(B)(4)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Unknown at this time, the answer is determined by using the economic and operational impairment analysis.

Response Provided By: Jerry Watts, ITC^DeltaCom, 4092 South Memorial Parkway, Huntsville, Alabama 35802

Respectfully submitted this 10th day of November, 2003.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers.	)))))	Docket No. 030851-TP Filed: November 10, 2003

ITC^DELTACOM'S RESPONSES TO BELLSOUTH'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS

ITC DeltaCom Communications, Inc. d/b/a ITC^DeltaCom d/b/a Grapevine and BTI Corporation (hereinafter "ITC"), pursuant to Rule 28-106.206, Florida Administrative Code and Rules 1.350 and 1.280, Florida Rules of Civil Procedure, hereby submit the following Responses to BellSouth Telecommunications, Inc.'s First Request for Production of Documents to ITC.

REQUESTS FOR PRODUCTION

1. Produce all documents identified in response to BellSouth's First Set of Interrogatories.

   RESPONSE: All documents identified in response to BellSouth's individual interrogatories are marked as such and appended to the interrogatories subject to the corresponding interrogatory objections; the actual production of confidential information is being made solely pursuant to the protective agreement between the parties and any nondisclosure order of the Florida Public Service Commission.

2. Produce every business case in your possession, custody or control that evaluates, discusses, analyzes or otherwise refers or relates to the offering of a qualifying service in the State of Florida.

   RESPONSE: ITC^DeltaCom objects that this overly broad, unduly burdensome, and trade secret.

3. Produce all documents referring or relating to the average monthly revenues you receive from end user customers in Florida to whom you only provide qualifying service.

RESPONSE: ITC^DeltaCom objects that this overly broad, unduly burdensome, and trade secret. Additionally, ITC^DeltaCom does not have the information requested in the manner requested. Notwithstanding its objections, ITC^DeltaCom files consolidated financials with the Securities Exchange Commission.

4. Produce all documents referring or relating to the average number of access lines you provide to end user customers in Florida to whom you only provide qualifying service.

RESPONSE: ITC^DeltaCom does not have the information requested in the manner requested.

5. Produce all documents referring or relating to the average monthly revenues you receive from end user customers in Florida to whom you only provide non-qualifying service.

RESPONSE: ITC^DeltaCom objects on the grounds that this information is not relevant or necessary, and this information is not readily available in the format sought.

6. Produce all documents referring or relating to the average monthly revenues you receive from end user customers in Florida to whom you provide both qualifying and non-qualifying service.

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RESPONSE: ITC^DeltaCom objects on the grounds that this information is not relevant or necessary, and this information is not readily available in the format sought.

7. Produce all documents referring or relating to the average number of access lines you provide to end user customers in Florida to whom you provide both qualifying and non-qualifying service.

RESPONSE: ITC^DeltaCom objects that this overly broad and unduly burdensome. Notwithstanding its objection, see Confidential Attachments A, C, D, E , F and G, previously provided.

8. Provide all documents referring or relating to the classifications used by DeltaCom to offer service to end user customers Florida (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers).

RESPONSE: ITC^DeltaCom objects that this overly broad and unduly burdensome. Notwithstanding its objection, ITC^DeltaCom categorizes end user customers as residential or business. See the ITC^DeltaCom and BTI tariffs.

Note:
In the past, BTI categorized end user customers as residential, business, or government. See the ITC^DeltaCom and BTI tariffs.

9. Produce all documents referring or relating to the average acquisition cost for each class or type of end user customer served by DeltaCom, as requested in BellSouth's First Set of Interrogatories, No. 34

RESPONSE: ITC^DeltaCom objects that this overly broad, unduly burdensome, and trade secret.

10. Produce all documents referring or relating to the typical churn for each class or type of end user customer served by DeltaCom, as requested in BellSouth's First Set of Interrogatories, No. 35.

RESPONSE: ITC^DeltaCom objects that this overly broad, unduly burdensome, and trade secret.

11. Produce all documents referring or relating to how DeltaCom determines whether to serve an individual customer's location with multiple DS0s or with a DS1 or larger transmission system.

RESPONSE: See response to Interrogatory No. 40.

12. Produce all documents referring or relating to the typical or average number of DS0s at which DeltaCom would choose to serve a particular customer with a DS1 or larger transmission system as opposed to multiple DS0, all other things being equal.

RESPONSE: See response to Interrogatory No. 40.

13. Produce all documents referring or relating to the cost of capital used by DeltaCom in evaluating whether to offer a qualifying service in a particular geographic market.

RESPONSE: ITC^DeltaCom does not have any documents responsive to this request.

14. Produce all documents referring or relating to the time period used by DeltaCom in evaluating whether to offering a qualifying service in a particular geographic market

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(e.g., one year, five years, ten years or some other time horizon over which a project is evaluated)?

RESPONSE: ITC^DeltaCom does not have any documents relating to whether a qualifying service in a particular geographic market will be offered in a certain time period. In an effort to be responsive, ITC^DeltaCom normally uses a three year time period for product evaluation for business services. See the ITC^DeltaCom and BTI tariffs.

15. Produce all documents referring or relating to your estimates of sales expense when evaluating whether to offer a qualifying service in a particular geographic market.

RESPONSE: ITC^DeltaCom does not have documents responsive to this request.

16. Produce all documents referring or relating to your estimates of general and administrative (G&A) expenses when evaluating whether to offer a qualifying service in a particular geographic market.

RESPONSE: ITC^DeltaCom does not have documents responsive to this request.

17. Produce all documents referring or relating to any complaints by DeltaCom or its end user customers about individual hot cuts performed by BellSouth since January 1, 2000.

RESPONSE: On information and belief, BellSouth has all such documents.

18. Produce all documents referring or relating to a batch hot cut process used by any ILEC in the BellSouth region that is acceptable to DeltaCom or that DeltaCom believes is superior to BellSouth's batch hot cut process.

RESPONSE: ITC^DeltaCom does not have any such documents in its possession at this time.

19. Produce all documents referring or relating to an individual hot cut process used by any ILEC in the BellSouth region that is acceptable to DeltaCom or that DeltaCom believes is superior to BellSouth's individual hot cut process.

RESPONSE: ITC^DeltaCom does not have any such documents in its possession at this time.

20. Produce all documents referring or relating to a batch hot cut process used by any ILEC outside the BellSouth region that is acceptable to DeltaCom or that DeltaCom believes is superior to BellSouth's batch hot cut process.

RESPONSE: ITC^DeltaCom does not have any such documents in its possession at this time.

21. Produce all documents referring or relating to an individual hot cut process used by any ILEC outside the BellSouth region that is acceptable to DeltaCom or that DeltaCom believes is superior to BellSouth's individual hot cut process.

RESPONSE: ITC^DeltaCom does not have any such documents in its possession at this time.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Implementation of Requirements Arising From Federal Communications Commission Triennial UNE Review: Local Circuit Switching for Mass Market Customers	)))))	Docket No.: 030851-TP Filed: February 19, 2004

ITC's RESPONSES TO BELLSOUTH'S
THIRD REQUEST FOR PRODUCTION OF DOCUMENTS (Nos. 23 - 24)

ITC^DeltaCom Communications, Inc., d/b/a ITC^DeltaCom and Business Telecom Inc. (hereinafter "ITC"), pursuant to the *Order Establishing Procedure*, Order No. PSC-03-1054-PCO-TP, issued September 22, 2003 (hereinafter "*Procedural Order*") by the Florida Public Service Commission ("Commission"), Rule 28-106.206 of the Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, hereby Responds to BellSouth Telecommunications, Inc.'s ("BellSouth") Third Request for Production of Documents to ITC, served on December 18, 2003.

A. General Objections

ITC makes the following General Objections to BellSouth's Third Request for Production of Documents, including the applicable definitions and general instructions therein ("BellSouth discovery"), which as appropriate will be incorporated into each relevant response when ITC's responses are served on BellSouth.

1. ITC objects to the BellSouth discovery to the extent that such discovery seeks to impose an obligation on ITC 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. ITC further objects to

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any and all BellSouth discovery that seeks to obtain information from ITC for ITC subsidiaries, affiliates, or other related ITC entities that are not certificated by the Commission.

2. ITC has interpreted the BellSouth discovery to apply to ITC's regulated intrastate operations in Florida and will limit its responses accordingly. To the extent that any BellSouth discovery is intended to apply to matters that take place outside the state of Florida and which are not related to Florida intrastate operations subject to the jurisdiction of the Commission, ITC objects to such request as irrelevant, overly broad, unduly burdensome, and oppressive.

3. ITC objects to the BellSouth discovery to the extent that such discovery calls for information which is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. ITC objects to the BellSouth discovery insofar as such discovery 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 ITC in response to the BellSouth discovery will be provided subject to, and without waiver of, the foregoing objection.

5. ITC objects to the BellSouth discovery insofar as such discovery is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action.

6. ITC objects to the BellSouth discovery insofar as it seeks information or documents, or seek to impose obligations on ITC which exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

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7. ITC objects to providing information to the extent that such information is already in the public record before the Florida Public Service Commission or which is already in the possession, custody, or control of BellSouth.

8. ITC objects to the BellSouth discovery to the extent that such discovery is overly broad, unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. ITC 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. To the extent that BellSouth's requests seek proprietary confidential business information which is not the subject of the "trade secrets" privilege, ITC will make such information available to the BellSouth pursuant to the terms of the Commission's Protective Order and the requirements of section 364.183 and Florida Administrative Code Rule 25-24.006, subject to any other general or specific objections contained herein.

10. ITC is a large corporation with employees located in many different locations in Florida and in other states. In the course of its business, ITC 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. Therefore, it is possible that not every document has been identified in response to these requests. ITC will conduct a reasonable and diligent search of those files that are reasonably expected to contain the requested information. To the extent that the BellSouth discovery purports to require more, ITC objects on the grounds that compliance would impose an undue burden or expense.

11. ITC objects to the BellSouth discovery that seeks to obtain "all," "each," or "every" document, item, customer, or other such piece of information to the extent that such

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discovery is overly broad and unduly burdensome. Any answers that ITC may provide in response to the BellSouth discovery will be provided subject to, and without waiver or, this objection.

12. ITC objects to the BellSouth discovery to the extent such discovery seeks to have ITC create documents not in existence at the time of the request.

13. ITC objects to the BellSouth discovery to the extent that such discovery is not limited to any stated period of time or a stated period of time that is longer than is relevant for purposes of the issues in this docket, as such discovery is overly broad and unduly burdensome.

14. In light of the short period of time ITC has been afforded to respond to the BellSouth discovery, the development of ITC's positions and potentially responsive information to the BellSouth requests is necessarily ongoing and continuing. Accordingly, these are preliminary objections to comply with the *Procedural Order*, and ITC reserves the right to supplement, revise, or modify its objections at the time that it serves its actual responses to the BellSouth discovery. However, ITC does not assume an affirmative obligation to supplement its answers on an ongoing basis.

B. Specific Objections

ITC makes the following Specific Objections to BellSouth's Third Request for Production of Documents, including the applicable definitions and general instructions expressed therein ("BellSouth discovery"), which as appropriate will be incorporated into each relevant response when ITC's responses are served on BellSouth.

15. ITC objects to each and every interrogatory or request for production that seeks information regarding ITC's projections regarding future services, revenues, marketing strategies, equipment deployments, or other such future business plans as such requests are trade

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secrets and, for purposes of this proceeding, would be highly speculative and irrelevant to the issues to be decided in this docket.

REQUESTS FOR PRODUCTION

23. Produce copies of all responses made by you to data requests, interrogatories, and requests for production of documents from the staff of the Florida Public Service Commission in Docket Nos. 030851-TP. This request includes your response that either has been made or will be made to the Florida Public Commission's staff's 2003 TRO data request.

ITC's Response: ITC adopts and incorporates General Objections 1, 2, 3 and 4, and Specific Objection 15. Subject to and without waiving these objections, ITC states: ITC has already produced all documents responsive to this production request. If BellSouth has not received a specific document responsive to this request, ITC will provide, upon request, any specific document responsive to this request that BellSouth has not received.

24. Produce copies of all responses made by you to data requests, interrogatories, and requests for production of documents from any other party in Docket 030851-TP.

ITC's Response: ITC adopts and incorporates General Objections 1, 2, 3 and 4, and Specific Objection 15. Subject to and without waiving these objections, ITC states: ITC has already produced all documents responsive to this production request. If BellSouth has not received a specific document responsive to this request, ITC will provide, upon request, any specific document responsive to this request that BellSouth has not received.

Respectfully submitted this 19th day of February, 2004.

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EXHIBIT NO. 5

DOCKET NO.: 030851-TP

WITNESS: Network

PARTY: Network

DESCRIPTION:

1. Network's Responses to Staff's 1st Set of Interrogatories (Nos.1-7) – Page 1
2. Network's Responses to Staff's 1st Request for PODs (Nos. 1-8) – Page 5
3. Network's Responses to Staff's 2nd Set of Interrogatories (Nos.8-11) – Page 7
4. Network's Responses to Staff's 2nd Request for PODs (No. 9) – Page 17
5. Network's Responses to Staff's 3rd Set of Interrogatories (Nos.12-17) – Page 18
6. Network's Responses to BellSouth's 1st Set of Interrogatories (Nos.1-84) – Page 28
7. Network's Amended Responses to BellSouth's 1st Set of Interrogatories (Nos. 1-84) – Page 69

PROFFERING PARTY: STAFF

I.D. # Network-Stip-1

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 5
COMPANY/ FPSC Staff
WITNESS: Network Stip-1
DATE: 09/24-27/04

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's Triennial UNE review: Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP

NETWORK TELEPHONE CORPORATION'S
ANSWERS TO STAFF'S FIRST SET OF INTERROGATORIES (NOS. 1 - 7)

Network Telephone Corporation ("Network Telephone"), through its undersigned counsel, hereby responds to Staff's First Set of Interrogatories.

INTERROGATORIES AND ANSWERS:

1. Please describe the mechanism that you believe could be used to determine if a given current hot cut process does or does not give rise to impairment in a given market.

ANSWER: Network Telephone does not perform hot cuts and has not made a study of various mechanisms for determining whether a specific process would give rise to impairment in a given market. Generally, any process should be efficient, automated, cost-based, and capable of supporting sufficient volume.

Answer provided by Margaret Ring.

2. Please describe what operational issues you have encountered with Florida ILECs regarding loop migrations that you believe should be considered in evaluating a mass market batch hot cut process. Please list each issue by ILEC and describe its relative importance in the hot cut process.

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ANSWER: Network Telephone has no recent experience with migrating SL1 or SL2 (POTS) loops and therefore has no specific issues to provide.

Answer provided by Margaret Ring.

3. Please identify the specific sub-processes that you believe should be employed to perform a batch cut. Describe each sub-process, the time required for each and why it is necessary to the batch cut process.

ANSWER: Network Telephone does not perform hot cuts and has not evaluated the process or sub-processes.

Answer provided by Margaret Ring.

4. (a) Please identify the number of hot cuts performed on your behalf for each month in 2001, 2002, and 2003 year-to-date.

ANSWER: None

Answer provided by Margaret Ring.

(b) Please identify the projected number of needed hot cuts per month you will require for each of the years 2003, 2004 and 2005.

ANSWER: None

Answer provided by Margaret Ring.

5. What volume of loops do you believe should constitute a batch?

ANSWER: Network Telephone has not developed an individual company position on this issue.

Answer provided by Margaret Ring.

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6. (a) Is there a need to revise, augment or amend any of the performance assessment metrics ordered in Dockets Nos. 000121A, 000121B or 000121C to account for current and prospective hot cut and batch cut monitoring purposes?

ANSWER: Network Telephone has not formulated a specific position on this issue.

Answer provided by Margaret Ring.

(b) If the response to (a) is affirmative, please identify what revisions, augments or amendments should be made to the performance assessment metrics ordered in Docket Nos. 000121A, 000121B or 000121C.

ANSWER: N/A

(c) If the response to (a) is negative, please explain how the existing performance assessment metrics are adequate to account for current and prospective hot cut and batch cut monitoring purposes.

ANSWER: N/A

(d) To the extent not provided in response to (b), please describe to what extent existing ILEC Performance Assessment Plans results should be used to evaluate any potential mass market batch cut process.

ANSWER: Network Telephone has not formulated a position on this issue.

Answer provided by Margaret Ring.

7. (a) Please identify any telecommunications equipment commercially available that can be set up to transfer UNE-Ls from ILEC switches to a non-ILEC switches, and the manufacturer(s) of such equipment.

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ANSWER: Network Telephone has not investigated such equipment.

Answer provided by Margaret Ring.

(b) If such equipment exists, what level of initial demand and subsequent churn for mass market UNE-Ls is it capable of handling after the initial set up?

ANSWER: N/A

(c) Does this equipment rely on a process that requires manual intervention?

ANSWER: N/A

(d) If the response to (c) is affirmative, please describe the extent of manual intervention required, compared to that in the ILECs' current processes.

ANSWER: N/A

(e) If the response to (c) is negative, please describe how this equipment avoids manual intervention.

ANSWER: N/A

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's Triennial UNE review: Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP

NETWORK TELEPHONE CORPORATION'S ANSWERS TO STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-8)

Network Telephone Corporation ("Network Telephone"), through its undersigned counsel, hereby responds to Staff's First Request for Production of Documents.

DOCUMENTS REQUESTED:

1. Please provide all documents that support your response to Interrogatory No. 2.

ANSWER: Network Telephone has no applicable documents.

2. Please provide all documents that support your response to Interrogatory No. 3.

ANSWER: Network Telephone has no applicable documents.

3. Please provide all documents that support your response to Interrogatory No. 5.

ANSWER: Network Telephone has no applicable documents.

4. Please provide all documents that support your response to Interrogatory No. 6(b).

ANSWER: Network Telephone has no applicable documents.

5. Please provide all documents that support your response to Interrogatory No. 6 (c).

ANSWER: Network Telephone has no applicable documents.

6. Please provide all documents that support your response to Interrogatory No. 7(a).

ANSWER: Network Telephone has no applicable documents.

7. Please provide all documents that support your response to Interrogatory No. 7 (d).

ANSWER: Network Telephone has no applicable documents.

8. Please provide all documents that support your response to Interrogatory No. 7 (e).

ANSWER: Network Telephone has no applicable documents.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's Triennial UNE review: Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP DECEMBER 24, 2003

NETWORK TELEPHONE CORPORATIONS RESPONSE
TO STAFF'S SECOND SET OF INTERROGATORIES (NOS. 8 - 11)

Network Telephone Corporation ("Network Telephone"), through its undersigned counsel, hereby submits its answers to Staff's Second Set of Interrogatories.

INTERROGATORIES:

8. (a) For all switches that you have provisioned in the State of Florida, please identify from which switches you also have self-provisioned local loops to one or more end users.

Answer: None. Network Telephone has no self-provisioned local loops to end-users.

Answer provided by Margaret Ring

(b) For those switches identified in response to (a), please identify the capacity of the loops self-provisioned and the number of each loop type provisioned to end users.

Response: Not applicable. See Interrogatory 8 (a)

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(c) For those loops identified in response to (b), please state the terms, conditions, and rates under which your company is providing the loop in conjunction with the switching component.

Response: Not applicable.

(d) For those switches identified in response to (a), please identify the switch name and its current software release.

Response: Not applicable.

(e) For those switches identified in response to (a), are there any features being offered by the ILEC in the wire centers served by this switch that your switch is incapable of providing?

Response: Not applicable.

(f) If the response to (e) is affirmative, please identify what features cannot be provided, what classes of customers use such features, and what actions would be necessary in order to provide these features.

Response: Not applicable.

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(g) For those switches identified in response to (a), please identify the anticipated year of retirement.

Response: Not applicable.

(h) For those switches identified in response to (a), please describe any existing plans to upgrade the switch's capacity or to implement software upgrades.

Response: Not applicable.

(i) For those switches identified in response to (a), will you provide wholesale switching capacity to another CLEC?

Response: Not applicable.

(j) If the response to (i) is affirmative, please identify the terms, conditions, and rates you would require of a wholesale customer, including contract terms and take or pay requirements, and state whether your company will ensure that the calling scopes and features that are offered to wholesalers will be the same that the ILEC offers.

Response: Not applicable.

(k) If the response to (i) is affirmative, please identify the operational support system interface capabilities, including version number and a copy of the methods and procedures, that your company uses or will use when offering unbundled local switch capability to CLECs in the State of Florida.

Response: Not applicable.

(l) If the response to (i) is affirmative, do you currently provide wholesale switching capacity to another CLEC?

Response: Not applicable.

(m) If the response to (l) is affirmative, please identify to what CLECs you currently provide wholesale switching and the switch used.

Response: Not applicable.

(n) If the response to (l) is affirmative, please state your company's mean time to repair and other response intervals for servicing existing switches.

Response: Not applicable.

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(o) If the response to (i) is affirmative, please state your company's signaling capability and signaling redundancy that will be used in making available unbundled local switching to CLECs in the State of Florida.

Response: Not applicable.

(p) If the response to (i) is affirmative, please describe your company's methods and procedures to prevent or minimize service degradation, including but not limited to delay and/or echo return loss attenuation, to a CLEC that utilizes your company's unbundled local switching in Florida.

Response: Not applicable.

(q) If the response to (i) is affirmative, will your company also make available transport as a stand-alone service to CLECs within the State of Florida?

Response: Not applicable.

(r) If the response to (i) is affirmative, will your company make transport available in conjunction with the provision of unbundled local switching capacity to CLEC?

Response: Not applicable.

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(s) What is the total available capacity on your company's network to provide transport?

Answer: None. Network Telephone has no self-provisioned transport.

Answer provided by Margaret Ring

(t) If the response to (i) is affirmative, under what rates, terms, and conditions are you willing to provide transport in conjunction with the provision of unbundled local switching capacity to CLECs in Florida?

Response: Not applicable.

(u) For those loops identified in response to (b), please identify, by wire center, the location of such facilities and whether those facilities:

(1) Use fiber to the customer's premises;

(2) Use coax to the customer's premises;

(3) Use twisted copper pair to the customer's premises;

(4) Use fixed wireless technology to the customer's premises.

Response: Not applicable.

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9. (a) For all switches or switching capacity that you have leased to provide service in the state of Florida, please identify from which switches you have self-provisioned local loops to one or more end users.

Answer: None. Network Telephone has no self-provisioned local loops.

Answer provided by Margaret Ring

(b) For those switches identified in response to (a), please identify the capacity of the loops self-provisioned and the number of each loop type provisioned to end users.

Response: Not applicable.

(c) For those loops identified in response to (b), please state the terms, conditions, and rates under which your company is providing the loop in conjunction with the switching component.

Response: Not applicable.

(d) For those switches identified in response to (a), please identify the switch name and its current software release.

Response: Not applicable.

(e) For those switches identified in response to (a), are there any features being offered by the ILEC in the wire centers served by this switch that your switch is incapable of providing?

Response: Not applicable.

(f) If the response to (e) is affirmative, please identify what features cannot be provided, what classes of customers use such features, and what actions would be necessary in order to provide these features.

Response: Not applicable.

(g) For those switches identified in response to (a), please identify the anticipated year of retirement.

Response: Not applicable.

(h) For those switches identified in response to (a), please describe any existing plans to upgrade the switch's capacity or to implement software upgrades.

Response: Not applicable.

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10. (a) Are you aware of any unaffiliated CLECs that either are willing to provide or currently are providing in Florida, wholesale unbundled local switching in combination with unbundled analog loops?

Answer: No.

Answer provided by Margaret Ring

(b) If the response to (a) is affirmative, please identify such companies of which you aware, and identify in which LATAs and wire centers they offer this combination.

Response: Not applicable.

(c) If the response to (a) is affirmative, please explain whether or not you believe these entities qualify as wholesale providers, and the basis for your belief.

Response: Not applicable.

11. Please identify in which Florida wire centers you actively market your services, and what services you market in each wire center.

Answer:

PNSCFLBL

PNSCFLFP

PNSCFLWA

GSVLFLMA

Network Telephone actively markets voice and data service to small business customers in the above wire centers.

Answer provided by Margaret Ring

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's triennial UNE review; Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP DECEMBER 24, 2003

NETWORK TELEPHONE CORPORATION'S RESPONSE TO STAFF'S SECOND REQUEST FOR PRODUCTION OF DOCUMENTS (NO. 9)

Network Telephone Corporation, through its undersigned attorney, hereby responds to Staff's Second Request for Production of Documents (No. 9).

DOCUMENTS REQUESTED

9. Referring to the company's response to Interrogatory No. 8(k), please provide a copy of the OSS methods and procedures documentation.

RESPONSE: There are no responsive documents.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's Triennial UNE review: Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP FEBRUARY 17, 2004

NETWORK TELEPHONE CORPORATION'S RESPONSE TO STAFF'S THIRD SET OF INTERROGATORIES (NOS. 12 - 17)

Network Telephone Corporation ("Network Telephone"), through its undersigned counsel, hereby responds to Staff's Third Set of Interrogatories.

All answers have been provided by Margaret Ring.

INTERROGATORIES:

12. For the purpose of the following questions, please refer to the direct testimony of Bellsouth witness Tipton, Exhibit PAT-4.

(a) Considering only UNE Zones 1 and 2, please identify in which of the following markets NTC has entered: Jacksonville, Orlando, Miami, Fort Lauderdale, West Palm Beach- Boca Raton, Pensacola, or Daytona Beach.

Response: Pensacola

(b) Of those markets NTC has identified in (a) as having entered, please identify those markets where NTC provides service using UNE-L.

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Response: Pensacola

(b) For those markets identified in (b), please identify the CLLI for the switch which serves these markets.

Response: PNSCFLBL

(c) For each switch identified in (c), please identify the number of DS0 lines served in each market.

Response: Network Telephone is a voice-over-broadband provider and does not market POTS service to mass-market customers in Florida. Network Telephone does have a few legacy customers provisioned to its Pensacola switch via SL1 and SL2 UNEs. There are 35 DSO lines served in the Pensacola market via SL1 or SL2 analog UNEs.

(d) For those DS0 lines served in each market identified in (d), please indicate the number of customer locations being served by those DS0 lines.

Response: 22

(e) Of those customer locations identified in (e), please indicate the number of customer locations with 3 or fewer DS0 lines.

Response: Twelve (12) locations have three or fewer lines.

(f) For each switch identified in (c) that provides DS0 service, please state the percent of total capacity used to provide DS0 service.

Response: Network Telephone has limited SL1/SL2 capacity on its Pensacola switch. The current 35 lines represent approximately 2% of our SL1/SL2 capacity on the switch.

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(g) For each switch identified in (c) that provides DS0 service, please state the percent of spare capacity.

Response: Please see response to (f). Approximately ninety-eight (98) percent of the existing SL1/SL2 capacity of 1,721 lines is spare. Approximately 53% of the total capacity of the switch using Network Telephone's currently deployment methods is spare capacity.

(h) For each switch identified in (c), please identify the ILEC wire centers served.

Response: PNSCFLBL, PNSCFLFP, PNSCFLWA

(i) Of those markets NTC has identified in (a) as having entered, please state in which wire centers NTC has collocation arrangements.

Response: Network Telephone has collocated DSLAMS in the three wire centers.

(j) Of those markets NTC has identified in (a) as having entered, please state in which markets NTC does not have a collocation arrangement in any wire center within that market

Response: Please see response to (i). Network Telephone does not have collocations in any of the remaining wire centers in the markets identified in (a).

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13. For the purpose of the following questions, please refer to the direct testimony of BellSouth witness Tipton, Exhibit PAT-4.

(a) Considering only UNE Zones 1 and 2, please identify in or deny which of the following markets NTC has entered: Fort Pierce- Port St. Lucie, Gainesville. Melbourne-Titusville- Palm Bay, or Panama City.

Response: Gainesville

(b) Of those markets NTC has identified in (a) as having entered, please identify those markets where NTC provides service using UNE-L.

Response: Network Telephone does not use UNE-L to provision voice service in the listed market. Network Telephone does have facilities-based DSL service in Gainesville, but does not have a switch in the market.

(c) For those markets identified in (b), please identify the CLLI for the switch which serves these markets.

Response: Not applicable.

(d) For each switch identified in (c), please identify the number of DS0 lines served in each market.

Response: Not applicable.

(e) For those DS0 lines served in each market identified in (d), please indicate the number of customer locations being served by those DS0 lines.

Response: Not applicable.

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(f) Of those customer locations identified in (e), please indicate the number of customer locations with 3 or fewer DS0 lines.

Response: Not applicable.

(g) For each switch identified in (c) that provides DS0 service, please state the percent of total capacity used to provide DS0 service.

Response: Not applicable.

(h) For each switch identified in (c) that provides DS0 service, please state the percent of spare capacity.

Response: Not applicable.

(i) For each switch identified in (c), please identify the ILEC wire centers served.

Response: Not applicable.

(j) Of those markets NTC has identified in (a) as having entered, please state in which wire centers NTC has collocation arrangements.

Response: See response to (b) above. Network Telephone has a DSLAM collocated in GNVLFLMA.

(k) Of those markets NTC has identified in (a) as having entered, please state in which markets NTC does not have a collocation arrangement in any wire center within that market.

Response: Network Telephone does not have a collocation supporting voice service in the market. Network Telephone has DSL capability only in the single wire center listed in response to (j), and provides no facilities-based service in any other wire center.

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14. For the purpose of the following questions, please refer to the direct testimony of Verizon witness Fulp, Exhibit ODF-3.

(a) Considering only UNE Zones 1 and 2, please state whether NTC has entered the Tampa- St. Petersburg- Clearwater market.

Response: No.

(b) If the response to (a) is affirmative, please state whether NTC provides service using UNE-L in this market.

Response: See response to (a). Interrogatories (b)-(k) are not applicable.

(c) If the response to (a) is affirmative, please indicate the CLLI for each switch serving this market.

(d) For each switch identified in (c), please indicate the number of DS0 lines served in each market.

(e) For those DS0 lines served in each market identified in (d), please indicate the number of customer locations being served by those DS0 lines.

(f) Of those customer locations identified in (e), please indicate the number of customer locations with 3 or fewer DS0 lines.

(g) For each switch identified in (c) that provides DS0 service, please state the percent of total capacity used to provide DS0 service.

(h) For each switch identified in (c) that provides DS0 service, please state the percent of spare capacity.

(i) For each switch identified in (c), please identify the ILEC wire centers served.

(j) Of those markets NTC has identified in (a) as having entered, please state in which wire centers NTC has collocation arrangements.

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(k) Of those markets NTC has identified in (a) as having entered, please state in which markets NTC does not have a collocation arrangement in any wire center within that market.

15. Please identify in which of the following markets NTC has entered: Tarpon Spring, Newport Richey, Zephyrhills, Kissimmee, Reedy Creek, Windermere, Winter Garden, Apopka or Winter Park.

Response: None.

16. For the purpose of the following questions, please refer to your response to Interrogatory 15.

(a) Of those markets NTC has identified in (a) as having entered, please identify those markets where NTC provides service using UNE-L.

Response: See response to (15). Interrogatories 16 (a)-(j) are not applicable.

(b) For those markets identified in (b), please identify the CLLI for the switch which serves these markets.

(c) For each switch identified in (c), please identify the number of DS0 lines served in each market.

(d) For those DS0 lines served in each market identified in (d), please indicate the number of customer locations being served by those DS0 lines.

(e) Of those customer locations identified in (e), please indicate the number of customer locations with 3 or fewer DS0 lines.

(f) For each switch identified in (c) that provides DS0 service, please state the percent of total capacity used to provide DS0 service.

(g) For each switch identified in (c) that provides DS0 service, please state the percent of spare capacity.

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(h) For each switch identified in (c), please identify the ILEC wire centers served.

(i) Of those markets NTC has identified in (a) as having entered, please state in which wire centers NTC has collocation arrangements.

(j) Of those markets NTC has identified in (a) as having entered, please state in which markets NTC does not have a collocation arrangement in any wire center within that market.

17. For the purpose of the following questions, please refer to the direct testimony of MCI witness Lichtenberg, page 6, lines 13 through 16.

(a) Has NTC found certain locations where it makes economic and operational sense to pursue UNE-L?

Response: Yes, but only to the business segment of the market and only in conjunction with the provision of data service. Network Telephone is a voice-over-broadband provider that targets its bundled voice and data service within a very limited footprint. Network Telephone uses ADSL capable loops, UDC loops, and DS1 digital loops to provide service.

(b) If the response to (a) is affirmative, please describe any such locations in Florida where this has been found to be the case.

Response: Please refer to the response to 17(a). The only market where Network Telephone provides voice service via UNE-L is Pensacola, and then only to business customers in conjunction with Network Telephone's data product.

(c) What advantages can be realized by using UNE-L, once the challenges to such service have been overcome?

Response: Network Telephone see advantages to UNE-L due to its deployment strategy of voice-over-broadband service. By bundling services provided over the same loop, a greater margin of profit can be achieved. However, the advantage Network Telephone sees is limited to a small footprint and to the business segment of the marketplace.

(d) Has NTC begun cutting over any of its customers to its own switches in Florida?

Response: In responding to the question, Network Telephone assumes that by "cutting over," staff refers to the conversion of a UNE-P customer to Network Telephone's switch. Network Telephone has been converting limited numbers of its customers from UNE-P to its switch for several years. However, the conversion is not handled in the traditional sense of UNE-P conversions to CLEC voice via hot cuts. Due to Network Telephone's voice-over-broadband strategy, each conversion requires a truck roll to the customer's premise, an integrated access device to be installed at the premise, and a connection through Network Telephone's collocated DSLAM.

(e) If the response to (d) is affirmative, when did NTC first cut over one of its customers to its own switch?

Response: November, 2001

(f) If the response to (d) is affirmative, where is the switch located to which the first NTC customer was cut over?

Pensacola

(g) If the response to (d) is affirmative, has NTC continued to cut over customers to its own switches since testimony was filed?

Response: Network Telephone provisions customers directly to its own switch, when possible, and a conversion from UNE-P is not required. Legacy customers who may have been placed on UNE-P or resale have already been moved to Network Telephone's facilities-based platform if they are capable of receiving facilities-based service. Network Telephone continues to convert customers when feasible and has not changed its procedures since testimony was filed. However, most of Network Telephone's customers capable of receiving facilities-based switching from Network Telephone are already provisioned to Network Telephone's switch.

(h) If the response to (g) is affirmative, how many additional customers have been cut over?

Response: None

(i) If the response to (g) is negative, please explain why NTC has ceased cutting customers over to its switches.

Response: Network Telephone has not ceased cutting over UNE-P customers to its switch, but as explained in Network Telephone's response to (g) above, this is a process that is not normally required.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements Arising from Federal Communications Commission Triennial UNE review: Local Circuit Switching For Mass Market Customers	Docket No. 030851-TP Filed: 11-3-03

RESPONSES OF NETWORK TELEPHONE CORPORATION TO BELLSOUTH'S FIRST SET OF INTERROGATORIES

Network Telephone Corporation ("Network Telephone"), through its undersigned counsel, hereby provides its Objections and Answers to BellSouth's First Set of Interrogatories. Network Telephone hereby adopts, incorporates by reference, and renews its preliminary Objections of October 20, 2003, as supplemented and clarified on October __, 2003. As stated in its pleadings of October 20 and October 27, 2003, in responding to the interrogatories Network Telephone assumes each interrogatory relates to intrastate operations in BellSouth's Florida service area. Network further responds to the First Set as follows:

INTERROGATORY 1: Identify each switched owned by Network Telephone Corporation that Network Telephone Corporation uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch.)

RESPONSE: Lucent DRM

Answer provided by Pamela Nelson

INTERROGATORY 2: For each Switch identified in response to Interrogatory No. 1, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch:

(b) provide the street address, including the city and state in which the switch is located;

(c) identify the type of switch by manufacturer and model

(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable fo serving, based ont eh switch's existing configuration and component parts;

(e) state the number of voice-grade equivalent lines the switch is current serving based on the switch's existing configuration and component parts; and

(f) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide

RESPONSE:

(a) PNSCFLBLDS2

(b) 30 W. Belmont St., Pensacola, FL 32501

(c) Lucent DRM

(d) 28,800 maximum number of voice-grade equivalent lines

(e) 2,856 current number of voice-grade equivalent lines served

(f) PNSCFLBLDS2; DRM; Point Code Flag; Originating & Terminating FGD and OS Tandem – PNSCFLWA01T; Originating & Terminating Local Tandem – PNSCFLBL32T; STP1 – JCVLFLCL21W; STP2 – JCVLFLSM21W; OCN-8773; AOCN-G068; LATA-44813

Answer provided by Pamela Nelson

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INTERROGATORY 3: Identify any other switch not previously identified in Interrogatory No. 1 that Network Telephone Corporation uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch). In answering this interrogatory, do not include ILEC switches used by Network telephone Corporation either on an unbundled or resale basis.

RESPONSE: None.

Answer provided by Pamela Nelson

INTERROGATORY 4: For each Switch identified in response to Interrogatory No. 3, please:

(g) provide the Common Language Location Identifier ("CLLI") code of the switch:

(h) provide the street address, including the city and state in which the switch is located;

(i) identify the type of switch by manufacturer and model

(j) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(k) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(l) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide

RESPONSE: Not applicable.

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INTERROGATORY 5: Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switched identified in response to Interrogatory No. 1. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

RESPONSE: PNSCFLBL, 30 W. Belmont St., Pensacola, FL 32501

PNSCFLFP, 1725 Olive Rd., Pensacola, FL 32504

PNSCFLWA, 515 Old Corry Field Rd., Pensacola, FL 32507

Answer provided by Pamela Nelson

INTERROGATORY 6: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end-user customers in that wire center area from switches identified in response to Interrogatory 1.

RESPONSE:

CLLI	Lines
PNSCFLBL	1863
PNSCFLFP	1012
PNSCFLWA	173

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INTERROGATORY 7: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 6, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide (1) voice grade equivalent line

(b) The number of end user customers to whom you provide (2) voice grade equivalent lines

(c) The number of end user customers to whom you provide (3) voice grade equivalent line

(d) The number of end user customers to whom you provide (4) voice grade equivalent line

(e) The number of end user customers to whom you provide (5) voice grade equivalent line

(f) The number of end user customers to whom you provide (6) voice grade equivalent line

(g) The number of end user customers to whom you provide (7) voice grade equivalent line

(h) The number of end user customers to whom you provide (8) voice grade equivalent line

(i) The number of end user customers to whom you provide (9) voice grade equivalent line

(j) The number of end user customers to whom you provide (10) voice grade equivalent line

(k) The number of end user customers to whom you provide (11) voice grade equivalent line

(l) The number of end user customers to whom you provide (12) voice grade equivalent line

(m) The number of end user customers to whom you provide more than (12) voice grade equivalent line

OBJECTION:

This interrogatory asks Network Telephone to break down the total voice-grade equivalent lines identified by ILEC wire center in a prior response on the basis of "end user and end user location." Network Telephone objects to this interrogatory on the grounds it is vague and ambiguous. The meaning of "customer location" is unclear in context. Network Telephone requests clarification of the item. Network Telephone also objects on the basis that the information sought with respect to BellSouth's switches is known to BellSouth. Further, in the event BellSouth intends to require Network Telephone to provide the information for each customer's address, Network Telephone objects to the interrogatory on the basis that it is onerous, unduly burdensome, and asks for confidential, proprietary information that BellSouth does not require for its legitimate discovery purposes.

Objection by Counsel

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INTERROGATORY 8: Identify by name, address, and CLLI code each ILEC wire center area, i.e. the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switches identified in response to Interrogatory No. 3. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which you end user is located.

RESPONSE: Not applicable.

INTERROGATORY 9: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area for the switches identified in response to Interrogatory No. 3.

RESPONSE: Not applicable.

INTERROGATORY 10: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 9, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide (1) voice grade equivalent line

(b) The number of end user customers to whom you provide (2) voice grade equivalent lines

(c) The number of end user customers to whom you provide (3) voice grade equivalent line

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(d) The number of end user customers to whom you provide (4) voice grade equivalent line

(e) The number of end user customers to whom you provide (5) voice grade equivalent line

(f) The number of end user customers to whom you provide (6) voice grade equivalent line

(g) The number of end user customers to whom you provide (7) voice grade equivalent line

(h) The number of end user customers to whom you provide (8) voice grade equivalent line

(i) The number of end user customers to whom you provide (9) voice grade equivalent line

(j) The number of end user customers to whom you provide (10) voice grade equivalent line

(k) The number of end user customers to whom you provide (11) voice grade equivalent line

(l) The number of end user customers to whom you provide (12) voice grade equivalent line

(m) The number of end user customers to whom you provide more than (12) voice grade equivalent line

RESPONSE: Not applicable.

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INTERROGATORY 11: Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory serviced by the wire center, in which you provide qualifying service to any end user customers in Florida using an ILEC's switch either on an unbundled or resale basis. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

OBJECTION: Network Telephone objects to this interrogatory on the grounds that, with respect to the information relating to the wire center area of a BellSouth switch used by Network Telephone, the information is already in BellSouth's possession. To require Network Telephone to expend time and resources to prepare and provide information already well known to BellSouth would be unduly burdensome and oppressive.

Objection of Counsel.

INTERROGATORY 12: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice - grade equivalent lines you are providing to end user customers in that wire center area using an ILEC's switch either on an unbundled or resale basis.

OBJECTION: Network Telephone objects to this interrogatory on the grounds it requests information -i.e., the number of lines that Network Telephone provides using BellSouth switches - that is already in BellSouth's possession. To require Network Telephone to expend time and resources to prepare and provide information already well known to BellSouth would be unduly burdensome and oppressive.

Objection of Counsel

INTERROGATORY 13: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 12, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;

(b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;

(c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;

(d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;

(e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;

(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;

(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;

(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;

(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;

(j) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;

(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;

(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines;

(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

OBJECTION: Network Telephone objects with respect to BellSouth's switching on the ground that the information sought is already known to and available to BellSouth. To require Network Telephone to expend time and resources to prepare and provide information already well known to BellSouth would be unduly burdensome and oppressive.

Objection by Counsel

INTERROGATORY 14: Do you offer to provide or do you provide switching capacity to another local exchange carrier for its use in providing qualifying service anywhere in the nine states in the BellSouth region. If the answer to this Interrogatory is in the affirmative, for each switch that you use to offer or provide such switching capacity, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch:

(b) provide the street address, including the city and state in which the switch is located;

(c) identify the type of switch by manufacturer and model

(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable OF serving, based on the switch's existing configuration and component parts;

(e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(f) Identify all documents referring or relating to the rates, terms, and conditions of Network Telephone Corporations' provision of switching capability.

RESPONSE: No. Network Telephone's Florida switch is not used to provide wholesale switching capacity to another local exchange carrier for the provision of service to end users either inside or outside the state of Florida.

Answer provided by Steve Sims

INTERROGATORY 15: Identify every business case in your possession, custody or control that evaluates, discusses, analyzes or otherwise refers or relates to the offering of a qualifying service using: (1) the Unbundled Network Element Platform (UNE-P), (2) self-provisioned switching, (3) switching obtained from a third party provider other than an ILEC, or (4) any combination of these items.

OBJECTION: Network Telephone objects to this interrogatory on the grounds it seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence, inasmuch as the FCC has determined that the analysis of impairment will not be based on individual carriers' business cases. Network Telephone also objects on the grounds that the interrogatory seeks the disclosure of commercially sensitive, confidential and proprietary

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business information. Network Telephone also objects because as defined within the interrogatories the term "business case" is overbroad. Network Telephone also objects because, particularly in view of the fact the information is irrelevant, requiring Network Telephone to disclose its internal analyses would be oppressive and unduly burdensome.

Objection by Counsel

INTERROGATORY 16: Identify any documents that you have provided to any of your employees or agents, or to any financial analyst, bank or other financial institution, shareholder or any other person that describes, presents, evaluates or otherwise discusses in whole or in part, how you intend to offer or provide local exchange service, including but not limited to such things as the markets in which you either do participate or intend to participate, the costs of providing such service, the market share you anticipate obtaining in each market, the time horizon over which you anticipate obtaining such market share, and the average revenues you expect per customer.

OBJECTION: Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on business models of individual carriers, it seeks information that is irrelevant to the impairment analysis to be conducted by the Commission and is not reasonably calculated to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory is overbroad, oppressive, unduly burdensome. Network Telephone objects on the grounds the interrogatory requests proprietary and confidential business information.

Objection by Counsel

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INTERROGATORY 17: If not identified in response to a prior Interrogatory, identify every document in your possession, custody, or control referring or relating to the financial viability of self-provisioning switching in your providing qualifying services to end user customers.

OBJECTION: Network Telephone objects to this interrogatory on the grounds that the request to identify "every" document is unduly burdensome and oppressive. Network Telephone also objects on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be determined on the basis of individual carriers' business models, the interrogatory seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Network also objects on the grounds the interrogatory seeks the disclosure of confidential and proprietary business information.

Objection by Counsel

INTERROGATORY 18: Do you have switches that are technically capable of providing, but are not presently being used to provide, a qualifying service in Florida?

RESPONSE: No.

Answer provided by Steve Sims

INTERROGATORY 19: Identify each MSA in Florida where you are currently offering a qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: Network Telephone is not currently offering end-user qualifying services in the Orlando, Miami, or Ft. Lauderdale Top 8 MSAs . Qualifying services are offered in Pensacola and Gainesville.

Answer provided by Margaret Ring

INTERROGATORY 20: If you offer a qualifying service outside of the MSAs identified in response to Interrogatory 19, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

OBJECTION: To the extent it relates to services that Network Telephone provides through the use of UNE-P and resale in BellSouth's service area, Network Telephone objects to this interrogatory on the grounds that BellSouth already has in its possession the requested information. To require Network Telephone to expend time and resources to prepare and provide information already well known to BellSouth would be unduly burdensome and oppressive. With respect to the locations of its facilities-based customers, Network Telephone responds as follows:

RESPONSE: Network Telephone offers qualifying service in the Pensacola and Gainesville exchanges in Florida. The geographic boundaries of the service offerings are limited based on the combined availability of clean loops and loop lengths necessary to provide DSL service from Network Telephone's collocations in those exchanges.

Objection by Counsel; Answer provided by Margaret Ring

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INTERROGATORY 21: Describe with particularity the qualifying services that you offer in the geographic areas described in response to Interrogatories 19 and 20, including the rates, terms and conditions under which such services are offered. If the qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms and conditions under which such services are offered. If the qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identifies the relevant geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that website. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

RESPONSE: Network Telephone's service areas, rates, terms, and conditions are listed on the Company's public website at **www.networktelephone.net**.

Answer provided by Margaret Ring

INTERROGATORY 22: Identify each MSA in Florida where you are currently offering a non-qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: With the caveat and objection that Network Telephone believes the term "non-qualifying service" to be ambiguous, notwithstanding that objection, and without waiving it, based on Network's understanding of that term the answer is "none."

Answer provided by Margaret Ring

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INTERROGATORY 23: *If you offer a non-qualifying service outside of the MSAs* identified in response to Interrogatory 22, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: Network Telephone has objected to the use of the term "non-qualifying service" on the grounds it is ambiguous. Notwithstanding that objection, and without waiving it, based on Network Telephone's understanding of the term this interrogatory is "not applicable."

INTERROGATORY 24: Describe with particularity the non-qualifying services that you offer in the geographic areas described in response to Interrogatories 22 and 23, including the rates, terms and conditions under which such services are offered. If the non-qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identified the relevant geographic areas and identified the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

RESPONSE: Network Telephone has objected to the use of the term "non-qualifying service" on the grounds it is ambiguous. Notwithstanding the objection, and without waiving it, based on Network Telephone's understanding of the term this interrogatory is "not applicable."

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INTERROGATORY 25: Please state the total number of end user customers in the State of Florida to whom you only provide qualifying service.

RESPONSE: 1,820

Answer provided by Rich Eby

INTERROGATORY 26: For those end user customers to whom you only provide qualifying service in the State of Florida, please state the average monthly revenues you receive from each such end user customer.

OBJECTION

Network Telephone objects on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, the interrogatory asks for information that is irrelevant to the impairment analysis and not reasonably calculated to lead to the discovery of admissible evidence. Network Telephone also objects to this interrogatory on the grounds it seeks confidential and proprietary business information

Network Telephone interprets this interrogatory to request aggregate information. If BellSouth intended to request average monthly revenues for each individual end use customer, then Network Telephone objects on the grounds that the interrogatory is unduly burdensome and oppressive, and beyond any legitimate discovery need. .

INTERROGATORY 27: For those end user customers to whom you only provide qualifying service in the Sate of Florida, please state the average number of lines that you provide each such end user customer.

RESPONSE: Four

Answer provided by Rich Eby

INTERROGATORY 28: Please state the total number of end users customers in the Sate of Florida to whom you only prove non-qualifying service.

RESPONSE: Network Telephone has objected to the use of the term "non-qualifying service" on the grounds it is ambiguous. Notwithstanding that objection, and without waiving it, based on Network Telephone's understanding of the term the answer is "None."

Answer provided by Margaret Ring

INTERROGATORY 29: For those end user customers to whom you only provide non-qualifying service in the State of Florida, please state the average monthly revenue you receive from each such end user customer.

RESPONSE: Not applicable.

INTERROGATORY 30: Please state the total number of end-user customer in the State of Florida to whom you provide both qualifying and non-qualifying service.

RESPONSE: Network Telephone has objected to the use of the terms "qualifying" and "non-qualifying" services on the grounds they are ambiguous. Notwithstanding the objection,

and without waiving it, based on Network Telephone's understanding of the terms the answer is "None."

Answer provided by Margaret Ring

INTERROGATORY 31: For those end user customers to whom you provide qualifying and non-qualifying service in the State of Florida, please state the average monthly revenues you receive form each such end user customers.

RESPONSE: Network Telephone has objected to the use of the terms "qualifying" and "non-qualifying services" in the grounds they are ambiguous. Notwithstanding the objection, and without waiving it, based on Network Telephone's understanding of the terms this interrogatory is not applicable.

INTERROGATORY 32: For those end user customers who whom you provide qualifying and non-qualifying service in the State of Florida, please state the average number of lines that you provide each such end user customer.

RESPONSE: Network Telephone has objected to the use of the terms "qualifying service" and "non-qualifying service" on the grounds they are ambiguous. Notwithstanding the objection, and without waiving it, based on Network Telephone's understanding of the terms this interrogatory is not applicable.

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INTERROGATORY 33: Please provide a breakdown of the total number of end user customers served by Network Telephone Corporation in Florida by class or type of end user customers (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers. For each such classification, and/or if you provide another type of classification, define and describe with specificity the classification so that it can be determined what kinds of customers you have in each classification.)

RESPONSE: Network Telephone classifies end-users in only two basic types – residential and business. Residential end-user lines are lines which terminate at a private residence location and for which a business name or listing is not used. Business end-user lines terminate at an office or business location. Rates are divided into one of the two categories. Network Telephone has 538 residential end-user customers in Florida, and 1,280 business end-user customers in Florida.

Answer provided by Rich Eby

INTERROGATORY 34: For each class or type of end user customer referenced in Interrogatory No. 33, please state the average acquisition cost for each such end user class or type. Please provide this information for each month from January 2000 to the present.

OBJECTION

Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, it seeks information that is irrelevant to the issues in the case and the analysis

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to be conducted by the Commission, and is not reasonably calculated to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory seeks the disclosure of commercially sensitive, proprietary and confidential business information. Network Telephone objects to the request for information on a monthly basis since January 2000 as onerous, oppressive, unduly burdensome and beyond any legitimate discovery need.

Objection by Counsel

INTERROGATORY 35: For each class or type of end user customer referenced in Interrogatory No. 33, please state the typical churn rate for each such end user class or type. Please provide this information for each month from January 2000 to the present.

OBJECTION

Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, it seeks information that is irrelevant to the issues in this case and the analysis that the Commission is to conduct, and is not reasonably designed to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory seeks the disclosure of commercially sensitive, proprietary and confidential business information. Network Telephone also objects on the grounds that the request for monthly information beginning with January 2000 is oppressive, unduly burdensome, and goes beyond any legitimate discovery need.

Objection by Counsel

INTERROGATORY 36: For each class or type of end user customer referenced in Interrogatory No. 33, please state the percentage of the local exchange market you have obtained. Please provide this information for each month from January 2000 to the present.

RESPONSE: Network Telephone has no data on the percentage of Florida's local exchange market it has obtained.

Answer provided by Margaret Ring

INTERROGATORY 37: Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to your cumulative market share of the local exchange market in Florida.

RESPONSE: None.

Answer provided by Margaret Ring

INTERROGATORY 38: Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to any projections that you have made regarding your cumulative market share growth in the local exchange market in Florida.

RESPONSE: None. Network Telephone does not attempt to project its share of Florida's market.

Answer provided by Danyelle Kennedy

INTERROGATORY 39: Describe how the marketing organization that is responsible for marketing qualifying service in Florida is organized, including the organization's structure, size in terms of full time or equivalent employees including contract and temporary employees, and the physical work locations for such employees. In answering this Interrogatory, please state whether you utilize authorized sales representatives in your marketing efforts in Florida, and, if so, describe with particularity the nature, extent, and rates, terms, and conditions of such use.

OBJECTION

Network Telephone objects on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, the interrogatory seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Network objects on the grounds the interrogatory seeks the disclosure of proprietary and confidential business information. Network Telephone objects on the grounds the interrogatory as framed is overbroad and unduly burdensome.

Objection by Counsel

INTERROGATORY NO. 40: How do you determine whether you will serve an individual customer's location with multiple DSOs or whether you are going to use a DS1 or larger transmission system? Provide a detailed description of the analysis you would undertake to resolve this issue, and identify the factors that you would consider in making this type of a decision.

000051

RESPONSE:

Network Telephone does not have a set formula for this determination. The decision is made on a case by case basis, taking into account such factors as whether the customer is inside or outside Network's footprint; the UNE pricing zone; and whether or not an EEL is available.

Answer provided by Margaret Ring

INTERROGATORY NO. 41: Is there a typical or average number of DSOs at which you would chose to serve a particular customer with a DS1 or larger transmission system, all other things being equal? If so, please provide that typical or average number and explain how this number was derived.

OBJECTION

Network Telephone objects to this interrogatory on the grounds it seeks confidential and proprietary information. Notwithstanding these objections, and without waiving them, subject to the execution of a confidentiality agreement Network Telephone will make reasonable efforts to provide responsive information.

INTERROGATORY 42: What additional equipment, if any, would be required (on the customer's side of the demarcation point rather than on network side of the demarcation point) to provide service to a customer with a DS1 rather than multiple DS0s? For instance, if a customer had 10 DS0s, and you want to provide the customer with the same functionality using a DS1, would a D-4 channel bank, or a digital PBX be required in order to provide equivalent service to the end user that has 10 DS0s? If so, please provide the average cost of the equipment that would be required to provide that functional equivalency (that is, the channel bank, or the PBX

or whatever would typically be required should you decide to serve the customer with a DS1 rather than multiple DS0s.)

RESPONSE: Based on Network Telephone's technology methods we would provide an Integrated Access Device) in order to provision analog voice services via digital T1 transmission. The average cost of the IAD is dependent upon the transport method utilized. In addition to providing service via digital T1 transmission, Network Telephone also provides service via VoDSL technology. The average cost of a digital T1 IAD is $550. The average cost of a SDSL IAD is $400.

INTERROGATORY 43: What cost of capital do you use in evaluating whether to offer a qualifying service in a particular geographic market and how is that cost of capital determined?

OBJECTION

Network Telephone objects to the interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on individual carriers' business models, it seeks information that is irrelevant to the issues in the case and unrelated to the analysis the Commission is to conduct, and is not reasonably calculated to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory seeks the disclosure of confidential and proprietary business information.

Objection by Counsel

000053

INTERROGATORY 44: With regard to the cost of capital you use in evaluating whether to provide a qualifying service in a particular geographic market, what are the individual components of that cost of capital, such as the debt-equity ratio, the cost of debt and the cost of equity?

OBJECTION

Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, it seeks information that is unrelated to the analysis the Commission is to conduct, irrelevant to the issues in the case, and not reasonably calculated to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory seeks the disclosure of confidential and proprietary business information.

INTERROGATORY 45: In determining whether to offer a qualifying service in a particular geographic market, what time period do you typically use to evaluate that offer? That is, do you use one year, five years, ten years, or some other time horizon over which you evaluate the project?

RESPONSE: Qualifying services are evaluated over the proposed term of any related contract and a five-year period. If the service is to be offered without a term agreement, then a standard two-year and five-year time horizon is used.

Answer provided by Danyelle Kennedy

INTERROGATORY 46: Provide your definition of sales expense as that term is used in your business.

RESPONSE: Sales expense includes salaries, commission and bonuses paid to personnel within Network Telephone who are involved with directly selling to customers though either the direct sales force, inside sales, direct marketing and agent/wholesale channels. This does include sales management and administrative support. Any marketing or advertising expenses incurred during the sales cycle are included. This excludes the rent, utilities and other facility-related costs for our sales offices as these cost are considered general and administrative.

Answer provided by Danyelle Kennedy

INTERROGATORY 47: Based on the definition of sales expense in the foregoing Interrogatory, please state how you estimate sales expense when evaluating whether to offer a qualifying service in a particular geographic market?

RESPONSE: Sales expense is tracked monthly on a per line added basis. Using this actual historical information, a six-month average is taken to use as an estimate for any product/service offering analysis.

INTERROGATORY 48: Provide your definition of general and administrative (G&A) costs as you use those terms in your business.

RESPONSE: General and administrative costs include all expenses, excluding direct sales expenses as defined above, that are incurred in the day-to-day management of the business. These costs include, but are not exclusively limited to, the following:

- Salaries and bonuses for all personnel outside of sales

- Employee benefits for all personnel within the organization including sales
- Facilities costs – i.e. rent, utilities, office cleaning, etc.
- Repair and maintenance
- Employee reward, recognition and morale
- Travel and entertainment expenses, excluding sales
- Dues and subscriptions
- Office and billing supplies
- Recruiting expenses
- Vehicle and fuel expense
- Relocation and severance expenses
- Telecommunication expenses – i.e. cellphones, pages, and corporate telecommunication services
- Freight
- Equipment rental
- Taxes and licenses
- Loss on disposition of equipment

Answer provided by Danyelle Kennedy

000056

INTERROGATORY 49: Based on the definition of G&A costs in the foregoing Interrogatory, please state how you estimate G&A expenses when evaluating whether to offer a qualifying service in a particular geographic market.

RESPONSE: G&A expenses are factored in only if incremental additional headcount is needed to support the ongoing product. G&A expenses are tracked monthly on a per employee basis. Using this actual historical information, a six-month average is taken to use as an estimate for any product/service offering analysis based on the estimated incremental man-hours need to support the product/service offering.

Answer provided by Danyelle Kennedy

INTERROGATORY 50: For each day since January 1, 200, identify the number of individual hot cuts that Bellsouth has performed for Network Telephone Corporation in each state in BellSouth's region.

RESPONSE: None.

INTERROGATORY 51: For each individual hot cut identified in response to Interrogatory No. 50, state:

i. Whether the hot cut was coordinated or not;

ii. If coordinated, whether the hot cut occurred as scheduled;

iii. If the hot cut did not occur as scheduled, state whether this was due to a problem with BellSouth, Network Telephone Corporation, the end user customer, or some

third party, and describe with specificity the reason the hot cut did not occur as scheduled;

iv. If there was a problem with the hot cut, state whether Network Telephone Corporation complained in writing to BellSouth or anyone else.

RESPONSE: Not applicable.

INTERROGATORY 52: Does Network Telephone Corporation have a preferred process for performing batch hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe or otherwise refer or relate to this preferred process.

RESPONSE: No.

INTERROGATORY 53: Does Network telephone Corporation have a preferred process for performing individual hot cuts? If the answer to this Interogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe, or otherwise relate to this preferred process.

RESPONSE: No.

INTERROGATORY 54

(Withdrawn by BellSouth)

INTERROGATORY 55: If Network Telephone has a preferred process for individual hot cuts that differs from BellSouth's process, identify each specific step in Network Telephone Corporation's process that differs from BellSouth's process.

RESPONSE: Not applicable.

INTERROGATORY 56: If Network Telephone Corporation has a preferred process for bulk hot cuts that differs from BellSouth's process, identify each specific step in Network Telephone Corporation's process that differs from BellSouth's process.

RESPONSE: Not applicable.

INTERROGATORY 57: Does Network Telephone Corporation have any estimates of what a typical individual hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

RESPONSE: No.

INTERROGATORY 58: Does Network Telephone Corporation have any estimates of what a typical bulk hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

RESPONSE: No.

INTERROGATORY 59: What is the largest number of individual hot customers that Network Telephone Corporation has requested in any individual central office in each of the nine BellSouth states on a single day?

RESPONSE: None.

INTERROGATORY 60: Does any ILEC in the BellSouth region have a batch hot cut process that is acceptable to Network Telephone Corporation or that Network Telephone Corporation believes is superior to BellSouth's hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

RESPONSE: Network Telephone has not evaluated the batch hot cut processes of other carriers.

INTERROGATORY 61: Does any ILEC in the BellSouth region have a cost for a batch hot cut process that is acceptable to Network Telephone Corporation? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Network Telephone has not evaluated the batch hot cut costs of other carriers.

INTERROGATORY 62: Does any ILEC in the BellSouth region have an individual hot cut process that is acceptable to Network Telephone Corporation or that Network Telephone Corporation believes is superior to BellSouth's individual hot cut process? If so, identify the

ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

RESPONSE: Network Telephone has not evaluated the individual hot cut process of other carriers.

INTERROGATORY 63: Does any ILEC in the BellSouth region have a rate for an individual hot cut process that is acceptable to Network Telephone Corporation? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Network Telephone has not evaluated the individual hot cut rates of other carriers.

INTERROGATORY 64: Does any ILEC outside the BellSouth region have a batch hot cut process that is acceptable to Network Telephone Corporation or that Network Telephone Corporation believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

RESPONSE: Network Telephone has not evaluated the batch hot cut process of other carriers.

INTERROGATORY 65: Does any ILEC outside the BellSouth region have a rate for a batch hot cut process that is acceptable to Network Telephone Corporation? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Network Telephone has not evaluated the batch hot cut costs of other carriers.

000061

INTERROGATORY 66: Does any ILEC outside the BellSouth region have an individual hot cut process that is acceptable to Network Telephone Corporation or that Network Telephone Corporation believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

RESPONSE: Network Telephone has not evaluated the individual hot cut process of other carriers.

INTERROGATORY 67: Does any ILEC outside the BellSouth region have a rate for an individual hot cut process that is acceptable to Network Telephone Corporation? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Network Telephone has not evaluated the individual hot cut rates of other carriers.

INTERROGATORY 68: Does Network Telephone Corporation order coordinated or non-coordinated hot cuts?

RESPONSE: Network Telephone does not order hot cuts.

INTERROGATORY 69: Does Network Telephone use the CFA database?

RESPONSE: No.

INTERROGATORY 70: Identify every issue related to BellSouth's hot cut process raised by Network Telephone Corporation at the Florida CLEC collaborative since October 2001.

RESPONSE: None.

Answer provided by Margaret Ring

INTERROGATORY 71: What is the appropriate volume of loops that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii0? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the number of loops that should be used in establishing a batch hot cut process.

Answer provided by Margaret Ring

INTERROGATORY 72: What is the appropriate process that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the process that should be used for batch hot cuts.

Answer provided by Margaret Ring

000063

INTERROGATORY 73: If Network Telephone Corporation disagrees with BellSouth's individual hot cut process, identify every step that Network Telephone Corporation contends is unnecessary and state with specificity why the step is unnecessary.

RESPONSE: Since Network Telephone has not used the individual hot cut process, we are not in a position to either agree or disagree with the particularities of the process.

Answer provided by Margaret Ring

INTERROGATORY 74: If Network Telephone Corporation disagrees with BellSouth's bulk hot cut process, identify every step that Network Telephone Corporation contends is unnecessary and state with specificity why the step is unnecessary.

RESPONSE: Since Network Telephone has not used the bulk hot cut process, we are not in a position to either agree or disagree with the particularities of the process.

Answer provided by Margaret Ring

INTERROGATORY 75: Identify by date, author and recipient every written complaint Network Telephone Corporation has made to BellSouth regarding BellSouth's hot cut process since October 2001.

RESPONSE: None.

Answer provided by Margaret Ring

INTERROGATORY 76: How many unbundled loops does Network Telephone Corporation contend BellSouth must provision per state per month to constitute sufficient volume to assess BellSouth's hot cut process?

RESPONSE: Network Telephone has not established an individual company position regarding the number of loops that should be used in evaluating the batch hot cut process.

Answer provided by Margaret Ring

INTERROGATORY 77: What is the appropriate information that you contend the Florida Public Service Commission should consider in evaluating whether the ILEC is capable of migrating multiple lines served using unbundled local circuit switching to switches operated by a carrier other than the ILEC in a timely manner in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the information that should be used in evaluating the migration of multiple lines to the switches of other carriers.

Answer provided by Margaret Ring

INTERROGATORY 78: What is the average completion interval metric for provision of high volumes of loops that you content the Florida Public Service Commission should require in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the completion interval metric that should be used in establishing a batch hot cut process.

Answer provided by Margaret Ring

INTERROGATORY 79: What are the rates that you contend the Florida Public Service Commission should adopt in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the rates the Commission should adopt in establishing a batch hot cut process.

Answer provided by Margaret Ring

INTERROGATORY 80: What are the appropriate product markets that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: At this time, Network Telephone has not established an individual company position on the appropriate market products that should be used.

Answer provided by Margaret Ring

INTERROGATORY 81: What are the appropriate geographic market(s) that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: At this time, Network Telephone has not established an individual company position on the appropriate market products that should be used.

Answer provided by Margaret Ring

INTERROGATORY 82: Do you contend that there are operational barriers within the meaning of FCC Rule 52.319(d)(2)(iii)(B)(2) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such operational barrier, and state all facts and identify all documents supporting your contention.

RESPONSE: At this time, Network Telephone has not established a individual company position on this issue.

Answer provided by Margaret Ring

INTERROGATORY 83: Do you contend that there are economic barriers within the meaning of FCC Rule 52.319(d)(2)(iii)(B)(3) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such operational barrier, and state all facts and identify all documents supporting your contention.

RESPONSE: Network Telephone believes the constraints facing the current market with regard to investment certainly pose an economic barrier for a company newly entering the switched based market. The cost of new switching deployment is substantial. At this point, however, Network Telephone has not established a more detailed company position on this issue.

Answer provided by Margaret Ring

000067

INTERROGATORY 84: What is the maximum number of DS0 loops for each geographic market that you contend requesting telecommunications carriers can serve through unbundled switching when serving multiline end users at a single location that the Florida Public Service Commission should consider in establishing a "cutoff" consistent with FCC Rule 51.319(d)(2)(iii)(B)(4)? In answering this interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position on this issue.

Answer provided by Margaret Ring

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements Arising from Federal Communications Commission Triennial UNE review: Local Circuit Switching For Mass Market Customers

Docket No. 030851-TP

11-9

AMENDED RESPONSES OF NETWORK TELEPHONE CORPORATION TO BELLSOUTH'S FIRST SET OF INTERROGATORIES

Network Telephone Corporation ("Network Telephone"), through its undersigned counsel, hereby provides its Amended Objections and Answers to BellSouth's First Set of Interrogatories. Network Telephone hereby adopts, incorporates by reference, and renews its preliminary Objections of October 20, 2003, as supplemented and clarified on October 27, 2003. As stated in its pleadings of October 20 and October 27, 2003, in responding to the interrogatories Network Telephone assumes each interrogatory relates to intrastate operations in BellSouth's Florida service area. Network further responds to the First Set as follows:

INTERROGATORY 1: Identify each switched owned by Network Telephone Corporation that Network Telephone Corporation uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch.)

RESPONSE: Lucent DRM

Answer provided by Pamela Nelson

000069

INTERROGATORY 2: For each Switch identified in response to Interrogatory No. 1, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch:

(b) provide the street address, including the city and state in which the switch is located;

(c) identify the type of switch by manufacturer and model

(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(e) state the number of voice-grade equivalent lines the switch is current serving based on the switch's existing configuration and component parts; and

(f) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide

RESPONSE:

(a) PNSCFLBLDS2

(b) 30 W. Belmont St., Pensacola, FL 32501

(c) Lucent DRM

(d) 28,800 maximum number of voice-grade equivalent lines

(e) 2,856 current number of voice-grade equivalent lines served

(f) PNSCFLBLDS2; DRM; Point Code Flag; Originating & Terminating FGD and OS Tandem – PNSCFLWA01T; Originating & Terminating Local Tandem – PNSCFLBL32T; STP1 – JCVLFLCL21W; STP2 – JCVLFLSM21W; OCN-8773; AOCN-G068; LATA-44813

Answer provided by Pamela Nelson

INTERROGATORY 3: Identify any other switch not previously identified in Interrogatory No. 1 that Network Telephone Corporation uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch). In answering this interrogatory, do not include ILEC switches used by Network telephone Corporation either on an unbundled or resale basis.

RESPONSE: None.

Answer provided by Pamela Nelson

INTERROGATORY 4: For each Switch identified in response to Interrogatory No. 3, please:

(g) provide the Common Language Location Identifier ("CLLI") code of the switch:

(h) provide the street address, including the city and state in which the switch is located;

(i) identify the type of switch by manufacturer and model

(j) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(k) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(l) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide

RESPONSE: Not applicable.

INTERROGATORY 5: Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switched identified in response to Interrogatory No. 1. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

RESPONSE: PNSCFLBL, 30 W. Belmont St., Pensacola, FL 32501

PNSCFLFP, 1725 Olive Rd., Pensacola, FL 32504

PNSCFLWA, 515 Old Corry Field Rd., Pensacola, FL 32507

Answer provided by Pamela Nelson

INTERROGATORY 6: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end-user customers in that wire center area from switches identified in response to Interrogatory 1.

RESPONSE:

CLLI	Lines
PNSCFLBL	1863
PNSCFLFP	1012
PNSCFLWA	173

Answer provided by Rick Eby

INTERROGATORY 7: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 6, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide (1) voice grade equivalent line

(b) The number of end user customers to whom you provide (2) voice grade equivalent lines

(c) The number of end user customers to whom you provide (3) voice grade equivalent line

(d) The number of end user customers to whom you provide (4) voice grade equivalent line

(e) The number of end user customers to whom you provide (5) voice grade equivalent line

(f) The number of end user customers to whom you provide (6) voice grade equivalent line

(g) The number of end user customers to whom you provide (7) voice grade equivalent line

(h) The number of end user customers to whom you provide (8) voice grade equivalent line

(i) The number of end user customers to whom you provide (9) voice grade equivalent line

(j) The number of end user customers to whom you provide (10) voice grade equivalent line

(k) The number of end user customers to whom you provide (11) voice grade equivalent line

(l) The number of end user customers to whom you provide (12) voice grade equivalent line

(m) The number of end user customers to whom you provide more than (12) voice grade equivalent line

OBJECTION:

This interrogatory asks Network Telephone to break down the total voice-grade equivalent lines identified by ILEC wire center in a prior response on the basis of "end user and end user location." Network Telephone objects to this interrogatory on the grounds it is vague and ambiguous. The meaning of "customer location" is unclear in context. Network Telephone requests clarification of the item. Network Telephone also objects on the basis that the information sought with respect to BellSouth's switches is known to BellSouth. Further, in the event BellSouth intends to require Network Telephone to provide the information for each customer's address, Network Telephone objects to the interrogatory on the basis that it is onerous, unduly burdensome, and asks for confidential, proprietary information that BellSouth does not require for its legitimate discovery purposes.

Objection by Counsel

INTERROGATORY 8: Identify by name, address, and CLLI code each ILEC wire center area, i.e. the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switches identified in response to Interrogatory No. 3. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which you end user is located.

RESPONSE: Not applicable.

INTERROGATORY 9: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area for the switches identified in response to Interrogatory No. 3.

RESPONSE: Not applicable.

INTERROGATORY 10: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 9, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide (1) voice grade equivalent line

(b) The number of end user customers to whom you provide (2) voice grade equivalent lines

(c) The number of end user customers to whom you provide (3) voice grade equivalent line

(d) The number of end user customers to whom you provide (4) voice grade equivalent line

(e) The number of end user customers to whom you provide (5) voice grade equivalent line

(f) The number of end user customers to whom you provide (6) voice grade equivalent line

(g) The number of end user customers to whom you provide (7) voice grade equivalent line

(h) The number of end user customers to whom you provide (8) voice grade equivalent line

(i) The number of end user customers to whom you provide (9) voice grade equivalent line

(j) The number of end user customers to whom you provide (10) voice grade equivalent line

(k) The number of end user customers to whom you provide (11) voice grade equivalent line

(l) The number of end user customers to whom you provide (12) voice grade equivalent line

(m) The number of end user customers to whom you provide more than (12) voice grade equivalent line

RESPONSE: Not applicable.

INTERROGATORY 11: Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory serviced by the wire center, in which you provide qualifying service to any end user customers in Florida using an ILEC's switch either on an unbundled or resale basis. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

OBJECTION: Network Telephone objects to this interrogatory on the grounds that, with respect to the information relating to the wire center area of a BellSouth switch used by Network Telephone, the information is already in BellSouth's possession. To require Network Telephone to expend time and resources to prepare and provide information already well known to BellSouth would be unduly burdensome and oppressive.

Objection by Counsel.

INTERROGATORY 12: For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice - grade equivalent lines you are providing to end user customers in that wire center area using an ILEC's switch either on an unbundled or resale basis.

OBJECTION: Network Telephone objects to this interrogatory on the grounds it requests information -i.e., the number of lines that Network Telephone provides using BellSouth switches - that is already in BellSouth's possession. To require Network Telephone to expend time and resources to prepare and provide information already well known to BellSouth would be unduly burdensome and oppressive.

Objection by Counsel

INTERROGATORY 13: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 12, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;

(b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;

(c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;

(d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;

(e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;

(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;

(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;

(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;

(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;

(j) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;

(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;

(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines;

(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

OBJECTION: Network Telephone objects with respect to BellSouth's switching on the ground that the information sought is already known to and available to BellSouth. To require Network Telephone to expend time and resources to prepare and provide information already well known to BellSouth would be unduly burdensome and oppressive.

Objection by Counsel

INTERROGATORY 14: Do you offer to provide or do you provide switching capacity to another local exchange carrier for its use in providing qualifying service anywhere in the nine states in the BellSouth region. If the answer to this Interrogatory is in the affirmative, for each switch that you use to offer or provide such switching capacity, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch:

(b) provide the street address, including the city and state in which the switch is located;

(c) identify the type of switch by manufacturer and model

(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable OF serving, based on the switch's existing configuration and component parts;

(e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(f) Identify all documents referring or relating to the rates, terms, and conditions of Network Telephone Corporations' provision of switching capability.

RESPONSE: No. Network Telephone's Florida switch is not used to provide wholesale switching capacity to another local exchange carrier for the provision of service to end users either inside or outside the state of Florida.

Answer provided by Steve Sims

INTERROGATORY 15: Identify every business case in your possession, custody or control that evaluates, discusses, analyzes or otherwise refers or relates to the offering of a qualifying service using: (1) the Unbundled Network Element Platform (UNE-P), (2) self-provisioned switching, (3) switching obtained from a third party provider other than an ILEC, or (4) any combination of these items.

OBJECTION: Network Telephone objects to this interrogatory on the grounds it seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence, inasmuch as the FCC has determined that the analysis of impairment will not be based on individual carriers' business cases. Network Telephone also objects on the grounds that the interrogatory seeks the disclosure of commercially_sensitive, confidential and proprietary

business information. Network Telephone also objects because as defined within the interrogatories the term "business case" is overbroad. Network Telephone also objects because, particularly in view of the fact the information is irrelevant, requiring Network Telephone to disclose its internal analyses would be oppressive and unduly burdensome.

Objection by Counsel

INTERROGATORY 16: Identify any documents that you have provided to any of your employees or agents, or to any financial analyst, bank or other financial institution, shareholder or any other person that describes, presents, evaluates or otherwise discusses in whole or in part, how you intend to offer or provide local exchange service, including but not limited to such things as the markets in which you either do participate or intend to participate, the costs of providing such service, the market share you anticipate obtaining in each market, the time horizon over which you anticipate obtaining such market share, and the average revenues you expect per customer.

OBJECTION: Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on business models of individual carriers, it seeks information that is irrelevant to the impairment analysis to be conducted by the Commission and is not reasonably calculated to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory is overbroad, oppressive, unduly burdensome. Network Telephone objects on the grounds the interrogatory requests proprietary and confidential business information.

Objection by Counsel

INTERROGATORY 17: If not identified in response to a prior Interrogatory, identify every document in your possession, custody, or control referring or relating to the financial viability of self-provisioning switching in your providing qualifying services to end user customers.

OBJECTION: Network Telephone objects to this interrogatory on the grounds that the request to identify "every" document is unduly burdensome and oppressive. Network Telephone also objects on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be determined on the basis of individual carriers' business models, the interrogatory seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence. Network also objects on the grounds the interrogatory seeks the disclosure of confidential and proprietary business information.

Objection by Counsel

INTERROGATORY 18: Do you have switches that are technically capable of providing, but are not presently being used to provide, a qualifying service in Florida?

RESPONSE: No.

Answer provided by Steve Sims

INTERROGATORY 19: Identify each MSA in Florida where you are currently offering a qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: Network Telephone is not currently offering end-user qualifying services in the Orlando, Miami, or Ft. Lauderdale Top 8 MSAs . Qualifying services are offered in Pensacola and Gainesville.

Answer provided by Margaret Ring

INTERROGATORY 20: If you offer a qualifying service outside of the MSAs identified in response to Interrogatory 19, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

OBJECTION: To the extent it relates to services that Network Telephone provides through the use of UNE-P and resale in BellSouth's service area, Network Telephone objects to this interrogatory on the grounds that BellSouth already has in its possession the requested information. To require Network Telephone to expend time and resources to prepare and provide information already well known to BellSouth would be unduly burdensome and oppressive. With respect to the locations of its facilities-based customers, Network Telephone responds as follows:

RESPONSE: Network Telephone offers qualifying service in the Pensacola and Gainesville exchanges in Florida. The geographic boundaries of the service offerings are limited based on the combined availability of clean loops and loop lengths necessary to provide DSL service from Network Telephone's collocations in those exchanges.

Objection by Counsel; Answer provided by Margaret Ring

INTERROGATORY 21: Describe with particularity the qualifying services that you offer in the geographic areas described in response to Interrogatories 19 and 20, including the rates, terms and conditions under which such services are offered. If the qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms and conditions under which such services are offered. If the qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identifies the relevant geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that website. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

RESPONSE: Network Telephone's service areas, rates, terms, and conditions are listed on the Company's public website at **www.networktelephone.net**.

Answer provided by Margaret Ring

INTERROGATORY 22: Identify each MSA in Florida where you are currently offering a non-qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: With the caveat and objection that Network Telephone believes the term "non-qualifying service" to be ambiguous, notwithstanding that objection, and without waiving it, based on Network's understanding of that term the answer is "none."

Answer provided by Margaret Ring

INTERROGATORY 23: If you offer a non-qualifying service outside of the MSAs identified in response to Interrogatory 22, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

RESPONSE: Network Telephone has objected to the use of the term "non-qualifying service" on the grounds it is ambiguous. Notwithstanding that objection, and without waiving it, based on Network Telephone's understanding of the term this interrogatory is "not applicable."

Answer provided by Margaret Ring

INTERROGATORY 24: Describe with particularity the non-qualifying services that you offer in the geographic areas described in response to Interrogatories 22 and 23, including the rates, terms and conditions under which such services are offered. If the non-qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identified the relevant geographic areas and identified the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

RESPONSE: Network Telephone has objected to the use of the term "non-qualifying service" on the grounds it is ambiguous. Notwithstanding the objection, and without waiving it, based on Network Telephone's understanding of the term this interrogatory is "not applicable."

INTERROGATORY 25: Please state the total number of end user customers in the State of Florida to whom you only provide qualifying service.

RESPONSE: 1,820

Answer provided by Rich Eby

INTERROGATORY 26: For those end user customers to whom you only provide qualifying service in the State of Florida, please state the average monthly revenues you receive from each such end user customer.

OBJECTION

Network Telephone objects on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, the interrogatory asks for information that is irrelevant to the impairment analysis and not reasonably calculated to lead to the discovery of admissible evidence. Network Telephone also objects to this interrogatory on the grounds it seeks confidential and proprietary business information

Network Telephone interprets this interrogatory to request aggregate information. If BellSouth intended to request average monthly revenues for each individual end use customer, then Network Telephone objects on the grounds that the interrogatory is unduly burdensome and oppressive, and beyond any legitimate discovery need.

Objection by Counsel

INTERROGATORY 27: For those end user customers to whom you only provide qualifying service in the Sate of Florida, please state the average number of lines that you provide each such end user customer.

RESPONSE: Four

Answer provided by Rich Eby

INTERROGATORY 28: Please state the total number of end users customers in the Sate of Florida to whom you only prove non-qualifying service.

RESPONSE: Network Telephone has objected to the use of the term "non-qualifying service" on the grounds it is ambiguous. Notwithstanding that objection, and without waiving it, based on Network Telephone's understanding of the term the answer is "None."

Answer provided by Margaret Ring

INTERROGATORY 29: For those end user customers to whom you only provide non-qualifying service in the State of Florida, please state the average monthly revenue you receive from each such end user customer.

RESPONSE: Not applicable.

INTERROGATORY 30: Please state the total number of end-user customer in the State of Florida to whom you provide both qualifying and non-qualifying service.

RESPONSE: Network Telephone has objected to the use of the terms "qualifying" and "non-qualifying" services on the grounds they are ambiguous. Notwithstanding the objection,

and without waiving it, based on Network Telephone's understanding of the terms the answer is "None."

Answer provided by Margaret Ring

INTERROGATORY 31: For those end user customers to whom you provide qualifying and non-qualifying service in the State of Florida, please state the average monthly revenues you receive form each such end user customers.

RESPONSE: Network Telephone has objected to the use of the terms "qualifying" and "non-qualifying services" in the grounds they are ambiguous. Notwithstanding the objection, and without waiving it, based on Network Telephone's understanding of the terms this interrogatory is not applicable.

INTERROGATORY 32: For those end user customers who whom you provide qualifying and non-qualifying service in the State of Florida, please state the average number of lines that you provide each such end user customer.

RESPONSE: Network Telephone has objected to the use of the terms "qualifying service" and "non-qualifying service" on the grounds they are ambiguous. Notwithstanding the objection, and without waiving it, based on Network Telephone's understanding of the terms this interrogatory is not applicable.

INTERROGATORY 33: Please provide a breakdown of the total number of end user customers served by Network Telephone Corporation in Florida by class or type of end user customers (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers. For each such classification, and/or if you provide another type of classification, define and describe with specificity the classification so that it can be determined what kinds of customers you have in each classification.)

RESPONSE: Network Telephone classifies end-users in only two basic types – residential and business. Residential end-user lines are lines which terminate at a private residence location and for which a business name or listing is not used. Business end-user lines terminate at an office or business location. Rates are divided into one of the two categories. Network Telephone has 538 residential end-user customers in Florida, and 1,280 business end-user customers in Florida.

Answer provided by Rich Eby

INTERROGATORY 34: For each class or type of end user customer referenced in Interrogatory No. 33, please state the average acquisition cost for each such end user class or type. Please provide this information for each month from January 2000 to the present.

OBJECTION

Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, it seeks information that is irrelevant to the issues in the case and the analysis

to be conducted by the Commission, and is not reasonably calculated to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory seeks the disclosure of commercially sensitive, proprietary and confidential business information. Network Telephone objects to the request for information on a monthly basis since January 2000 as onerous, oppressive, unduly burdensome and beyond any legitimate discovery need.

Objection by Counsel

INTERROGATORY 35: For each class or type of end user customer referenced in Interrogatory No. 33, please state the typical churn rate for each such end user class or type. Please provide this information for each month from January 2000 to the present.

OBJECTION

Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, it seeks information that is irrelevant to the issues in this case and the analysis that the Commission is to conduct, and is not reasonably designed to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory seeks the disclosure of commercially sensitive, proprietary and confidential business information. Network Telephone also objects on the grounds that the request for monthly information beginning with January 2000 is oppressive, unduly burdensome, and goes beyond any legitimate discovery need.

Objection by Counsel

INTERROGATORY 36: For each class or type of end user customer referenced in Interrogatory No. 33, please state the percentage of the local exchange market you have obtained. Please provide this information for each month from January 2000 to the present.

RESPONSE: Network Telephone has no data on the percentage of Florida's local exchange market it has obtained.

Answer provided by Margaret Ring

INTERROGATORY 37: Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to your cumulative market share of the local exchange market in Florida.

RESPONSE: None.

Answer provided by Margaret Ring

INTERROGATORY 38: Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to any projections that you have made regarding your cumulative market share growth in the local exchange market in Florida.

RESPONSE: None. Network Telephone does not attempt to project its share of Florida's market.

Answer provided by Danyelle Kennedy

INTERROGATORY 39: Describe how the marketing organization that is responsible for marketing qualifying service in Florida is organized, including the organization's structure, size in terms of full time or equivalent employees including contract and temporary employees, and the physical work locations for such employees. In answering this Interrogatory, please state whether you utilize authorized sales representatives in your marketing efforts in Florida, and, if so, describe with particularity the nature, extent, and rates, terms, and conditions of such use.

OBJECTION

Network Telephone objects on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, the interrogatory seeks information that is irrelevant and is not reasonably calculated to lead to the discovery of admissible evidence. Network objects on the grounds the interrogatory seeks the disclosure of proprietary and confidential business information. Network Telephone objects on the grounds the interrogatory as framed is overbroad and unduly burdensome.

Objection by Counsel

INTERROGATORY NO. 40: How do you determine whether you will serve an individual customer's location with multiple DSOs or whether you are going to use a DS1 or larger transmission system? Provide a detailed description of the analysis you would undertake to resolve this issue, and identify the factors that you would consider in making this type of a decision.

RESPONSE:

Network Telephone does not have a set formula for this determination. The decision is made on a case by case basis, taking into account such factors as whether the customer is inside or outside Network's footprint; the UNE pricing zone; and whether or not an EEL is available.

Answer provided by Margaret Ring

INTERROGATORY NO. 41: Is there a typical or average number of DSOs at which you would chose to serve a particular customer with a DS1 or larger transmission system, all other things being equal? If so, please provide that typical or average number and explain how this number was derived.

OBJECTION

Network Telephone objects to this interrogatory on the grounds it seeks confidential and proprietary information. Notwithstanding these objections, and without waiving them, subject to the execution of a confidentiality agreement Network Telephone will make reasonable efforts to provide responsive information.

Objection by Counsel

INTERROGATORY 42: What additional equipment, if any, would be required (on the customer's side of the demarcation point rather than on network side of the demarcation point) to provide service to a customer with a DS1 rather than multiple DS0s? For instance, if a customer had 10 DS0s, and you want to provide the customer with the same functionality using a DS1, would a D-4 channel bank, or a digital PBX be required in order to provide equivalent service to the end user that has 10 DS0s? If so, please provide the average cost of the equipment that

would be required to provide that functional equivalency (that is, the channel bank, or the PBX or whatever would typically be required should you decide to serve the customer with a DS1 rather than multiple DS0s.)

RESPONSE: Based on Network Telephone's technology methods we would provide an Integrated Access Device) in order to provision analog voice services via digital T1 transmission. The average cost of the IAD is dependent upon the transport method utilized. In addition to providing service via digital T1 transmission, Network Telephone also provides service via VoDSL technology. The average cost of a digital T1 IAD is $550. The average cost of a SDSL IAD is $400.

Answer provided by Wendell Nelson

INTERROGATORY 43: What cost of capital do you use in evaluating whether to offer a qualifying service in a particular geographic market and how is that cost of capital determined?

OBJECTION

Network Telephone objects to the interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on individual carriers' business models, it seeks information that is irrelevant to the issues in the case and unrelated to the analysis the Commission is to conduct, and is not reasonably calculated to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory seeks the disclosure of confidential and proprietary business information.

Objection by Counsel

INTERROGATORY 44: With regard to the cost of capital you use in evaluating whether to provide a qualifying service in a particular geographic market, what are the individual components of that cost of capital, such as the debt-equity ratio, the cost of debt and the cost of equity?

OBJECTION

Network Telephone objects to this interrogatory on the grounds that, inasmuch as the FCC ruled in the TRO that the impairment analysis is not to be based on the business models of individual carriers, it seeks information that is unrelated to the analysis the Commission is to conduct, irrelevant to the issues in the case, and not reasonably calculated to lead to the discovery of admissible evidence. Network Telephone also objects on the grounds the interrogatory seeks the disclosure of confidential and proprietary business information.

Objection by Counsel

INTERROGATORY 45: In determining whether to offer a qualifying service in a particular geographic market, what time period do you typically use to evaluate that offer? That is, do you use one year, five years, ten years, or some other time horizon over which you evaluate the project?

RESPONSE: Qualifying services are evaluated over the proposed term of any related contract and a five-year period. If the service is to be offered without a term agreement, then a standard two-year and five-year time horizon is used.

Answer provided by Danyelle Kennedy

INTERROGATORY 46: Provide your definition of sales expense as that term is used in your business.

RESPONSE: Sales expense includes salaries, commission and bonuses paid to personnel within Network Telephone who are involved with directly selling to customers though either the direct sales force, inside sales, direct marketing and agent/wholesale channels. This does include sales management and administrative support. Any marketing or advertising expenses incurred during the sales cycle are included. This excludes the rent, utilities and other facility-related costs for our sales offices as these cost are considered general and administrative.

Answer provided by Danyelle Kennedy

INTERROGATORY 47: Based on the definition of sales expense in the foregoing Interrogatory, please state how you estimate sales expense when evaluating whether to offer a qualifying service in a particular geographic market?

RESPONSE: Sales expense is tracked monthly on a per line added basis. Using this actual historical information, a six-month average is taken to use as an estimate for any product/service offering analysis.

Answer provided by Danyelle Kennedy

INTERROGATORY 48: Provide your definition of general and administrative (G&A) costs as you use those terms in your business.

RESPONSE: General and administrative costs include all expenses, excluding direct sales expenses as defined above, that are incurred in the day-to-day management of the business. These costs include, but are not exclusively limited to, the following:

- Salaries and bonuses for all personnel outside of sales

- Employee benefits for all personnel within the organization including sales
- Facilities costs – i.e. rent, utilities, office cleaning, etc.
- Repair and maintenance
- Employee reward, recognition and morale
- Travel and entertainment expenses, excluding sales
- Dues and subscriptions
- Office and billing supplies
- Recruiting expenses
- Vehicle and fuel expense
- Relocation and severance expenses
- Telecommunication expenses – i.e. cellphones, pages, and corporate telecommunication services
- Freight
- Equipment rental
- Taxes and licenses
- Loss on disposition of equipment

Answer provided by Danyelle Kennedy

INTERROGATORY 49: Based on the definition of G&A costs in the foregoing Interrogatory, please state how you estimate G&A expenses when evaluating whether to offer a qualifying service in a particular geographic market.

RESPONSE: G&A expenses are factored in only if incremental additional headcount is needed to support the ongoing product. G&A expenses are tracked monthly on a per employee basis. Using this actual historical information, a six-month average is taken to use as an estimate for any product/service offering analysis based on the estimated incremental man-hours need to support the product/service offering.

Answer provided by Danyelle Kennedy

INTERROGATORY 50: For each day since January 1, 200, identify the number of individual hot cuts that Bellsouth has performed for Network Telephone Corporation in each state in BellSouth's region.

RESPONSE: None.

INTERROGATORY 51: For each individual hot cut identified in response to Interrogatory No. 50, state:

i. Whether the hot cut was coordinated or not;

ii. If coordinated, whether the hot cut occurred as scheduled;

iii. If the hot cut did not occur as scheduled, state whether this was due to a problem with BellSouth, Network Telephone Corporation, the end user customer, or some

third party, and describe with specificity the reason the hot cut did not occur as scheduled;

iv. If there was a problem with the hot cut, state whether Network Telephone Corporation complained in writing to BellSouth or anyone else.

RESPONSE: Not applicable.

INTERROGATORY 52: Does Network Telephone Corporation have a preferred process for performing batch hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe or otherwise refer or relate to this preferred process.

RESPONSE: No.

Answer provided by Margaret Ring

INTERROGATORY 53: Does Network telephone Corporation have a preferred process for performing individual hot cuts? If the answer to this Interogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe, or otherwise relate to this preferred process.

RESPONSE: No.

Answer provided by Margaret Ring

INTERROGATORY 54

(Withdrawn by BellSouth)

INTERROGATORY 55: If Network Telephone has a preferred process for individual hot cuts that differs from BellSouth's process, identify each specific step in Network Telephone Corporation's process that differs from BellSouth's process.

RESPONSE: Not applicable.

INTERROGATORY 56: If Network Telephone Corporation has a preferred process for bulk hot cuts that differs from BellSouth's process, identify each specific step in Network Telephone Corporation's process that differs from BellSouth's process.

RESPONSE: Not applicable.

INTERROGATORY 57: Does Network Telephone Corporation have any estimates of what a typical individual hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

RESPONSE: No.

Answer provided by Margaret Ring

INTERROGATORY 58: Does Network Telephone Corporation have any estimates of what a typical bulk hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

RESPONSE: No.

Answer provided by Margaret Ring

INTERROGATORY 59: What is the largest number of individual hot customers that Network Telephone Corporation has requested in any individual central office in each of the nine BellSouth states on a single day?

RESPONSE: None.

Answer provided by Margaret Ring

INTERROGATORY 60: Does any ILEC in the BellSouth region have a batch hot cut process that is acceptable to Network Telephone Corporation or that Network Telephone Corporation believes is superior to BellSouth's hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

RESPONSE: Network Telephone has not evaluated the batch hot cut processes of other carriers.

Answer provided by Margaret Ring

INTERROGATORY 61: Does any ILEC in the BellSouth region have a cost for a batch hot cut process that is acceptable to Network Telephone Corporation? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Network Telephone has not evaluated the batch hot cut costs of other carriers.

Answer provided by Margaret Ring

INTERROGATORY 62: Does any ILEC in the BellSouth region have an individual hot cut process that is acceptable to Network Telephone Corporation or that Network Telephone

Corporation believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

RESPONSE: Network Telephone has not evaluated the individual hot cut process of other carriers.

Answer provided by Margaret Ring

INTERROGATORY 63: Does any ILEC in the BellSouth region have a rate for an individual hot cut process that is acceptable to Network Telephone Corporation? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Network Telephone has not evaluated the individual hot cut rates of other carriers.

Answer provided by Margaret Ring

INTERROGATORY 64: Does any ILEC outside the BellSouth region have a batch hot cut process that is acceptable to Network Telephone Corporation or that Network Telephone Corporation believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

RESPONSE: Network Telephone has not evaluated the batch hot cut process of other carriers.

Answer provided by Margaret Ring

INTERROGATORY 65: Does any ILEC outside the BellSouth region have a rate for a batch hot cut process that is acceptable to Network Telephone Corporation? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Network Telephone has not evaluated the batch hot cut costs of other carriers.

Answer provided by Margaret Ring

INTERROGATORY 66: Does any ILEC outside the BellSouth region have an individual hot cut process that is acceptable to Network Telephone Corporation or that Network Telephone Corporation believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

RESPONSE: Network Telephone has not evaluated the individual hot cut process of other carriers.

Answer provided by Margaret Ring

INTERROGATORY 67: Does any ILEC outside the BellSouth region have a rate for an individual hot cut process that is acceptable to Network Telephone Corporation? If so, name the ILEC and provide the rate and the source of the rate.

RESPONSE: Network Telephone has not evaluated the individual hot cut rates of other carriers.

Answer provided by Margaret Ring

INTERROGATORY 68: Does Network Telephone Corporation order coordinated or non-coordinated hot cuts?

RESPONSE: Network Telephone does not order hot cuts.

Answer provided by Margaret Ring

INTERROGATORY 69: Does Network Telephone use the CFA database?

RESPONSE: No.

Answer provided by Margaret Ring

INTERROGATORY 70: Identify every issue related to BellSouth's hot cut process raised by Network Telephone Corporation at the Florida CLEC collaborative since October 2001.

RESPONSE: None.

Answer provided by Margaret Ring

INTERROGATORY 71: What is the appropriate volume of loops that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii0? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the number of loops that should be used in establishing a batch hot cut process.

Answer provided by Margaret Ring

INTERROGATORY 72: What is the appropriate process that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the process that should be used for batch hot cuts.

Answer provided by Margaret Ring

INTERROGATORY 73: If Network Telephone Corporation disagrees with BellSouth's individual hot cut process, identify every step that Network Telephone Corporation contends is unnecessary and state with specificity why the step is unnecessary.

RESPONSE: Since Network Telephone has not used the individual hot cut process, we are not in a position to either agree or disagree with the particularities of the process.

Answer provided by Margaret Ring

INTERROGATORY 74: If Network Telephone Corporation disagrees with BellSouth's bulk hot cut process, identify every step that Network Telephone Corporation contends is unnecessary and state with specificity why the step is unnecessary.

RESPONSE: Since Network Telephone has not used the bulk hot cut process, we are not in a position to either agree or disagree with the particularities of the process.

Answer provided by Margaret Ring

INTERROGATORY 75: Identify by date, author and recipient every written complaint Network Telephone Corporation has made to BellSouth regarding BellSouth's hot cut process since October 2001.

RESPONSE: None.

Answer provided by Margaret Ring

INTERROGATORY 76: How many unbundled loops does Network Telephone Corporation contend BellSouth must provision per state per month to constitute sufficient volume to assess BellSouth's hot cut process?

RESPONSE: Network Telephone has not established an individual company position regarding the number of loops that should be used in evaluating the batch hot cut process.

Answer provided by Margaret Ring

INTERROGATORY 77: What is the appropriate information that you contend the Florida Public Service Commission should consider in evaluating whether the ILEC is capable of migrating multiple lines served using unbundled local circuit switching to switches operated by a carrier other than the ILEC in a timely manner in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the information that should be used in evaluating the migration of multiple lines to the switches of other carriers.

Answer provided by Margaret Ring

INTERROGATORY 78: What is the average completion interval metric for provision of high volumes of loops that you content the Florida Public Service Commission should require in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the completion interval metric that should be used in establishing a batch hot cut process.

Answer provided by Margaret Ring

INTERROGATORY 79: What are the rates that you contend the Florida Public Service Commission should adopt in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position regarding the rates the Commission should adopt in establishing a batch hot cut process.

Answer provided by Margaret Ring

INTERROGATORY 80: What are the appropriate product markets that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: At this time, Network Telephone has not established an individual company position on the appropriate market products that should be used.

Answer provided by Margaret Ring

INTERROGATORY 81: What are the appropriate geographic market(s) that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: At this time, Network Telephone has not established an individual company position on the appropriate market products that should be used.

Answer provided by Margaret Ring

INTERROGATORY 82: Do you contend that there are operational barriers within the meaning of FCC Rule 52.319(d)(2)(iii)(B)(2) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such operational barrier, and state all facts and identify all documents supporting your contention.

RESPONSE: At this time, Network Telephone has not established a individual company position on this issue.

Answer provided by Margaret Ring

INTERROGATORY 83: Do you contend that there are economic barriers within the meaning of FCC Rule 52.319(d)(2)(iii)(B)(3) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such operational barrier, and state all facts and identify all documents supporting your contention.

RESPONSE: Network Telephone believes the constraints facing the current market with regard to investment certainly pose an economic barrier for a company newly entering the switched based market. The cost of new switching deployment is substantial. At this point, however, Network Telephone has not established a more detailed company position on this issue.

Answer provided by Margaret Ring

INTERROGATORY 84: What is the maximum number of DS0 loops for each geographic market that you contend requesting telecommunications carriers can serve through unbundled switching when serving multiline end users at a single location that the Florida Public Service Commission should consider in establishing a "cutoff" consistent with FCC Rule 51.319(d)(2)(iii)(B)(4)? In answering this interrogatory, please state all facts and identify all documents supporting this contention.

RESPONSE: Network Telephone has not established an individual company position on this issue.

Answer provided by Margaret Ring

The undersigned has provided all objections stated in response to the above Interrogatories.

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EXHIBIT NO. 6

DOCKET NO.: 030851-TP

WITNESS: NewSouth

PARTY: NewSouth

DESCRIPTION:

1. NewSouth's Responses to Staff's 1st Set of Interrogatories (Nos.1-7) – Page 1
2. NewSouth's Responses to Staff's 2nd Set of Interrogatories (Nos.8-11) – Page 7
3. NewSouth's Responses to BellSouth's 1st Set of Interrogatories (Nos.1-84) – Page 17

PROFFERING PARTY: STAFF

I.D. # NewSouth-Stip-1

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 6
COMPANY/ FPSC Staff
WITNESS: NewSouth-Stip1
DATE: 02/24-27/04

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's Triennial UNE review: Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP FILED: JANUARY 14, 2004

STAFF'S FIRST SET OF INTERROGATORIES TO NEWSOUTH COMMUNICATIONS CORPORATION (NOS. 1 - 7)

Pursuant to Rule 1.340, Florida Rules of Civil Procedure, NewSouth, by and through its undersigned attorney, hereby responds to Staff's First Set of Interrogatories (Nos. 1 through 7).

1. Please describe the mechanism that you believe could be used to determine if a given current hot cut process does or does not give rise to impairment in a given market.

RESPONSE:

The FCC's TRO ¶512 and Footnote 1574 outlines the overall or high-level criteria that the Florida Public Service Commission should consider. According to the FCC's Rules and the TRO, the average completion interval metric for provision of high volumes of loops must be, at a minimum, equal to the order completion interval for UNE-P. See, TRO ¶512, Footnote 1574.

As indicated in FCC Rule 51.319(d)(2)(ii), rates must be set in accordance with the FCC UNE Pricing Rules. Furthermore, pursuant to ¶470 of the TRO, rates must be sufficiently low to overcome "impairment" and to allow CLECs to overcome the economic barriers associated with the hot cut process.

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In addition to the above, discovery in this case is ongoing in nature and the response to this interrogatory may evolve as NewSouth formulates the case it will present before the Commission.

2. Please describe what operational issues you have encountered with Florida ILECs regarding loop migrations that you believe should be considered in evaluating a mass market batch hot cut process. Please list each issue by ILEC and describe its relative importance in the hot cut process.

RESPONSE:

It should be noted that NewSouth has not used the Florida Collaborative to raise hot cut issues, but has primarily focused instead on issues that are most relevant to modes of entry used by NewSouth.

Please see Attachment 70A in NewSouth's prior testimony in this docket for the list of issues raised by NewSouth in the Florida Collaborative. It should also be noted that other CLECs raised issues that were of interest to NewSouth, making it unnecessary for NewSouth to engage in any duplicative efforts.

3. Please identify the specific sub-processes that you believe should be employed to perform a batch cut. Describe each sub-process, the time required for each and why it is necessary to the batch cut process.

RESPONSE:

Refer to response in Question #1.

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4. (a) Please identify the number of hot cuts performed on your behalf for each month in 2001, 2002, and 2003 year-to-date.

RESPONSE:

NewSouth typically installs new high-capacity facilities purchased from the ILEC as UNEs for use by its end user customers in the enterprise market and as such does not use ILEC hot cut processes. NewSouth does not provide its customers analog service using its own switches. Customers are most often migrated using Local Number Portability.

(b) Please identify the projected number of needed hot cuts per month you will require for each of the years 2003, 2004 and 2005.

RESPONSE:

NewSouth does not anticipate any changes in the mode of entry described in 4(a) and therefore does not project any use of ILEC hot cut processes.

5. What volume of loops do you believe should constitute a batch?

RESPONSE:

Discovery in this case is ongoing in nature and any response to this interrogatory is premature. NewSouth is in the process of formulating the case it will present before the Commission and has not formulated a response to this interrogatory at this early stage in the proceeding.

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In addition, NewSouth is currently without sufficient information to answer this interrogatory with an exact volume or number. Furthermore, NewSouth refers Staff to ¶489 of the TRO and asserts that the appropriate volume of loops must meet the operational and economic models as defined by the FCC and the TRO. In other words, the requisite volume of loops to meet the TRO and the FCC Rule cited above is that amount required to support demand created by the additional volume of customers added as a result of the implementation of the FCC's TRO, and to ensure unconstrained future growth of competition post TRO implementation.

6. (a) Is there a need to revise, augment or amend any of the performance assessment metrics ordered in Dockets Nos. 000121A, 000121B or 000121C to account for current and prospective hot cut and batch cut monitoring purposes?

RESPONSE:

NewSouth shares many of the concerns expressed by AT&T's Cheryl Bursh in her Rebuttal Testimony in this Docket dated 1/7/2004. It is critical that performance data be properly disaggregated so as not to mask poor performance in a particular loop type that is more widely used by competitors. Further, concerns that only loop types eligible for batch or hot cuts be considered in assessing ILEC performance are valid and warranted. NewSouth also shares Ms. Bursh's concern that batch or hot cuts would not be subject to any penalty or enforcement mechanisms. We also share in Ms. Bursh's desire to see a "start" and "completion" metric established for these activities and that outages as a result of these activities be measured and subject to penalty.

000004

(b) If the response to (a) is affirmative, please identify what revisions, augments or amendments should be made to the performance assessment metrics ordered in Docket Nos. 000121A, 000121B or 000121C.

RESPONSE:

See response to Question #6(a).

(c) If the response to (a) is negative, please explain how the existing performance assessment metrics are adequate to account for current and prospective hot cut and batch cut monitoring purposes.

RESPONSE:

If the response to (a) is negative, please explain how the existing performance assessment metrics are adequate to account for current and prospective hot cut and batch cut monitoring purposes.

(d) To the extent not provided in response to (b), please describe to what extent existing ILEC Performance Assessment Plans results should be used to evaluate any potential mass market batch cut process.

RESPONSE:

NewSouth would like to see current data used in evaluating a mass-market batch process, but with the caveats expressed above. Namely, that proper disaggregation be used and that only loops that would qualify for batch conversion be used in the analysis.

7. (a) Please identify any telecommunications equipment commercially available that can be set up to transfer UNE-Ls from ILEC switches to a non-ILEC switches, and the manufacturer(s) of such equipment.

000005

RESPONSE:

NewSouth is not aware of any equipment that can physically move UNE Loops from one frame position to another. This can only be accomplished through a physical and manual process.

(b) If such equipment exists, what level of initial demand and subsequent churn for mass market UNE-Ls is it capable of handling after the initial set up?

RESPONSE:

N/A.

(c) Does this equipment rely on a process that requires manual intervention?

RESPONSE

N/A.

(d) If the response to (c) is affirmative, please describe the extent of manual intervention required, compared to that in the ILECs' current processes.

RESPONSE:

N/A.

(e) If the response to (c) is negative, please describe how this equipment avoids manual intervention.

RESPONSE:

N/A.

000003

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission's Triennial UNE review: Local Circuit Switching for Mass Market Customers.	DOCKET NO. 030851-TP JANUARY 14, 2004

NEWSOUTH'S RESPONSES TO STAFF'S SECOND SET OF INTERROGATORIES (NOS. 8-11)

Pursuant to Rule 1.340, Florida Rules of Civil Procedure, NewSouth, by and through its undersigned attorney, hereby responds to Staff's Second Set of Interrogatories (Nos. 8 through 11).

8. (a) For all switches that you have provisioned in the State of Florida, please identify from which switches you also have self-provisioned local loops to one or more end users.

RESPONSE:

NewSouth has no self-provisioned loops in the State of Florida.

(b) For those switches identified in response to (a), please identify the capacity of the loops self-provisioned and the number of each loop type provisioned to end users.

RESPONSE:

N/A.

(c) For those loops identified in response to (b), please state the terms, conditions, and rates under which your company is providing the loop in conjunction with the switching component.

(d) For those switches identified in response to (a), please identify the switch name and its current software release.

RESPONSE:

N/A.

(e) For those switches identified in response to (a), are there any features being offered by the ILEC in the wire centers served by this switch that your switch is incapable of providing?

RESPONSE:

N/A.

(f) If the response to (e) is affirmative, please identify what features cannot be provided, what classes of customers use such features, and what actions would be necessary in order to provide these features.

RESPONSE:

N/A.

(g) For those switches identified in response to (a), please identify the anticipated year of retirement.

RESPONSE:

N/A.

(h) For those switches identified in response to (a), please describe any existing plans To upgrade the switch's capacity or to implement software upgrades.

000008

RESPONSE:

N/A.

(i) For those switches identified in response to (a), will you provide wholesale switching capacity to another CLEC?

RESPONSE:

N/A.

(j) If the response to (i) is affirmative, please identify the terms, conditions, and rates you would require of a wholesale customer, including contract terms and take or pay requirements, and state whether your company will ensure that the calling scopes and features that are offered to wholesalers will be the same that the ILEC offers.

RESPONSE:

N/A.

(k) If the response to (i) is affirmative, please identify the operational support system interface capabilities, including version number and a copy of the methods and procedures, that your company uses or will use when offering unbundled local switch capability to CLECs in the State of Florida.

RESPONSE:

N/A.

(l) If the response to (i) is affirmative, do you currently provide wholesale switching capacity to another CLEC?

RESPONSE:

N/A.

(m) If the response to (l) is affirmative, please identify to what CLECs you currently provide wholesale switching and the switch used.

RESPONSE:

N/A.

(n) If the response to (l) is affirmative, please state your company's mean time to repair and other response intervals for servicing existing switches.

RESPONSE:

N/A.

(o) If the response to (i) is affirmative, please state your company's signaling capability and signaling redundancy that will be used in making available unbundled local switching to CLECs in the State of Florida.

RESPONSE:

N/A.

(p) If the response to (i) is affirmative, please describe your company's methods and procedures to prevent or minimize service degradation, including but not limited to delay and/or echo return loss attenuation, to a CLEC that utilizes your company's unbundled local switching in Florida.

RESPONSE:

N/A.

(q) If the response to (i) is affirmative, will your company also make available transport as a stand-alone service to CLECs within the State of Florida?

RESPONSE:

N/A.

(r) If the response to (i) is affirmative, will your company make transport available in conjunction with the provision of unbundled local switching capacity to CLEC?

RESPONSE:

N/A.

(s) What is the total available capacity on your company's network to provide transport?

RESPONSE:

NewSouth does not have available capacity for transport. NewSouth's network is built on least cost principles and is built solely for the use of its end user customers.

(t) If the response to (i) is affirmative, under what rates, terms, and conditions are you willing to provide transport in conjunction with the provision of unbundled local switching capacity to CLECs in Florida?

RESPONSE:

N/A.

000011

(u) For those loops identified in response to (b), please identify, by wire center, the location of such facilities and whether those facilities:

(1) Use fiber to the customer's premises;

(2) Use coax to the customer's premises;

(3) Use twisted copper pair to the customer's premises;

(4) Use fixed wireless technology to the customer's premises.

RESPONSE:

N/A.

9. (a) For all switches or switching capacity that you have leased to provide service in the state of Florida, please identify from which switches you have self-provisioned local loops to one or more end users.

RESPONSE:

NewSouth does not lease switch capacity to provide service to its end users in the State of Florida, nor does NewSouth self-provision loops [see response to Question #8(a)].

RESPONSE:

N/A.

(b) For those switches identified in response to (a), please identify the capacity of the loops self-provisioned and the number of each loop type provisioned to end users.

RESPONSE:

N/A.

000012

(c) For those loops identified in response to (b), please state the terms, conditions, and rates under which your company is providing the loop in conjunction with the switching component.

RESPONSE:

N/A.

(d) For those switches identified in response to (a), please identify the switch name and its current software release.

RESPONSE:

N/A.

(e) For those switches identified in response to (a), are there any features being offered by the ILEC in the wire centers served by this switch that your switch is incapable of providing?

RESPONSE:

N/A.

(f) If the response to (e) is affirmative, please identify what features cannot be provided, what classes of customers use such features, and what actions would be necessary in order to provide these features.

RESPONSE:

N/A.

(g) For those switches identified in response to (a), please identify the anticipated year of retirement.

RESPONSE:

N/A.

(h) For those switches identified in response to (a), please describe any existing plans to upgrade the switch's capacity or to implement software upgrades.

RESPONSE:

N/A.

10. (a) Are you aware of any unaffiliated CLECs that either are willing to provide or currently are providing in Florida, wholesale unbundled local switching in combination with unbundled analog loops?

RESPONSE:

NewSouth is not aware of any CLECs providing switching and loop combinations.

(b) If the response to (a) is affirmative, please identify such companies of which you aware, and identify in which LATAs and wire centers they offer this combination.

RESPONSE:

N/A.

(c) If the response to (a) is affirmative, please explain whether or not you believe these entities qualify as wholesale providers, and the basis for your belief.

RESPONSE:

N/A.

11. Please identify in which Florida wire centers you actively market your services, and what services you market in each wire center.

RESPONSE:

NewSouth provides a full array of voice and data services in the following exchanges in the State of Florida:

LATA	LATA_NAME	NPA	NXX	Type	LOC_NAME	St	RC_ABBRE	SWITCH
45808	ORLANDO FL WI-EA	321	396	EOC	APOPKA	FL	APOPKA	WNPKFLXEDS1
93902	FT MYERS - EA FL	863	231	EOC	ARCADIA	FL	ARCADIA	FTMYFLXADS2
952	TAMPA FLORIDA	863	733	EOC	BARTOW	FL	BARTOW	WNHNFLBUDS0
93902	FT MYERS - EA FL	239	908	EOC	BONITA SPG	FL	BONITA SPG	FTMYFLXADS2
952	TAMPA FLORIDA	941	757	EOC	BRADENTON	FL	BRADENTON	WNHNFLBUDS0
93902	FT MYERS - EA FL	239	677	EOC	CAPE CORAL	FL	CAPE CORAL	FTMYFLXADS2
952	TAMPA FLORIDA	727	451	EOC	CLEARWATER	FL	CLEARWATER	WNHNFLBUDS0
45806	ORLANDO FL OR-EA	321	890	EOC	COCOA	FL	COCOA	ORLDFLMADS6
45806	ORLANDO FL OR-EA	321	785	EOC	COCOABEACH	FL	COCOABEACH	ORLDFLMADS6
456	DAYTONA BEACH FL	386	523	EOC	DAYTONABCH	FL	DAYTONABCH	DYBHFLMADS3
44815	PENSACOLA FL FW-EA	850	337	EOC	DESTIN	FL	DESTIN	DESTFLSTDS1
44815	PENSACOLA FL FW-EA	850	351	EOC	DESTIN	FL	DESTIN	DESTFLSTDS1
45806	ORLANDO FL OR-EA	321	775	EOC	EAU GALLIE	FL	EAU GALLIE	ORLDFLMADS6
93902	FT MYERS - EA FL	239	210	EOC	FORT MYERS	FL	FORT MYERS	FTMYFLXADS2
44815	PENSACOLA FL FW-EA	850	275	EOC	FTWALTNBCH	FL	FTWALTNBCH	DESTFLSTDS1
44815	PENSACOLA FL FW-EA	850	881	EOC	HURLBRTAFB	FL	FTWALTNBCH	DESTFLSTDS1
44815	PENSACOLA FL FW-EA	850	884	EOC	HURLBRTAFB	FL	FTWALTNBCH	DESTFLSTDS1
454	GAINESVILLE FL	352	240	EOC	GAINESVL	FL	GAINESVL	GSVLFLMADS2
952	TAMPA FLORIDA	863	353	EOC	HAINESCITY	FL	HAINESCITY	WNHNFLBUDS0
93902	FT MYERS - EA FL	239	675	EOC	IMMOKALEE	FL	IMMOKALEE	FTMYFLXADS2
45204	JACKSONVIL FL CL-EA	904	694	EOC	JACKSOLBCH	FL	JACKSOLBCH	JCVLFLJBDS0
45204	JACKSONVIL FL CL-EA	904	493	EOC	JACKSONVL	FL	JACKSONVL	JCVLFLJBDS0
45808	ORLANDO FL WI-EA	321	402	EOC	KISSIMMEE	FL	KISSIMMEE	WNPKFLXEDS1
93902	FT MYERS - EA FL	863	230	EOC	LA BELLE	FL	LA BELLE	FTMYFLXADS2
45204	JACKSONVIL FL CL-EA	386	628	EOC	LAKE CITY	FL	LAKE CITY	JCVLFLJBDS0
952	TAMPA FLORIDA	863	734	EOC	LAKE WALES	FL	LAKE WALES	WNHNFLBUDS0
952	TAMPA FLORIDA	863	577	EOC	LAKELAND	FL	LAKELAND	WNHNFLBUDS0
93902	FT MYERS - EA FL	239	674	EOC	LEHIGHACRS	FL	LEHIGHACRS	FTMYFLXADS2

45808	ORLANDO FL WI-EA	321	395	EOC	LKBUNAVIST	FL	LKBUNAVIST	WNPKFLXEDS1
93902	FT MYERS - EA FL	239	970	EOC	MARCO IS	FL	MARCO IS	FTMYFLXADS2
45806	ORLANDO FL OR-EA	321	215	EOC	MELBOURNE	FL	MELBOURNE	ORLDFLMADS6
952	TAMPA FLORIDA	863	354	EOC	MULBERRY	FL	MULBERRY	WNHNFLBUDS0
93902	FT MYERS - EA FL	239	919	EOC	NAPLES	FL	NAPLES	FTMYFLXADS2
93902	FT MYERS - EA FL	239	673	EOC	NCAPECORAL	FL	NCAPECORAL	FTMYFLXADS2
93902	FT MYERS - EA FL	239	260	EOC	NO NAPLES	FL	NO NAPLES	FTMYFLXADS2
93902	FT MYERS - EA FL	239	217	EOC	NOFT MYERS	FL	NOFT MYERS	FTMYFLXADS2
952	TAMPA FLORIDA	727	835	EOC	NWPTRICHEY	FL	NWPTRICHEY	WNHNFLBUDS0
456	DAYTONA BEACH FL	386	402	EOC	NWSMYRNBCH	FL	NWSMYRNBCH	DYBHFLMADS3
45204	JACKSONVIL FL CL-EA	904	644	EOC	ORANGEPARK	FL	ORANGEPARK	JCVLFLJBDS0
45806	ORLANDO FL OR-EA	407	472	EOC	ORLANDO	FL	ORLANDO	ORLDFLMADS6
45806	ORLANDO FL OR-EA	407	781	EOC	ORLANDO	FL	ORLANDO	ORLDFLMADS6
450	PANAMA CITY FLORIDA	850	257	EOC	PANAMACITY	FL	PANAMACITY	PNCYFLMAFMD
44815	PENSACOLA FL FW-EA	850	361	EOC	PENSACOLA	FL	PENSACOLA	DESTFLSTDS1
448	PENSACOLA FLORIDA	850	266	EOC	PENSACOLA	FL	PENSACOLA	PNSCFLPGDS0
952	TAMPA FLORIDA	813	750	EOC	PLANT CITY	FL	PLANT CITY	WNHNFLBUDS0
450	PANAMA CITY FLORIDA	850	334	EOC	PNAMACYBCH	FL	PNAMACYBCH	PNCYFLMAFMD
45204	JACKSONVIL FL CL-EA	904	567	EOC	PNTVDRABCH	FL	PNTVDRABCH	JCVLFLJBDS0
93902	FT MYERS - EA FL	941	979	EOC	PTCHARLOTT	FL	PTCHARLOTT	FTMYFLXADS2
93902	FT MYERS - EA FL	941	676	EOC	PUNTAGORDA	FL	PUNTAGORDA	FTMYFLXADS2
45806	ORLANDO FL OR-EA	321	257	EOC	SANFORD	FL	SANFORD	ORLDFLMADS6
44815	PENSACOLA FL FW-EA	850	278	EOC	SANROSABCH	FL	SANROSABCH	DESTFLSTDS1
952	TAMPA FLORIDA	941	556	EOC	SARASOTA	FL	SARASOTA	WNHNFLBUDS0
45204	JACKSONVIL FL CL-EA	904	584	EOC	STAUGUSTIN	FL	STAUGUSTIN	JCVLFLJBDS0
952	TAMPA FLORIDA	727	828	EOC	STPETERSBG	FL	STPETERSBG	WNHNFLBUDS0
953	TALAHASSEE FLORIDA	850	241	EOC	TALLAHASSE	FL	TALLAHASSE	TLHSFLXADS3
952	TAMPA FLORIDA	813	490	EOC	TAMPA	FL	TAMPA	WNHNFLBUDS0
952	TAMPA FLORIDA	813	865	EOC	TAMPA	FL	TAMPA	WNHNFLBUDS0
952	TAMPA FLORIDA	727	935	EOC	TARPON SPG	FL	TARPON SPG	WNHNFLBUDS0
44815	PENSACOLA FL FW-EA	850	279	EOC	VALPARAISO	FL	VALPARAISO	DESTFLSTDS1
952	TAMPA FLORIDA	941	584	EOC	VENICE	FL	VENICE	WNHNFLBUDS0
952	TAMPA FLORIDA	863	595	EOC	WINTER HVN	FL	WINTER HVN	WNHNFLBUDS0
45808	ORLANDO FL WI-EA	321	397	EOC	WINTERPARK	FL	WINTERPARK	WNPKFLXEDS1
45808	ORLANDO FL WI-EA	321	401	EOC	WKISSIMMEE	FL	WKISSIMMEE	WNPKFLXEDS1

Voice Services: Local Service, Long Distance Service, Small Business Solutions, Voice Mail, Conference Calling, Phone Cards and Enhanced Features

Data Services: Managed Network Security, High-Speed Internet Access and Private Networking

NewSouth also bundles many of the voice and data services listed above to give price advantages to the business customer.

BEFORE THE Florida PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers.	)))))	Docket No. 030851-TP December 10, 2003

RESPONSES TO BELLSOUTH'S FIRST SET OF INTERROGATORIES

REDACTED VERSION

Subject to the General Objections filed with the Florida Public Service Commission on or about October 24, 2003, NewSouth Communications Corp. (hereinafter "NewSouth")[1] , pursuant to the *Order Establishing Procedure*, Order No. PSC-03-1054-PCO-TP, issued September 22, 2003 (hereinafter "Procedural Order"), Rule 28-106.206 of the Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, submits the following responses to BellSouth Telecommunications, Inc.'s (hereinafter "BellSouth") First Set of Interrogatories to NewSouth, served on October 24, 2003, as follows:

000017

[1] Jake Jennings of NewSouth provided responses to this discovery.

REQUEST:	BellSouth First Set of Interrogatories
DATED:	**December 2, 2003**
Interrogatory 1:	Identify each switch owned by NewSouth that NewSouth uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the state and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch.)
Response:	**Begin Confidential – Subject to Protective Order**
	End Confidential - Subject To Protective Order XXX.

000018

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 2: For each identified response in Interrogatory No. 1, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch;

(b) provide the street address, including the city and state in which the switch is located;

(c) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);

(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(f) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide ("LERG"); or, state if the switch is not identified in the LERG.

Response:

Begin Confidential - Subject To Protective Order XXX.

End Confidential - Subject To Protective Order XXX.

Provided by: Jake E. Jennings

000013

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 3:	Identify any other switch not previously identified in Interrogatory No. 1 that NewSouth uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch.) In answering this Interrogatory, do not include ILEC switches used by NewSouth either on an unbundled or resale basis.
Response:	NewSouth incorporates by reference its response to Interrogatory No. 1 as if fully set forth. Subject to the foregoing, none. Provided by: Jake E. Jennings

000020

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 4: For each switch identified in response to Interrogatory No. 3, please:

(a) Identify the person that owns the switch;
(b) Provide the Common Language Location Identifier ("CILLI") code of the switch;
(c) Provide the street address, including the city and state in which the switch is located;
(d) Identify the type of switch by manufacturer and model (e.g., Nortel DMS100);
(e) Describe in detail the arrangement by which you are making use of the switch, including stating whether you are leasing the switch or switching capacity on the switch;
(f) Identify all documents referring or relating to the rates, terms and conditions of NewSouth's use of the switch;
(g) Provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide ("LERG"); or, state if the switch is not identified in the LERG;

Response: No switches were identified in response to Interrogatory No. 3.

Provided by: Jake E. Jennings

000021

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 5:	Identify by name, address and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switches identified in response to Interrogatory No. 1. If you assert that you do cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.
Response:	NewSouth incorporates by reference its response to Interrogatory No.1 as if fully set forth. Subject to the foregoing, **Begin Confidential – Subject to Protective Order** **End Confidential - Subject To Protective Order XXX.** Provided by: Jake E. Jennings

000022

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 6:	For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area from the switches identified in response to Interrogatory #1.
Response:	NewSouth does not maintain customer information at the BellSouth wire center.

Begin Confidential – Subject to Protective Order

End Confidential - Subject To Protective Order XXX.

Provided by: Jake E. Jennings

000023

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 7: With regard to the voice grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 6, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;
(b) The number of end user customers to whom you provide two (2) voice grade equivalent lines;
(c) The number of end user customers to whom you provide three (3) voice-g grade equivalent lines;
(d) The number of end user customers to whom you provide four (4) voice- grade equivalent lines;
(e) The number of end user customers to whom you provide five (5) voice- grade equivalent lines;
(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;
(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;
(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;
(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;
(j) The number of end user customers to whom you provide ten (10) voice- grade equivalent lines;
(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;
(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines;
(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines.

Response: NewSouth incorporates by reference its response to Interrogatory No.1 as if fully set forth. Please see NewSouth's response to Interrogatory 6.

Provided by: Jake E. Jennings

000024

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 8:	Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switches identified in response to Interrogatory No. 3. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user is located.
Response:	NEWSOUTH incorporates by reference its response to Interrogatory No.1 as if fully set forth. No switches were identified in response to Interrogatory 3.
	Provided by: Jake E. Jennings

000025

REQUEST:	Bellsouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 9:	For each ILEC wire center identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area from the switches identified in response to Interrogatory No. 3.
Response:	No switches were identified in response to Interrogatory 3.

Provided by: Jake E. Jennings

000026

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 10: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or LEC exchange) in response to Interrogatory No. 9, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent lines;
(b) The number of end user customers to whom you provide two (2) voice-grade equivalent line;
(c) The number of end user customers to whom you provide three (3) voice- grade equivalent lines;
(d) The number of end user customers to whom you provide four (4) voice- grade equivalent lines;
(e) The number of end user customers to whom you provide five (5) voice- grade equivalent lines;
(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;
(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;
(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;
(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;
(j) The number of end user customers to whom you provide ten (10) voice- grade equivalent lines;
(k) The number of end user customers to whom you provide eleven (11) voice- grade equivalent lines;
(l) The number of end user customers to whom you provide twelve (12) voice- grade equivalent lines;
(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

Response:

No switches were identified in response to Interrogatory 3.

Provided by: Jake E. Jennings

000027

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 11:	Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida using an ILEC's switch either on an unbundled or resale basis. If you assert that you cannot identify or do not know how to ascertain the boundaries for a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.
Response:	NewSouth incorporates by reference its response to Interrogatory No.1 as if fully set forth. Subject to the foregoing, NewSouth tariff allows NewSouth to provide service within the state area. The requested information is in the possession, custody and control of BellSouth. Assuming BellSouth will provide such information and documentation to NewSouth, NewSouth will confirm or deny the information contained in BellSouth's records. Provided by: Jake E. Jennings

000028

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 12:	For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center using an ILEC's switch either on an unbundled or resale basis.
Response:	NewSouth incorporates by reference its response to Interrogatory No.1 as if fully set forth. Please see NewSouth's response to Interrogatory 11. Provided by: Jake E. Jennings

000029

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 13: With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory No. 12, separate the lines by end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;
(b) The number of end user customers to whom you provide two (2) voice-grade equivalent line;
(c) The number of end user customers to whom you provide three (3) voice- grade equivalent lines;
(d) The number of end user customers to whom you provide four (4) voice- grade equivalent lines;
(e) The number of end user customers to whom you provide five (5) voice- grade equivalent lines;
(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;
(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;
(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;
(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;
(j) The number of end user customers to whom you provide ten (10) voice- grade equivalent lines;
(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;
(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines;
(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

Response: NewSouth incorporates by reference its response to Interrogatory No.1 as if fully set forth.

Subject to the foregoing, please see answer to Interrogatory 11.

Provided by: Jake E. Jennings

000030

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 14: Do you offer to provide or do you provide switching capacity to another local exchange carrier for its use in providing qualifying service anywhere in the nine states of the BellSouth region? If the answer to this Interrogatory is in the affirmative, for each switch that you use or provide such switching capacity, please:

(a) Provide the Common Language Location identifier ("CLLI") code of the switch;
(b) Provide the street address, including the city and state in which the switch is located;
(c) Identify the type of switch by manufacturer and model (e.g., Nortel DMS 100.)
(d) State the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;
(e) State the number of voice-grade equivalent lines the switch is currently serving, based on the switch's existing configuration and component parts; and
(f) Identify all documents referring to or relating to the rates, terms and conditions of NewSouth's provision of switching capability.

Response: Specifically with respect to subpart (f), NewSouth objects on the basis that this Interrogatory is not reasonably calculated to lead to the discovery of admissible evidence. Documents referring to the terms of NewSouth's provisioning of switching for Comcast are not relevant given the prior explanation.

NewSouth incorporates by reference its response to Interrogatory No. 1, as if fully set forth. Subject to the foregoing, and without waiving any objection, NewSouth does not offer wholesale unbundled switching to other carriers.

Provided by: Jake E. Jennings

000031

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 15: Identify every business case in your possession, custody or control that evaluates, analyzes or otherwise refers or relates to the offering of a qualifying service using:

(1) the Unbundled Network Element Platform (UNE-P), (2) self-provisioning switching, (3) switching obtained from a third party provider other than an ILEC, or (4) any combination of these items.

Objection: NewSouth objects to this interrogatory to the extent that it is not reasonably calculated to lead to the discovery of admissible evidence.

Pursuant to the *Procedural Order*, the Triennial Review Order, and Rules 1.280 and 1.340 Florida Rules of Civil Procedure and objections previously filed, to the extent that this interrogatory requests specific financial, business or proprietary information regarding NewSouth's economic business model, NewSouth objects to providing or producing any such information on the grounds that those requests presume that the market entry analysis is contingent upon NewSouth's economic business model instead of the hypothetical business model contemplated by the Triennial Review Order. The Triennial Review Order explicitly contemplates that in considering whether a competing carrier economically can compete in a given market without access to a particular unbundled network element, the Commission must consider the likely revenues and costs associated with the given market based on the *most efficient business model* for entry rather than to a *particular carrier's business model.* TRO at ¶ 326. In particular, the FCC stated:

> In considering whether a competing carrier could economically serve the market without access to the incumbent's switch, the state commission must also consider the likely revenues and costs associated with local exchange mass market service . . . The analysis must be based on the *most efficient business model* for entry rather than to any *particular carrier's business model.*

Id. [Emphasis Added] Additionally, with respect to economic

entry, in ¶ 517, the FCC stated that ". . . [t]he analysis must be based on the most efficient business model for entry rather than to any particular carrier's business model." Furthermore, in Footnote 1579 of Paragraph 517, the FCC clarified that ". . . [s]tate commissions should not focus on whether competitors operate under a cost disadvantage. State commissions should determine if entry is economic by conducting a business case analysis for an *efficient entry*." [emphasis added]

In addition to these statements, the FCC also made numerous other references to the operations and business plans of an efficient competitor, specifically rejecting a review of a particular carrier's business plans or related financial information. See, ¶ 84, Footnote 275 ("Once the UNE market is properly defined, impairment should be tested by asking whether *a reasonable efficient CLEC* retains the ability to compete even without access to the UNE.") (citing BellSouth Reply, Attach 2, Declaration of Howard A. Shelanski at ¶2(emphasis added)). See also, TRO at ¶115; ¶469; ¶485, Footnote 1509; ¶517, Footnote 1579; ¶519, Footnote 1585; ¶520, Footnotes 1588 and 1589; ¶581, and Footnote 1788.[1]

Accordingly, the FCC's *TRO* specifically contemplates the consideration of financial and related information of an *efficient "model" competitor* and not that of NewSouth or any other *particular competitor*. As a result, discovery of NewSouth financial information or business plans will not lead to the discovery of admissible evidence in this proceeding.

[1] For the Commission's convenience, please see Attachment 1 to NEWSOUTH's Response to BellSouth's Request for Production of Document sets forth the text of these relevant Paragraphs and Footnotes from the *TRO. Complete text of the Triennial Review Order is available @ www.fcc.gov.*

000033

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 16:	Identify any documents that you have provided to any of your employees or agents, or to any financial analyst, bank or other financial institution, shareholder or any other person that describes, presents, evaluates or otherwise discusses in whole or part, how you intend to offer or provide local exchange service, including but not limited to such things as the markets in which you either do participate or intend to participate, the costs of providing such service, the market share you anticipate obtaining in each market, the time horizon over which you anticipate obtaining such market share, and the average revenues you expect per customer.
Objection:	NewSouth incorporates its objection to Interrogatory No.15 as if fully set forth.

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 17:	If not identified in response to a prior Interrogatory, identify every document in your possession, custody, or control referring or relating to the financial viability of self-provisioning switching in your providing qualifying services to end user customers.
Objection	NewSouth incorporates by reference its objections to Interrogatory15 as if fully set forth.

000035

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 18: Do you have switches that are technically capable of providing, but are not presently being used to provide, a qualifying service in Florida? If the answer to this interrogatory is in the affirmative, please:

(a) Provide the Common Language Location Identifier ("CLLI") code of the switch;

(b) Provide the street address, including the city and state in which the switch is located;

(c) Identify the type of switch by manufacturer and model (e.g., Nortel DMS100);

(d) State the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(e) State the number of voice-grade equivalent lines the switch is currently serving, based on the switch's existing configuration and component parts; and

(f) Identify any documents in your possession, custody or control that discuss, evaluate, analyze or otherwise refer or relate to whether those switches could be used to provide a qualifying service in Florida.

Response: Please see NewSouth's response to Interrogatory 1.

Provided by: Jake E. Jennings

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 19:	Identify each MSA in Florida where you are currently offering a qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale or in some other fashion.
Response:	NewSouth does not maintain customer information distinguishing between qualifying and non-qualifying services. For a list of areas served by NewSouth, please see NewSouth's response to Interrogatory 6 and 11. Provided by: Jake E. Jennings

000037

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 20:	If you are offering a qualifying service outside of the MSAs identified in response to Interrogatory 19, identify those geographic areas either by describing those areas in words or by providing maps depicting those areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, or resale.
Response:	Please see NewSouth's response to Interrogatory 19. Provided by: Jake E. Jennings

000038

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 21: Describe with particularity the qualifying services that you offer in the geographic areas described in response to Interrogatories 19 and 20, including the rates, terms, and conditions under which such services are offered. If the qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms, and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identifies the geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify the web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms, and conditions upon which such service is provided.

Response: NewSouth incorporates it's response to Interrogatory No. 1. Subject to the foregoing, qualifying services offered by NewSouth "including the rates, terms, and conditions under which services are offered" can be found in NewSouth's publicly available tariffs on file with the Florida Public Service Commission and NewSouth's web page at **www.newsouth.com** .

Provided by: Jake E. Jennings

000039

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 22:	Identify each MSA in Florida where you are currently offering a non-qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, or resale, or in some other fashion.
Response:	NewSouth incorporates its responses to Interrogatory No. 1. Subject to the foregoing, please see NewSouth's response to Interrogatory 19. Provided by: Jake E. Jennings

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 23:	If you offer a non-qualifying service outside of the MSAs identified in response to Interrogatory 22, identify those geographic areas ether by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale or in some other fashion.
Response:	NewSouth incorporates its responses to Interrogatory No. 1. Subject to the foregoing, please see NewSouth's response to Interrogatory 19.

Provided by: Jake E. Jennings

000041

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 24:	Describe with particularity the non-qualifying services that you offer in the geographic areas described in response to Interrogatories 22 and 23, including the rates, terms, and conditions under which such services are offered. If the non-qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms, and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identifies the geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify the web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms, and conditions upon which such service is provided.
Response:	NewSouth incorporates its responses to Interrogatory No. 1, as if fully set forth herein. Given the vague and indefinite definition of non-qualifying services, CLEC NewSouth cannot provide a description of all of the non-qualifying services it offers. Provided by: Jake E. Jennings

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 25:	Please state the total number of end user customers in the State of Florida to whom you only provide qualifying service.
Response:	NewSouth incorporates its responses to Interrogatory No. 1 and 19. Subject to the foregoing, please see NewSouth's response to Interrogatory 6 and 12.
	Provided by: Jake E. Jennings

000043

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 26:	For those end user customers to whom you provide qualifying service in the state of Florida, please state the average monthly revenues you receive from each end-user customer.
Objection:	NewSouth incorporates its objection to Interrogatory No. 15, *supra.* NewSouth incorporates its responses to Interrogatory No. 1 and 19. Subject to the foregoing, please see NewSouth's response to Interrogatory 6 and 12. **Begin Confidential – Subject to Protective Order** **End Confidential - Subject To Protective Order XXX.**

000044

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 27:	For those end user customers to whom you only provide qualifying service in the State of Florida, please state the average number of lines that you provide each such end user customer.
Response:	NewSouth incorporates by reference its response to Interrogatory No. 1 and 19 as if fully set forth. Subject to the foregoing, and without waiving any objection, please see NewSouth's response to Interrogatory 6 and 12.
	Provided by: Jake E. Jennings

00004[illegible]

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 28:	Please state the total number of end user customers in the State of Florida to whom you provide only non-qualifying service.
Response:	NewSouth incorporates by reference its response to Interrogatory No. 1 as if fully set forth herein. Subject to the foregoing, and without waiving any objection, please see NewSouth's response to Interrogatory 27. Provided by: Jake E. Jennings

000046

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 29:	For those end user customers to whom you only provide non-qualifying service in the State of Florida, please state the average monthly revenues you receive from each such customer.
Objection:	NewSouth incorporates its responses to Interrogatory Nos. 1, 15, and 19 *supra*. Please see NewSouth's response to Interrogatory 26.
	Provided by: Jake E. Jennings

000047

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 30:	Please state the total number of end user customers in the State of Florida to whom you provide both qualifying and non-qualifying service;
Response:	NewSouth incorporates by reference its response to Interrogatory No.1 as if fully set forth. Subject to the foregoing, and without waiving any objection please see NewSouth's response to Interrogatory 6 and 12. Provided by: Jake E. Jennings

000048

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 31:	For those end user customers to whom you provide qualifying and non-qualifying service in the State of Florida, please state the average monthly revenues you receive from each such end user customer
Objection:	NewSouth incorporates by reference its response to Interrogatory No. 1 and 19 as if fully set forth. Subject to the foregoing, and without waiving any objection, please see NewSouth's response to Interrogatory 6 and 12. Please see NewSouth's response to Interrogatory 26.

Provided by: Jake E. Jennings

000049

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 32: For those end user customers to whom you provide qualifying and non-qualifying service in the State of Florida, please state the average number of lines that you provide each customer.

Response: NewSouth incorporates by reference its response to Interrogatory No.1 as if fully set forth. Subject to the foregoing, and without waiving any objection please see NewSouth's response to Interrogatory 6 and 12.

Provided by: Jake E. Jennings

000050

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 33:	Please provide a breakdown of the total number of end user customers served by NewSouth in Florida by class or type of end user customers (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers. For each such classification, and/or if you provide another type of classification, define and describe with specificity that classification so that it can be determined what kinds of customers you have in each classification.)
Response:	Please See NewSouth's response to Interrogatory 6 and 12.

Provided by: Jake E. Jennings

000051

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 34: For each class or type of end user customer referenced in Interrogatory No. 33, please state the average acquisition cost for each such end user class or type. Please provide this information for each month from January 2000 to the present.

Objection: NewSouth incorporates its objection to Interrogatory No. 15, *supra.*

NewSouth incorporates its responses to Interrogatory No. 1 and 19.

Begin Confidential – Subject to Protective Order

End Confidential - Subject To Protective Order XXX.

Provided by: Jake E. Jennings

000052

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 35: For each class or type of end user customer referenced in Interrogatory No. 33, please state the typical churn rate for each such end user class or type. Please provide this information fore each month from January 2000 to the present.

Objection: NewSouth incorporates its responses to Interrogatory No 15, *supra* and reiterates that the FCC's *TRO* specifically contemplates the consideration of financial and related information of an *efficient "model" competitor* and not that of NewSouth or any other *particular competitor*. Furthermore, it should be noted that the TRO specifically mentions that one consideration of the economic impairment analysis is the potential "impact of churn on the cost of customer acquisitions" for the hypothetical "efficient entrant". Accordingly, NewSouth's 'typical churn rate" for a particular user class or type is not relevant or reasonably calculated to lead to the discovery of admissible evidence. See, TRO at ¶520.

XXX Begin Confidential –Subject to Protective Order

XXX End confidential –Subject to Protective Order

Provided by: Jake E. Jennings

000053

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 36:	For each class or type of end user customer referenced in Interrogatory No. 33, please state the share of the local exchange market that you have obtained. Please provide this information from January 2000 to the present.
Response:	NewSouth, like BellSouth, relies on industry publications assessing "market shares." Upon information and belief, BellSouth has possession, custody, or control of those same industry publications. Provided by: Jake E. Jennings

000054

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 37:	Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to your cumulative market share of the local exchange market in Florida.
Response:	NewSouth, like BellSouth, relies on industry publications assessing "market shares." Upon information and belief, BellSouth has possession, custody, or control of those same industry publications.
	Provided by: Jake E. Jennings

000053

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 38:	Identify any documents in your possession, custody or control that evaluate or otherwise refer or relate to any projections that you have made regarding your cumulative market share growth in the local exchange market in Florida.
Response:	NewSouth incorporates its objection to Interrogatory No. 15, *supra*.

000056

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 39:	Describe how the marketing organization that is responsible for marketing qualifying service in Florida is organized, including the organization's structure, size in terms of full-time or equivalent employees, including contract and temporary employees, and the physical work locations for such employees. In answering this Interrogatory, please state whether you utilize authorized sales representatives in your marketing effort in Florida, and, if so, describe with particularity the nature, extent, and rates, terms, and conditions of such use.
Response:	NewSouth incorporates its objection to Interrogatory No. 15, *supra*.

000057

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 40:	How do you determine whether you will serve an individual customer's location with multiple DS0s or whether you are going to use a DS1 or larger transmission system? Provide a detailed description of the analysis you would undertake to resolve this issue, and identify the factors you would consider in making this type of decision.
Response:	NewSouth only provides DS1 or larger transmission facilities when utilizing its own switch to provide service.

Jake E. Jennings

000058

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 41:	Is there a typical or average number of DSOs at which you would choose to serve a particular customer with a DS1 or larger transmission system? All other things being equal? If so, please describe that typical or average number and explain how that number was derived.
Response:	Depending on several factors, including UNE DS1 rates and existing retail prices, NewSouth will typically provide service utilizing its own switch with a DS1 transmission facility or larger to customers that have at least 8 to 10 lines at a minimum. To the extent that BellSouth is requesting business case information, please see NewSouth's response to Interrogatory 15.

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 42: What additional equipment, if any, would be required (on the customer's side of the demarcation point rather than on the network side pf the demarcation point) to provide service to a customer with a DS1 rather than multiple DS0s? For instance, if a customer had 10 DSOs and you want to provide the customer with the same functionality using a DS1, would a D-4 channel bank, or a digital PBX be required in order to provide equivalent service to the end user that has 10 DS0s? If so, please provide the average cost of the equipment that would be required to provide that functional equivalency (that is, the channel bank, or the PBX or whatever would typically be required should you decide to serve the customer with a DS1 rather than multiple DS0s.)

Response: **XXX Begin Confidential –Subject to Protective Order**

XXX End confidential –Subject to Protective Order

Provided by: Jake E. Jennings

000060

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 43:	What cost of capital do you use in evaluating whether to offer a qualifying service in a particular geographic market and how is that cost of capital determined?
Objection:	NewSouth incorporates its objections to Interrogatory No 15, *supra* and notes that the FCC's TRO specifically contemplates the consideration of financial and related information of an efficient "model" competitor and not that of NewSouth or any other *particular competitor*. Furthermore, it should be noted that the TRO mentions that one consideration of the economic impairment analysis is the cost of capital for the hypothetical "efficient entrant." Specifically, ¶520 of the TRO states that the state "must consider all factors affecting the costs faced by a competitor providing local exchange service to the mass market." See also, TRO at ¶520. Accordingly, NewSouth's "cost of capital" used in evaluating whether to offer a qualifying service in a particular geographic market and the analysis in determining the cost of capital is not relevant or reasonably calculated to lead to the discovery of admissible evidence. Finally, because NewSouth is a privately held company, it does not report nor calculate a cost of capital.

000061

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 44: With regard to the cost of capital you use in evaluating whether to provide a qualifying service in a particular geographic market, what are the individual components of that cost of capital, such as the debt-equity ratio, the cost of debt and the cost of equity?

Objection: NewSouth incorporates its objections to Interrogatory No15, *supra* and notes that the FCC's *TRO* specifically contemplates the consideration of financial and related information of an *efficient "model" competitor* and not that of NewSouth or any other *particular competitor.*

Furthermore, it should be noted that the TRO mentions that one consideration of the economic impairment analysis is the cost of capital for the hypothetical "efficient entrant." Specifically, ¶520 of the TRO states that the state "must consider all factors affecting the costs faced by a competitor providing local exchange service to the mass market." See also, TRO at ¶520. Accordingly, NewSouth's "cost of capital", or the components thereof, used in evaluating whether to offer a qualifying service in a particular geographic market and the analysis in determining the cost of capital is not relevant or reasonably calculated to lead to the discovery of admissible evidence.

Please see NewSouth's response to Interrogatory 43.

000062

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 45: In determining whether to offer a qualifying service in a particular geographic market, what time period do you typically use to evaluate that offer? That is, do you use one year, five years, ten years, or some other time horizon over which to evaluate the project?

Objection: NewSouth incorporates its objections to Interrogatory No. 15, *supra* and notes that the FCC's TRO specifically contemplates the consideration of financial and related information of an efficient "model" competitor and not that of NewSouth or any other particular competitor.

Accordingly, NewSouth's determination of whether to offer a "qualifying service in a particular geographic market" and the time periods involved in such evaluation are irrelevant and not reasonably calculated to lead to the discovery of admissible evidence.

XXX Begin Confidential –Subject to Protective Order

XXX End confidential –Subject to Protective Order

Provided by: Jake E. Jennings

000063

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 46:	Provide your definition of sales expense as that term is used in your business.
Response:	NewSouth defines sales expense to include personnel and G&A expenses related to the sales organization including, but not limited to, salary, benefits, commission expense, office rent and other G&A expenses incurred by NewSouth's sales force. Provided by: Jake E. Jennings

000064

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 47:	Based on the definition of sales expense in the foregoing Interrogatory, please state how you estimate sales expense when evaluating whether to offer a qualifying service in a particular geographic market?
Objection:	NewSouth incorporates its objections to Interrogatory No. 15, *supra* and notes that the FCC's *TRO* specifically contemplates the consideration of financial and related information of an *efficient "model" competitor* and not that of NewSouth or any other *particular competitor*. Notwithstanding the foregoing, NewSouth estimates the necessary sales representatives, sales management, and support including related G&A expenses. Provided by: Jake E. Jennings

000065

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 48:	Provide your definition of general and administrative (G&A) costs as you use those terms in your business.

Response:

000066

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 49:	Based on the definitions of G&A costs in the foregoing Interrogatory, please state how you estimate G&A expenses when evaluating whether to offer a qualifying service in a particular geographic market.
Objection:	NewSouth incorporates its objections to Interrogatory No. 15, *supra* and notes that the FCC's *TRO* specifically contemplates the consideration of financial and related information of an *efficient "model" competitor* and not that of NewSouth or any other *particular competitor*. Please see NewSouth's response to Interrogatory 47.

000067

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 50:	For each day since January 1, 2000, identify the number of individual hot cuts that BellSouth has performed for NewSouth in each state in BellSouth's region.
Response:	Upon information and belief, BellSouth is in possession of documents and other information requested in Interrogatory Nos. 50 and 51. Assuming BellSouth will provide such information and documentation to NewSouth, NewSouth will confirm or deny the information contained in BellSouth's records.

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 51: For each individual hot cut identified in response to Interrogatory No. 50, state:

i. Whether the hot cut was coordinated or not;

ii. If coordinated, whether the hot cut occurred as scheduled;

iii. If the hot cut did not occur as scheduled, state whether this was due to a problem with BellSouth, NewSouth, the end-user customer, or some third party, and describe with specificity the reason the hot cut did not occur as scheduled;

iv. If there was a problem with the hot cut, state whether NewSouth complained in writing to BellSouth or anyone else.

Response: Upon information and belief, BellSouth is in possession of documents and other information requested in Interrogatory Nos. 50 and 51. Assuming BellSouth will provide such information and documentation to NewSouth, NewSouth will confirm or deny the information contained in BellSouth's records.

000069

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 52:	Does NewSouth have a preferred process for performing batch hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe ort otherwise refer or relate to this preferred process.
Response:	Discovery in this case is continuing in nature and any response to this interrogatory is premature. NewSouth is in the process of formulating the case it will present before the Commission and has not formulated a response to this interrogatory at this early stage in the proceeding.
	Provided by: Jake E. Jennings

000070

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 53:	Does NewSouth have a preferred process for performing individual hot cuts? If the answer to this interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe, or otherwise refer or relate to this preferred process.
Response:	NewSouth's preferred process allows the provisioning of loops used for local service to be operationally and competitively neutral, making it the local service counterpart of "equal access" in the long-distance market. This is a process that NewSouth has generically referred to as "electronic loop provisioning" ("ELP"). In this environment, consumers would be able to change their local carrier seamlessly, and no carrier would have an inordinate advantage in competing for a mass market customer's business. Implementation of such an electronic provisioning process would create permanent virtual circuits that could use software commands to shift loops from one carrier to another quickly and inexpensively, with no loss or degradation of service.
	Provided by: Jake E. Jennings

000071

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 54:	State whether NEWSOUTH agrees that it jointly developed BellSouth's process for individual hot cuts with BellSouth as set forth in the parties' April 15, 2001 Memorandum of Understanding. If NEWSOUTH does not agree, explain why and explain NEWSOUTH's view of its involvement in the development of that process.
Response:	No, NewSouth did not actively participate in that proceeding to test BellSouth's hot cut process. Provided by Jake E. Jennings

000072

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 55:	If NewSouth has a preferred process for individual hot cuts that differs from BellSouth's process, identify each specific step in NewSouth's process that differs from BellSouth's process.
Response:	See response to Interrogatory No. 53, *supra*.

000073

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 56:	If NewSouth has a preferred process for bulk hot cuts that differs from BellSouth's process, identify each specific step in NewSouth's process that differs from BellSouth's process.
Response:	In responding to this Interrogatory, NewSouth assumes that BellSouth is referring to the batch hot cut process as defined in BellSouth's First Set of Interrogatories to NewSouth. Accordingly, see response to Interrogatory No. 52.

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 57:	Does NewSouth have any estimates of what a typical individual hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.
Response:	See response to Interrogatory No. 53, *supra* for NewSouth's preferred individual migration process. NewSouth does not have a specific rate at this time, but as a fully electronic solution, it should be no more expensive than a UNE-P or PIC change. Provided by:

000075

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 58:	Does NewSouth have any estimates of what a typical bulk hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.
Response:	In responding to this Interrogatory, NewSouth assumes that BellSouth is referring to a batch hot cut process as defined in BellSouth's First Set of Interrogatories to NewSouth. That being the case, NewSouth does not have a specific batch rate at this time. However, guidance provided by the FCC suggests that it should be 1) based on TELRIC, TRO at ¶489, low cost, Id. at ¶489, lower than current rates, Id. at ¶487, and comparable to UNE-P, Id. at ¶512, Footnote 1574. See also response to Interrogatory No. 79, *infra*.

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 59:	What is the largest number of individual hot cuts that NewSouth has requested in any individual central office in each of the nine BellSouth states on a single day? In answering this Interrogatory, identify the central office for which the request was made, and the number of hot cuts that were requested. State with specificity what the outcome was for each of the hot cuts in each of the central offices so described, if not provided in response to an earlier interrogatory.
Response:	The requested information is in the possession, custody and control of BellSouth. Assuming BellSouth will provide such information and documentation to NewSouth, NewSouth will confirm or deny the information contained in BellSouth's records.

000077

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 60:	Does any ILEC in the BellSouth region have a batch hot cut process that is acceptable to NewSouth or that NewSouth believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.
Response:	See NewSouth's response to Interrogatory No. 64, *infra*.

000078

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 61:	Does any ILEC in the BellSouth region have a cost for a batch hot cut process that is acceptable to NewSouth? If so, name the ILEC and provide the rate and the source of the rate.
Response:	NewSouth incorporates its response to Interrogatory No.52 as if fully set forth.
	Provided by:

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 62:	Does any ILEC in the BellSouth Region have an individual hot cut process that is acceptable to NewSouth or that NewSouth believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.
Response:	No ILEC in the BellSouth Region has an individual hot cut process that is acceptable to NewSouth. Provided by:

000080

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 63:	Does any ILEC in the BellSouth region have a rate for an individual hot cut process that is acceptable to NewSouth? If so, name the ILEC and provide the rate and the source of the rate.
Response:	No ILEC has an acceptable rate for an individual hot cut process in BellSouth's region. Provided by: Jake E. Jennings

000081

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 64:	Does any ILEC outside the BellSouth region have a batch hot cut process that is acceptable to NewSouth or that NewSouth believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.
Response:	ILECs have just begun to provide components or outlines of proposed batch processes in workshops throughout the country; therefore, NewSouth does not have sufficient information to respond at this time. However, previous project or bulk processes did have components that were superior to BellSouth's process. For example, Verizon-NY and SBC have "bulk" provisioning processes and allow time specific migrations. Further, Verizon has in place an electronic communications system which offers some advantages over manual phone calls or faxes. Provided by: Jake E. Jennings

000082

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 65:	Does any ILEC outside the BellSouth region have a rate for a batch hot cut process that is acceptable to NewSouth? If so, name the ILEC and provide the rate and the source of the rate.
Response:	NewSouth incorporates its response to Interrogatory Nos. 52 and 64 as if fully set forth.

000083

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 66:	Does any ILEC outside the BellSouth region have an individual hot cut process that is acceptable to NewSouth or that NewSouth believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.
Response:	Discovery in this case is continuing in nature and any response to this interrogatory is premature. NewSouth is in the process of formulating the case it will present before the Commission and has not formulated a response to this interrogatory at this early stage in the proceeding.

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 67:	Does any ILEC outside the BellSouth region have a rate for an individual hot cut process that is acceptable to NewSouth? If so, name the ILEC and provide the rate and the source of the rate.
Response:	Discovery in this case is continuing in nature and any response to this interrogatory is premature. NewSouth is in the process of formulating the case it will present before the Commission and has not formulated a response to this interrogatory at this early stage in the proceeding.

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 68:	Does NewSouth order coordinated or non-coordinated hot cuts?
Response:	Neither.
	Provided by: Jake E. Jennings

000086

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 69:	Does NewSouth use the CFA database?
Response:	Yes.
	Provided by: Jake E. Jennings

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 70:	Identify every issue related to BellSouth's hot cut process raised by NewSouth at the Florida CLEC collaborative since October 2001.
Response:	NewSouth has not used this forum for hot cut issues, but has primarily focused instead on issues that are most relevant to modes of entry used by NewSouth. see Attachment 70A for issues raised by NewSouth in the Florida collaborative. It should also be noted that other CLECs raised issues that were of interest to NewSouth, making it unnecessary for NewSouth to engage in any duplicative efforts. Provided by: Jake E. Jennings

000088

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 71: What is the appropriate volume of loops that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

Response: NewSouth incorporates its response to Interrogatory No. 52 as if fully set forth.

In addition, NewSouth is currently without sufficient information to answer this interrogatory with an exact volume or number. Furthermore, NewSouth refers BellSouth to ¶489 of the TRO and asserts that the appropriate volume of loops must meet the operational and economic models as defined by the FCC and the TRO. In other words, the requisite volume of loops to meet the TRO and the FCC Rule cited above is that amount required to support demand created by the additional volume of customers added as a result of the implementation of the FCC's TRO, and to ensure unconstrained future growth of competition post TRO implementation.

Provided by: Jake E. Jennings

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 72:	What is the appropriate process that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.
Response:	NewSouth incorporates its response to Interrogatory No. 52 as if fully set forth.

000030

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 73:	If NewSouth disagrees with BellSouth's individual hot cut process, identify every step that NEWSOUTH contends is unnecessary and state with specificity why the step is unnecessary.
Response:	See response to Interrogatory No. 53, *supra*.

REQUEST: BellSouth First Set of Interrogatories

DATED: October 9, 2003

Interrogatory 74: If NewSouth disagrees with BellSouth's bulk hot cut process, identify every step that NewSouth contends is unnecessary and state with specificity why the step is unnecessary.

Response: NewSouth disagrees with, at a minimum, the following aspects of BellSouth's process, even as an interim batch process to be used in narrow, tailored circumstances. :

a. It does not appear to be a batch provisioning process, i.e. all the orders are not provisioned at the same time, or even on the same day.

b. It does not permit time specific cuts.

c. It does not allow coordinated cuts if a change of facilities is required.

d. It does not allow after-business-hours cuts, which are necessary to meet customers need to have uninterrupted telephone phone service during business hours.

e. There is no assurance that services requested by the CLEC to be migrated on the same "batch" order will in fact be worked on the same day, undermining significantly the ability of the CLEC to impact the quality and timing of the cut-over. Indeed, BellSouth appears to provision its batch orders no differently than its individual orders.

f. There is no assurance that all of an individual customer's lines will be cut on the same day, creating further customer satisfaction issues. For example, BellSouth could create groups of lines to migrate that included some of one customer's lines and some of another customer's lines but not all of either customer's lines.

g. BellSouth is unwilling to commit to the number of lines or customers it will provision per day.

h. BellSouth's process does not provide for any additional

safeguards, such as real-time communication between the two companies during the conversion process, or a process for timely service restoration in the event of a problem.

i. There are no cost savings to the CLEC from using this process.

Provided by: Jake E. Jennings

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 75:	Identify by date, author and recipient every written complaint NewSouth has made to BellSouth regarding BellSouth's hot cut process since October 2001.
Response:	see Attachment No. 75. See also response to Interrogatory No. 70. Provided by: Jake E. Jennings

000094

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 76:	How many unbundled loops does NewSouth constitute sufficient volume to assess BellSouth's hot cut process?
Response:	See response to Interrogatory No. 71, *supra*.

000095

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 77:	What is the appropriate information that you contend the Florida Public Service Commission should consider in evaluating whether the ILEC is capable of migrating multiple lines served using unbundled local circuit switching to switches operated by a carrier other than the ILEC in a timely manner in establishing a batch hot cut process consistent with FCC Rule 51.310(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.
Response:	The FCC's TRO ¶512 and Footnote 1574 outlines the overall or high level criteria that the Florida Public Service Commission should consider when evaluating the question posed in Interrogatory No. 77. In addition to the above, discovery in this case is continuing in nature and the response to this interrogatory may evolve as NewSouth formulates the case it will present before the Commission

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 78:	What is the average completion interval metric for provision of high volumes of loops that you contend the Florida Public Service Commission should require in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.
Response:	The FCC's TRO ¶512 and Footnote 1574 outlines the overall or high level criteria that the Florida Public Service Commission should consider when evaluating the question posed in Interrogatory #78. According to the FCC's Rules and the TRO, the average completion interval metric for provision of high volumes of loops must be, at a minimum, equal to the order completion interval for UNE-P. See, TRO ¶512, Footnote 1574. In addition to the above, discovery in this case is continuing in nature and the response to this interrogatory may evolve as NewSouth formulates the case it will present before the Commission.

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 79:	What are the rates that you contend the Florida Public Service Commission should adopt inn establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.
Response:	As indicated in the FCC Rule referenced above, rates must be set in accordance with the FCC UNE Pricing Rules. Furthermore, pursuant to ¶470 of the TRO, rates must be sufficiently low to overcome "impairment" and to allow CLECs to overcome the economic barriers associated with the hot cut process. See also response to Interrogatory No. 59, *supra*.

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 80:	What are the appropriate product market(s) that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.
Response:	Without waiving objections previously asserted, discovery in this case is continuing in nature and any response to this interrogatory is premature. NewSouth is in the process of formulating the case it will present before the Commission and has not formulated a response to this interrogatory at this early stage in the proceeding.

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 81:	What are the appropriate geographic market(s) that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.
Response:	See response to Interrogatory No. 80.

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 82:	Do you contend that there are operational barriers within the meaning of FCC Rule 51.319(d)(2)(iii)(B)(2) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such operational barrier, and state all facts and identify all documents supporting your contention.
Response:	See response to Interrogatory No. 80.

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 83:	Do you contend that there are economic barriers within the meaning of FCC Rule 51.319(d)(2)(iii)(B)(3) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such economic barrier, and state all facts and identify all documents supporting your contention.
Response:	See response to Interrogatory No. 80.

REQUEST:	BellSouth First Set of Interrogatories
DATED:	October 9, 2003
Interrogatory 84:	What is the maximum number of DS0 loops for each geographic market that you contend requesting telecommunications carriers can serve through unbundled switching when serving multilane end users at a single location that the Florida Public Service Commission should consider in establishing a "cutoff" consistent with FCC Rule 51.319(d)(2)(iii)(B)(4)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.
Response:	See response to Interrogatory No. 80.

Respectfully submitted this 10th day of December, 2003.

Jake E. Jennings
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Attorneys for NewSouth Communications Corp.

000103

EXHIBIT NO. 7

DOCKET NO.: 030851-TP

WITNESS: Xspedius

PARTY: Xspedius

DESCRIPTION:

1. Xspedius' Responses and Objections to BellSouth's 1st Set of Interrogatories (Nos.1-84) – Page 1
2. Xspedius' Responses and Objections to BellSouth's 1st Request for PODs (Nos. 1-21) – Page 39

PROFFERING PARTY: STAFF

I.D. # Xspedius-Stip-1

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 7
COMPANY/ FPSC Staff
WITNESS: Xspedius - Stip-1
DATE: 02/24-27/04

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Implementation of Requirements Arising From Federal Communications Commission Triennial UNE Review: Local Circuit Switching for Mass Market Customers	)	Docket No.: 030851-TP

RESPONSES AND OBJECTIONS OF XSPEDIUS COMMUNICATIONS, LLC TO BELLSOUTH'S FIRST SET OF INTERROGATORIES (Nos. 1-84) AND FIRST REQUESTS FOR PRODUCTION OF DOCUMENTS (Nos. 1-21)

Xspedius Communications, LLC, on behalf of its Florida operating affiliates, Xspedius Management Co. Switched Services, LLC and Xspedius Management Co. of Jacksonville, LLC (collectively "Xspedius"), pursuant to the *Order Establishing Procedure*, Order No. PSC-03-1054-PCO-TP, issued September 22, 2003 (hereinafter "*Procedural Order*"), Rule 28-106.206 of the Florida Administrative Code, and Rules 1.280, 1.340, and 1.350 of the Florida Rules of Civil Procedure, hereby responds and objects to BellSouth Telecommunications, Inc.'s (hereinafter "BellSouth") First Set of Interrogatories and First Request for Production of Documents to Xspedius served on October 17, 2003, and, to the extent necessary, hereby moves the Florida Public Service Commission (hereinafter the "Commission") for a protective order. Pursuant to the separate agreement between BellSouth and Xspedius, Xspedius is providing its responses today and will provide to BellSouth certain confidential information, identified below, pursuant to the separate protective agreement of the parties.

I. General Objections

Xspedius makes the following General Objections to BellSouth's First Set of Interrogatories and First Request for Production of Documents, including the applicable

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definitions and general instructions therein ("BellSouth discovery"), which as appropriate will be incorporated into each relevant response when Xspedius' responses are served on BellSouth.

1. Xspedius objects to the BellSouth discovery to the extent that such discovery seeks to impose an obligation on Xspedius 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. Xspedius further objects to any and all BellSouth discovery that seeks to obtain information from Xspedius for Xspedius subsidiaries, affiliates, or other related Xspedius entities that are not certificated by the Commission.

2. Xspedius has interpreted the BellSouth discovery to apply to Xspedius' regulated intrastate operations in Florida and will limit its responses accordingly. To the extent that any BellSouth discovery is intended to apply to matters that take place outside the state of Florida and which are not related to Florida intrastate operations subject to the jurisdiction of the Commission, Xspedius objects to such request as irrelevant, overly broad, unduly burdensome, and oppressive.

3. Xspedius objects to the BellSouth discovery to the extent that such discovery calls for information which is exempt from discovery by virtue of the attorney-client privilege, work product privilege, or other applicable privilege.

4. Xspedius objects to the BellSouth discovery insofar as such discovery is vague, ambiguous, overly broad, imprecise, or utilizes terms that are subject to multiple interpretations and are not properly defined or explained for purposes of these requests.

5. Xspedius objects to the BellSouth discovery insofar as such discovery is not reasonably calculated to lead to the discovery of admissible evidence and is not relevant to the subject matter of this action.

6. Xspedius objects to the BellSouth discovery insofar as it seeks information or documents, or seek to impose obligations on Xspedius which exceed the requirements of the Florida Rules of Civil Procedure or Florida law.

7. Xspedius objects to providing information to the extent that such information is already in the public record before the Florida Public Service Commission, the FCC, is otherwise publicly available, or which is already in the possession, custody, or control of BellSouth.

8. Xspedius objects to the BellSouth discovery to the extent that such discovery is overly broad, unduly burdensome, expensive, oppressive, or excessively time consuming as written.

9. Xspedius 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. To the extent that BellSouth's requests seek proprietary confidential business information which is not the subject of the "trade secrets" privilege, Xspedius 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. Xspedius is a corporation with employees located in many different locations in Florida and in other states. In the course of its business, Xspedius 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. Therefore, it is possible

that not every document has been identified in response to these requests. Xspedius will conduct a reasonable and diligent search of those files that are reasonably expected to contain the requested information. To the extent that the BellSouth discovery purports to require more, Xspedius objects on the grounds that compliance would impose an undue burden or expense.

11. Xspedius objects to the BellSouth discovery that seeks to obtain "all," "each," or "every" document, item, customer, or other such piece of information to the extent that such discovery is overly broad and unduly burdensome.

12. Xspedius objects to the BellSouth discovery to the extent such discovery seeks to have Xspedius create documents not in existence at the time of the request.

13. Xspedius objects to the BellSouth discovery as overly broad and unduly burdensome to the extent that such discovery is not limited to any stated period of time or a stated period of time that is longer than is relevant for purposes of the issues in this docket.

14. In light of the short period of time Xspedius has been afforded to respond to the BellSouth discovery, the development of Xspedius' positions and potentially responsive information to the BellSouth requests is necessarily ongoing and continuing. This process is further complicated since at this point in time, the actual issues to be set forth for hearing in this docket have not yet been established by order of the Commission. Accordingly, these are preliminary objections to comply with the Commission's September 22, 2003, order Xspedius reserves the right to supplement, revise, or modify its objections at the time that it serves its actual responses to the BellSouth discovery. However, Xspedius does not assume an affirmative obligation to supplement its answers on an ongoing basis, contrary to the BellSouth General Instruction.

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15. Xspedius objects to the BellSouth discovery to the extent that it seeks disclosure of facts known and opinions held by experts acquired and/or developed in anticipation of litigation or for hearing and outside the scope of discoverable information pursuant to Rule 1.280(4) of the Florida Rules of Civil Procedure.

16. Xspedius objects to the BellSouth discovery to the extent that the definitions operate to seek discovery of matters other than those subject to the jurisdiction of the Commission, pursuant to the FCC's Triennial Review Order, Florida Administrative Code, and Florida statutes.

17. Xspedius objects to the BellSouth discovery to the extent that it asks for information that may not be available in precisely the same format, category, or definitions from Xspedius systems, which systems are limited in terms of their capacity to produce unlimited reports and information in any format, category or definition requested.

II. Specific Objections

Xspedius makes the following Specific Objections to BellSouth's First Set of Interrogatories and First Request for Production of Documents, including the applicable definitions and general instructions expressed therein ("BellSouth discovery"), which as appropriate will be incorporated into each relevant response when Xspedius' responses are served on BellSouth.

18. Xspedius objects to each and every interrogatory or request for production that seeks information regarding enterprise customers as such discovery is irrelevant for purposes of this docket and is not reasonably calculated to lead to the discovery of admissible evidence since the scope of this proceeding, as set forth by the FCC and the Commission, is limited to local circuit switching for mass market customers.

19. Xspedius objects to each and every interrogatory or request for production that seeks information regarding non-switched services (e.g., services that do not depend on local Class 5 switches) except for non-switched services (e.g., DSL) provided on loops that are also used to provide switched services), as such discovery is irrelevant for purposes of this docket and is not reasonably calculated to lead to the discovery of admissible evidence since the scope of this proceeding, as set forth by the FCC and the Commission, is limited to local circuit switching for mass market customers.

20. Xspedius objects to each and every interrogatory or request for production that seeks information regarding Xspedius' operations in ILEC service areas other than the BellSouth ILEC service area within the state of Florida as such information is irrelevant to BellSouth's case in this docket and such discovery is overly broad and unduly burdensome.

21. Xspedius objects to each and every interrogatory or request for production that seeks to obtain information regarding "former officers, employees, agents, directors, and all other persons acting or purporting to act on behalf of Xspedius" as such information is not within Xspedius' control, would be unduly burdensome to attempt to obtain and is likely irrelevant.

22. Xspedius objects to the definitions for "qualifying service" and "non-qualifying service," and each and every interrogatory or request for production that includes such terms, as Xspedius does not use such terms in the ordinary course of business and answering in these terms would require Xspedius to provide a legal interpretation of the FCC's terms. With the exception of the specific services the FCC has designated as qualifying or non-qualifying, the term is not clearly defined by the FCC or by BellSouth. For example, as the FCC stated in footnote 466 of the TRO Order (FCC 03-36, released August 21, 2003), the terms in question are intended for another, unrelated purpose: "Our list is intended to identify general categories of

services that would qualify as eligible services. It is not intended to be an exhaustive list or to identify services in a more particular manner." Accordingly, the terms in question are not relevant to the subject matter of this proceeding. Moreover, such discovery is overly broad and it would be unduly burdensome for Xspedius to respond to such ambiguous discovery.

23. Xspedius objects to the definitions for "hot cut, "batch hot cut," and "individual hot cut," and each and every interrogatory or request for production that includes such terms, as such definitions are vague in that it is not clear whether or to what extent BellSouth's practices are consistent with the FCC's use of such terms, however such terms may be defined by the FCC. Thus, such discovery is overly broad and it would be unduly burdensome for Xspedius to respond to such ambiguous discovery. Xspedius further objects to BellSouth's use of such terms as they apply to BellSouth's individual hot cut process as Xspedius is not privy to each and every process or procedure employed by BellSouth in implementing such hot cuts.

24. Xspedius objects to each and every interrogatory or request for production that seeks information regarding Xspedius' projections regarding future services, revenues, marketing strategies, equipment deployments, or other such future business plans as such requests are trade secrets and, for purposes of this proceeding, would be highly speculative and irrelevant to the issues to be decided in this docket.

INTERROGATORIES

INTERROGATORY 1. Identify each switch owned by Xspedius that Xspedius uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch).

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objection 4, 8, and 9, and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius will provide to BellSouth certain confidential switch data pursuant to the protective agreement between the parties in the attached confidential document identified as XSPEDIUS – FL-INT-1.

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Response provided by: Objections provided by Counsel. Response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 2. For each switch identified in response to Interrogatory No. 1, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch;
(b) provide the street address, including the city and state in which the switch is located;
(c) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);
(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;
(e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and
(f) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide ("LERG"); or, state if the switch is not identified in the LERG.

XSPEDIUS RESPONSE: With respect to Interrogatory 2 (a)-(e), Xspedius adopts and incorporates its General Objection 4, 8, and 9 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius will provide to BellSouth certain confidential switch data pursuant to the protective agreement between the parties in the attached confidential document identified as XSPEDIUS – FL-INT-1

With respect to Interrogatory 2 (f), Xspedius adopts and incorporates its General Objections 4, 7, 8, and 9, and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: information in the LERG is publicly available to BellSouth. Nonetheless, Xspedius will provide to BellSouth certain confidential switch data pursuant to the protective agreement between the parties in the attached confidential document identified as XSPEDIUS – FL-INT-2.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 3. Identify any other switch not previously identified in Interrogatory No. 1 that Xspedius uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch). In answering this Interrogatory, do not include ILEC switches used by Xspedius either on an unbundled or resale basis.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 4 and 8, and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius has provided a list of all its switches used to provide qualifying service in Florida in response to Interrogatory No. 1.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 4. For each switch identified in response to Interrogatory No. 3, please:

(a) identify the person that owns the switch;
(b) provide the Common Language Location Identifier ("CLLI") code of the switch;
(c) provide the street address, including the city and state in which the switch is located;
(d) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);
(e) describe in detail the arrangement by which you are making use of the switch, including stating whether you are leasing the switch or switching capacity on the switch;
(f) identify all documents referring or relating to the rates, terms, and conditions of Xspedius's use of the switch; and
(g) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide ("LERG"); or, state if the switch is not identified in the LERG.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 4 and 8 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: See Response to Interrogatory No. 3.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 5. Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switches identified in response to Interrogatory No. 1. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 5, 7, 8, 9 and 13, and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and

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without waiving these objections, Xspedius states as follows: although Xspedius does not classify customers as receiving "qualifying" or "non-qualifying" service, which terms are newly coined, Xspedius will provide to BellSouth a list of Florida wire centers in which Xspedius serves customers using the switches identified in response to Interrogatory No. 1 in the attached confidential document identified as XSPEDIUS – FL-INT-3.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 6. For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area from the switches identified in response to Interrogatory 1.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, XSPEDIUS states as follows: Xspedius does not track or maintain this information in the format requested.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 7. With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 6, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;
(b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;
(c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;
(d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;
(e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;
(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;
(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;

(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;
(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;
(j) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;
(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;
(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines; and
(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius does not track or maintain this information in the format requested.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 8. Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida utilizing any of the switches identified in response to Interrogatory No. 3. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user is located.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 4 and 8, and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius has provided a list of all its switches used to provide qualifying service in Florida in response to Interrogatory No. 1.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 9. For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area from the switches identified in response to Interrogatory No. 3.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 4 and 8, and

its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius has provided a list of all its switches used to provide qualifying service in Florida in response to Interrogatory No. 1.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 10. With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 9, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;
(b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;
(c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;
(d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;
(e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;
(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;
(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;
(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;
(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;
(j) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;
(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;
(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines; and
(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius does not track or maintain this information in the format requested.

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Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 11. Identify by name, address, and CLLI code each ILEC wire center area, i.e., the territory served by the wire center, in which you provide qualifying service to any end user customers in Florida using an ILEC's switch either on an unbundled or resale basis. If you assert that you cannot identify or do not know how to ascertain the boundaries of a wire center area, provide the requested information for the ILEC exchange in which your end user customer is located.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 5, 7, 8, 9 and 13, and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: although Xspedius does not classify customers as receiving "qualifying" or "non-qualifying" service, which terms are newly coined, Xspedius will provide to BellSouth a list of Florida wire centers in which Xspedius serves customers using an ILEC's switch in the attached confidential document identified as XSPEDIUS – FL-INT-4.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 12. For each ILEC wire center area identified in the foregoing Interrogatory (or ILEC exchange if you do not provide the information by wire center area) identify the total number of voice-grade equivalent lines you are providing to end user customers in that wire center area using an ILEC's switch either on an unbundled or resale basis.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius does not track or maintain this information in the format requested.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 13. With regard to the voice-grade equivalent lines identified by ILEC wire center area (or ILEC exchange) in response to Interrogatory 12, separate the lines by end user and end user location in the following manner:

(a) The number of end user customers to whom you provide one (1) voice-grade equivalent line;

(b) The number of end user customers to whom you provide two (2) voice-grade equivalent lines;
(c) The number of end user customers to whom you provide three (3) voice-grade equivalent lines;
(d) The number of end user customers to whom you provide four (4) voice-grade equivalent lines;
(e) The number of end user customers to whom you provide five (5) voice-grade equivalent lines;
(f) The number of end user customers to whom you provide six (6) voice-grade equivalent lines;
(g) The number of end user customers to whom you provide seven (7) voice-grade equivalent lines;
(h) The number of end user customers to whom you provide eight (8) voice-grade equivalent lines;
(i) The number of end user customers to whom you provide nine (9) voice-grade equivalent lines;
(j) The number of end user customers to whom you provide ten (10) voice-grade equivalent lines;
(k) The number of end user customers to whom you provide eleven (11) voice-grade equivalent lines;
(l) The number of end user customers to whom you provide twelve (12) voice-grade equivalent lines; and
(m) The number of end user customers to whom you provide more than twelve (12) voice-grade equivalent lines;

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, XSPEDIUS states as follows: Xspedius does not track or maintain this information in the format requested.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 14. Do you offer to provide or do you provide switching capacity to another local exchange carrier for its use in providing qualifying service anywhere in the nine states in the BellSouth region. If the answer to this Interrogatory is in the affirmative, for each switch that you use to offer or provide such switching capacity, please:

(a) Provide the Common Language Location Identifier ("CLLI") code of the switch;
(b) Provide the street address, including the city and state in which the switch is located;
(c) Identify the type of switch by manufacturer and model (e.g., Nortel DMS100);

(d) State the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;
(e) State the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and
(f) Identify all documents referring or relating to the rates, terms, and conditions of Xspedius's provision of switching capability.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, XSPEDIUS states as follows: Xspedius does not provide such switching.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 15. Identify every business case in your possession, custody or control that evaluates, discusses, analyzes or otherwise refers or relates to the offering of a qualifying service using: (1) the Unbundled Network Element Platform (UNE-P), (2) self-provisioned switching, (3) switching obtained from a third party provider other than an ILEC, or (4) any combination of these items.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 2, 3, 5, 8, 9, 11, and 13, and its Specific Objections 18 and 22, as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 16. Identify any documents that you have provided to any of your employees or agents, or to any financial analyst, bank or other financial institution, shareholder or any other person that describes, presents, evaluates or otherwise discusses in whole or part, how you intend to offer or provide local exchange service, including but not limited to such things as the markets in which you either do participate or intend to participate, the costs of providing such service, the market share you anticipate obtaining in each market, the time horizon over which you anticipate obtaining such market share, and the average revenues you expect per customer.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 2, 3, 5, 8, 9, 11, and 13, and its Specific Objection 18, as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 17. If not identified in response to a prior Interrogatory, identify every document in your possession, custody, or control referring or relating to

the financial viability of self-provisioning switching in your providing qualifying services to end user customers.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 2, 3, 5, 8, 9, 11, and 13, and its Specific Objections 18 and 22, as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 18. Do you have switches that are technically capable of providing, but are not presently being used to provide, a qualifying service in Florida? If the answer to this Interrogatory is in the affirmative, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch;
(b) provide the street address, including the city and state in which the switch is located;
(c) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);
(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;
(e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and
(f) identify any documents in your possession, custody or control that discuss, evaluate, analyze or otherwise refer or relate to whether those switches could be used to provide a qualifying service in Florida.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 3, 9, and 11, and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius has no such switches in Florida.

XSPEDIUS RESPONSE: Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 19. Identify each MSA in Florida where you are currently offering a qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius does not classify its service areas by MSA. Xspedius also does not classify its services as qualifying or nonqualifying, which terms were only recently coined by the FCC. Information on Xspedius

service areas is available in Xspedius' local tariff, which is publicly filed with the Florida Commission, and portions of which are attached hereto as XSPEDIUS FL-INT-5. Additional information is available in Confidential attachments XSPEDIUS FL-INT-3 and XSPEDIUS FL-INT-4.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 20. If you offer a qualifying service outside of the MSAs identified in response to Interrogatory 19, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius does not classify its service areas by MSA. Xspedius also does not classify its services as qualifying or nonqualifying, which terms were only recently coined by the FCC. Information on Xspedius service areas is available in Xspedius' local tariff, which is publicly filed with the Florida Commission, and portions of which are attached hereto as XSPEDIUS FL-INT-5. Additional information is available in Confidential attachments XSPEDIUS FL-INT-3 and XSPEDIUS FL-INT-4.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 21. XSPEDIUS RESPONSE: Describe with particularity the qualifying services that you offer in the geographic areas described in response to Interrogatories 19 and 20, including the rates, terms, and conditions under which such services are offered. If the qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms, and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identifies the relevant geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius does not classify its service areas by MSA. Xspedius also does not classify its services as qualifying or

nonqualifying, which terms were only recently coined by the FCC. Information on Xspedius services and service areas is available in Xspedius' local tariff, which is publicly filed with the Florida Commission, and portions of which are attached hereto as XSPEDIUS FL-INT-5. Additional information relating to service areas is available in Confidential attachments XSPEDIUS FL-INT-3 and XSPEDIUS FL-INT-4.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 22. Identify each MSA in Florida where you are currently offering a non-qualifying service without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, XSPEDIUS states as follows: Xspedius does not classify its service areas by MSA. Xspedius also does not classify its services as qualifying or nonqualifying, which terms were only recently coined by the FCC. Information on Xspedius services and service areas is available in Xspedius intrastate long distance tariffs, which are publicly filed with the Florida Commission, and portions of which are attached hereto as XSPEDIUS FL-INT-6. Xspedius interstate rates, terms and conditions can be found at www.xspedius.com/support/agreements.shtml. Additional information relating to service areas is available in Confidential attachments XSPEDIUS FL-INT-3 and XSPEDIUS FL-INT-4.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 23. If you offer a non-qualifying service outside of the MSAs identified in response to Interrogatory 22, identify those geographic areas either by describing those areas in words or by providing maps depicting the geographic areas in which you offer such service, without regard to whether you are offering the service using your own facilities, UNE-P, resale, or in some other fashion.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius S states as follows: Xspedius does not classify its service areas by MSA. Xspedius also does not classify its services as qualifying or nonqualifying, which terms were only recently coined by the FCC. Information on Xspedius services and service areas is available in Xspedius intrastate long distance tariffs, which are publicly filed with the Florida Commission, and portions of which are attached hereto as XSPEDIUS FL-INT-6. Xspedius interstate rates, terms and conditions can be found at www.xspedius.com/support/agreements.shtml. Additional information relating to service areas is available in Confidential attachments XSPEDIUS FL-INT-3 and XSPEDIUS FL-INT-4.

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Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 24. Describe with particularity the non-qualifying services that you offer in the geographic areas described in response to Interrogatories 22 and 23, including the rates, terms, and conditions under which such services are offered. If the non-qualifying services you offer in those areas vary by area, provide a separate statement of services offered and the rates, terms, and conditions for such services in each area. If this information is contained on a publicly available web site that clearly identifies the relevant geographic areas and identifies the relevant rates, terms and conditions for such areas, it will be a sufficient answer to identify that web site. It will not be a sufficient response if the web site requires the provision of a telephone number or series of telephone numbers in order to identify the geographic area in which you provide such service, or the rates, terms and conditions upon which service is provided.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius does not classify its service areas by MSA. Xspedius also does not classify its services as qualifying or nonqualifying, which terms were only recently coined by the FCC. Information on Xspedius services and service areas is available in Xspedius intrastate long distance tariffs, which are publicly filed with the Florida Commission, and portions of which are attached hereto as XSPEDIUS FL-INT-6. Xspedius interstate rates, terms and conditions can be found at www.xspedius.com/support/agreements.shtml. Additional information relating to service areas is available in Confidential attachments XSPEDIUS FL-INT-3 and XSPEDIUS FL-INT-4.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 25. Please state the total number of end users customers in the State of Florida to whom you only provide qualifying service.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius does not classify its services as qualifying or nonqualifying, which terms were only recently coined by the FCC. The confidential total number of Xspedius customers in Florida is attached hereto in Confidential attachment XSPEDIUS FL-INT-7.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 26. For those end user customers to whom you only provide qualifying service in the State of Florida, please state the average monthly revenues you receive from each such end user customer.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius does not classify its services as qualifying or nonqualifying, which terms were only recently coined by the FCC. Xspedius does not track average monthly revenues for its Florida customers.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 27. For those end user customers to whom you only provide qualifying service in the State of Florida, please state the average number of lines that you provide each such end user customer.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius does not classify its services as qualifying or nonqualifying, which terms were only recently coined by the FCC. Xspedius does not track the average number of lines for its Florida customers.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 28. Please state the total number of end users customers in the State of Florida to whom you only provide non-qualifying service.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius does not classify its services as qualifying or nonqualifying, which terms were only recently coined by the FCC. The confidential total number of Xspedius customers in Florida is attached hereto in Confidential attachment XSPEDIUS FL-INT-7.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

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INTERROGATORY 29. For those end user customers to whom you only provide non-qualifying service in the State of Florida, please state the average monthly revenues you receive from each such end user customer.

XSPEDIUS RESPONSE: XSPEDIUS adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, XSPEDIUS states as follows: Xspedius does not classify its services as qualifying or nonqualifying, which terms were only recently coined by the FCC. Xspedius does not track average monthly revenues for its Florida customers.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 30. Please state the total number of end users customers in the State of Florida to whom you provide both qualifying and non-qualifying service.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: the confidential total number of Xspedius customers in Florida is attached hereto in Confidential attachment XSPEDIUS FL-INT-7.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 31. For those end user customers to whom you provide qualifying and non-qualifying service in the State of Florida, please state the average monthly revenues you receive from each such end user customer.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 32. For those end user customers to whom you provide qualifying and non-qualifying service in the State of Florida, please state the average number of lines that you provide each such end user customer.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 22, as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 33. Please provide a breakdown of the total number of end user customers served by Xspedius in Florida by class or type of end user customers (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers. For each such classification, and/or if you provide another type of classification, define and describe with specificity the classification so that it can be determined what kinds of customers you have in each classification).

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius classifies its customers as residential and business customers. The Confidential number of residential and business customers is provided in Confidential attachment XSPEDIUS FL-INT-7.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 34. For each class or type of end user customer referenced in Interrogatory No. 33, please state the average acquisition cost for each such end user class or type. Please provide this information for each month from January 2000 to the present.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18, as if set forth herein verbatim. Subject to and without waiving these objections, X Xspedius states as follows: Xspedius did not begin operating in Florida until June 2002 and does not track the information requested herein.

Response provided by: Objections provided by Counsel. Substantive responses provided by Ricky El-Mogazi, Vice President, Financial Planning and Analysis, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 35. For each class or type of end user customer referenced in Interrogatory No. 33, please state the typical churn rate for each such end user class or type. Please provide this information for each month from January 2000 to the present.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18, as if set forth herein verbatim. Subject to and without waiving these objections, Xspedius states as follows: Xspedius did not begin operating in Florida until June 2002 and does not track the information requested herein.

Response provided by: Objections provided by Counsel. Substantive responses provided by Ricky El-Mogazi, Vice President, Financial Planning and Analysis, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 36. For each class or type of end user customer referenced in Interrogatory No. 33, please state the share of the local exchange market you have obtained. Please provide this information for each month from January 2000 to the present.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18, as if set forth herein verbatim. Subject to and without waiving these objections, Xspedius states as follows: Xspedius did not begin operating in Florida until June 2002 and does not track the information requested herein.

Response provided by: Objections provided by Counsel. Substantive responses provided by Ricky El-Mogazi, Vice President, Financial Planning and Analysis, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 37. Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to your cumulative market share of the local exchange market in Florida.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18 as if set forth herein verbatim. Subject to and without waiving these objections, Xspedius states as follows: Xspedius did not begin operating in Florida until June 2002, does not track the information requested herein, and has not identified any such documents.

Response provided by: Objections provided by Counsel. Substantive responses provided by Ricky El-Mogazi, Vice President, Financial Planning and Analysis, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 38. Identify any documents in your possession, custody or control that evaluate, discuss or otherwise refer or relate to any projections that you have made regarding your cumulative market share growth in the local exchange market in Florida.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18 and 24 as if set forth herein verbatim. Subject to and without waiving these objections, Xspedius states as follows: Xspedius has not identified any such documents.

Response provided by: Objections provided by Counsel. Substantive responses provided by Ricky El-Mogazi, Vice President, Financial Planning and Analysis, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

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INTERROGATORY 39. Describe how the marketing organization that is responsible for marketing qualifying service in Florida is organized, including the organization's structure, size in terms of full time or equivalent employees including contract and temporary employees, and the physical work locations for such employees. In answering this Interrogatory, please state whether you utilize authorized sales representatives in your marketing efforts in Florida, and, if so, describe with particularity the nature, extent, and rates, terms, and conditions of such use.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 16 and 17 and its Specific Objection 18, 22 and 24 as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 40. How do you determine whether you will serve an individual customer's location with multiple DSOs or whether you are going to use a DS1 or larger transmission system? Provide a detailed description of the analysis you would undertake to resolve this issue, and identify the factors that you would consider in making this type of a decision.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: the analysis in question is a case by case analysis driven by each individual customer's circumstances, including the customer's determinations as to their preferred type of service.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 41. Is there a typical or average number of DS0s at which you would chose to serve a particular customer with a DS1 or larger transmission system, all other things being equal? If so, please provide that typical or average number and explain how this number was derived.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: there is no typical or average number of DS0s because the analysis in question is a case by case analysis driven by each individual customer's circumstances, including the customer's determination as to their preferred type of service.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 42. What additional equipment, if any, would be required (on the customer's side of the demarcation point rather than on network side of the demarcation point) to provide service to a customer with a DS1 rather than multiple DS0s? For instance, if a customer had 10 DS0s, and you want to provide the customer with the same functionality using a DS1, would a D-4 channel bank, or a digital PBX be required in order to provide equivalent service to the end user that has 10 DS0s? If so, please provide the average cost of the equipment that would be required to provide that functional equivalency (that is, the channel bank, or the PBX or whatever would typically be required should you decide to serve the customer with a DS1 rather than multiple DS0s.)

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18, as if set forth herein verbatim. Subject to, and without waiving these objections, Xspedius states as follows: Xspedius objects to this question as vague and overbroad, given the wide variety of products and services offered by Xspedius and the myriad arrangements that a customer could request. Digital PBXs and channel banks could certainly be included in the list of equipment that might be required in any given instance. Xspedius does not track the average cost of such equipment.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 43. What cost of capital do you use in evaluating whether to offer a qualifying service in a particular geographic market and how is that cost of capital determined?

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18, 22 and 24 as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 44. With regard to the cost of capital you use in evaluating whether to provide a qualifying service in a particular geographic market, what are the individual components of that cost of capital, such as the debt-equity ratio, the cost of debt and the cost of equity?

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18, 22 and 24 as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 45. In determining whether to offer a qualifying service in a particular geographic market, what time period do you typically use to evaluate that offer? That is, do you use one year, five years, ten years or some other time horizon over which you evaluate the project?

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18, 22 and 24 as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 46. Provide your definition of sales expense as that term is used in your business.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 47. Based on the definition of sales expense in the foregoing Interrogatory, please state how you estimate sales expense when evaluating whether to offer a qualifying service in a particular geographic market?

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18, 22 and 24 as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 48. Provide your definition of general and administrative (G&A) costs as you use those terms in your business.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 49. Based on the definition of G&A costs in the foregoing Interrogatory, please state how you estimate G&A expenses when evaluating whether to offer a qualifying service in a particular geographic market?

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18, 22 and 24 as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 50. For each day since January 1, 2000, identify the number of individual hot cuts that BellSouth has performed for Xspedius in each state in BellSouth's region.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Specifically, Xspedius objects to this question to the extent that it relates to BellSouth hot cuts because BellSouth has access to the same information as Xspedius. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius was not operating in Florida prior to June 2002. Xspedius does not track the number of individual hot cuts performed.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 51. For each individual hot cut identified in response to Interrogatory No. 50, state:

i. Whether the hot cut was coordinated or not;
ii. If coordinated, whether the hot cut occurred as scheduled;
iii. If the hot cut did not occur as scheduled, state whether this was due to a problem with BellSouth, Xspedius, the end-user customer, or some third party, and describe with specificity the reason the hot cut did not occur as scheduled;
iv. If there was a problem with the hot cut, state whether Xspedius complained in writing to BellSouth or anyone else.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Specifically, Xspedius objects to this question to the extent that it relates to BellSouth hot cuts because BellSouth has access to the same information as Xspedius. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: see response to Interogatory 50.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

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INTERROGATORY 52. Does Xspedius have a preferred process for performing batch hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe, or otherwise refer or relate to this preferred process.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a documented preferred process but any process should be seamless, electronic, and transparent to the customer.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 53. Does Xspedius have a preferred process for performing individual hot cuts? If the answer to this Interrogatory is in the affirmative, please describe this process with particularity and identify all documents that discuss, describe, or otherwise refer or relate to this preferred process.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a documented preferred process but any process should be seamless, electronic, and transparent to the customer. Moreover, individual hot cut arrangements are addressed in various respects in the parties' Interconnection Agreement, which BellSouth has.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 54. State whether Xspedius agrees that it jointly developed BellSouth's process for individual hot cuts with BellSouth as set forth in the parties' April 16, 2001 Memorandum of Understanding. If Xspedius does not agree, explain why and explain Xspedius's view of its involvement in the development of that process.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 55. If Xspedius has a preferred process for individual hot cuts that differs from BellSouth's process, identify each specific step in Xspedius's process that differs from BellSouth's process.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: See response to Interrogatory 53.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 56. If Xspedius has a preferred process for bulk hot cuts that differs from BellSouth's process, identify each specific step in Xspedius's process that differs from BellSouth's process.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: See response to Interrogatory 52.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 57. Does Xspedius have any estimates of what a typical individual hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius did not advocate a process whereby circuits are migrated to new switches. Accordingly, Xspedius does not believe that CLECs should bear the costs of these migrations. If there are to be costs, they should be TELRIC costs based upon electronic processes, whether those processes have been implemented by BellSouth or not.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 58. Does Xspedius have any estimates of what a typical bulk hot cut should cost? If the answer to this Interrogatory is in the affirmative, please provide that estimate, describe with particularity how that estimate was calculated, and identify all documents referring or relating to such estimates.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius did not advocate a process whereby circuits are migrated to new switches. Accordingly, Xspedius does not believe that CLECs should bear the costs of these migrations. If there are to be costs, they should be TELRIC costs based upon electronic processes, whether those processes have been implemented by BellSouth or not.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 59. What is the largest number of individual hot cuts that Xspedius has requested in any individual central office in each of the nine BellSouth states on a single day? In answering this Interrogatory, identify the central office for which the request was made, and the number of hot cuts that were requested. State with specificity what the outcome was for each of the hot cuts in each of the central offices so described, if not provided in response to an earlier interrogatory.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Specifically, Xspedius objects to this question to the extent that it relates to BellSouth hot cuts because BellSouth has access to the same information as Xspedius. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not track individual hot cuts in a manner that would permit Xspedius to respond to this question.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 60. Does any ILEC in the BellSouth region have a batch hot cut process that is acceptable to Xspedius or that Xspedius believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius is not aware of any such process.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 61. Does any ILEC in the BellSouth region have a cost for a batch hot cut process that is acceptable to Xspedius? If so, name the ILEC and provide the rate and the source of the rate.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius is not aware of any such ILEC with acceptable costs.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 62. Does any ILEC in the BellSouth region have an individual hot cut process that is acceptable to Xspedius or that Xspedius believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius is not aware of any such process.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 63. Does any ILEC in the BellSouth region have a rate for an individual hot cut process that is acceptable to Xspedius? If so, name the ILEC and provide the rate and the source of the rate.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius is not aware of any such ILEC with acceptable rates.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 64. Does any ILEC outside the BellSouth region have a batch hot cut process that is acceptable to Xspedius or that Xspedius believes is superior to BellSouth's batch hot cut process? If so, identify the ILEC and describe with particularity the ILEC's batch hot cut process, specifying any differences between the ILEC's batch hot cut process and BellSouth's.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius is not currently aware of any such process.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 65. Does any ILEC outside the BellSouth region have a rate for a batch hot cut process that is acceptable to Xspedius? If so, name the ILEC and provide the rate and the source of the rate.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius is not currently aware of any such rate.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 66. Does any ILEC outside the BellSouth region have an individual hot cut process that is acceptable to Xspedius or that Xspedius believes is superior to BellSouth's individual hot cut process? If so, identify the ILEC and describe with particularity the ILEC's individual hot cut process, specifying any differences between the ILEC's individual hot cut process and BellSouth's.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius is not currently aware of any such process.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 67. Does any ILEC outside the BellSouth region have a rate for an individual hot cut process that is acceptable to Xspedius? If so, name the ILEC and provide the rate and the source of the rate.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius is not currently aware of any such process.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 68. Does Xspedius order coordinated or non-coordinated hot cuts?

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Specifically, to the extent hot cuts were ordered from BellSouth, BellSouth has the same or better access to this information as BellSouth. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius has not ordered any significant number of DS-0 hot cuts.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 69. Does Xspedius use the CFA database?

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim.

Response provided by: Objections provided by Counsel.

INTERROGATORY 70. Identify every issue related to BellSouth's hot cut process raised by Xspedius at the Florida CLEC collaborative since October 2001.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius began operating in Florida in June 2002 and Xspedius has not participated in the Florida CLEC collaborative.

Response provided by: Objections provided by Counsel. Substantive response provided by

James Falvey, Sr. Vice President, Regulatory Affairs, Xspedius Communications, 7125 Columbia Gateway Dr., Suite 200, Columbia, MD 21046.

INTERROGATORY 71. What is the appropriate volume of loops that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a position on this issue at this time.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 72. What is the appropriate process that you contend the Florida Public Service Commission should use in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a position on this issue at this time.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 73. If Xspedius disagrees with BellSouth's individual hot cut process, identify every step that Xspedius US contends is unnecessary and state with specificity why the step is unnecessary.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a position on this issue at this time.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

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INTERROGATORY 74. If Xspedius disagrees with BellSouth's bulk hot cut process, identify every step that Xspedius contends is unnecessary and state with specificity why the step is unnecessary.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a position on this issue at this time.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 75. Identify by date, author and recipient every written complaint Xspedius has made to BellSouth regarding BellSouth's hot cut process since October 2001.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Specifically, Xspedius objects to this request to the extent that BellSouth should have in its possession every such complaint sent to BellSouth. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius is not aware of any DS-0 hot cut complaints during the relevant time period.

Response provided by: Objections provided by Counsel. Substantive response provided by James Falvey, Sr. Vice President, Regulatory Affairs, Xspedius Communications, 7125 Columbia Gateway Dr., Suite 200, Columbia, MD 21046.

INTERROGATORY 76. How many unbundled loops does Xspedius contend BellSouth must provision per state per month to constitute sufficient volume to assess BellSouth's hot cut process?

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a position on this issue at this time.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 77. What is the appropriate information that you contend the Florida Public Service Commission should consider in evaluating whether the ILEC is capable of migrating multiple lines served using unbundled local circuit switching to switches operated by a carrier other than the ILEC in a timely manner in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a position on this issue at this time.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 78. What is the average completion interval metric for provision of high volumes of loops that you contend the Florida Public Service Commission should require in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a position on this issue at this time.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 79. What are the rates that you contend the Florida Public Service Commission should adopt in establishing a batch hot cut process consistent with FCC Rule 51.319(d)(2)(ii)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: see response to Interrogatory 58.

Response provided by: Objections provided by Counsel. Substantive response provided by Norman Papenberg, Director, Switch Engineering, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 80. What are the appropriate product market(s) that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a position on this issue at this time.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 81. What are the appropriate geographic market(s) that you contend the Florida Public Service Commission should use in implementing FCC Rule 51.319(d)(2)(i)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a position on this issue at this time.

Response provided by: Objections provided by Counsel. Substantive response provided by Nancy Gaudin, Director, Product Development, Xspedius Communications, 5555 Winghaven Blvd., O'Fallon, MO 63366.

INTERROGATORY 82. Do you contend that there are operational barriers within the meaning of FCC Rule 51.319(d)(2)(iii)(B)(2) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such operational barrier, and state all facts and identify all documents supporting your contention.

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XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a position on this issue at this time.

Response provided by: Objections provided by Counsel. Substantive response provided by James C. Falvey, 7125 Columbia Gateway Dr., Suite 200, Columbia, MD 21046.

INTERROGATORY 83. Do you contend that there are economic barriers within the meaning of FCC Rule 51.319(d)(2)(iii)(B)(3) that would support a finding that requesting telecommunications carriers are impaired without access to local circuit switching on an unbundled basis in a particular market? If the answer to this Interrogatory is in the affirmative, describe with particularity each such economic barrier, and state all facts and identify all documents supporting your contention.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objections 18 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a position on this issue at this time.

Response provided by: Objections provided by Counsel. Substantive response provided by James C. Falvey, Sr. Vice President, Regulatory Affairs, Xspedius Communications, 7125 Columbia Gateway Dr., Suite 200, Columbia, MD 21046.

INTERROGATORY 84. What is the maximum number of DS0 loops for each geographic market that you contend requesting telecommunications carriers can serve through unbundled switching when serving multiline end users at a single location that the Florida Public Service Commission should consider in establishing a "cutoff" consistent with FCC Rule 51.319(d)(2)(iii)(B)(4)? In answering this Interrogatory, please state all facts and identify all documents supporting this contention.

XSPEDIUS RESPONSE: Xspedius adopts and incorporates its General Objections 1, 4, 5, 8, 9, 12, 16 and 17 and its Specific Objection 18, 22 and 24 as if set forth herein verbatim. Subject to and without waiving the foregoing objections, Xspedius hereby states as follows: Xspedius does not have a position on this issue at this time.

Response provided by: Objections provided by Counsel. Substantive response provided by James C. Falvey, Sr. Vice President, Regulatory Affairs, Xspedius Communications, 7125 Columbia Gateway Dr., Suite 200, Columbia, MD 21046.

REQUESTS FOR PRODUCTION

PRODUCTION REQUEST No. 1. Produce all documents identified in response to BellSouth's First Set of Interrogatories.

XSPEDIUS RESPONSE: All documents identified in response to BellSouth's individual interrogatories are marked as such and appended to the interrogatories subject to the corresponding interrogatory objections. Confidential information is produced pursuant to the protective agreement between the parties and any nondisclosure order of the Florida Public Service Commission.

PRODUCTION REQUEST No. 2. Produce every business case in your possession, custody or control that evaluates, discusses, analyzes or otherwise refers or relates to the offering of a qualifying service in the State of Florida.

XSPEDIUS RESPONSE: See response to Interrogatory No. 15 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 3. Produce all documents referring or relating to the average monthly revenues you receive from end user customers in Florida to whom you only provide qualifying service.

XSPEDIUS RESPONSE: See response to Interrogatory No. 26 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 4. Produce all documents referring or relating to the average number of access lines you provide to end user customers in Florida to whom you only provide qualifying service.

XSPEDIUS RESPONSE: See response to Interrogatory No. 27 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 5. Produce all documents referring or relating to the average monthly revenues you receive from end user customers in Florida to whom you only provide non-qualifying service.

XSPEDIUS RESPONSE: See response to Interrogatory No. 29 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 6. Produce all documents referring or relating to the average monthly revenues you receive from end user customers in Florida to whom you provide both qualifying and non-qualifying service.

XSPEDIUS RESPONSE: See response to Interrogatory No. 31 and documents, if any, produced therewith.

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PRODUCTION REQUEST No. 7. Produce all documents referring or relating to the average number of access lines you provide to end user customers in Florida to whom you provide both qualifying and non-qualifying service.

XSPEDIUS RESPONSE: See response to Interrogatory No. 32 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 8. Provide all documents referring or relating to the classifications used by Xspedius to offer service to end user customers Florida (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers).

XSPEDIUS RESPONSE: See response to Interrogatory No. 33 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 9. Produce all documents referring or relating to the average acquisition cost for each class or type of end user customer served by Xspedius, as requested in BellSouth's First Set of Interrogatories, No. 34.

XSPEDIUS RESPONSE: See response to Interrogatory No. 34 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 10. Produce all documents referring or relating to the typical churn for each class or type of end user customer served by Xspedius, as requested in BellSouth's First Set of Interrogatories, No. 35.

XSPEDIUS RESPONSE: See response to Interrogatory No. 35 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 11. Produce all documents referring or relating to how Xspedius determines whether to serve an individual customer's location with multiple DS0s or with a DS1 or larger transmission system.

XSPEDIUS RESPONSE: See response to Interrogatory No. 40 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 12. Produce all documents referring or relating to the typical or average number of DS0s at which Xspedius would choose to serve a particular customer with a DS1 or larger transmission system as opposed to multiple DS0, all other things being equal.

XSPEDIUS RESPONSE: See response to Interrogatory No. 40 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 13. Produce all documents referring or relating to the cost of capital used by Xspedius in evaluating whether to offer a qualifying service in a particular geographic market.

XSPEDIUS RESPONSE: See response to Interrogatory No. 40 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 14. Produce all documents referring or relating to the time period used by Xspedius in evaluating whether to offering a qualifying service in a particular geographic market (e.g., one year, five years, ten years or some other time horizon over which a project is evaluated)?

XSPEDIUS RESPONSE: See response to Interrogatory No. 45 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 15. Produce all documents referring or relating to your estimates of sales expense when evaluating whether to offer a qualifying service in a particular geographic market.

XSPEDIUS RESPONSE: See response to Interrogatory No. 47 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 16. Produce all documents referring or relating to your estimates of general and administrative (G&A) expenses when evaluating whether to offer a qualifying service in a particular geographic market.

XSPEDIUS RESPONSE: See response to Interrogatory No. 48 and documents, if any, produced therewith.

PRODUCTION REQUEST No. 17. Produce all documents referring or relating to any complaints by Xspedius or its end user customers about individual hot cuts performed by BellSouth since January 1, 2000.

XSPEDIUS RESPONSE: See response to Interrogatory No. 48. There are no documents responsive to this request.

PRODUCTION REQUEST No. 18. Produce all documents referring or relating to a batch hot cut process used by any ILEC in the BellSouth region that is acceptable to Xspedius or that Xspedius believes is superior to BellSouth's batch hot cut process.

XSPEDIUS RESPONSE: See response to Interrogatory No. 60. There are no documents responsive to this request.

PRODUCTION REQUEST No. 19. Produce all documents referring or relating to an individual hot cut process used by any ILEC in the BellSouth region that is acceptable to Xspedius or that Xspedius believes is superior to BellSouth's individual hot cut process.

XSPEDIUS RESPONSE: See response to Interrogatory No. 60. There are no documents responsive to this request.

PRODUCTION REQUEST No. 20. Produce all documents referring or relating to a batch hot cut process used by any ILEC outside the BellSouth region that is acceptable to Xspedius or that Xspedius believes is superior to BellSouth's batch hot cut process.

XSPEDIUS RESPONSE: See response to Interrogatory No. 64. There are no documents responsive to this request.

PRODUCTION REQUEST No. 21. Produce all documents referring or relating to an individual hot cut process used by any ILEC outside the BellSouth region that is acceptable to Xspedius or that Xspedius believes is superior to BellSouth's individual hot cut process.

XSPEDIUS RESPONSE: See response to Interrogatory No. 65. There are no documents responsive to this request.

Respectfully submitted this 14th day of November, 2003.

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Attorneys for Xspedius Communications, LLC

MARKET SERVING AREA	CALLING AREA
Florida Switch Serving Centers are: DRBHFLMARS0, FTLDFLTADC0, MIAMFLDADSA, ADFLGG2KD, OJUSFLTL9MD, PMBHFLDRDS0, TLDFLCR56E, FTLDFLCYDS0, FTLDFLMRDS0, FTLDFLOADS0, TLDFLOVDS0, FTLDFLPLDS0, FTLDFLSU74E, FTLDFLTADC0, FTLDFLTNRS0, HLWDFLMADS0, MIAMFLDADSA, DADFLGG2KD, OJUSFLTL7MD, OJUSFLTL9MD, PMBHFLDRDS0, FTLDFLTA2MD, MIAMFLACCMD, MIAMFLAEDS0, MIAMFLAERS0, MIAMFLAL63E, MIAMFLAPDS0, MIAMFLBA85E, MIAMFLBCDS0, MIAMFLBRDS0, MIAMFLDADS0, MIAMFLFLDS0, MIAMFLGRDS0, MIAMFLGRDS1, MIAMFLIC86E, MIAMFLKEDS0, MIAMFLME32E, MIAMFLMERS0, MIAMFLNMDS0, MIAMFLNSDS0, MIAMFLOL68E, MIAMFLPB88E, MIAMFLRRDS0, MIAMFLSH75E, MIAMFLWM26E, MIANFLPVDS0, MIANFLPVDS0, MIANFLWKDS0, NDADFLGG1KD, OJUSFLTL8MD, OJUSFLTLDS2, FTLDFLTADC0, MIAMFLDADSA, NDADFLAARS0, NDADFLAC94E, NDADFLBRDS0, NDADFLGG2KD, NDADFLGGDS0, NDADFLOLDS0, OJUSFLTL7MD, PMBHFLDRDS0, FTLDFLTADC0, MIAMFLDADSA, NDADFLGG2KD, OJUSFLTL7MD, PMBHFLDRDS0, PMBHFLMADS0, PMBHFLMARS1, PMBHFLTADS0, BARTFLXA53H, TAMPFLKODC0, BRBAFLXA75H, BRTNFLXX74H, BRTNFLXXRS1, TAMPFLKODC0, CLWRFLXA44H, CLWRFLXADS0, CNSDFLXA79H, DNDNFLXA73H, INRKFLXX59H, LRGOFLXA58H, LRGOFLXA58H, PNLSFLXA53H, PNLSFLXADS0, PNLSFLXADS0, STGRFLXA78H, TAMPFLCODS0, TAMPFLKODC0, HDSNFLXA86H, MNLKFLXA85H, TAMPFLKODC0, HGLDFLXA64H, LKLDFLXA68H, LKLDFLXE66H, LKLDFLXN85H, TAMPFLKODC0, BRJTFLXARSA, MLBYFLXARSA, NPRCFLXA84H, SNSPFLXA37H, TAMPFLKODC0, PLMTFLXA72H, PRSHFLXARSA, TAMPFLKODC0, PKCYFLXARSA, PNCRFLXA73J, PTCYFLXA75H, TAMPFLKODC0, NRSDFLXA35H, SPRGFLXA37H, SRSTFLXA95H, SRSTFLXA95H, SRSTFLXA95H, SRSTFLXA95H, SRSTFLXA95H, SRSTFLXA95H, SRSTFLXADS0, SRSTFLXARS0, SSDSFLXA92H, SSDSFLXA92H, SSDSFLXA92H, SSDSFLXA92H, SSDSFLXA92H, SSDSFLXA92H, TAMPFLCODS0, TAMPFLKODC0, BAYUFLXA54H, FHSDFLXA57H, FHSDFLXARS0, GNDYFLXA57H, LLMNFLXADS0, NGBHFLXA39H, PSDNFLXA34H, SGBEFLXA36H, SKWYFLXADS0, SPBGFLXA89H, SPBGFLXADS0, SPBGFLXARS7, SPBGFLXS86H, TAMPFLCODS0, TAMPFLKODC0, ALFAFLXA67H, BHPKFLXA28H, BRNDFLXA68H, BYSHFLXA84H, CRWDFLXA96H, HYPKFLXADS0, KYSTFLXA92H, LNLKFLXA99H, LUTZFLXA94H, OLDSFLXA85H, RSKNFLXA64H, SLSPFLXA93H, SMNLFLXA23H, SWTHFLXA88H, SWTHFLXADS0, TAMPFLCO8MD, TAMPFLCO9MD, TAMPFLCODS0, TAMPFLKODC0, TAMPFLUTDS0, TAMPFLXA6CD, TAMPFLXEDS0, TAMPFLXX22H, TAMPFLXX27H, TAMQFLSZDS0, TMTRFLXADS0, UNVRFLXA97H, WIMMFLXA63H, WLCHFLXA97H, WLCRFLXA83H, WSSDFLXA87H, WSSDFLXADS0, YBCTFLXA24H, TAMPFLKODC0, TRSPFLXA93H, OSPRFLXA96H, TAMPFLKODC0, VENCFLXA48H, VENCFLXSDS0, ABDLFLXA96H, CYGRFLXA32H, LKALFLXA95H, TAMPFLKODC0, WNHNFLXC29H, TAMPFLKODC0, ZPHYFLXA78H	Local calling area includes: 266, 879, 261, 277, 321, 251, 284, 529, 845, 555, 202, 210, 218, 232, 279, 281, 296, 306, 308, 313, 332, 340, 346, 348, 350, 353, 354, 355, 356, 357, 358, 359, 361, 366, 367, 378, 381, 384, 387, 388, 389, 390, 391, 393, 396, 398, 399, 417, 419, 443, 448, 459, 499, 502, 515, 518, 541, 542, 549, 555, 558, 564, 565, 573, 606, 617, 630, 632, 633, 634, 635, 636, 641, 642, 645, 646, 655, 693, 695, 696, 699, 703, 704, 705, 707, 708, 713, 714, 720, 721, 723, 724, 725, 726, 727, 730, 731, 732, 733, 737, 739, 741, 743, 744, 745, 750, 751, 757, 764, 765. 766, 768, 771, 772, 777, 778, 779, 781, 783, 786, 790, 791, 798, 805, 818, 828, 855, 858, 868, 889, 905, 908, 918, 919, 920, 924, 928, 945, 952, 954, 955, 967, 981, 988, 996, 998, 220, 221, 223, 241, 242, 246, 247, 249, 270, 953, 992, 533, 782, 259, 289, 282, 291, 213, 215, 264, 269, 272, 276, 278, 312, 325, 328, 329, 972, 273, 280, 285, 431, 275, 964, 966, 225, 460, 461, 471, 540, 794, 797, 808, 810, 823, 824, 825, 826, 829
Non Optional Flat Rate Service	Non Optional Flat Rate Service
XMC Flat Rate Exchange Calling Area from Jacksonville Exchange	XMC Flat Rate Exchange Calling Area from Jacksonville Exchange

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Effective: _____

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EXCHANGE ACCESS SERVICE

5.1 General

Exchange Access Service provides a Customer with a telephonic connection to, and a unique telephone number address on the public switched telecommunications network. Each Exchange Access Service enables users to:

A) receive calls from other stations on the public switched telecommunications network;

B) access other services offered by the Company as set forth in this price list;

C) access certain interstate and international calling services provided by the Company;

D) access (at no additional charge) the Company's operators and business office for service related assistance;

E) access (at no additional charge) emergency services by dialing 0- or 9-1-1; and

F) access services provided by other common carriers that purchase the Company's Switched Access services as provided under the Company's Federal and State tariffs, or that maintain other types of traffic exchange arrangements with the Company.

Each Exchange Access Service is available on a "Full" service basis, whereby service is delivered to a demarcation/connection block at the customer's premises.

The following Exchange Access Services are offered:

Basic Local Exchange
Basic Exchange Analog Trunk Service
Basic Exchange Digital Trunk Service
DID Trunk Service

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EXCHANGE ACCESS SERVICE

5.2 Basic Exchange Line Service

Basic Line Service provides a Customer with a single, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Basic Lines are provided for connection of Customer-provided single station sets or facsimile machines to the public switched telecommunications network. Each Basic Line may be configured into a hunt group with other Company-provided Basic Lines. Each Basic Line is provided with the following standard features which can be deleted at the Customer's option:

Touch Tone

Basic Exchange Line Service is also available with various calling features and options. Customers wishing to purchase single calling features may order those desired from 5.10 below. Non-recurring and monthly recurring rates per Basic Line apply as follows:

	Non-Recurring	Recurring
Basic Business Local Exchange Service††		
Jacksonville		
first line	$50.00	$25.00
each additional line	$10.75	$25.00
Miami, Fort Lauderdale, West Palm Beach		
first line	$50.00	$26.00
each additional line	$10.75	$26.00
Tampa/St. Petersburg, Clearwater		
each line	$ 0.00	$26.75
Basic Business Line Outbound Only††		
Miami, Fort Lauderdale, West Palm Beach		
first line	$50.00	$26.00
each additional line	$10.75	$26.00

†† - Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

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5.3 [RESERVED FOR FUTURE USE]

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5.5 [RESERVED FOR FUTURE USE]

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EXCHANGE ACCESS SERVICE

5.6 Basic Exchange Trunk Service

Basic Exchange Trunk Service provides a Customer with a single, voice-grade, analog telephonic communications channel that can be used to place or receive one call at a time. Basic Exchange Analog Trunks are provided for connection of Customer-provided private branch exchanges (PBX) to the public switched telecommunications network. Each Trunk is provided with touch tone signaling and may be configured into a hunt group with other Company-provided Trunks.

Basic Local Exchange Analog Trunk Service †† -Per Trunk	Non-Recurring	Recurring
Tampa/St. Petersburg, Clearwater	$62.00	$46.75
[Subvoice Grade Local Channel (OPX service)]	$ 0.00	$19.00
[Central Office to Customer]	$ 0.00	$ 1.35
[Customer to Customer]	$ 0.00	$23.25
Jacksonville	$50.00	$42.75
Miami, Fort Lauderdale, West Palm Beach	$84.00	$44.50

5.7 Basic Exchange Digital Trunk Service

Basic Exchange Digital Trunk Service provides a Customer with a digital connection operating at 1.544 Mbps that is time division multiplexed into 24 individual voice-grade telephonic communications channels, each of which can be used to place or receive one call at a time. Digital Trunks are provided for connection of compatible Customer-provided private branch exchanges (PBX) to the public switched telecommunications network. Each Digital Trunk is provided with dual tone multi-frequency (DTMF) or multi-frequency (MF) signaling, as specified by the Customer. Digital Trunks may be configured into hunt groups with other Company-provided Digital Trunks. The terminal interface for each Digital Trunk Service is a DSX-1 panel.

†† - Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

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EXCHANGE ACCESS SERVICE

5.7 Basic Exchange Digital Trunk Service

Basic Trunks may be equipped with Direct Inward Dial (DID) capability and DID number blocks for additional charges, as set forth in Sections 5.8. The price shown below is based on the number of channels activated on the digital transport facility and upon the distance of the transport facility. The price shown below is based on the number of channels ordered and includes the price of transport, voice feature activation, Network Access Register charges and similar charges tariffed separately in other tariffs.

Jacksonville, Miami, Fort Lauderdale, West Palm Beach

Digital PBX Trunk Pricing††	Non-Recurring Charge	Recurring Charge
Digital PBX Charge (per T1)	$200.00	$190.00
Digital PBX Trunk Charge (per channel)	n/c	$15.50
Voice Activation Channel Charge(per channel)	$6.50	$4.50
Digital PBX Transport: first 1/2 mile(per T1)	$315.00	$87.00
Digital PBX Transport: additional 1/2 mile(per T1)	n/c	$39.00
Pulsing (per channel)	$0.00	$6.00

Tampa/St. Petersburg, Clearwater

Digital PBX Trunk Pricing ††	Non-recurring Charges	Monthly Recurring Charges
DCS Charge (per DS1)	$ 522.00	$ 243.00
Channel Charge (per charge)	$ 30.50	$ 27.95

†† Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

EXCHANGE ACCESS SERVICE

5.8 DID Trunk Service

DID service is an optional feature which can be purchased in conjunction with Company-provided Basic Trunks or Digital Trunks. DID service transmits the dialed digits for all incoming calls allowing the Customer's PBX to route incoming calls directly to individual stations corresponding to each individual DID number. Charges for DID capability and DID number blocks apply in addition to charges specified for Basic Trunks or Digital Trunks in Sections 5.6 and 5.7, respectively.

One DID Additive charge applies for each DID-equipped Basic Trunk or DID-equipped channel on a Digital Trunk. The Customer is required to purchase at least one DID number block for each DID-equipped trunk or trunk group, or DID-equipped channel or channel group

Non-recurring and monthly recurring rates per DID Trunk, apply as follows:

Jacksonville

DID Trunk Service	Non-Recurring Charge	Recurring Charge
Each block of 20 DID numbers (per block)	$ 0.00	$ 3.50
Each block of 100 DID numbers	$ 0.00	$ 0.45
DID trunk termination (inward/combo)	$81.00	$14.00

Miami, Fort Lauderdale, West Palm Beach

DID Trunk Service	Non-Recurring Charge	Recurring Charge
DID trunk termination (inward/combo) per trunk	$ 81.00	$ 19.50
Block of 20 DID number (per block)	$ 13.50	$ 3.50
Block of 100 DID numbers(Metro service providers only)	$ 0.00	$ 0.45

†† Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

EXCHANGE ACCESS SERVICE

5.8 DID Trunk Service (cont'd)

Tampa/St. Petersburg, Clearwater

DID Trunk Service	Non-Recurring Charge	Recurring Charge
DID 80 numbers or less		
1st block of 20 DID	$495.00	$ 90.00
Each additional block of 20 DID	$ 18.00	$ 90.00
DID - 200 numbers or less		
1st block of 100 DID	$495.00	$396.00
Each additional block of 100 DID	$396.00	$321.00
1st block of 20 DID	$396.00	$ 72.00
Each additional block of 20 DID	$ 18.00	$ 72.00
200 numbers or more		
Each block of 100 DID	$ 49.50	$ 39.50

(T) Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e-spire LOCAL SERVICE, e-spire LOCAL SERVICE PLUS and e-spire LOCAL ISDN services at the rate levels outlined under e-spire Local Service, e-spire LOCAL SERVICE PLUS and e-spire LOCAL ISDN or other applicable services.

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EXCHANGE ACCESS SERVICE

5.9 Hunt/Grouping Service

Hunting Service is a combination of two or more trunks or individual lines connected to the central office so that incoming calls overflow to the next available trunk or line if that trunk or line is busy. The charge for Hunting Service on trunks and lines is in addition to the regular trunk or line rate and charged on a per-line/trunk basis.

Hunting:

	Jacksonville	Miami, West Palm Beach, Fort Lauderdale	Tampa/ St. Petersburg, Clearwater
Non-Recurring	$33.00	$33.00	$33.00
Recurring (monthly)	$ 8.25	$ 8.75	$9.75

Analog PBX Trunk Service with Hunting:

	Jacksonville	Miami, West Palm Beach, Fort Lauderdale	Tampa/ St. Petersburg, Clearwater
Non-Recurring	$33.00	$34.00	$62.00
Recurring (monthly)	$ 8.25	$ 8.75	$ 9.75

Digital PBX Trunk Service with Hunting:

	Jacksonville	Miami, West Palm Beach, Fort Lauderdale	Tampa/ St. Petersburg, Clearwater
Non-Recurring	$ 0.00	$ 0.00	$ 0.00
Recurring (monthly)	$ 0.00	$ 0.00	$ 0.00

5.10 CLASS (Custom Local Area Signaling Service) Features

CLASS features are available to subscribers of Basic Business Exchange Line on an "a la carte" basis, if the customer does not wish to purchase the option packages outlined in 5.3, 5.4, 5.5.

Automatic Callback - allows customer to automatically return the last incoming call (whether the call was answered or missed. If the number being called back is busy Automatic Callback will alert customer with a special ring when the line becomes clear.

Automatic Recall - automatically redials the telephone number of the last outgoing call. If the number being called back is busy Automatic Recall will alert customer with a special ring when the line becomes clear.
Call Block - provides the customer the ability to prevent incoming calls from up to six different telephone numbers.

Call Selector - provides a distinctive ringing pattern to the subscribing customer for up to six specific telephone numbers.

tt - Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

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EXCHANGE ACCESS SERVICE

5.10 CLASS (Custom Local Area Signaling Service) Features (cont'd)

Call Tracing - enables the customer to initiate an automatic trace of the last call received.

Call Transfer - customer presses the flash hook, receives second dialtone and dials number N existing call is to be transferred to. Customer may hang-up immediately or introduce call and then hang-up.

Caller ID Name Delivery - displays the name and number of the calling party on a special display telephone or display unit.

Caller ID Number Delivery - displays the number of the calling party on a special display telephone or display unit.

Directory Number Privacy - allows customer to prevent the their name and number from appearing on the called party's Caller ID telephone or display unit. Privacy feature must be activated by customer on a call by call basis.

Preferred Call Forwarding - allows the customer to transfer up to six selected numbers to another telephone number.

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EXCHANGE ACCESS SERVICE

5.10 CLASS (Custom Local Area Signaling Service) Features (cont'd)

Pricing:

	Non-Recurring
For each CLASS Feature-except Directory Number Privacy, Automatic Recall Blocking, Automatic Call Back Blocking, Caller ID Block (Jacksonville, Miami, Tampa/St. Petersburg, Clearwater, Fort Lauderdale, West Palm Beach)	$33.00

	Recurring		
	Jacksonville	Miami, Fort Lauderdale, West Palm Beach	Tampa/ St. Petersburg, Clearwater
Automatic Call Back	$4.00	$4.85	$5.40
Automatic Recall	$4.00	$4.85	$5.40
Call Block	$4.00	$3.60	$5.40
Automatic Recall Blocking	N/A	$0.00	N/A
Caller ID Name Delivery	$9.00	$9.25	$10.35
Caller ID Number Delivery	$6.75	$8.10	$9.00
Directory Number Privacy	No Charge	No Charge	No Charge
Preferred Call Forwarding	$4.00	$ 4.85	$3.15
Automatic Call Back Blocking	N/A	$ 0.00	N/A
Call Selector	$4.00	$ 4.50	N/A
Call Tracing	$4.00	$ 4.50	N/A
Caller ID Block (per Line)	N/A	$ 0.00	N/A

[11] - Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

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EXCHANGE ACCESS SERVICE

5.11 Business Custom Services (BCS)

Description:
Customers can choose from following custom services as additional features which can be added to Basic Business Line Exchange service on an "a la carte" basis.

Call Forwarding Variable - allows subscribers to redirect all incoming calls to another telephone number. This service uses a courtesy call so the customer can notify the party at the "forward to number" that calls are going to be redirected to their number.

Call Forwarding Busy Line - automatically redirects incoming calls to a pre-designated telephone number or to a voice mail (FirstLine) service when the customers line is busy.

Call Forwarding Don't Answer - automatically redirects incoming calls to a pre-designated telephone number or to a voice mail (FirstLine) service when the customers telephone is not answered within a specified amount of time.

Remote Activation of Call Forwarding - allows the customer to activate or deactivate Call Forwarding Variable from a telephone other than the one to which the service is assigned.

Remote Call Forwarding - automatically redirects all incoming calls to a customers number to a pre-designated number.

Call Waiting Terminating - alerts the customer to an incoming call while the line is in use . The service signals the customer with two separate tones or tone patterns. The customer is able to place the first party on hold while he/she takes the second call. The customer can switch back and forth between the two parties by flashing the switch hook.

EXCHANGE ACCESS SERVICE

5.11 Business Custom Services (BCS)

Cancel Call Waiting - allows the customer to cancel the Call waiting feature on a call by call basis. This can be done before the customer places a call or during a conversation (if the customer also subscribes to Three Way Calling).

Three Way Conference Calling - allows customers to have a conference call with two other parties at different numbers. With this service the customer can initiate calls to both parties or add another party to an established call.

Speed Calling 30 - allows the subscriber to assign 1 or 2 digit dial codes for telephone numbers and/or access codes. Up to 30 codes can be assigned.

Anonymous Call Rejection - Enables a customer to reject call attempts for up to 15 numbers of calling parties by dialing a code and the telephone numbers of calls to be rejected. Any call attempts to the customer from these numbers will be prevented from terminating to the customer and will instead be connected to an announcement informing the caller that the call is not presently being accepted by the called party. A customer may also reject future calls from the most recent call received by dialing a code after completing the call.

Indentiring - Allows a customer to assign a maximum of 15 callers' telephone numbers to a special list. The customer will hear a distinctive ring at his/her location when calls are received from callers' telephone numbers on that list.

Call Forwarding Multi-Path - Enables multiple calls to be forwarded to another number simultaneously.

Calling Number Delivery Blocking - Enables the customer to block the transmission of the customer's name and or number on all outgoing calls.
Selective Class of Call Screening - Enables a customer to secure central office blocking of 1+, 101XXXX 1+, 10XXX 1+, 976, 900, and screening information to prevent operator assisted calls from being billed to the subscriber's line. All local calls and calls to Company numbers such as repair service, Directory Assistance Service and public emergency service numbers such as 911 will be permitted from the establishment. Selective Class of Call Screening is available only from central offices which have been arranged to provide these services. This service is provided subject to the availability of facilities. This service is furnished in connection with local business and residence line service and PBX Trunk Service. Subscribing to this service does not relieve the subscriber of responsibility for calls, other than intraLATA calls carried by the Company, which originate from his number. Failure of other long distance providers to act on the information digits passed to them could result in charges being placed on the subscriber's number.

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EXCHANGE ACCESS SERVICE

5.11 Business Custom Services (BCS)[††] (cont'd)

Pricing:

	Non-Recurring
Each BCS Feature - except for Anonymous Call Rejection, Call Forwarding Multipath, Selective Class of Call Screening (Jacksonville, Miami, Tampa/St. Petersburg, Clearwater, Fort Lauderdale, West Palm Beach)	$33.00

	Recurring		
	Jacksonville	Miami, West Palm Beach Fort Lauderdale	Tampa/ St. Petersburg, Clearwater
Call Forwarding Variable	$ 3.20	$ 3.00	$ 3.60
Call Forwarding Busy Line	$ 2.90	$ 1.10	$ 1.10
Call Forwarding No Answer	$ 2.90	$ 1.10	$ 1.10
Remote Activation of CFV	$ 6.50	$ 7.00	$ 7.00
Remote Call Forwarding	$18.50	$10.80	$14.00
Call Waiting Terminating	$ 5.20	$ 3.00	$ 4.50
Three Way Conference Calling	$ 3.35	$ 3.20	$ 3.60
Speed Calling 30	$ 4.50	$ 4.85	$ 5.00
IndentiRing	$ 9.00	$ 5.00	$ 8.10
Anonymous Call Rejection	$ 3.15	$ 3.15	N/A
Three-way Calling	N/A	$ 5.00	N/A
Call Transfer	N/A	$ 4.50	N/A
Call Forwarding Multipath	N/A	$ 3.00	N/A
Selective Class of Call Screening	$ 1.35	$ 1.35	N/A

[††] Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

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EXCHANGE ACCESS SERVICE

5.12 ISDN/PRI

5.12.1 Description of Service

ISDN PRI service provides a method of access to the telephone network called Primary Rate Interface (PRI). Primary Rate Interface is an ISDN based, DSI access link to the telecommunications network and provides integration of multiple voice and date transmission channels on the same line. The basic channel structure for PRI is twenty three (23) 64 Kbps bearer channels (B channels) and one (1) 64 Kbps data channel (D channel). These B channels may be used to connect the customer's CPE to the Public Circuit Switched Network (e.g. outward, inward and two-way trunks, and WATS/800 Service access lines).

ISDN PRI service is a service for the transmission of digital signals only. Clear Channel Capability and Extended Superframe Format are inherent to the service. Customer Premise Equipment (CPE) that is compatible with the ISDN PRI service interface is the responsibility of the user for provisioning. XMC shall not be responsible if changes in any of the equipment, operations or procedures of XMC utilized in the provision of ISDN PRI service render any facilities provided by the customer obsolete or require modification or alteration of such equipment or system or otherwise affect its use or performance. Digital transmission rates at speeds less than those indicated may be accomplished as a function of the particular CPE furnished by the user. Suspension of service is not allowed. Individual Case Basis pricing will be available for on-network customers or for customers agreeing to term plans. Busy line verification and Emergency Interrupt service is not available for ISDN PRI services.

EXCHANGE ACCESS SERVICE

5.12 ISDN/PRI (cont'd)

5.12.1 Description of Service (cont'd)

Telephone numbers transmitted via the Incoming Call Identification feature are intended solely for the use of the ISDN PRI service subscriber. Resale of this information is prohibited by this Price list except the callers' numbers may be provided to the subscriber's client for those calls sponsored or provided by that client where the client's identity is disclosed to the caller and the client agrees not to distribute such information to others.

Non-facility Associated Signaling (NFAS) provides the capability to serve multiple DSI's over a single D channel (NB+D). This feature can be ordered where switch capabilities exist as stipulated in the vendor technical documentation. When NFAS is selected, the customer will order one ISDN PRI service arrangement with 23 B channels and 1 D channel. Additional ISDN PRI service arrangements are ordered with 24 B channels. The D channel activated on the initial arrangement serves the additional ISDN PRI service arrangements. Up to nineteen ISDN PRI configured at 24B + 0D may be ordered in conjunction with one 23B + D ISDN PRI. If the customer desires, he/she may also request a back-up D channel with the NFAS option. It is recommended that additional D channels be provisioned in separate DSI arrangements.

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EXCHANGE ACCESS SERVICE

5.12 ISDN/PRI (cont'd)

5.12.1 Description of Service (cont'd)

5.12.1.1 Application of Rates

ISDN PRI service lines furnished between a Serving Wire Center and the customer's premises will be charged at rates based on the first 2 miles and each additional 2 mile for the airline distance measured between the customer's premises and the customer's Serving Wire Center. ISDN PRI service rates under any Term Payment Plan are exempt from XMC initiated changes for the payment period selected. Rates in effect at the time service is installed and/or of the service order application date, will be applicable until the contract expires. At the expiration date of the customer's payment period option, the customer may select a new payment period at current rates or revert to current rates on a month-to-month basis. ISDN features are priced at a per channel rate unless otherwise specified.

5.12.1.2 Service Components

The customer may choose any number of channels, up to twenty-three per Primary Rate Interface, to be active with a corresponding number of services (e.g. inward/outward trunks, WATS Lines, 800 Service) selected. The customer may also choose to have more services selected than channels available for specific applications. The total number of communication paths may not exceed the number of channels subscribed.

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EXCHANGE ACCESS SERVICE

5.12 ISDN/PRI (cont'd)

5.12.1 Description of Service (cont'd)

5.12.1.2 Service Components (cont'd)

The required components of ISDN PRI service will be as follows:

Digital Loop Channels
Primary Rate Interface
Primary Rate B Channels
Call-by-Call / Integrated Service Access Feature Capability
Network Access and Usage Charges where applicable

Digital Loop Channels - Provides a four-wire access loop from the customer premises to the serving wire center. The transmission characteristics of this loop support Clear Channel Capability and Extended Superframe Format (ESF).

Interoffice Channels - Provides for the transmission facilities between XMC servicing wire centers with a LATA.

Primary Rate Interface - Provides multiplexing to support up to twenty-three (23) B channels at 64 Kbps and one D channel also at 64 Kbps. When Non-facility Associated Signaling (NFAS) is ordered, the PRI service can provide up to twenty-four (24) B channels at 64 Kbps.

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EXCHANGE ACCESS SERVICE

5.12 ISDN/PRI (cont'd)

5.12.1 Description of Service (cont'd)

5.12.1.2 Service Components (cont'd)

Primary Rate B Channels - Provides circuit switched service that will allow either voice or data transmission at up to 64 Kbps. Monthly rates for Primary Rate B Channels will be flat rate billing for all use of local exchange network. Voice calls may be completed to both ISDN and non-ISDN lines. Data transmission on the B channel will be circuit switched at 64 Kbps within the switch and between ISDN compatible central offices. ISDN interconnection to non-ISDN equipped central offices may be potentially subjected to analog transmission or sub-rated at 56 Kbps.

Call-by-Call / Integrated Service Access Feature Capability - Allows the customers to dynamically allocate the channels of the ISDN PRI service. The customer may also choose voice or data transmission on a per call basis. In addition, the customer may choose to subscribe to more services than channels and dynamically change the services in use.

EXCHANGE ACCESS SERVICE
5.12 ISDN/PRI Pricing [tt](cont'd)

ELEMENT	INSTALL	RECURRING
ISDN/PRI (per DS1)		
Tampa/St. Petersburg, Clearwater	$ 0.00	$495.00
ISDN Access line (per DS1)		
Miami	$787.00	$126.00
Fort Lauderdale	$787.00	$126.00
Jacksonville	$787.00	$126.00
West Palm Beach	$787.00	$126.00
Primary Rate Interface		
PRI subscriber line (per DS1)		
Tampa/St. Petersburg, Clearwater	$623.00	$225.00
Each additional PRI subscriber line (per DS1)		
Tampa/St. Petersburg, Clearwater	$492.00	$138.00
Call by Call Service (per DS1)		
Jacksonville	$ 0.00	$ 18.00
ISDN B Channels (per Channel) -		
Voice		
Miami	$ 4.50	$ 43.50
Fort Lauderdale	$ 4.50	$ 43.50
Jacksonville	$ 4.50	$ 43.50
West Palm Beach	$ 4.50	$ 43.50
Tampa/St. Petersburg, Clearwater	$ 0.00	$ 22.00
Digital Data Only		
Miami, Fort Lauderdale, Jacksonville West Palm Beach	$ 4.50	$ 22.05
Tampa/St. Petersburg, Clearwater	$ 45.00	$ 36.75
Inward Data Only		
Miami, Fort Lauderdale, Jacksonville West Palm Beach	$ 4.50	$ 26.10
Tampa/St. Petersburg, Clearwater	$ 45.00	$ 27.75
ISDN Interface		
Voice		
Jacksonville	$ 99.00	$360.00
Miami	$ 99.00	$360.00
Fort Lauderdale	$ 99.00	$360.00
West Palm Beach	$ 99.00	$360.00

[tt] - Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

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EXCHANGE ACCESS SERVICE

5.12 ISDN/PRI (cont'd)[††]
Pricing (cont'd)

Elements	Non-recurring	Recurring
Digital Data Only		
Jacksonville	$ 99.00	$360.00
Miami	$ 99.00	$360.00
Fort Lauderdale	$ 99.00	$360.00
West Palm Beach	$ 99.00	$360.00
Inward Data Only		
Jacksonville, Miami, Fort Lauderdale West Palm Beach	$ 99.00	$360.00
Network Access Register (per channel)		
Jacksonville, Ft. Lauderdale, Miami and West Palm Beach	$ 0.00	$ 14.25
Caller ID (per channel)		
Jacksonville, Ft. Lauderdale, Miami and West Palm Beach	$ 0.00	$ 18.00
Pulsing (per channel) Jacksonville, Ft. Lauderdale, Miami and West Palm Beach	$ 0.00	$ 6.00
Digital Transport		
per mile (per DS1)		
Tampa/St. Petersburg, Clearwater	$ 0.00	$ 13.50
first ½ mile (per DS1)		
Jacksonville, Ft. Lauderdale, Miami and West Palm Beach	$315.00	$ 87.00
each additional ½ mile (per DS1)		
Jacksonville, Ft. Lauderdale, Miami and West Palm Beach	$ 0.00	$ 39.00
Direct Inward Dial Service		
DID channel Termination (per channel)		
Miami	$ 81.00	$ 19.50
Fort Lauderdale	$ 81.00	$ 19.50
Jacksonville, West Palm Beach	$ 81.00	$ 19.50
Block of 20 DID numbers		
Miami, Ft. Lauderdale, Jacksonville and West Palm Beach (per block)	$ 13.50	$ 3.50
Block of 100 DID numbers	$ 0.00	$ 0.45
Tampa/St. Petersburg, Clearwater		
DID - 80 numbers or less		
1st block of 20 DID numbers	$495.00	$ 90.00
Each Additional block of 20 DID	$ 18.00	$ 90.00
DID - 200 numbers or less		
1st block of 100 DID	$495.00	$396.00
Each additional block of 100 DID	$396.00	$321.00
1st block of 20 DID	$396.00	$ 72.00
Each additional block of 20 DID	$ 18.00	$ 72.00
200 numbers or more		
Each block of 100 DID	$ 49.50	$ 39.50

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EXCHANGE ACCESS SERVICE

5.12 ISDN/PRI (cont'd)

5.12.3 Termination Liability

A Termination Liability charge is applicable at the date of termination. The applicable charge is dependent on the contract period subscribed to and will be equal to the number months remaining in the contract times the monthly rate provided under the contract. All end-user federal, state and local taxes and surcharges will be levied at existing tariff rates.

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EXCHANGE ACCESS SERVICE

5.13 Payphone

5.13.1 Description of Service

A. Product Definition - Access line service for Payphone Service Providers (PSPs) is an exchange line service provided at the request of a subscriber for telecommunications use by the general public.

1. This access line service is provided on a flat rate basis.
2. This access line service is provided for use with customer-provided noncoin-operated public telephones or customer-provided coin-operated public telephones.
3. Completion of local message is provided by the Company.
4. The subscriber shall be responsible for installation, maintenance and operation of customer-provided public telephones used in connection with this service.
5. Customer-provided public telephones must be connected to the Company network in compliance with Part 68 of the F.C.C. Rules and Regulations.
6. The service is furnished pursuant to and on the condition that the PSP will adhere to all applicable regulations.
7. The service is provided for use by the subscriber but may be used by others when so authorized by the subscriber, provided that all such usage is subject to provisions of this tariff.
8. This service is not subject to concessions.
9. This service may not be suspended at a reduced rate.
10. Access line service for customer-provided public telephones can not be included on accounts containing other classes of service. A separate account is required for this offering at each location.
11. The access lines may include an optional screening feature to prevent the operator from allowing toll charges against the subscriber's line. The operator cannot perform coin collecting functions.
12. The Company is not responsible for refunds of coins deposited in customer-provided coin-operated public telephones.
13. Customer-provided public telephones may not be attached to other types of access lines, absent express approval of the Company.
14. The subscriber to this service will be responsible for any and all toll charges billed to the subscriber's account.

EXCHANGE ACCESS SERVICE

5.13 Payphone (cont'd)

5.13.1 Description of Service (cont'd)

15. The following public service considerations are applicable to Customer-Provided Public Telephones:
    a. All customer-owned instruments must be registered under Part 68 of the F.C.C. Regulation Program to be connected to the Exchange Network.
    b. The instruments must be able to accommodate the hearing impaired and handicapped persons.
    c. The instruments must be installed in compliance with the National Electrical Safety Code.
    d. There shall be no charge to the end user for Directory Assistance calls dialed (1+411 and 1+555-1212) from a customer-provided public telephone.
    e. Non-chargeable Operator, 911 and 800/888 numbers, must be able to be made without a coin deposit, and with no time limitation.
    f. Emergency numbers, (Operator Assistance and 911) must be clearly posted at each instrument location
    g. Procedures for obtaining a refund from the owner must be clearly posted at each instrument location.
    h. The instrument must have any and all operating instructions posted thereon.
    i. Coins must be returned by the instruments for any incomplete calls.
    j. All repairs shall be performed on the instruments, with a reasonable amount of time, the responsibility of which is place upon the owner of the telephone.
    k. A subscriber must order a separate public access line for each instrument installed and will be billed the tariffed rate for each such access line.
    l. In order to protect the public access line user's right to privacy, the customer-provided instrument must be capable of disabling any extension telephone also on the line during the time the public telephone is in use.

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EXCHANGE ACCESS SERVICE

5.13 Payphone (cont'd)

5.13.1 Description of Service (cont'd)

16. For customers subscribing to Caller ID, if the incoming call originates from a customer-provided public telephone, the name information transmitted will always be "Pay Phone".
17. The instrument must display information on the name, address and telephone number of the person or entity responsible for the payphone where callers can obtain assistance when problems occur with pay telephone service. PSPs shall provide and post on or near the payphone;
    a. The name and phone number of the owner of the instrument
    b. A cost free method for reporting complaints and obtaining refunds.
18. Access lines to this service must be dedicated with one line for each station and shall not be connected behind a PBX or other line concentration device.
19. PSPs that provide access to long-distance services shall:
    a. Allow access to all certified long-distance carriers through 1-700, 1-800, 1-888, 1-950, 10XXX, or 101XXXX dialing. Access to the services of long distance carriers shall not be blocked or intercepted by PSP or traffic aggregators. Such calls shall be routed to the network as dialed by the end user.
    b. Allow access to Company operators. All "0-" calls and "0+" local calls shall be directed to the incumbent local exchange company.. Such calls shall be routed to the network as dialed by the end user.
    c. Not accept calling cards for billing purposes if they are unable to validate the call.

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EXCHANGE ACCESS SERVICE

5.13 Payphone (cont'd)

5.13.1 Description of Service (cont'd)

B. Rates and Charges -

1. The Business Flat Rate service monthly rate for the exchange is applicable to PSP access exchange lines.
2. The subscriber is responsible for Directory Assistance service charges.
3. Directory Listings are not available for public telephone access lines.
4. Non-sent paid local calls will be charged to the end users plus the appropriate operator surcharges.
5. Non-sent paid calls into the Expanded Local Calling area (intraLATA) will be charged to the end user plus the appropriate operator surcharges.

C. Special Arrangements

Special Arrangements are available with the approval of the Company

D. Local Calling Area

The local calling area (LCA) is the area in which an end user can make calls and not pay for intraLATA or interLATA charges.

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EXCHANGE ACCESS SERVICE

5.13 Payphone (cont'd)

5.13.1 Description of Service(cont'd)

F. Billing

1. XMC will invoice the customer for one Basic Line Charge, one FCC EUCL charge, one Telecom Relay charge, one E911 charge, and any other applicable taxes and surcharges for each Basic PSP line.
2. XMC will invoice for all optional features and all IntraLATA toll usage, where appropriate.
3. Optional Billing Output (currently in testing phase): XMC can provide a customer's invoice on CD-ROM. Customer will be charged a one time setup fee and a monthly recurring charge. Customer may also be charged for any requested development changes to the CD-ROM format.

G. Sales

1. Market Serving Area - The market serving area (MSA) will remain the same for both resale and retail. No sales of payphones which are outside the current MSA will be supported.
2. Dispute Resolution - Account Executives and General Managers will perform account management function and acts as direct interface with the PSP . XMC Customer Care will not provide specialized support of PSPs.

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EXCHANGE ACCESS SERVICE

5.13 Payphone (cont'd)

5.13.2 Select Calling Plans (Tampa)

1. Public telephone access service with extended calling service charges- Hillsboro (Tampa, Brandon, Lutz).
2. Public telephone access service with extended calling service charges – Pinellas Count (Clearwater, St. Petersburg).
3. Public telephone access service with extended calling service charges – Zephyrhills (Pasco).
4. Public telephone access service with extended calling service charges – New Port Richey (Port Richey, Pasco).

EXCHANGE ACCESS SERVICE

5.13 Payphone (cont'd)

5.13.3 Central Office Blocking Features (Tampa)

A. Option 1 – Two-Way Service. Provides central office blocking of "011+1DDD", "1+900" and "1+976" calls. Provides screening information to the operator to prevent operator assisted, sent-paid calls from being billed to the line.
B. Option 2 – Outward Only Service. Provides central office blocking of "011+1DDD", "1+900" and "1+976" calls. Provides screening information to the operator to prevent operator assisted, sent-paid calls from being billed to the line.
C. Option 3 – Two-Way Service. Provides screening information to the operator to prevent operator assisted, sent-paid calls from being billed to the line.
D. Option 4 – Two-Way Service. Provides screening information to the operator to prevent operator assisted, sent-paid calls from being billed to the line.
E. Option 5 – Option 1 Two-way Service. Provides central office blocking of "1+DDD", "011+1DDD", "10XXX 1+", "1+900", "1+270" and "1+976" calls. Provides screening information to the operator to prevent operator assisted, sent-paid calls from being billed to the line.
F. Option 6 – Outward Only Service. Provides central office blocking of "011+DDD","1+DDD","10XXX011+", "101XXXX011+","1+270", "1+900" and "1+976" calls. Provides screening information to the operator to prevent operator assisted, sent-paid calls from being billed to the line.
G. Option 7 – Two-Way Service. Provides central office blocking of "011+1DDD" and "01+" calls. Provides screening information to the operator to prevent operator assisted, sent-paid calls from being billing to the line.
H. Option 8 – Outward Only Service. Provides central office blocking of "011+1DDD", and "01+" calls. Provides screening information to the operator to prevent operator assisted, sent-paid calls from being billed to the line.
I. Option 9 - Two-Way Service. Provides central office blocking of "1+DDD", "011+1DDD", "10XXX ", "1+900", "1+270" and "1+976" calls. Provides screening information to the operator to prevent operator assisted, sent-paid, credit card or third number calls from being billed to the line.
K. Option 10 – Outward Only Service. Provides central office blocking of "1+DDD", "011+1DDD", "10XXX", "1+270", "1+976", and "1+900" calls. Provides screening information to the operator to prevent operator assisted, sent-paid, credit card or third number calls from being billed to the line.

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EXCHANGE ACCESS SERVICE

5.13.2 **Pay Phone Pricing:**
(Fort Lauderdale, Jacksonville, Miami)

	Non Recurring	Monthly Recurring
• Two-Way Provides screening information to the operator to prevent operator asissted sent paid calls from being billed to the line, provides central office blocking of011+calls. 011+blocking provides central office blocking of calls to numbers outside the North American Numbering Plan. 976 blocking is mandatory and the access line feature options which do not offer central office blocking of900 calls, this feature is available at the request of the subscriber. Excluding services w/ Local Calling Plus and Extended Calling Areas or	$50.00	$25.00
• Two-Way Provides central office blocking of 1+DDD, 1+900 and 011+calls, provides screening information to the operator to prevent operator assisted sent paid calls from being billed to the line. 011+ blocking provides central office blocking of calls to numbers outside the North American Numbering Plan Excluding services w/ Local Calling Plus and Extended Calling Areas or	$50.00	$25.00
• Outward Only Provides central office blocking of 1+DDD, 1+900 and 011+calls, provides screening information to the operator to prevent operator assisted sent paid calls from being billed to the line. 011+ blocking provides central office blocking of calls to numbers outside the North American Numbering Plan. 976 blocking is mandatory. This option is only provided for placement in correctional institutions, schools, hospitals and other locations which the Public Service Commission may grant a specific exemption or	$50.00	$25.00

†† - Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

EXCHANGE ACCESS SERVICE

5.13.2 **Pay Phone[††] Pricing (cont'd):**
(Fort Lauderdale, Jacksonville, Miami)

	Non Recurring	Monthly Recurring
• **Outward Only** Provides screening information to the operator to prevent operator asissted sent paid calls from being billed to the line, provides central office blocking of 011+calls. 011+blocking provides central office blocking of calls to numbers outside the North American Numbering Plan. 976 blocking is mandatory and the access line feature options which do not offer central office blocking of 900 calls, this feature is available at the request of the subscriber. This option is only provided for placement in correctional institutions, schools, hospitals and other locations for which the Public Service Commission may grant a specific exemption. Excluding services with Local Calling Plus and Extended Calling Services or	$50.00	$25.00
• **Two-Way** Provides central office blocking of 7 digit local, 1+DDD, 1+900, and 011+ calls, provides screening information to the operator to prevent operator assisted sent paid calls from being billed to the line. 011+ blocking provides central office blocking to numbers outside the N. American Numbering Plan 976 blocking is mandatory. Excluding services w/ Local Calling Plus and Extended Calling Areas or	$50.00	$25.00
• **Outward Only** Provides central office blocking of 7 digit local, 1+DDD, 1+900, and 011+ calls, provides screening information to the operator to prevent operator assisted sent paid calls from being billed to the line. 011+ blocking provides central office blocking of calls to numbers outside the North American Numbering Plan. 976 blocking is mandatory. This option is only provided for placement in correctional institutions, schools, hospitals and other locations for which the Public Service Commission may grant a specific exemption. Excluding services with Local Calling Plus and Extended Calling Areas.	$50.00	$25.00

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EXCHANGE ACCESS SERVICE

5.13.2 **Pay Phone Pricing**[††] **(cont'd):**
(Tampa)

		Non Recurring	Monthly Recurring
Required:			
• **Pay Phone Flat Rate**			
Newport	or	$31.50	$25.09
Pinellas	or	$31.50	$27.10
Zephryhill	or	$31.50	$24.10
Hillsboro	or	$31.50	$27.10
All other counties		$31.50	$26.11
Pay Phone Flat Rate Service Extended Calling area			$1.70
Optional Features:			
• **Pay Phone Central Office Blocking**			
Option 1			$1.70
Option 2			$1.70
Option 3			$0.85
Option 4			$0.85
Option 5			$2.56
Option 6			$2.56
Option 7			$1.70
Option 8			$1.70
Option 9			$2.56
Option 10			$2.56
• **Pay Phone Number Screening**			
Option A - no collect or third number billing			$0.90
Option b - no third number billing			$0.90
Option C - no collect number billing			$0.90

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EXCHANGE ACCESS OPTIONAL FEATURES

6.1 Directory Listings

For each Customer of Company-provided Exchange Access Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number[1] in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings at the following rates:

Rates:

Non-Recurring

	Each Additional Listing	Non List	Non Publish
Jacksonville	N/C	N/C	N/C
Miami, Fort Lauderdale	$16.00	N/C	N/C
Tampa/St. Petersburg, Clearwater	N/C	N/C	N/C

Recurring

	Each Additional Listing	Non List	Non Publish
Jacksonville	$1.25	$ .80	$1.75
Miami, Fort Lauderdale, West Palm Beach	$1.20	$ .80	$1.75
Tampa/St. Petersburg, Clearwater	$1.25	$1.10	$2.00

6.1.1 Directory Assistance

(Call Allowance - 3 calls for all Cities)

Recurring

	Each Additional over 3 per month	Call Completion
Jacksonville	$0.25	$0.30
Miami, Fort Lauderdale, West Palm Beach	$0.25	$0.30
Tampa/St. Petersburg, Clearwater	$0.40	$0.45

[1] For Customers with multiple premises served by the Company, the Company will arrange for a listing of the main billing telephone number at each premise.

EXCHANGE ACCESS OPTIONAL FEATURES

6.1 Directory Listings (Cont'd)

6.1.1 Directory Errors or Omissions

Consistent with Section 2.1.9, the Company's liability arising from any and all errors in, omissions or erroneous inclusions of directory listings shall be limited to and satisfied by a refund not exceeding the amount of the directory listing charges for such of the Customer's service as is affected during the period covered by the directory in which the error or omission occurs.

In the event of an error in or omission of a Customer directory listing from the Yellow Pages or White Pages, the Company shall, in addition to the refund, if any, and subject to the limitations provided herein, credit the Customer's basic business telephone charges during the service life of the directory in which the omission occurred.

Credit to Customer: $1.00 per month

The Company shall not be liable for any act or omission of the Customer or any other company or companies with respect to errors in, omissions or erroneous inclusions of directory listings.

EXCHANGE ACCESS OPTIONAL FEATURES

6.2 Main Number Retention††

Main Number Retention is an optional feature by which a new Customer, who was formally a customer of another certificated local exchange carrier at the same premises location, may retain its main telephone numbers and main fax numbers for use with the Company-provided Exchange Access Services. Main Number Retention service is only available in areas where the Company maintains some form of number retention arrangement with the Customer's former local exchange carrier.

Monthly recurring and non-recurring charges apply per retained number. Rates for retained numbers may vary from area to area.

Rates	Non-Recurring	Recurring
per retained number	No Charge	No Charge
per retained vanity number	$14.50	$3.50

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EXCHANGE ACCESS OPTIONAL FEATURES

6.3 Authorization Codes

This option restricts calls from being made unless the correct authorization code is entered. Only customer specified codes will be accepted. The customer then may use these codes to track calling for cost analysis and bill-back purposes. Two options are available

Provisioning Considerations:
Option A: Local calling only/ no operated assisted calls/ No information services, restricts the following:

Operator O +
Operator 0 -
DDD 1+
1+900
1+976
976
IDDD 011+
1+555-1212
1+NPA-555-1212

Option B: No operated assisted calls and information services, restricts the following:

Operator O +
Operator 0 -
1+900
1+976
976
1+555-1212
1+NPA-555-1212

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EXCHANGE ACCESS OPTIONAL FEATURES

6.3 Authorization Codes[††] (cont'd)

Pricing:

Miami, Fort Lauderdale, Jacksonville, West Palm Beach:

		Non-recurring	Monthly Recurring
Authorization Codes			
Option A	Business Line, ea.	$33.00	$ 3.75
Option A	PBX Trunk, ea.	$33.00	$ 3.75
Option B	Business Line, ea.	$33.00	$ 3.75
Option B	PBX Trunk, ea.	$33.00	$ 3.75

Tampa/St. Petersburg, Clearwater

Authorization Codes			
Option A	Business Line, ea.	$10.00	$ 1.00
Option A	PBX Trunk, ea.	$10.00	$ 1.00
Option B	Business Line, ea.	$10.00	$ 1.00
Option B	PBX Trunk, ea.	$10.00	$ 1.00

[††] - Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e-spire LOCAL SERVICE, e-spire LOCAL SERVICE PLUS and e-spire LOCAL ISDN services at the rate levels outlined under e-spire Local Service, e-spire LOCAL SERVICE PLUS and e-spire LOCAL ISDN or other applicable services.

EXCHANGE ACCESS OPTIONAL FEATURES

6.4 Vanity Number Service††

Vanity Number Service is an optional feature by which a new Customer may request a specific or unique telephone number and fax number for use with the Company provided Exchange Access Services. This service provides for the assignment of a customer requested telephone number other than the next available number from the assignment control list.

Vanity Number Service is furnished subject to the availability of facilities and the requirements of Exchange Access Service as defined by the Company. The Company reserves all rights to the Vanity Numbers assigned to customers and may, therefore, change them if required.

Monthly recurring charges apply per Vanity number.

Rates	Non-Recurring	Recurring
Per Vanity Number	n/c	n/c

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RESOLD LOCAL EXCHANGE SERVICE

7.1 Description

Resold Local Exchange Service is composed of the resale of services provided by other certificated Local Exchange Carriers. The services described in this price list will be provided on a resold basis where XMC facilities-based service is not available.

Pricing for XMC services will be identical whether provided on a resold or facilities-basis, unless otherwise specified, and is contained herein.

XMC reserves the right to determine whether service will be provided on a resold or facilities-basis.

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RESOLD LOCAL EXCHANGE SERVICE

7.2 Basic Exchange Line Service††

	Non-Recurring	Recurring
Basic Business Local Exchange Service		
Jacksonville		
first line	$50.00	$25.00
each additional line	$10.75	$25.00
Miami, Fort Lauderdale, West Palm Beach		
first line	$50.00	$26.00
each additional line	$10.75	$26.00
Tampa/St. Petersburg, Clearwater		
each line	$68.90	$29.90
Basic Business Line Outbound Only		
Miami, Fort Lauderdale, West Palm Beach		
first line	$50.00	$26.00
each additional line	$10.75	$26.00

7.3 Basic Exchange Trunk Service

Basic Local Exchange Analog Trunk Service -Per Trunk	Non-Recurring	Recurring
Tampa/St. Petersburg, Clearwater	$35.00	$52.05
[Subvoice Grade Local Channel (OPX service)]	$ 0.00	$19.00
[Central Office to Customer]	$ 0.00	$ 1.35
[Customer to Customer]	$ 0.00	$23.25
Jacksonville	$50.00	$42.75
Miami, Fort Lauderdale, West Palm Beach	$84.00	$44.50

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RESOLD LOCAL EXCHANGE SERVICE

7.4 Basic Exchange Digital Trunk Service

Jacksonville, Miami, Fort Lauderdale, West Palm Beach

Digital PBX Trunk Pricing	Non-Recurring Charge	Recurring Charge
Digital PBX Charge (per T1)	$200.00	$190.00
Digital PBX Trunk Charge (per channel)	n/c	$15.50
Voice Activation Channel Charge(per channel)	$6.50	$4.50
Digital PBX Transport: first 1/2 mile(per T1)	$315.00	$87.00
Digital PBX Transport: additional 1/2 mile(per T1)	n/c	$39.00
Pulsing (per channel)	$0.00	$6.00

Tampa/St. Petersburg, Clearwater

Digital PBX Trunk Pricing	Non-recurring Charges	Monthly Recurring Charges
DCS Charge (per DS1)	$ 580.00	$ 270.00
Channel Charge (per charge)	$ 30.50	$ 27.95
Digital PBX Charge	$ 35.00	$ 36.06

ff - Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e-spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

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RESOLD LOCAL EXCHANGE SERVICE

7.5 DID Trunk Service††

Jacksonville

DID Trunk Service	Non-Recurring Charge	Recurring Charge
Each block of 20 DID numbers (per block)	$ 0.00	$ 3.50
Each block of 100 DID numbers	$ 0.00	$ 0.45
DID trunk termination (inward/combo)	$81.00	$14.00

Miami, Fort Lauderdale, West Palm Beach

DID Trunk Service	Non-Recurring Charge	Recurring Charge
DID trunk termination (inward/combo) per trunk	$ 81.00	$ 19.50
Block of 20 DID number (per block)	$ 13.50	$ 3.50
Block of 100 DID numbers(Metro service providers only)	$ 0.00	$ 0.45

Tampa/St. Petersburg, Clearwater

DID Trunk Service	Non-Recurring Charge	Recurring Charge
DID 80 numbers or less		
1st block of 20 DID	$550.00	$100.00
Each additional block of 20 DID	$ 20.00	$100.00
DID - 200 numbers or less		
1st block of 100 DID	$550.00	$440.00
Each additional block of 100 DID	$396.00	$321.00
1st block of 20 DID	$396.00	$ 72.00
Each additional block of 20 DID	$ 18.00	$ 72.00
200 numbers or more		
Each block of 100 DID	$ 49.50	$ 39.50

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RESOLD LOCAL EXCHANGE SERVICE

7.6 CLASS (Custom Local Area Signaling Service) Features[††] (cont'd)

Pricing:

	Non-Recurring
For each CLASS Feature-except Directory Number Privacy, Automatic Recall Blocking, Automatic Call Back, Blocking, Caller ID Block (Jacksonville, Miami, Fort Lauderdale, West Palm Beach)	$33.00

	Recurring	
	Jacksonville	Miami, Fort Lauderdale, West Palm Beach
Automatic Call Back	$4.00	$4.85
Automatic Recall	$4.00	$4.85
Call Block	$4.00	$3.60
Automatic Recall Blocking	N/A	$0.00
Caller ID Name Delivery	$9.00	$9.25
Caller ID Number Delivery	$6.75	$8.10
Directory Number Privacy	No Charge	No Charge
Preferred Call Forwarding	$4.00	$ 4.85
Automatic Call Back Blocking	N/A	$ 0.00
Call Selector	$4.00	$ 4.50
Call Tracing	$4.00	$ 4.50
Caller ID Block (per Line)	N/A	$ 0.00

Tampa/ St. Petersburg, Clearwater

	Non-Recurring	Recurring
Automatic Call Back	$33.00	$5.40
Automatic Recall	$33.00	$5.40
Call Block	$31.50	$4.00
Automatic Recall Blocking	N/A	N/A
Caller ID Name Delivery	$31.50	$11.50
Caller ID Number Delivery	$31.50	$10.00
Directory Number Privacy	No Charge	No Charge
Preferred Call Forwarding	$ 31.50	$4.00
Automatic Call Back Blocking	N/A	N/A
Call Selector	N/A	N/A
Call Tracing	N/A	N/A
Caller ID Block (per Line)	N/A	N/A

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RESOLD LOCAL EXCHANGE SERVICE

7.7 Business Custom Services[††] (BCS)

Pricing:

	Non-Recurring
Each BCS Feature - except for Anonymous Call Rejection, Call Forwarding Multipath, Selective Class of Call Screening (Jacksonville, Miami, Fort Lauderdale, West Palm Beach)	$33.00

	Recurring	
	Jacksonville	Miami, West Palm Beach Fort Lauderdale
Call Forwarding Variable	$ 3.20	$ 3.00
Call Forwarding Busy Line	$ 2.90	$ 1.10
Call Forwarding No Answer	$ 2.90	$ 1.10
Remote Activation of CFV	$ 6.50	$ 7.00
Remote Call Forwarding	$18.50	$10.80
Call Waiting Terminating	$ 5.20	$ 3.00
Three Way Conference Calling	$ 3.35	$ 3.20
Speed Calling 30	$ 4.50	$ 4.85
IndentiRing	$ 9.00	$ 5.00
Anonymous Call Rejection	$ 3.15	$ 3.15
Three-way Calling	N/A	$ 5.00
Call Transfer	N/A	$ 4.50
Call Forwarding Multipath	N/A	$ 3.00
Selective Class of Call Screening	$ 1.35	$ 1.35

Tampa/ St. Petersburg, Clearwater

	Non-Recurring	Recurring
Call Forwarding Variable	$ 31.50	$ 4.00
Call Forwarding Busy Line	$ 31.50	$ 4.00
Call Forwarding No Answer	$ 31.50	$ 4.00
Remote Activation of CFV	$ 33.00	$ 7.00
Remote Call Forwarding	$ 33.00	$14.00
Call Waiting Terminating	$ 31.50	$ 5.00
Three Way Conference Calling	$ 31.50	$ 4.00
Speed Calling 30	$ 31.50	$ 2.50
IndentiRing	$31.50	$ 9.00
Anonymous Call Rejection	N/A	N/A
Three-way Calling	$ 33.00	$ 4.00
Call Transfer	N/A	N/A
Call Forwarding Multipath	N/A	N/A
Selective Class of Call Screening	N/A	N/A

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RESOLD LOCAL EXCHANGE SERVICE

7.8 ISDN/PRI†† Pricing(cont'd)

ELEMENT	INSTALL	RECURRING
ISDN/PRI (per DS1)		
Tampa/St. Petersburg, Clearwater	$ 0.00	$350.00
ISDN Access line (per DS1)		
Miami	$787.00	$126.00
Fort Lauderdale	$787.00	$126.00
Jacksonville	$787.00	$126.00
West Palm Beach	$787.00	$126.00
Primary Rate Interface		
PRI subscriber line (per DS1)		
Tampa/St. Petersburg, Clearwater	$623.00	$225.00
Each additional PRI subscriber line (per DS1)		
Tampa/St. Petersburg, Clearwater	$492.00	$138.00
Call by Call Service (per DS1)		
Jacksonville	$ 0.00	$ 18.00
ISDN B Channels (per Channel) -		
Voice		
Miami	$ 4.50	$ 43.50
Fort Lauderdale	$ 4.50	$ 43.50
Jacksonville	$ 4.50	$ 43.50
West Palm Beach	$ 4.50	$ 43.50
Tampa/St. Petersburg, Clearwater	$ 0.00	$ 24.56
Digital Data Only		
Miami, Fort Lauderdale, Jacksonville West Palm Beach	$ 4.50	$ 22.05
Tampa/St. Petersburg, Clearwater	$ 50.00	$ 41.00
Inward Data Only		
Miami, Fort Lauderdale, Jacksonville West Palm Beach	$ 4.50	$ 26.10
Tampa/St. Petersburg, Clearwater	$ 50.00	$ 31.00
ISDN Interface		
Voice		
Jacksonville	$ 99.00	$360.00
Miami	$ 99.00	$360.00
Fort Lauderdale	$ 99.00	$360.00
West Palm Beach	$ 99.00	$360.00
Digital Data Only		
Jacksonville	$ 99.00	$360.00
Miami	$ 99.00	$360.00
Fort Lauderdale	$ 99.00	$360.00
West Palm Beach	$ 99.00	$360.00

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Issued: March 5, 2003

Effective: _____

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RESOLD LOCAL EXCHANGE SERVICE

7.8 ISDN/PRI ††(cont'd)
Pricing (cont'd)

Elements	Non-recurring	Recurring
Inward Data Only Jacksonville, Miami, Fort Lauderdale West Palm Beach	$ 99.00	$360.00
Network Access Register (per channel) Jacksonville, Ft. Lauderdale, Miami and West Palm Beach	$ 0.00	$ 14.25
Caller ID (per channel) Jacksonville, Ft. Lauderdale, Miami and West Palm Beach	$ 0.00	$ 18.00
Pulsing (per channel) Jacksonville, Ft. Lauderdale, Miami and West Palm Beach	$ 0.00	$ 6.00
Digital Transport per mile (per DS1) Tampa/St. Petersburg, Clearwater	$ 0.00	$ 13.50
first ½ mile (per DS1) Jacksonville, Ft. Lauderdale, Miami and West Palm Beach	$315.00	$ 87.00
each additional ½ mile (per DS1) Jacksonville, Ft. Lauderdale, Miami and West Palm Beach	$ 0.00	$ 39.00
Direct Inward Dial Service DID channel Termination (per channel) Miami	$ 81.00	$ 19.50
Fort Lauderdale	$ 81.00	$ 19.50
Jacksonville, West Palm Beach	$ 81.00	$ 19.50
Block of 20 DID numbers Miami, Ft. Lauderdale, Jacksonville and West Palm Beach (per block)	$ 13.50	$ 3.50
Block of 100 DID numbers	$ 0.00	$ 0.45
Tampa/St. Petersburg, Clearwater DID - 80 numbers or less 1st block of 20 DID numbers	$495.00	$ 90.00
Each Additional block of 20 DID	$ 18.00	$ 90.00
DID - 200 numbers or less 1st block of 100 DID	$495.00	$396.00
Each additional block of 100 DID	$396.00	$321.00
1st block of 20 DID	$396.00	$ 72.00
Each additional block of 20 DID	$ 18.00	$ 72.00
200 numbers or more Each block of 100 DID	$ 49.50	$ 39.50

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LOCAL CALLING SERVICE

8.1 Description

Local Calling Service provides a Customer with the ability to originate calls from a Company-provided access line to all other stations on the public switched telephone network[1] bearing the designation of any central office exchanges, areas, and zones included in the Customer's local calling area.

8.1.1 Basic Local Exchange Service - This calling service allows the Customer unlimited access to all other stations on the public switched telephone network within the customer's Basic Local Calling Area.[2] All calls to destinations outside the Basic Local Calling Area but within the same state and LATA will be charged the IntraLATA rates as specified in Section 9.3 following.

[Table appears on next page]

[1] Except calls to other telephone companies' caller paid information services (e.g. NPA 900, NXX 976, etc.). Calls to those numbers and other numbers used for caller-paid information services will be blocked by the Company's centralized switching facility.

[2] As specified in Southern Bell Telephone and Telegraph Company-Florida, General Subscriber Service Tariff, Local Calling Area Exchanges, in effect and as amended from time-to-time.

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MARKET SERVING AREA	CALLING AREA
Jacksonville, FL includes: 555, 202, 210, 218, 232, 279, 281, 296, 306, 308, 313, 332, 340, 346, 348, 350, 353, 354, 355, 356, 357, 358, 359, 361, 366, 367, 378, 381, 384, 387, 388, 389, 390, 391, 393, 396, 398, 399, 417, 419, 443, 448, 459, 499, 502, 515, 518, 541, 542, 549, 555, 558, 564, 565, 573, 606, 617, 630, 632, 633, 634, 635, 636, 641, 642, 645, 646, 655, 693, 695, 696, 699, 703, 704, 705, 707, 708, 713, 714, 720, 721, 723, 724, 725, 726, 727, 730, 731, 732, 733, 737, 739, 741, 743, 744, 745, 750, 751, 757, 764, 765, 766, 768, 771, 772, 777, 778, 779, 781, 783, 786, 790, 791, 798, 805, 818, 828, 855, 858, 868, 889, 905, 908, 918, 919, 920, 924, 928, 945, 952, 954, 955, 967, 981, 988, 996, 998	Local calling area includes: 266, 879, 261, 277, 321, 251, 284, 529, 845, 555, 202, 210, 218, 232, 279, 281, 296, 306, 308, 313, 332, 340, 346, 348, 350, 353, 354, 355, 356, 357, 358, 359, 361, 366, 367, 378, 381, 384, 387, 388, 389, 390, 391, 393, 396, 398, 399, 417, 419, 443, 448, 459, 499, 502, 515, 518, 541, 542, 549, 555, 558, 564, 565, 573, 606, 617, 630, 632, 633, 634, 635, 636, 641, 642, 645, 646, 655, 693, 695, 696, 699, 703, 704, 705, 707, 708, 713, 714, 720, 721, 723, 724, 725, 726, 727, 730, 731, 732, 733, 737, 739, 741, 743, 744, 745, 750, 751, 757, 764, 765. 766, 768, 771, 772, 777, 778, 779, 781, 783, 786, 790, 791, 798, 805, 818, 828, 855, 858, 868, 889, 905, 908, 918, 919, 920, 924, 928, 945, 952, 954, 955, 967, 981, 988, 996, 998, 220, 221, 223, 241, 242, 246, 247, 249, 270, 953, 992, 533, 782, 259, 289, 282, 291, 213, 215, 264, 269, 272, 276, 278, 312, 325, 328, 329, 972, 273, 280, 285, 431, 275, 964, 966, 225, 460, 461, 471, 540, 794, 797, 808, 810, 823, 824, 825, 826, 829
Non Optional Flat Rate Service	Non Optional Flat Rate Service
XMC Flat Rate Exchange Calling Area from Jacksonville Exchange	XMC Flat Rate Exchange Calling Area from Jacksonville Exchange

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INTRALATA CALLING SERVICE

9.1 Description

IntraLATA calling service provides a Customer with the ability to originate calls from a Company-provided access line to all other stations on the public switched telephone network[1] bearing the designation of any central office exchanges, areas, and zones outside of the Customer's Basic Calling Area but within the same state and LATA.

9.2 Time Periods

Day, Evening and Night/Weekend rate periods are shown below. On holidays, Evening rates will apply unless a lower rate will normally apply.

Discounts apply equally and automatically to total charges for all messages with fractional amounts rounded to the nearest higher cent. Discounts do not apply to Customer dialed calling card, other station or person charges. Additionally, time of day discount apply in the following manner:

Miami, Fort Lauderdale, Jacksonville, West Palm Beach

- Full Rate: Monday through Friday, 7:00 a.m.- 6:00 p.m.
- Discount Rate of 40% off Full Rate: Monday through Friday, 6:00 p.m.- 7:00 a.m.
  Weekends and Holidays

Tampa/St. Petersburg, Clearwater

- Full Rate: Monday through Friday, 7:00 a.m.- 7:00 p.m.
- Discount Rate of 60% off Full Rate: Monday through Friday, 7:00 p.m.- 7:00 a.m.
  Weekends and Holidays

Holidays include New Year's Day (January 1), Independence Day (July 4), Labor Day (the first Monday in September), Thanksgiving Day (the fourth Thursday in November), and Christmas Day (December 25).

[1] Except calls to other telephone companies' caller paid information services (e.g. NPA 900, NXX 976, etc.). Calls to those numbers and other numbers used for caller-paid information services will be blocked by the Company's centralized switching facility

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INTRALATA CALLING SERVICE

9.3 Rates

(Miami, Fort Lauderdale, West Palm Beach)

RATE MILEAGE	1st 30 Seconds	Each Additional 1/10 Minute
0 - 292+	$0.0495	$0.0099

(Jacksonville)

RATE MILEAGE	1st 30 Seconds	Each Additional 1/10 Minute
0 - 292+	$0.0495	$0.0099

(Tampa/St. Petersburg, Clearwater)

RATE MILEAGE	Initial Minute	Each Additional 1/10 Minute
0 -124+	$0.0495	$0.0099

[11] Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

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INTRALATA CALLING SERVICE

9.4 Local Measured Service

A. Local Measured Service is an optional offering that provides local calling from the subscribers home wire center to all Company wire centers and participating Independent Company wire centers. The offering of this service is subject to availability as determined by the Company and the State Commission.

B. This service is not available to Company-owned or customer-provided public telephone subscribers.

C. Customers subscribing to Local Measured Service will be provided a monthly line as described following.

D. The monthly line for Business service is provided at the following rate. All other services offering Local Measured Service are provided for in the appropriate sections of this Tariff.

E. In addition to the monthly line, customers must choose a usage package from the following options. A combination of usage packages is not allowed on the same premises on the same account.

1. Option I - Local Measured Service

With this usage package, customers are billed for all local calls in accordance with the rates in F. following. Local usage charges will not exceed $24.00 per Business line or trunk.

2. Option 2 - Local Measured Service with Discount

This option includes a $6.00 usage allowance on all calls. Local calls are billed in accordance with the usage charges described in F following at a 22 percent discount on the total usage charges, in addition to the off-peak discount described in J. following. Billed usage charges, above the allowance will not exceed $24.00 per Business line or trunk. The following charge is in addition to the monthly line rate.

F. The following usage rates are applicable for all local calls.

Business Exchange Lines

Monthly Recurring Charge:	$18.80
Per Call Charge:	$ 0.11

Usage Cap:	A usage cap of $24.00.
Volume Discount:	22% volume discount will automatically be applied to all usage.

PBX Trunks

first Trunk (monthly)	$19.25
each additional trunk (monthly)	$ 9.65
per call	$ 0.11

PBX Trunks - No Call allowance option

per line (monthly)	$ 9.65
per call	$ 0.11

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INTRALATA CALLING SERVICE

9.4 Local Measured Service (Cont'd)

Usage Cap:	A usage cap of $24.00.
Volume Discount:	22% volume discount will automatically be applied to all usage

G. Time/Day Discount - The preceding usage rates are peak period rates and apply from 8:00 AM to 8:00 PM, Monday through Friday (excluding holidays). Off-peak period rates apply to all other times and are rated at a 50 percent discount. When messages span more than one rate period, total charges for the minutes in each rate period are summarized and the results for each period are totaled to obtain the total message charge.

H. The following stipulations apply only when the monthly line from which the call originates subscribes to Local Measured Service. Calls completed with automated calling cards or operator assistance within the local calling area will be rated at the above usage charges in addition to the appropriate Operator Assisted Local Call surcharges. Such Calls are itemized on the subscriber's billing statement and are billed outside any applicable usage allowances or caps.

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MISCELLANEOUS SERVICES

10.1 Operator Services

10.1.1 Description

Operator Handled Calling Services are provided to Customers and Users of Company-provided Exchange Access Services, and to Customers and Users of exchange access lines.

10.1.2 Definitions

Person-to-Person: Calls completed with the assistance of a Company operator to a particular person, station, department, or PBX extension specified by the calling party. Charges may be billed to the Customer's commercial credit card and/or LEC calling card, calling station, called station, or a designated third-party station. Calls may be dialed with or without the assistance of a Company operator.

Station-to-Station: Refers to calls other than person-to-person calls billed to either the end user's commercial credit card and/or nonproprietary calling card. Calls may be dialed with or without the assistance of a Company operator. Collect calls to coin telephones and transfers of charges to third telephones which are coin telephones will not be accepted.

Operator Dialed Charge: The end user places the call without dialing the destination number, although the capability to do it himself exists. The end user will dial "0" for local calls and "00" for long distance calls and then request the operator to dial the called station.

Billed to Non-Proprietary Calling Card: Refers to calls that are dialed by the customer in accordance with standard dialing instructions and billed to a non-proprietary calling card issued by another carrier.

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MISCELLANEOUS SERVICES

10.1 Operator Services[††] (Cont'd)

10.1.3 Rates

Local exchange and IntraLATA calls may be placed on an Operator Assisted basis. Usage charges for Operator Assisted calls are the same as those set forth in Sections 8 and 9, preceding. For Operator Assisted calls to Busy Line Verification and Interrupt, or Directory Assistance, the surcharges specified in Section 11.2.3 and Section 11.1.3 will apply in addition to any applicable Operator charges.

In addition to the usage charges identified above, the following operator-assisted charges will apply:

Rates (per call):	Jacksonville, Miami, Fort Lauderdale, West Palm Beach	Tampa/ St. Petersburg, Clearwater
Station to Station	$0.75	$1.50
Calling Card	$1.00	$0.75
3rd Number Billing	$1.00	$1.50
Collect Calls	$1.00	$1.50
Person to Person	$2.50	$3.00

[††] - Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

MISCELLANEOUS SERVICES

10.2 Busy Line Verify and Line Interrupt Service

10.2.1 Description

Upon request of a calling party the Company will verify a busy condition on a called line.

A) The operator will determine if the line is clear or in use and report to the calling party.

B) The operator will interrupt the call on the called line only if the calling party indicates an emergency and requests interruption.

10.2.2 Regulations

A) A charge will apply when:

1) The operator verifies that the line is busy with a call in progress.

2) The operator verifies that the line is available for incoming calls.

3) The operator verifies that the called number is busy with a call in progress and the customer requests interruption. The operator will then interrupt the call, advising the called party the name of the calling party. One charge will apply for both verification and interruption.

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MISCELLANEOUS SERVICES

10.2 Busy Line Verify and Line Interrupt Service (Cont'd)

10.2.2 Regulations (Cont'd)

B) No charge will apply:

1) When the calling party advises that the call is to or from an official public emergency agency.

2) Under conditions other than those specified in 10.2.2(A) preceding.

C) Business Verification and Interrupt Service is furnished where and to the extent that facilities permit.

D) The Customer shall identify and hold the Company harmless against all claims that may arise from either party to the interrupted call or any person.

10.2.3 Rates

	Miami, Fort Lauderdale, Jacksonville, West Palm Beach	Tampa/ St. Petersburg ,Clearwater
Busy Line Verify Service (each request)	$0.35	$1.00
Busy Line Verify and Busy Line Emergency Interrupt Service (each request and in addition to verification request)	$0.40	$0.50

(T) Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

MISCELLANEOUS SERVICES

10.3 Service Implementation††

Absent a promotional offering, service implementation charges will apply to orders to change existing service.

Non-Recurring
$22.00 per service order

10.4 Restoration of Service††

A restoration charge applies to the re-establishment of service and facilities suspended because of nonpayment of bills and is payable at the time that the re-establishment of the service and facilities suspended is arranged for. The restoration charge does not apply when, after disconnection of service, service is later re-established.

	Jacksonville	Ft. Lauderdale, Miami, West Palm Beach	Tampa/ St. Petersburg, Clearwater
Non-Recurring per occasion	$38.00	$14.50	N/A
Charge per telephone number restored	n/c	$38.00	$18.00

10.5 Service Charges†† (Tampa/St. Petersburg, Clearwater) (T)

	Per Occurrence
Network Access	
Establishment	$ 33.00
Change	$ 12.50
CO Line Connection	$ 31.50
Premise Visit	$ 31.50
Telephone Number Change	$ 7.25

†† Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

MISCELLANEOUS SERVICES

10.6 Inside Wire MTC Plan[††]

As an XMC customer, you are responsible for maintaining that part of your telephone line between the network interface point (which is usually a gray box attached to the outside of your home or business) up to and including your telephone set. To help you maintain the wiring and jacks in this part of your line. XMC provides you an optional Inside Wire Maintenance Service Plan with these terms.

1. Under this Plan, XMC will locate the source of your telephone service problems in the wiring and jacks Inside your home or business. If the problem is in the line between the network interface on through the jack(s), XMC will repair basic Inside telephone wire and modular jacks. If the problem is caused by a defect in the cord from the jack to the phone, the phone or other equipment (e.g., fax machine, answering machine, modem, etc.) that is attached to your line, XMC does not repair such defective phone cords, phones, or equipment.

You agree to pay monthly charges for this Plan. There is no additional charge for repairing or locating problems in the wiring or jacks inside your home or business. Because this Plan is optional, non-payment of charges for this Plan will not cause termination or denial of your regular telephone service. Non-payment would, however, result in cancellation of the Plan.

2. This Plan does not cover (1) problems caused by willful damage to inside wire or jacks; (2) damage caused by Acts of God (such as fire, windstorm, flood, hurricane or other similar acts); (3) service problems in your inside wire or jacks that were obvious at the time you subscribed to the Plan; and (4) inside wire or jacks that do not meet industry standards for telecommunication.
3. This Plan is provided on a month-to-month basis and can be canceled by either party giving oral or written notice to the other.
4. If you have a key telephone system, a Private Branch Exchange (PBX), or other non-basic telephone system, you are not eligible for this Plan.
5. The XMC internet web site for "Tariffs and Notifications" should be utilized to obtain any changes in the monthly rate. This rate and other terms or conditions may be changed from time to time with 30 days notice. This notice, which may be provided in your monthly billing envelope on an insert, shall include the revised rate, terms or conditions and the effective data of the change. If the rte, terms or conditions are changed and you do not wish to continue as a subscriber to this Plan, you may cancel by calling your local XMC office.
6. XMC SHALL NOT BE LIABLE FOR DAMAGES, INCLUDING ANY INDIRECT. INCIDENTAL OR CONSEQUENTIAL DAMAGES, THAT ARIS FROM (1) ANY DEFECTS IN MATERIALS USED TO MAINTAIN INSIDE WIRE OR JACKS; OR (2) DEFECTS IN WORKMANSHIP PROVIDED UNDER THE PLAN. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES, WARRANTIES OF MERCHANTABILITY, OR WARRANTIES OF FITNESS FOR A SPECIFIC PURPOSE OFFERED WITH THIS PLAN. XMC'S LIABILITY FOR DEFECTIVE MATERIALS OR WORKMANSHIP IS LIMITED TO REPAIR OR REPLACEMENT OF THE DEFECTIVE MATERIAL AND/OR A CORRECTIVE SERVICE VISIT.

	MRC
Inside Wire MTC Plan (Miami, Fort Lauderdale, West Palm Beach)	$ 3.00

[††] Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

MISCELLANEOUS SERVICES

10.7 Surrogate Client Number††

This feature provides for a telephone number in the subscriber's serving wire center from which calls will be forwarded on an intraoffice basis to the subscriber's exchange services. This feature is furnished only from central offices which have been arranged to provide this service and is provided subject to the availability of facilities.

Rates

	MRC
Surrogate Client Number	
Per Telephone Number	
(Fort Lauderdale, Jacksonville, Miami, West Palm Beach)	$ 1.80

†† - Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e-spire LOCAL SERVICE, e-spire LOCAL SERVICE PLUS and e-spire LOCAL ISDN services at the rate levels outlined under e-spire Local Service, e-spire LOCAL SERVICE PLUS and e-spire LOCAL ISDN or other applicable services.

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SPECIAL ARRANGEMENTS

11.1 Special Construction

11.1.1 Basis for Charges

Where the Company furnishes a facility or service for which a rate or charge is not specified in the Company's price lists, charges will be based on the costs incurred by the Company and may include:

A) non-recurring type charges;
B) recurring type charges;
C) termination liabilities; or
D) combinations thereof.

11.1.2 Termination Liability

To the extent that there is no other requirement for use by the Company, a termination liability may apply for facilities specially constructed at the request of the customer.

A) The termination liability period is the estimated service life of the facilities provided.
B) The amount of the maximum termination liability is equal to the estimated amounts for:

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SPECIAL ARRANGEMENTS

11.1 Special Construction (Cont'd)

11.1.2 Termination Liability (Cont'd)

B) (Cont'd)

1) Cost installed of the facilities provided including estimated costs for rearrangements of existing facilities and/or construction of new facilities as appropriate, less net salvage. Cost installed includes the cost of:

(a) equipment and materials provided or used,
(b) engineering, labor and supervision,
(c) transportation, and
(d) rights-of-way;

2) license preparation, processing, and related fees;
3) price list preparation, processing, and related fees;
4) cost of removal and restoration, where appropriate; and
5) any other identifiable costs related to the specially constructed or rearranged facilities.

C) The applicable termination liability method for calculating the unpaid balance of a term obligation. The amount of such charge is obtained by multiplying the sum of the amounts determined as set forth in Section 1 3.1.3(B) preceding by a factor related to the unexpired period of liability and the discount rate for return and contingencies. The amount determined in section 13.1.3(B) preceding shall be adjusted to reflect the redetermined estimate net salvage, including any reuse of the facilities provided. This product is adjusted to reflect applicable taxes.

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SPECIAL ARRANGEMENTS

11.2 Individual Case Basis (ICB) Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a service offered under this price list. Rates quoted in response to such competitive requests may be different than those specified for such services in this price list. ICB rates will be offered to the Customer in writing and on a nondiscriminatory basis.

11.3 Temporary Promotional Programs

The Company may establish temporary promotional programs wherein it may waive or reduce non-recurring or recurring charges, to introduce present or potential Customers to a service not previously received by the Customers.

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SPECIAL ARRANGEMENTS

11.3 Temporary Promotional Programs

11.3.1 e·spire Local Service Plus Advantage

e·spire LOCAL SERVICE PLUS Advantage is a promotional offer, which is available to new and existing customers receiving e·spire LOCAL SERVICE PLUS and/or e·spire LOCAL ISDN. . This promotional offer was previously offered from June 3, 1999 until September 1, 1999. Xspedius will like to reintroduce e·spire LOCAL SERVICE PLUS Advantage. The promotional offer is scheduled to run from November 22, 1999 through as January 31, 1999, as defined below.

e·spire LOCAL SERVICE PLUS Advantage is designed to incent prospects and existing customers to purchase Xspedius Long Distance, while receiving credits for Local Service*. The higher the long distance net revenue, the higher the monthly credits for Local Service*.

*Includes e.spire LOCAL SERVICE PLUS, LOCAL ISDN CEU (ONLY), base component, DID Trunk Termination and DID Blocks. Initial Install Waiver Program will be honored on NRC costs. Excludes all optional features, line coding, EUCL, additional service fees, surcharges and taxes.

New and Existing Customer's will receive Local Service credits on up to 4 e.spire LOCAL SERVICE PLUS / LOCAL ISDN Commercial End User T-1's, DID Trunk Termination and DID Blocks. The Local Service credits are based on the sliding scale net Long Distance (Interstate , Intralata, Intrastate, International, Toll Free & Calling Card) usage per month, for the length of the LOCAL SERVICE PLUS/LOCAL ISDN Commercial End User Agreement.

Net Monthly Long Distance Revenue	Maximum Local Services Charges Waived
$2,500.00 - $4,999.99	1 LOCAL SERVICE PLUS
$5,000.00 - $7,499.99	1 LOCAL SERVICE PLUS and 50% off 1 additional LOCAL SERVICE PLUS
$7,500.00 - $9,999.99	2 LOCAL SERVICE PLUS, and 50% off 1 additional LOCAL SERVICE PLUS
$10,000.00 - $12,499.99	3 LOCAL SERVICE PLUS and 50% off 1 additional LOCAL SERVICE PLUS
$12,500.00 or more	4 LOCAL SERVICE PLUS and 50% off 1 additional LOCAL SERVICE PLUS

Existing e.spire LOCAL SERVICE PLUS /LOCAL ISDN CEU customers must renew at equal to or greater than the length of their existing contract with a LOCAL SERVICE PLUS Advantage Addendum. Existing customers who increase or decrease the number of LOCAL SERVICE PLUS's must have their account promotion updated.

All other terms and conditions, of Xspedius's existing e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN agreements, not expressly modified by a e·spire LOCAL SERVICE PLUS Advantage Addendum, remain unchanged and in full force and effect.

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SPECIAL ARRANGEMENTS

11.3 Temporary Promotional Programs (Cont'd)

11.3.2 Xpresslink Voice Services Promotion

Xpresslink Voice Services Promotion is a promotional offer available to new customers signing term agreements for Local Service Plus and/or Local ISDN Commercial End User products. This promotional offer is available from November 15, 2000 until December 31, 2000, as defined below:

Customers signing a 1year Term Local Service Plus or Local ISDN Commercial End User agreement will receive one-month credit for its monthly recurring Term Plan charge not including taxes, surcharges/usage. This credit will be applied to the customer's 5th month invoice.

Customers signing a 2 year Term Local Service Plus and Local ISDN Commercial End User agreement will received one-month credit for its monthly recurring Term Plan charge not including taxes, surcharges/usage. This credit will be applied to the customer's 1st month invoice.

Customers signing a 3 year Term Local Service Plus and or Local ISDN Commercial End User agreement will receive two months credit for its monthly recurring Term Plan charge not including taxes, surcharges/usage. This credit will be applied to the customer's 1st month and 13th month invoices.

All other terms and conditions of Xspedius's existing e-spire LOCAL SERVICE PLUS and e-spire LOCAL ISDN Commercial End User agreement, not expressly modified in the Xpresslink Voice Services Promotion, remain unchanged and in full force and effect.

SPECIAL ARRANGEMENTS

11.3 Temporary Promotional Programs (Cont'd)

11.3.3 Integrated Service Promotion

The Integrated Service Promotion is a promotional offer which is available to new and/or old LOCAL SERVICE PLUS or LOCAL ISDN CEU customers upgrading to integrated services with dedicated internet service transmitted with bandwidth equal to or less than 768 KBPS on the same facility. This promotional offer is available from October 13, 2000 until December 31, 2000, as defined below:

Customers must have XMC long distance on all WTN's associated with the integrated access facility. Customers may purchase the router from XMC or provide their own router.

Customers that order integrated internet, with a minimum speed of 128 KBPS, will receive a fixed monthly recurring credit of $395.00. This credit will be applied to the customer's monthly invoice. If a customer chooses to upgrade their access speed greater than 128 KBPS, they must pay the difference in price for the Internet Port. Additionally, a customer may chose to receive a Primary Domain Name Server (DNS) and incur no installation charge with an extra monthly credit of $50.00. If DNS is not selected, the customer will only receive the $395.00 credit.

Restrictions

- CPE Router rental is not available.
- The monthly credit will be terminated on all term plans if the customer's long distance converts away from XMC long distance.

SPECIAL ARRANGEMENTS

11.3 Temporary Promotional Programs (Cont'd)

11.3.4 PBX T1 Card Upgrade Promotion

The PBX T1 Card Upgrade Promotion is a promotional offer which is available to new and/or old Local Service Plus customers that sign a new one, two or three year term agreement. This promotional offer is available from February 7, 2001 until March 31, 2001, as defined below:

The customer shall be responsible for selecting a PBX card vendor and arranging for the purchase and installation of the upgraded card. A copy of the PBX card purchase receipt must be submitted to Xspedius, prior to the third billing cycle, in order to receive the applicable one-time credit. Upon receipt, the applicable one-time credit will be applied to the customer's 1st month billing cycle as indicated below:

SERVICE	CARD TYPE	1 YEAR TERM CREDIT – ONE TIME CREDIT	2 YEAR TERM CREDIT – ONE TIME CREDIT	3 YEAR TERM CREDIT – ONE TIME CREDIT
Local Service Plus		$500	$1500	$3000

Customers who do not provide a bill of sale to Xspedius prior to the third billing cycle will not be eligible to receive the one-time credit and the PBX T1 Card Promotion will be removed from the customer's account in the third month.

The T1 card eliminates the need for a channel bank. The customer upgrading with the T1 card must posses telephone sets compatible with digital telephone systems. The customer shall be responsible for the maintenance of the PBX T1.

Customers that terminate their contract at any point during the term agreement will be required to reimburse Xspedius with the full credited amount provided under this promotion in addition to the contracted early termination penalties. All early termination penalties will be applied to the customer's final invoice.

SPECIAL ARRANGEMENTS

11.3 Temporary Promotional Programs (Cont'd)

11.3.5 PBX PRI Card Upgrade Promotion

The PBX PRI Card Upgrade Promotion is a promotional offer which is available to new and/or old Local ISDN CEU customers in Jacksonville, West Palm Beach, Tampa/St. Petersburg, and Clearwater that sign a new one, two or three year term agreement. This promotional offer is available from February 7, 2001 until March 31, 2001, as defined below:

The customer shall be responsible for selecting a PBX card vendor and arranging for the purchase and installation of the upgraded card. A copy of the PBX card purchase receipt must be submitted to Xspedius, prior to the third billing cycle, in order to receive the applicable one-time credit. Upon receipt, the applicable one-time credit will be applied to the customer's 1st month billing cycle as indicated below:

SERVICE	CARD TYPE	1 YEAR TERM CREDIT – ONE TIME CREDIT	2 YEAR TERM CREDIT – ONE TIME CREDIT	3 YEAR TERM CREDIT – ONE TIME CREDIT
Local ISDN CEU	PRI	$500	$1500	$3000

Customers who do not provide a bill of sale to Xspedius prior to the third billing cycle will not be eligible to receive the one-time credit and the PBX PRI Card Promotion will be removed from the customer's account in the third month.

The PRI card is only available for PBX equipment capable of ISDN functionality. The customer upgrading with the T1 card must posses telephone sets compatible with digital telephone systems. The customer shall be responsible for the maintenance of the PBX PRI card.

Customers that terminate their contract at any point during the term agreement will be required to reimburse Xspedius with the full credited amount provided under this promotion in addition to the contracted early termination penalties. All early termination penalties will be applied to the customer's final invoice.

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INBOUND DIRECT LOCAL EXCHANGE SERVICE

12.1 Description

Inbound Direct Local Exchange Service ("Inbound Direct") provides basic local exchange customers with a single, voice grade analog channel which can be used to receive one call at a time only. All outbound calls will be blocked at the switch level. Inbound Direct may not be used for outbound service or to serve as a customer's primary service line. A minimum order of 10 lines must be purchased.

The Inbound Direct product will be configured provisioned and priced with the hunting feature included. The hunt feature automatically forwards incoming calls to available lines according to a preprogrammed sequence. With the Inbound Direct line, the lines will be placed in a circular hunt group so all lines will be hunted. Each line, including the last line, will include hunting.

Inbound Direct service applications may include remote database access, data transmission/reception, and inbound customer service. Basic exchange lines are provided with Inbound Direct to connect to customer provided modem or other data communication device for connection to the public switched telephone network.

Pricing

Inbound Direct[††] (Inbound only line + hunting)	**Recurring per line, per month**	**Non-Recurring**
Jacksonville	$28.00	$84.00
Miami, Ft. Lauderdale, West Palm Beach	$28.00	$84.00
Tampa/St. Petersburg, Clearwater	$21.75	$ 0.00

12.2.1 On-Network Pricing Discount

For customers with facilities residing on the XMC network, except for R-1 and B-1 customers, discounts of 5% to 25% may be available, on an individual case basis.

[††] - Effective with this tariff filing, the above products have been grandfathered. Only customers currently receiving these products will continue to receive them. All new customers will receive the applicable products under e·spire LOCAL SERVICE, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN services at the rate levels outlined under e·spire Local Service, e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN or other applicable services.

OPTIONAL LOCAL EXCHANGE SERVICES

13.1 Customer Term Agreement

13.2 Description

XMC Customer Term Agreement (CTA) allows Customer to receive discounts on XMC products and services for local exchange or local toll (Local Services). These discounts will be applied to the following products and services:

- **Business Exchange Service**
- **Analog PBX Trunk**
  - DID
  - DOD
  - Combination
- **Digital PBX Trunk**
  - Digital Access Facility
  - DID
  - DOD
  - Combination
- **ISDN**
  - PRI Access Facility
  - ISDN B Channel

The published monthly recurring rates are set forth in Section 5 of this Tariff. Customers that sign up for service for a one (1) year term will receive a three percent (3%) discount from the published monthly recurring rates. Customers that sign up for service for a two (2) year term will receive a seven percent (7%) discount from the published monthly recurring rates. Customers that sign up for service for a three year term will receive a eleven percent (11%) discount from the published monthly recurring rates. The three preceding term options are subject to the termination liability charges set forth in Section 13.3.

13.3 Termination Fees

A termination liability charge will be applicable for service rate elements provided under a term payment plan, as described in Section 13.2 of this Tariff, that are disconnected prior to the end of the chosen service period. The termination liability charge is equal to the difference between XMC tariffed rates and the Term Plan rates. If at least six months remain under the Initial Term of the Term Plan, an additional cancellation fee of $500.00 will be added to the early termination charges. The Customer shall be obligated to pay such fees within thirty (30) days of early termination of this Term Plan.

OPTIONAL LOCAL EXCHANGE SERVICES

13.4 e·spire Local Service Plus

e·spire LOCAL SERVICE PLUS is offering a total package product offering of Local services with optional Long Distance, Toll Free and custom calling features. This product is only available to local end user service customers originating on Xspedius facilities off its Jacksonville, Miami, and Tampa, Florida switches. e·spire Local Service Plus is available under One, Two or Three Year Term Agreements. Each commitment level is available at the Monthly Recurring and Non-recurring rates as specified below.

e·spire LOCAL SERVICE PLUS Pricing:

Length of Contract	Monthly	Non-recurring
One Year	$800.00	$1,250.00
Two Year	$775.00	$1,000.00
Three Year	$725.00	$ 750.00

13.4.1 Line Component:

e·spire Local Service Plus service monthly fee includes Business Exchange Lines, Analog PBX Trunks and Digital PBX Trunks. Customers may select a combination of the line components of up to 24 potential lines per T-1. Additionally, the following Standard Custom Calling Features are included in the monthly fee:

Hunting	Call Forwarding
Call Waiting	Call Forwarding Busy
3 Way Calling	Call Forwarding Busy No Answer
Speed Dial 8	Call Forwarding Variable

Additional charges will apply for the following components:

DID Termination Charges:	Monthly
DID Trunk Termination	$10.00

DID Number:	Monthly
1st Block of 20 DID numbers	$ 5.00
DID each additional block of 20 up to 500 numbers	$ 2.50
DID 500 + each additional block of 100 numbers	$50.00

OPTIONAL LOCAL EXCHANGE SERVICES

13.4 e·spire Local Service Plus (Cont'd)

13.4.1 Line Component (cont'd):

Optional Custom Calling Features:	Monthly	Non-Recurring*
Custom Calling Features		$10.00
Anonymous Call Rejection	$ 2.50	
Automatic Call Back	$ 2.50	
Automatic Recall	$ 2.50	
**Automatic Call Back (per Occurrence	$ 0.75	
**Automatic Recall (per Occurrence)	$ 0.75	
Call Block	$ 2.50	
Call Hold	$ 2.50	
Call Pick Up	$ 2.50	
Call Transfer	$ 2.50	
Caller ID w/Name & Number	$ 7.50	
Caller ID w/Number	$ 5.00	
Code Restriction	$ 2.50	
Distinctive Ringing	$ 2.50	
Remote Activation of Call forward	$ 2.50	
Remote Call Forwarding	$15.00	
Remote Call Forwarding Additional path	$15.00	
Speed Dialing 30	$ 2.50	
XMC Auto Attendant (per mailbox)	$ 7.95	
(9 or fewer mailboxes)		$50.00
(10 or more mailboxes)		$95.00
XMC Fax Overflow	$14.95	
XMC Voice Mail (per mailbox)	$ 6.95	
XMC Voice Mail Pager Plus	$ 9.95	

*Non-recurring charges waived if features ordered upon initial installation of e.spire LOCAL SERVICE PLUS.
** Per occurrence rate applies when customer opts not to purchase the monthly rate.

Long Distance Service

Fixed Term Discounts apply to all XMC Tariff Dial One IntraLATA, Intrastate and Interstate rates as noted respectively in the XMC Florida End-User Price List No. 1 Tariff, the XMC Florida Interexchange Services Tariff and the XMC FCC No. 1 Interstate Services Tariff.

One Year	19.29%
Two Year	24.24%
Three Year	29.39%

OPTIONAL LOCAL EXCHANGE SERVICES

13.4 e·spire Local Service Plus (Cont'd)

13.4.1 Line Component (cont'd):

Toll Free Service
Fixed Term Discounts apply to all XMC Tariff Dial One rates as noted in the XMC Florida Interexchange Services Tariff and the XMC FCC No. 1 Interstate Services Tariff.

One Year	9.19%
Two Year	14.14%
Three Year	19.29%

Ancillary Services

Directory Listings, per listing	Monthly
Single List - White page only	$ 0.00
Non-listed	$ 1.50
Non-published	$ 3.00
Additional listing	$ 2.00
Toll Free Directory Assistance listing	$15.00

Vanity Number	Monthly
Vanity number, per number	$10.00

Operator Assisted Calling, per occurrence	Monthly (Jacksonville, Miami)	Monthly (Tampa)
Station to Station	$0.75	$1.50
Calling Card	$1.00	$0.75
3rd Number	$1.00	$1.50
Collect Call	$1.00	$1.50
Person to Person	$2.50	$3.50

Directory Assistance	Per Call (Jacksonville, Miami)	Per Call (Tampa)
Call Allowance	3 calls	3 calls
Each additional Directory Assistance call	$0.25	$0.40
Call Completion	$0.30	$0.45
Long Distance Directory Assistance	$0.85	$0.85
Long Distance Directory Assistance with call completion	$0.50	$0.50

OPTIONAL LOCAL EXCHANGE SERVICES

13.4 e-spire Local Service Plus (Cont'd)

13.4.1 Line Component (cont'd):

Ancillary Services (Cont'd)

Busy Line Verification	Per Request (Jacksonville, Miami)	Per Request (Tampa)
Verification Request	$0.35	$1.00
Emergency Interrupt Request (in addition to Verification Request)	$0.40	$0.50

Moves/Adds/Changes (MACS)	One Time Non-recurring
Add Additional Lines or Trunks, per order	$ 50.00
Add DID Trunk Termination, per order	$ 50.00
Change to CSR , record purpose, per order	$ 20.00
Add Additional Custom Calling Features, per order	$ 10.00
Add XMC Auto Attendant	$50.00 (9 or fewer mailboxes) $95.00 (10 or more mailboxes)
Move Service Location, per order	Installation Charges in Sections 10.3 and 10.5 apply
PIC Change, per line	$ 5.00
Reconfiguration Charge, per order without customer premise visit.	$ 50.00
Reconfiguration Charge, per order with customer premise visit.	$250.00

13.4.2 Expiration of Term Agreement

The customer must notify XMC, in writing, at least 30 days prior to the expiration of services to express their desired services beyond the selected term agreement. In lieu of written notification, the customer services will renew under the existing term agreement, i.e. a two year agreement will renew to an additional two year agreement.

13.4.3 Termination Fees

A termination liability charge will be applicable for service rate elements provided under the e-spir Local Service Plus term payment Plan when service is cancelled prior to the end of the chosen Term Plan. The termination fee is equal to the number of months remaining under the term agreement multiplied by the monthly rate for the Services multiplied by twenty percent. The customer is obligated to pay such charges within thirty (30) days of termination. In the event service is provided via a third party, the customer is responsible for all cost incurred for such early termination with our service provider.

OPTIONAL LOCAL EXCHANGE SERVICES

13.5 e·spire Local Service (Cont'd)

e.spire LOCAL SERVICE is a total package product offering consisting of Local, Long Distance and Toll Free services with optional custom calling features. This product is only available to local end users service customers originating on XMC facilities off its Jacksonville, Ft. Lauderdale, Miami and Tampa, Florida switches. e·spire Local Service is available under Month to Month, One Year, Two Year or Three Year Term Agreements. Each commitment level will be charged Monthly Recurring and Non-recurring rates as specified below.

LOCAL SERVICE Rates – Flat Rate Service Ft. Lauderdale and Miami, Fl

Month to Month		Monthly	Non-recurring
Business Exchange Lines	1st line	$26.50	$50.00
Each additional line		$26.50	$15.00
PBX DOD Trunk		$45.00	$50.00
Each additional line		$45.00	$15.00
PBX DID Trunk		$45.00	$50.00
Each additional line		$45.00	$15.00
PBX Combination Trunk		$45.00	$50.00
Each additional line		$45.00	$15.00

LOCAL SERVICE Rates – Flat Rate Service Jacksonville, Fl

Month to Month		Monthly	Non-recurring
Business Exchange Lines	1st line	$26.00	$50.00
Each additional line		$26.00	$15.00
PBX DOD Trunk		$45.00	$50.00
Each additional line		$45.00	$15.00
PBX DID Trunk		$45.00	$50.00
Each additional line		$45.00	$15.00
PBX Combination Trunk		$45.00	$50.00
Each additional line		$45.00	$15.00

OPTIONAL LOCAL EXCHANGE SERVICES

13.5 e·spire Local Service (Cont'd)

LOCAL SERVICE Rates – Flat Rate Service Tampa, Fl

Month to Month		**Monthly**	**Non-recurring**
Business Exchange Lines	1st line	$38.00	$50.00
Each additional line		$38.00	$15.00
PBX DOD Trunk		$49.00	$50.00
Each additional line		$49.00	$15.00
PBX DID Trunk		$49.00	$50.00
Each additional line		$49.00	$15.00
PBX Combination Trunk		$49.00	$50.00
Each additional line		$49.00	$15.00

Jacksonville, Ft. Lauderdale and Miami , Florida

DID Termination Charges:	**Monthly**
DID Trunk Termination	$15.00

Tampa, Fl

DID Termination Charges:	**Monthly**
DID Trunk Termination	$5.00

Jacksonville, Ft. Lauderdale, Miami and Tampa, Florida

DID Number:	**Monthly**
1st Block of 20 DID numbers	$ 5.00
DID each additional block of 20 up to 500 numbers	$ 2.50
DID 500 + each additional block of 100 numbers	$50.00

Jacksonville, Ft. Lauderdale, Miami and Tampa, Florida

Hunting Service:	**Monthly**	**Non-Recurring***
Hunting	$ 5.00	$ 0.00

OPTIONAL LOCAL EXCHANGE SERVICES

13.5 e-spire Local Service (Cont'd)

13.5.1 Line Component

Customers receiving e-spire Local Service may select Exchange lines and/or Trunks in a combination of their choice. e-spire Local Service offers two discount plans off e-spire Local Service tariffed monthly recurring line/trunk fees. Additional discounts are available when the Customer subscribes to XMC's Long Distance services for all lines, as noted below.

Fixed Term Line/Trunk Discount

Plan A Discounts: Local switch service customers with out Xspedius Long Distance service.

Term Length	Percentage
One Year	4 %
Two Year	5 %
Three Year	7 %

Plan B Discounts: Local switch service customers with Xspedius Long Distance service on all line/trunks.

Term Length	Percentage
One Year	8 %
Two Year	10 %
Three Year	12 %

OPTIONAL LOCAL EXCHANGE SERVICES

13.5 e·spire Local Service (Cont'd)

13.5.1 Line Component (cont'd)

Optional Custom Calling Features:	Monthly	Non-Recurring*
(Jacksonville, Ft. Lauderdale, Miami and Tampa)		
Custom Calling Features		$10.00
Anonymous Call Rejection	$ 3.00	
Automatic Call Back	$ 3.00	
Automatic Recall	$ 3.00	
**Automatic Call Back (per Occurrence	$ 0.75	
**Automatic Recall (per Occurrence)	$ 0.75	
Call Block	$ 3.00	
Call Forwarding	$ 3.00	
Call Forwarding Busy	$ 3.00	
Call Forwarding No Answer	$ 3.00	
Call Forwarding Variable	$ 3.00	
Call Hold	$ 3.00	
Call Pick Up	$ 3.00	
Call Transfer	$ 3.00	
Call Trace	$ 3.00	
Call Waiting	$ 3.00	
Caller ID w/Name & Number	$ 7.50	
Caller ID w/Number	$ 5.00	
Code Restriction	$ 3.00	
Distinctive Ringing	$ 3.00	
Remote Activation of Call forward	$ 3.00	
Remote Call Forwarding	$15.00	
Remote Call Forwarding Additional path	$15.00	
Speed Dial 8	$ 3.00	
Speed Dialing 30	$ 3.00	
3 Way Calling	$ 3.00	
Xspedius Auto Attendant (per mailbox)	$ 7.95	
(9 or fewer mailboxes)		$50.00
(10 or more mailboxes)		$95.00
Xspedius Fax Overflow	$14.95	
Xspedius Voice Mail (per mailbox)	$ 6.95	
Xspedius Voice Mail Pager Plus	$ 9.95	

*Non-recurring charges waived if features ordered upon initial installation of e.spire LOCAL SERVICE.
** Per occurrence rate applies when customer opts not to purchase the monthly rate.

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OPTIONAL LOCAL EXCHANGE SERVICES

13.5 e·spire Local Service (Cont'd)

13.5.1 Line Component (cont'd)

Long Distance Service e. spire Tariff Dial One IntraLATA, Intrastate and Interstate rates as noted respectively in the Xspedius Florida End-User Services Price List, the Xspedius Florida Interexchange Services Tariff and the Xspedius FCC No. 1 Interstate Services Tariff.

One Year	12%
Two Year	15%
Three Year	20%

Toll Free Service	**Monthly**	**Non-Recurring**
Toll Free Number	$ 5.00	$ 0.00
Toll Free Directory Assistance Listing. per number	$15.00	$ 0.00

Fixed Term Discounts apply to all Xspedius Tariff Dial One rates as noted in the Xspedius Florida Interexchange Services Tariff and the Xspedius FCC No. 1 Interstate Services Tariff.

One Year	12%
Two Year	15%
Three Year	20%

Ancillary Services

Directory Listings, per listing	**Monthly**
Single List - White page only	$ 0.00
Non-listed	$ 1.50
Non-published	$ 3.00
Additional listing	$ 2.00
Toll Free Directory Assistance listing	$15.00

Jacksonville, Ft. Lauderdale, Miami and Tampa, Florida

Vanity Number	**Monthly**
Vanity number, per number	$10.00

Operator Assisted Calling - Per Occurrence				
	Ft. Lauderdale	Jacksonville	Miami	Tampa
	Monthly			
Station to Station	$1.50	$1.35	$0.90	$1.30
Calling Card	$1.50	$1.35	$0.35	$0.40
3rd Number	$1.50	$1.35	$0.90	$1.30
Collect Call	$1.50	$1.35	$0.90	$0.40
Person to Person	$3.50	$2.70	$2.50	$3.15

OPTIONAL LOCAL EXCHANGE SERVICES

13.5 e·spire Local Service (Cont'd)

13.5.1 Line Component (cont'd)

Directory Assistance - Per Call				
	Ft. Lauderdale	Jacksonville	Miami	Tampa
Call Allowance	0 call per month	3 call per month	0 call per month	2 call per month
Each additional Directory Assistance call	$0.60	$0.30	$0.25	$0.30
Calling Operator instead of Dialing Direct	$0.30	$0.30	$0.30	$0.30
Long Distance Directory Assistance	$0.85	$0.85	$0.85	$0.85
Long Distance Directory Assistance with call completion	$0.50	$0.50	$0.50	$0.50

Busy Line Verification – Per Request				
	Ft. Lauderdale	Jacksonville	Miami	Tampa
Verification Request	$2.70	$0.95	$1.40	$1.35
Emergency Interrupt Request (in addition to Verification Request)	$5.40	$0.45	$2.15	$2.20

Jacksonville, Ft. Lauderdale, Miami and Tampa, Florida

Moves/Adds/Changes (MACS)	**One Time Non-recurring**
Add Additional Lines or Trunks, per order	$ 50.00
Add DID Trunk Termination, per order	$ 50.00
Change to CSR , record purpose, per order	$ 20.00
Add Additional Custom Calling Features, per order	$ 10.00
Add XSPEDIUS Auto Attendant	$50.00 (9 or fewer mailboxes) $95.00 (10 or more mailboxes)
Move Service Location, per order	Installation Charges in the Colorado End-User Services Price List apply
PIC Change, per line	$ 5.00
Reconfiguration Charge, per order without customer premise visit.	$ 50.00
Reconfiguration Charge, per order with customer premise visit.	$250.00

OPTIONAL LOCAL EXCHANGE SERVICES

13.5 e·spire Local Service (Cont'd)

13.5.2 Expiration of Term Agreement

The customer must notify XMC, in writing, at least 30 days prior to the expiration of services to express their desired services beyond the selected term agreement. In lieu of written notification, the customer services will renew under the existing term agreement, i.e. a two year agreement will renew to an additional two year agreement.

13.5.3 Termination Fees

A termination liability charge will be applicable for service rate elements provided under the Xspedius Local Service term payment Plan when service is cancelled prior to the end of the chosen Term Plan. The termination fee is equal to: 1) the difference the tariffed monthly rates and the billed e·spire Local Service discounted monthly rates multiplied by the number of expired months in the current term agreement, plus 2) the number of months remaining under the term agreement multiplied by the monthly rate for the Services multiplied by twenty (20) percent. The customer is obligated to pay such charges within thirty (30) days of termination.

13.5.4. Competitive Features Program

Competitive Feature Program is an additional LOCAL SERVICE Feature that allows for a credit of the monthly recurring charges for hunting. Competitive Feature Program will be billed as a monthly recurring line credit on the customer invoice. To qualify for the Competitive Features Program, the customer must meet one of the following criteria:

(1) The customer presently has service from a carrier who is not currently charging for Hunting and wants to become an e·spire LOCAL SERVICE customer. or,

(2) The customer has a written proposal for service from one or more competitors that are not going to charge hunting and this customer wants to become an e·spire LOCAL SERVICE customer.

Additionally, the customer must sign a 1, 2 or 3-year term plan. Standard termination penalties, as stated in Section 13.5.3, apply. Xspedius Competitive Features Program is NOT available on e·spire LOCAL SERVICE Month-to-Month pricing.

The credits for Xspedius's Competitive Features Program – Free Hunting are as follows:

	Monthly Credit
Tampa	$10.00
Miami	$ 5.00
Jacksonville	$ 5.00
Fort Lauderdale	$ 5.00

OPTIONAL LOCAL EXCHANGE SERVICES

13.5 e-spire Local ISDN

e.spire LOCAL ISDN is a total package product offering consisting of Local services with optional Long Distance service, Toll Free service and custom calling features. This product is only available to local end user customers originating on Xspedius facilities off its Ft. Lauderdale, Jacksonville, Miami and Tampa switches. Internet Service Providers (ISP) will receive inbound traffic only. Non-ISP customers will be provisioned for inbound and outbound traffic. The applicable rates for Outbound Calling for Non-ISP customers are specified below. Local ISDN is available under Month-To-Month, One Year, Two Year or Three Year Term Agreements. Each commitment level will be charged Monthly Recurring and Non-recurring rates as specified below.

LOCAL ISDN Rates – Ft. Lauderdale, Jacksonville, Miami and Tampa, FL

	All - Florida Non-recurring	Jacksonville Tampa Monthly	Ft. Lauderdale & Miami Monthly
Month to Month			
ISDN PRI Access Facility, 23B+D Channels	$1,250.00	$ 950.00	$ 850.00
1 Year Term			
ISDN PRI Access Facility, 23 B+D Channels	$1,250.00	$ 800.00	$ 700.00
2 Year Term			
ISDN PRI Access Facility, 23 B+D Channels	$1,000.00	$ 650.00	$ 550.00
3 Year Term			
ISDN PRI Access Facility, 23 B+D Channels	$ 750.00	$ 600.00	$ 500.00

DID Termination Charges:	**Monthly**
DID Trunk Termination, per Trunk Group	$10.00

DID Number:	**Monthly**
1st Block of 20 DID numbers	$ 5.00
DID each additional block of 20 up to 500 numbers	$ 2.50
DID 500 + each additional block of 100 numbers	$50.00

Hunting Service:	**Monthly**	**Non-Recurring**
Hunting	$ 0.00	$ 0.00

Optional Custom Calling Features:	**Monthly**	**Non-Recurring**
Caller ID w/Name & Number	$ 150.00	$ 0.00
Caller ID w/Number Only	$ 50.00	$ 0.00
Call by call	$ 50.00	$ 0.00
Outbound Calling for Non-ISP's	$100.00	$ 0.00

OPTIONAL LOCAL EXCHANGE SERVICES

13.6 e·spire Local ISDN (Cont'd)

13.6.1 Optional Product Components:

Long Distance Service e. spire Tariff Dial One IntraLATA, Intrastate and Interstate rates as noted respectively in the Xspedius Alabama End-User Services Price List, the Xspedius Alabama Interexchange Services Tariff and the Xspedius FCC No. 1 Interstate Services Tariff.

One Year	19.29%
Two Year	24.24%
Three Year	29.39%

Toll Free Service

	Monthly	Non-Recurring
Toll Free Number	$ 5.00	$ 0.00
Toll Free Directory Assistance Listing. per number	$10.00	$ 0.00

Fixed Term Discounts apply to all Xspedius Tariff Dial One rates as noted in the Xspedius Alabama Interexchange Services Tariff and the Xspedius FCC No. 1 Interstate Services Tariff.

One Year	9.19%
Two Year	14.14%
Three Year	19.29%

Ancillary Services

Directory Listings, per listing	Monthly
Single List - White page only	$ 0.00
Non-listed	$ 1.50
Non-published	$ 3.00
Additional listing	$ 2.00
Toll Free Directory Assistance listing	$10.00

Vanity Number	Monthly
Vanity number, per number	$10.00

Operator Assisted Calling, per occurrence	Monthly
Station to Station	$1.50
Calling Card	$1.50
3rd Number	$1.50
Collect Call	$1.50
Person to Person	$3.50

OPTIONAL LOCAL EXCHANGE SERVICES

13.6 e·spire Local ISDN (Cont'd)

13.6.1 Optional Product Components (cont'd):

Directory Assistance	**Per Call**
Call Allowance	0 calls
Each additional Directory Assistance call	$0.60
Call Completion	$0.30
Long Distance Directory Assistance	$0.85
Long Distance Directory Assistance with call completion	$0.50

Busy Line Verification	**Per Request**
Verification Request	$1.25
Emergency Interrupt Request (in addition to Verification Request)	$1.50

Moves/Adds/Changes (MACS)	**One Time Non-recurring**
Add DID Trunk Termination, per order	$ 50.00
Change to CSR , record purpose, per order	$ 20.00
Add Additional Custom Calling Features, per order	$ 10.00
Move Service Location, per order	Installation Charges in the Florida End-User Services Price List apply
PIC Change, per line	$ 5.00
Reconfiguration Charge, per order without customer premise visit.	$ 50.00
Reconfiguration Charge, per order with customer premise visit.	$250.00

13.6.2 Expiration of Term Agreement

The customer must notify XMC, in writing, at least 30 days prior to the expiration of services to express their desired services beyond the selected term agreement. In lieu of written notification, the customer services will renew under the existing term agreement, i.e. a two year agreement will renew to an additional two year agreement.

6.8.4 Termination Fees

A termination liability charge will be applicable for service rate elements provided under the Xspedius Local ISDN term payment Plan when service is cancelled prior to the end of the chosen Term Plan. The termination fee is equal to the number of months remaining under the term agreement multiplied by the monthly rate for the Services multiplied by twenty (20) percent. The customer is obligated to pay such charges within thirty (30) days of termination. In the event service is provided via a third party, the customer is responsible for all cost incurred for such early termination with our service provider.

OPTIONAL LOCAL EXCHANGE SERVICE

13.7 Incoming FX
(Ft. Lauderdale, Jacksonville, Miami, Tampa)

Incoming FX is a foreign exchange service that provides a telephone number out of a foreign central office through the end users local central office. Incoming FX offers customers to receive incoming calls from customers within the LCA included in the foreign exchange's NPA/NXX.

Incoming FX is offered as an optional line coding. Incoming FX will only be made available on DID trunks, Combination trunks, and Combination trunks with DID. Since Incoming FX is not an outbound calling feature, it will not be available on DOD trunks. Incoming FX is available to customers receiving e-spire LOCAL SERVICE PLUS or e-spire LOCAL ISDN.

13.7.1

	Non Recurring	Monthly
e-spire LOCAL SERVICE PLUS	$ 10.00	$100.00
e-spire LOCAL ISDN– Non ISP's	$ 10.00	$100.00
e-spire LOCAL ISDN– ISP's	$ 10.00	$200.00

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OPTIONAL LOCAL EXCHANGE SERVICE

13.8 Local Advantage Service

Local Advantage Service Term Plan is available to new and existing customers receiving e·spire LOCAL SERVICE PLUS and/or e·spire LOCAL ISDN Commercial End User (CEU). Local Advantage Service was previously introduced as a promotional offer for e·spire Local Service Plus and e·spire Local ISDN CEU. Local Advantage Service Term Plan is designed to encourage prospects and existing customers to purchase Xspedius Long Distance, The long distance usage will generate credits that will be applied to the customer's Local Service*. The higher the long distance net revenue, the higher the monthly credits for Local Service*.

New and Existing Customer's will receive Local Service monthly credits on up to 4 e.spire LOCAL SERVICE PLUS / LOCAL ISDN Commercial End User T-1's, DID Trunk Termination and DID Blocks. The Local Service monthly credits are based on the sliding scale net Long Distance (Interstate , Intralata, Intrastate, International, Toll Free & Calling Card) usage per month, for the length of the LOCAL SERVICE PLUS/LOCAL ISDN Commercial End User Agreement.

Net Monthly Long Distance Revenue	Maximum Local Services Monthly Charges Waived
$2,500.00 - $4,999.99	1 LOCAL SERVICE PLUS
$5,000.00 - $7,499.99	1 LOCAL SERVICE PLUS and 50% off 1add'l LOCAL SERVICE PLUS
$7,500.00 - $9,999.99	2 LOCAL SERVICE PLUS and 50% off 1add'l LOCAL SERVICE PLUS
$10,000.00 - $12,499.99	3 LOCAL SERVICE PLUS and 50% off 1add'l LOCAL SERVICE PLUS
$12,500.00 or more	4 LOCAL SERVICE PLUS and 50% off 1add'l LOCAL SERVICE PLUS

Existing e.spire LOCAL SERVICE PLUS /LOCAL ISDN CEU customers must renew at equal to or greater than the length of their existing contract with the attached Local Advantage Addendum. Existing customers who increase or decrease the number of LOCAL SERVICE PLUS's must have their account updated.

* - Includes e.spire LOCAL SERVICE PLUS, LOCAL ISDN CEU (ONLY), base component, DID Trunk Termination and DID Blocks. Initial Install Waiver Program will be honored on NRC costs. Excludes all optional features, line coding, EUCL, additional service fees, surcharges and taxes.

OPTIONAL LOCAL EXCHANGE SERVICES

13.8 Local Advantage Service (Cont'd)

All other terms and conditions, of Xspedius's existing e·spire LOCAL SERVICE PLUS and e·spire LOCAL ISDN CEU agreements, not expressly modified in the customer's Addendum remain unchanged and in full force and effect.

13.8.1 Termination Fees

A termination liability charge will be applicable for service rate elements provided under the Local Advantage Service term payment Plan when service is cancelled prior to the end of the chosen Term Plan. The termination fee is equal to the number of months remaining under the term agreement multiplied by the monthly rate for the corresponding Term agreement. The customer is obligated to pay such charges within thirty (30) days of termination. In the event service is provided via a third party, the customer is responsible for all cost incurred for such early termination with our service provider.

OPTIONAL LOCAL EXCHANGE SERVICES

13.9 e·spire Voice Internet Pack

e.spire VOICE INTERNET PACK is a total package product offering consisting of Local, Long Distance and Toll Free services with optional custom calling features and Integrated 256kb Internet. Each pack will receive EZ LD minute of usage allowance. This product is only available to local end user service customers originating on XMC facilities off itsJacksonville, Miami, and Tampa, Florida switches. e·spire Voice Internet Pack is available under One, Two or Three Year Term Agreements. Each commitment level is available at the Monthly Recurring and Non-recurring rates as specified below.

e·spire Voice Internet Pack Pricing:

Term Discounts

Length of Contract	Monthly %	NRC %
One Year	0 %	0%
Two Year	10 %	100%
Three Year	15 %	100%

Jacksonville, Miami, and Ft.Lauderdale

Voice Internet Pack	Monthly	Non-recurring*	EZ LD Allowance
VIP 4 through 44		$250.00	
VIP 4	$551.00		1000 MOU
VIP 5	$580.00		1250 MOU
VIP 6	$624.00		1500 MOU
VIP 7	$660.00		1750 MOU
VIP 8	$696.00		2000 MOU
VIP 9	$743.00		2250 MOU
VIP 10	$ 780.00		2500 MOU
VIP 11	$ 802.00		2750 MOU
VIP 12	$ 842.00		83000 MOU
VIP 13	$ 871.00		3250 MOU
VIP 14	$ 901.00		3500 MOU
VIP 15	$941.00		3750 MOU
VIP 16	$ 970.00		4000 MOU
VIP 17	$1010.00		4250 MOU
VIP 18	$1050.00		4500 MOU
VIP 19	$1080.00		4750 MOU
VIP 20	$1120.00		5000 MOU
VIP 21	$1150.00		5250 MOU
VIP 22	$1180.00		5500 MOU
VIP 23	$1220.00		5750 MOU

OPTIONAL LOCAL EXCHANGE SERVICES

13.9 e-spire Voice Internet Pack

Jacksonville, Miami, and Ft.Lauderdale (cont'd)

Voice Internet Pack	Monthly	Non-recurring*	EZ LD Allowance
VIP 24	$1250.00		6000 MOU
VIP 25	$1280.00		6250 MOU
VIP 26	$1320.00		6500 MOU
VIP 27	$1350.00		6750 MOU
VIP 28	$1380.00		7000 MOU
VIP 29	$1420.00		7250 MOU
VIP 30	$1450.00		7500 MOU
VIP 31	$1495.00		7750 MOU
VIP 32	$1535.00		8000 MOU
VIP 33	$1566.00		8250 MOU
VIP 34	$1596.00		8500 MOU
VIP 35	$1636.00		8750 MOU
VIP 36	$1667.00		9000 MOU
VIP 37	$1697.00		9250 MOU
VIP 38	$1737.00		9500 MOU
VIP 39	$1768.00		9750 MOU
VIP 40	$1826.00		10,000 MOU
VIP 41	$1856.00		10,250 MOU
VIP 42	$1906.00		10,500 MOU
VIP 43	$1947.00		10,750 MOU
VIP 44	$1997.00		11,000 MOU

Tampa

Voice Internet Pack	Monthly	Non-recurring*	EZ LD Allowance
VIP 4	$551.00	$250.00	1000 MOU
VIP 5	$580.00		1250 MOU
VIP 6	$614.00		1500 MOU
VIP 7	$660.00		1750 MOU
VIP 8	$696.00		2000 MOU
VIP 9	$733.00		2250 MOU
VIP 10	$ 770.00		2500 MOU
VIP 11	$ 792.00		2750 MOU
VIP 12	$ 822.00		3000 MOU
VIP 13	$ 851.00		3250 MOU
VIP 14	$ 891.00		3500 MOU

OPTIONAL LOCAL EXCHANGE SERVICES

13.9 e-spire Voice Internet Pack

Tampa (cont'd)

Voice Internet Pack	Monthly	Non-recurring*	EZ LD Allowance
VIP 15	$921.00		3750 MOU
VIP 16	$950.00		4000 MOU
VIP 17	$990.00		4250 MOU
VIP 18	$1020.00		4500 MOU
VIP 19	$1050.00		4750 MOU
VIP 20	$1090.00		5000 MOU
VIP 21	$1120.00		5250 MOU
VIP 22	$1150.00		5500 MOU
VIP 23	$1180.00		5750 MOU
VIP 24	$1210.00		6000 MOU
VIP 25	$1240.00		6250 MOU
VIP 26	$1270.00		6500 MOU
VIP 27	$1310.00		6750 MOU
VIP 28	$1340.00		7000 MOU
VIP 29	$1370.00		7250 MOU
VIP 30	$1400.00		7500 MOU
VIP 31	$1444.00		7750 MOU
VIP 32	$1475.00		8000 MOU
VIP 33	$1505.00		8250 MOU
VIP 34	$1545.00		8500 MOU
VIP 35	$1576.00		8750 MOU
VIP 36	$1606.00		9000 MOU
VIP 37	$1636.00		9250 MOU
VIP 38	$1667.00		9500 MOU
VIP 39	$1697.00		9750 MOU
VIP 40	$1754.00		10,000 MOU
VIP 41	$1785.00		10,250 MOU
VIP 42	$1833.00		10,500 MOU
VIP 43	$1864.00		10,750 MOU
VIP 44	$1914.00		11,000 MOU

OPTIONAL LOCAL EXCHANGE SERVICES

13.9 e·spire Voice Internet Pack (Cont'd)

13.9.1 Line Components:

e·spire Voice Internet Pack service monthly fee includes DS1 Access facility with Business Exchange Lines, and Digital PBX Trunks. The customers may select a combination of the line components of up to 24 potential lines per DS1 in accordance with the VIP plan. Additionally, the following Standard Custom Calling Features are included in the monthly fee:

Hunting	Call Forwarding
Call Waiting	Call Forwarding Busy
3 Way Calling	Call Forwarding No Answer
Speed Dial 8	

e·spire Voice Internet Pack service monthly fee includes PRI Access facility with PRI Trunks. The customers may select a combination of the trunk components of up to 24 potential lines per PRI in accordance with the VIP plan. Additionally, the following Standard Custom Calling Feature are included in the monthly fee:

Hunting

Additional charges will apply for the following components:

DID Termination Charges:	**Monthly**
DID Trunk Termination, per pack	$50.00

DID Number:	***Monthly***
1st Block of 20 DID numbers	$ 5.00
DID each additional block of 20 up to 500 numbers	$ 2.50
DID 500 + each additional block of 100 numbers	$50.00

OPTIONAL LOCAL EXCHANGE SERVICES

13.9 e·spire Voice Internet Pack (Cont'd)

13.9.1 Line Components (cont'd):

DS1 Optional Custom Calling Features:	Monthly	Non-Recurring*
Custom Calling Features		$10.00
Anonymous Call Rejection	$ 2.50	
Automatic Call Back	$ 2.50	
Automatic Recall	$ 2.50	
Call Block	$ 2.50	
Call Hold	$ 2.50	
Call Transfer	$ 2.50	
Caller ID w/Name & Number	$ 7.50	
Caller ID w/Number	$ 5.00	
Distinctive Ringing	$ 2.50	
Remote Activation of Call forward	$ 2.50	
Remote Call Forwarding	$15.00	
Remote Call Forwarding Additional path	$15.00	
Speed Dialing 30	$ 2.50	
Toll Restriction	$ 2.50	
Xspedius Enhanced Voice Messaging (per mailbox)	$ 7.95	
(9 or fewer mailboxes)		$50.00
(10 or more mailboxes)		$95.00
Xspedius Fax Overflow	$14.95	
Xspedius Voice Mail (per mailbox)	$ 6.95	
Xspedius Voice Mail Pager Plus	$ 9.95	

*Non-recurring charges waived if features ordered upon initial installation of e.spire Voice Internet Pack.

PRI Optional Custom Calling Features:	Monthly	Non-Recurring*
Custom Calling Features		$10.00
Call by Call, per pack	$ 50.00	
Caller ID w/ Name & Number, pack	$150.00	
Caller ID w/ Number, pack	$ 50.00	

OPTIONAL LOCAL EXCHANGE SERVICES

13.9 e-spire Voice Internet Pack (Cont'd)

13.9.2 Internet Optional Services (cont'd):

Additional charges will apply for the following components:

Internet Optional Services:	Monthly	Non- Recurring* See MAC
Internet upgrade to 384 kbps	$ 49.00	
Internet upgrade to 512 kbps	$ 99.00	
Internet upgrade to 640 kbps	$149.00	
Internet upgrade to 768 kbps	$199.00	
News Feed	$ 50.00	
Primary DNS	$ 50.00	

13.9.3 Long Distance Service

e-spire Voice Internet Pack customers will receive the EZ LD rates for all XMC Tariff Dial One IntraLATA, Intrastate and Interstate rates as noted respectively in the XMC Florida General Services Tariff, the XMC Florida Interexchange Services Tariff and the Interstate Long Distance Service Agreement.

International rates will receive the following Fixed Term Discounts for all XMC Tariff Dial One International rates as noted respectively in the XMC Florida General Services Tariff, the XMC Florida Interexchange Services Tariff and the Interstate Long Distance Service Agreement.

One Year	19.29%
Two Year	24.24%
Three Year	29.39%

e-spire Voice Internet Pack customers will receive the EZ LD rates for all XMC Tariff Dial One IntraLATA, Intrastate and Interstate rates as noted respectively in the XMC Florida General Services Tariff, the XMC Florida Interexchange Services Tariff and the Interstate Long Distance Service Agreement.

One Year	12%
Two Year	15%
Three Year	20%

13.9.4 **Ancillary Services**

Directory Listings, per listing	Monthly
Single List - White page only	$ 0.00
Non-listed	$ 1.50
Non-published	$ 3.00
Additional listing	$ 2.00
Toll Free Directory Assistance listing	$10.00

OPTIONAL LOCAL EXCHANGE SERVICES

13.9 e·spire Voice Internet Pack (Cont'd)

13.9.4 **Ancillary Services**

Vanity Number	Monthly
Vanity number, per number	$10.00

Operator Assisted Calling, per occurrence	Monthly (Jacksonville, Miami)	Monthly (Tampa)
Station to Station	$0.75	$1.50
Calling Card	$1.00	$0.75
3rd Number	$1.00	$1.50
Collect Call	$1.00	$1.50
Person to Person	$2.50	$3.00

Directory Assistance	Per Call (Jacksonville, Miami)	Per Call (Tampa)
Call Allowance	3 calls	3 calls
Each additional Directory Assistance call	$0.25	$0.40
Call Completion	$0.30	$0.45
Long Distance Directory Assistance	$0.85	$0.85
Long Distance Directory Assistance with call completion	$0.50	$0.50

Busy Line Verification	Per Request (Jacksonville, Miami)	Per Request (Tampa)
Verification Request	$0.35	$1.00
Emergency Interrupt Request (in addition to Verification Request)	$0.40	$0.50

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OPTIONAL LOCAL EXCHANGE SERVICES

13.9 e-spire Voice Internet Pack (Cont'd)

13.9.4 **Moves/Adds/Changes (MACS)**

	One Time Non-recurring
VIP Installation	$250.00, per bundle
Change to Upgrade VIP, without premises visit	$50.00, per bundle
Change to Upgrade VIP, with premises visit	$250.00 per bundle
Change to Upgrade Internet Access speed	$50.00,per ckt
Change to add DID Trunk Termination	$50.00, per order
Change to add Voice feature	$10.00, per order
Change to CSR	$20.00 per order
Change to add PRI feature	$10.00 per order
Change to add Newsfeed	$10.00 per ckt
Change to add Primary DNS	$25.00 per ckt
Change to add Optional Calling Plans (LATAwide, EAS, Corridor...)	$10.00 per ckt
PIC change	$5.00 per WTN
Voice Mail installation	$10.00 per mailbox
Voice Mail Pager Plus installation	$10.00 per mailbox
Fax Overflow installation	$10.00 per mailbox
Enhanced Voice Messaging 9 or less mailboxes	$50.00 per order
Enhanced Voice Messaging 10 or more mailboxes	$95.00 per order

OPTIONAL LOCAL EXCHANGE SERVICES

13.10 Voice Services Term Plan Program

e·spire Voice Services Term Plan Program provides additional savings for customers committing to a long-term relationship with Xspedius. This program offers credit for one-month of service at the tarriffed rate to new Local Service Plus and Local ISDN-CEU end users when they contract for a one-year and two year term commitment. End users committing to three year term contracts will receive credit for two-month of service at the tariffed rate. This program is not exclusively limited to customers that commit to one-year term plans, but all term plan offerings. The table below identifies the amount of credit and distribution for each term plan commitment.

Term Commitment	Credit	Credit Distribution*
1 year term commitment	1 month credit	5th month following install
2 year term commitment	1 month credit	1st month following install
3 year term commitment	2 months credit	1st & 13th month following install

* Credits issued for the first month may be split between the first and second months invoice dependent on the date of install.

- e·spire Voice Services Term Plan Program is available to new e·spire Local Service Plus and Local ISDN-CEU end users.
- The terms of this Program will not be applicable for end users that terminate their contracts during the first 90 days of service.
- End Users who terminate their contract at any point during the term plan will be required to reimburse Xspedius with the full credited amount under this program in addition to early termination penalties.

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OPTIONAL LOCAL EXCHANGE SERVICES

13.11 EZ LD Service

The EZ LD service is available to new and existing Local Service, Local Service Plus or Local ISDN CEU customers. The EZ LD service allows customers to enjoy a single rate for certain long distance traffic, provided the customer meets certain usage requirements. New Local Service, Local Service Plus or Local ISDN CEU customers must sign a service agreement for at least a 12-month term. However, for current Xspedius customers, the term commitment shall be no less than the remaining term of the current Required Product if the remaining term is greater than one (1) year.

If a customer elects to receive the EZ LD service, the new service will be incorporated into the terms of the existing Required Product agreement, such that both services will expire concurrently. Notwithstanding, EZ LD cannot be added unless there is at least one year remaining under the existing agreement or both agreements are extended to provide service for at least a one-year term.

The EZ LD product rate is based on 3 factors:

1. Usage pattern – Customer's intrastate traffic shall not exceed 30% of total EZ LD traffic to qualify for the rates specified below.
2. EZ LD Service term period (1,2,or 3 years)
3. Customer's prior usage level in which their intrastate traffic does not exceed 30% of total EZ LD traffic.

e·spire EZ LD product rate guidelines

Term Period	Previous LD usage		
	Up to $100.00	$101 - $300	over $301
1 year	$0.055	$0.055	$0.049
2 year	$0.055	$0.049	$0.045
3 year	$0.049	$0.045	$0.045

Under the following circumstances, an EZ LD rate can be provided to customers exceeding the 30% intrastate usage limitation:

-- **Intrastate Usage between 30% and 50%.** Customers with intrastate usage between 30% and 50% of total EZ LD usage may be offered an EZ LD rate of $.055.

OPTIONAL LOCAL EXCHANGE SERVICES

13.11 EZ LD Service (Cont'd)

13.11.1 EZ LD Conditions for service

EZ LD customer's intrastate long distance traffic shall not exceed the percentage of their total EZ LD traffic, as specified above. In the event their traffic exceed the allowed intrastate usage in two billing months in any 12-month period, Xspedius reserves the right to re-rate those months intrastate minutes to $.08 per intrastate minute or to charge $0.08 per intrastate minute for the intrastate usage in any additional month, in which the customer's traffic exceed the 50% limit.

13.11.2 Early Termination Penalty

Withstanding anything to the contrary in article 4 of the Agreement, if the customer decide to terminate the EZ LD Service before the end of the term, the customer will be charged an early termination penalty equal to 4 months of average usage. The customer's average usage will be calculated based on the average of the last two full months of usage. In the event the EZ LD agreement is terminated before two full months of service, the average usage will be calculated based on the customer's actual usage to date.

RATES AND CHARGES (CONT'D)

13.12 **Xspedius Complete Access**

Xspedius Complete Access is a total package product offering consisting of Local, Long Distance and Toll Free services with optional custom calling features and Integrated 512kb Internet. The service will receive EZ LD minute of usage allowance. This product is only available to local end user service customers originating on Xspedius facilities off its Florida switches in the cities Fort Lauderdale, Jacksonville and Miami. Xspedius Complete Access is available under One, Two or Three Year Term Agreements. Each commitment level will be charged Monthly Recurring and Non-recurring rates as specified below.

Complete Access	Monthly Recurring
Complete Access (w/ 512k Internet)	$ 300.00
Base Line/Trunk Rate for DS1 and PRI Access Facility	$ 22.50

Term Discounts

Length of Contract	Monthly %	NRC %
One Year	0 %	0%
Two Year	10 %	100%
Three Year	15 %	100%

13.12.1 Line Components:

Xspedius Complete Access service monthly fee includes DS1 Access facility with Business Exchange Lines, and PBX Trunks. The customers may select a combination of the line/trunks components of up to 64 potential lines/trunks per DS1 in accordance with the service. Additionally, the following are included in the monthly fee as defined in the Basic Feature Plan:

- Call Block
- Call Forward Busy
- Call Forward No Answer
- Call Forward Variable
- Call Transfer
- Call Waiting
- Fax Overflow (1 box included)
- Hunting
- Three Way Calling
- Toll Restrictions (Options A-T each)
- Voice Mail (1 box included)

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RATES AND CHARGES (CONT'D)

13.12 Xspedius Complete Access (Cont'd)

13.12.1 Line Components (cont'd):

Additionally, the following are included with customers in the monthly fee as defined in the Enhanced Feature Plan or Enhanced Feature Pack:

- Automated Call Back *69
- Automatic Call Rejection
- Automatic Recall (Redial)
- Call Block
- Call Forward Busy
- Call Forward No Answer
- Call Forward Variable
- Call Hold
- Call Transfer
- Call Waiting
- Caller ID Number Only
- Caller ID Name and Number
- DID Termination
- Distinctive Ringing
- Fax Overflow (1 box included)
- Hunting
- PBX Outbound Calling ID
- Speed Dial 8
- Speed Dial 30
- Three Way Calling
- Toll Restrictions (Options A-T each)
- Voice Mail (1 box included)

Xspedius Complete Access service monthly fee includes PRI Access facility with PRI Trunks. The customers may select a combination of the trunk components of up to 64 potential lines per PRI in accordance with the service. Additionally, the following is included in the monthly fee as defined in the Basic Feature Plan:

- Hunting
- DID Termination

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RATES AND CHARGES (CONT'D)

13.12 **Xspedius Complete Access (Cont'd)**

13.12.1 Line Components (cont'd):

Additionally, the following are included with customers in the monthly fee as defined in the Enhanced Feature Plan or Enhanced Feature Pack:

- Caller ID w/Number, PRI
- Caller ID w/Name and Number, PRI
- DID Termination
- Hunting
- PBX Outbound Calling ID

13.12.2 Optional Features

Long Distance Service

Xspedius Complete Access customers will receive the EZ LD rates for all Xspedius Tariff Dial One IntraLATA, Intrastate and Interstate rates as noted respectively in the Xspedius Florida General Services Tariff, the Xspedius Florida Interexchange Services Tariff and the Interstate Long Distance Service Agreement.

International rates will receive the following Fixed Term Discounts for all Xspedius Tariff Dial One International rates as noted respectively in the Xspedius Florida General Services Tariff, the Xspedius Florida Interexchange Services Tariff and the Interstate Long Distance Service Agreement.

One Year	19.29%
Two Year	24.24%
Three Year	29.39%

Toll Free Service

Xspedius Complete Access customers will receive the EZ LD rates for all Xspedius Tariff Dial One IntraLATA, Intrastate and Interstate rates as noted respectively in the Xspedius Florida General Services Tariff, the Xspedius Florida Interexchange Services Tariff and the Interstate Long Distance Service Agreement.

One Year	12%
Two Year	15%
Three Year	20%

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RATES AND CHARGES (CONT'D)

13.12 **Xspedius Complete Access (Cont'd)**

Service	Monthly	Non-Recurring*
Additional charges will apply for the following components:		
DID Termination Charges:		
DID Trunk Termination, per line/trunk *	$ 5.00	
* *DID Trunk Termination, per line/trunk is included in the Enhanced Feature Plan at no charge.*		
DID Number:		
1st Block of 20 DID numbers	$ 5.00	
DID each additional block of 20 up to 500 numbers	$ 2.50	
DID 500 + each additional block of 100 numbers	$50.00	
Feature Plans:		
Basic Feature Plan (included in base price)	$0.00	
Enhanced Feature Plan, per line/trunk	$10.00	
Enhanced Feature Pack, per order	$180.00	
Complete Access XLSO Program, off base line/trunk price	20% off	
LD MOU Service Fee, additional to base line/trunk price	$7.00	

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RATES AND CHARGES (CONT'D)

13.12 Xspedius Complete Access (Cont'd)

13.12.2 Optional Features (cont'd)

Service	Monthly	Non-Recurring*
DS1 Optional Custom Calling Features:		
* Basic Feature Plan Custom Calling Features		
Account Code – Non Validated	$ 0.00	
Account Code – Validated (future)	$ 5.00	
Anonymous Call Rejection	$ 1.00	
Automatic Call Back	$ .50	
Automatic Recall	$ 1.00	
Call Hold	$ 1.00	
Call Forwarding Additional Path	$15.00	
Caller ID w/Name & Number	$ 5.00	
Caller ID w/Number	$ 2.50	
Distinctive Ringing	$ 1.00	
DNIS (Dialed Number Identification Service)	$ 5.00	
Incoming FX	$50.00	
Incoming FX ISP	$50.00	
PBX Outbound Calling ID	$ 5.00	
Remote Activation of Call forward	$ 1.00	
Remote Call Forwarding	$10.00	
Remote Call Forwarding Additional path	$15.00	
Speed Dial 8	$ 1.00	
Speed Dial 30	$ 2.00	
Enhanced Voice Enhanced Voice Messaging (per mailbox)	$ 9.95	
(9 or fewer mailboxes)		$50.00
(10 or more mailboxes)		$95.00
Fax Overflow	$ 7.95	
Voice Mail (additional per mailbox)	$ 5.00	
Voice Mail Pager Plus	$ 7.00	

*Non-recurring charges waived if features ordered upon initial installation of Xspedius.

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RATES AND CHARGES (CONT'D)

13.12 **Xspedius Complete Access (Cont'd)**

13.12.2 Optional Features (cont'd)

	Monthly	Non-Recurring
DS1 Optional Custom Calling Features:		
* Enhanced Feature Plan or Pack Custom Calling Features		
Account Code – Non Validated	$ 0.00	
Account Code – Validated (future)	$ 5.00	
Call Forwarding Additional Path	$15.00	
Distinctive Ringing	$ 1.00	
DNIS (Dialed Number Identification Service)	$ 5.00	
Incoming FX	$50.00	
Incoming FX ISP	$50.00	
Remote Activation of Call forward	$ 1.00	
Remote Call Forwarding	$10.00	
Remote Call Forwarding Additional path	$15.00	
Messaging (per mailb Enhanced Voice Messaging (per mailbox)	$ 9.95	
(9 or fewer mailboxes)		$50.00
(10 or more mailboxes)		$95.00
Fax Overflow	$ 7.95	
Voice Mail (additional per mailbox)	$ 5.00	
Voice Mail Pager Plus	$ 7.00	

*Non-recurring charges waived if features ordered upon initial installation of Xspedius.

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RATES AND CHARGES (CONT'D)

13.12 **Xspedius Complete Access (Cont'd)**

13.12.2 Optional Features (cont'd)

	Monthly	Non-Recurring
PRI Optional Custom Calling Features:		
Basic Feature Plan Custom Calling Features		
Call by Call, per PRI	$50.00	
Caller ID w/ Name & Number, PRI	$50.00	
Caller ID w/ Number, PRI	$25.00	
DID Termination	$ 5.00	
PBX Outbound Calling ID	$ 5.00	
Incoming FX	$50.00	
Incoming FX ISP	$50.00	
Redirecting Number on PRI	$50.00	
Enhanced Feature Plan or Pack Custom Calling Features		
Call by Call, per PRI	$50.00	
Incoming FX	$50.00	
Incoming FX ISP	$50.00	
Redirecting Number on PRI	$50.00	
Internet Optional Services:		
Internet downgrade to 256kbps	($50.00)	
Internet downgrade to 384 kbps	($25.00)	
Internet upgrade to 640 kbps	$25.00	
Internet upgrade to 768 kbps	$50.00	
Internet upgrade to 1024 kbps	$150.00	
Internet upgrade to 1.5 Mbps	$300.00	
News Feed	$50.00	
Primary DNS	$20.00	

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RATES AND CHARGES (CONT'D)

13.12 ***Xspedius Complete Access (Cont'd)***

	Monthly	Non-Recurring
13.12.3 **Ancillary Services**		
Directory Assistance		
Non-Published	$3.00	
Non-Listed	$1.50	
Each additional Directory Assistance call	$2.00	
Long Distance Directory Assistance	$0.85	
Long Distance Directory Assistance with call completion	$0.50	
800 Directory Assistance Listing, per 800 number	$15.00	
Vanity Number Service		
Vanity Number, per number	$10.00	$25.00
Toll Free Service		
Toll Free Payphone Blocking, per number	$200.00	$250.00

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RATES AND CHARGES (CONT'D)

13.12 **Xspedius Complete Access** (Cont'd)

13.12.3 **Ancillary Services (cont'd)**

	Monthly	Non-Recurring
Moves/Adds/Changes (MACS)	**One Time Non-recurring**	
Complete Access Installation	$250.00, per order	
Change to Upgrade Complete Access, without premises visit	$50.00, per order	
Change to Upgrade Complete Access, with premises visit	$250.00, per order	
Change to Upgrade Internet Access speed	$50.00, per ckt	
Change to Downgrade Complete Access, without premises visit	$50.00, per order	
Change to Downgrade Complete Access, with premises visit	$250.00, per order	
Change to add DID Trunk Termination	$50.00, per order	
Change to add Voice feature	$10.00, per order	
Change to CSR	$20.00 per order	
Change to add PRI feature	$10.00 per order	
Change to add Newsfeed	$10.00 per ckt	
Change to add Primary DNS	$25.00 per ckt	
Change to add Optional Calling Plans (LATAwide, EAS, Corridor...)	$10.00 per ckt	
PIC change	$5.00 per WTN	
Voice Mail installation	$10.00 per mailbox	
Voice Mail Pager Plus installation	$10.00 per mailbox	
Fax Overflow installation	$10.00 per mailbox	
Enhanced Voice Messaging 9 or less mailboxes	$50.00 per order	
Enhanced Voice Messaging 10 or more mailboxes	$95.00 per order	

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13.13 **Xspedius Complete Voice – Lines/Trunks/PRI**

Xspedius Complete Voice- Lines/Trunks/PRI is a total package product offering consisting of Local, Long Distance and Toll Free services with optional custom calling features. The service will receive EZ LD minute of usage allowance. This product is only available to local end user service customers originating on Xspedius facilities off its Florida switches in the cities Fort Lauderdale, Jacksonville, Miami and Tampa. Xspedius Complete Voice – Lines/Trunks/PRI is available under Month to Month, One Year, Two Year or Three Year Term Agreements. Each commitment level will be charged Monthly Recurring and Non-recurring rates as specified below.

	Monthly Recurring
Complete Voice Line/Trunk/B Channel	$30.00
Complete Voice D Channel	110.00

	Term Discounts	
Length of Contract	Monthly %	NRC %
One Year	0 %	0%
Two Year	10 %	100%
Three Year	15 %	100%

13.13.1 Line Components:

Xspedius Complete Voice- Lines/Trunks/PRI service monthly fee includes DS1 Access facility with Business Exchange Lines, and PBX Trunks. The customers may select a combination of the line/trunks components per DS1 in accordance with the service. Additionally, the following are included in the monthly fee as defined in the Basic Feature Plan:

- Call Block
- Hunting
- Toll Restrictions (Options A-T each)

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13.13 Xspedius Complete Voice – Lines/Trunks/PRI

13.13.1 Line Components

Additionally, the following are included with customers in the monthly fee as defined in the Enhanced Feature Plan:

- Automated Call Back *69
- Automatic Call Rejection
- Automatic Recall (Redial)
- Call Block
- Call Forward Busy
- Call Forward No Answer
- Call Forward Variable
- Call Hold
- Call Transfer
- Call Waiting
- Caller ID Number Only
- Caller ID Name and Number
- Distinctive Ringing
- DNIS (Dialed Number Identification Service)
- Hunting
- PBX Outbound Calling ID
- Remote Activation Call Forwarding
- Speed Dial 8
- Speed Dial 30
- Three Way Calling
- Toll Restrictions (Options A-T each)

Xspedius Complete Voice- Lines/Trunks/PRI service monthly fee includes PRI Access facility with PRI Trunks. The customers may select a combination of the trunk components per PRI in accordance with the service. Additionally, the following is included in the monthly fee as defined in the Basic Feature Plan:

- Call Block 900/976
- Caller ID w/Number, PRI
- Hunting
- Toll Restrictions (Options A-T)

Additionally, the following are included with customers in the monthly fee as defined in the Enhanced Feature Plan.

- Call Block 900/976
- Call by Call, per PRI
- Caller ID w/Number, PRI
- Caller ID w/Name and Number, PRI
- Hunting

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13.13 Xspedius Complete Voice – Lines/Trunks/PRI (Cont'd)

13.13.2 Optional Features

Long Distance Service

Xspedius Complete Voice- Lines/Trunks/PRI customers will receive the EZ LD rates for all Xspedius Tariff Dial One IntraLATA, Intrastate and Interstate rates as noted respectively in the Xspedius FLORIDA General Services Tariff, the Xspedius FLORIDA Interexchange Services Tariff and the Interstate Long Distance Service Agreement.

International rates will receive the following Fixed Term Discounts for all Xspedius Tariff Dial One International rates as noted respectively in the Xspedius FLORIDA General Services Tariff, the Xspedius FLORIDA Interexchange Services Tariff and the Interstate Long Distance Service Agreement.

One Year	19.29%
Two Year	24.24%
Three Year	29.39%

Toll Free Service

Xspedius Complete Voice- Lines/Trunks/PRI customers will receive the EZ LD rates for all Xspedius Tariff Dial One IntraLATA, Intrastate and Interstate rates as noted respectively in the Xspedius FLORIDA General Services Tariff, the Xspedius FLORIDA Interexchange Services Tariff and the Interstate Long Distance Service Agreement.

One Year	12%
Two Year	15%
Three Year	20%

Service	Monthly	Non-Recurring*
Additional charges will apply for the following components:		
DID Termination Charges:		
*Basic Feature Plan		
DID Trunk Termination, per line/trunk	$ 5.00	
*Enhanced Feature Plan		
DID Trunk Termination, per line/trunk	$ 5.00	
Enhanced DID Trunk Termination, per line.trunk	$ 2.00	
DID Number:		
1st Block of 20 DID numbers	$ 5.00	
DID each additional block of 20 up to 500 numbers	$ 2.50	
DID 500 + each additional block of 100 numbers	$50.00	

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RATES AND CHARGES (CONT'D)

13.13 Xspedius Complete Voice – Lines/Trunks/PRI

13.13.3 Rates and Charges

Service	Monthly	Non-Recurring*
Feature Plans:		
Basic Feature Plan (included in base price)	$0.00	
Enhanced Feature Plan, per line/trunk	$10.00	
DS1 Optional Custom Calling Features:		
* Basic Feature Plan Custom Calling Features		
Account Code – Non Validated	$ 0.00	
Account Code – Validated (future)	$ 5.00	
Anonymous Call Rejection	$ 1.00	
Automatic Call Back	$ .50	
Automatic Recall	$ 1.00	
Call Hold	$ 1.00	
Call Forward Busy	$ 1.00	
Call Forward No Answer	$ 1.00	
Call Forward Variable	$ 1.00	
Call Forwarding Additional Path	$15.00	
Call Transfer	$ 2.00	
Call Waiting	$ 2.00	
Caller ID w/Name & Number	$ 5.00	
Caller ID w/Number	$ 2.50	
Distinctive Ringing	$ 1.00	
DNIS (Dialed Number Identification Service)	$ 5.00	
Incoming FX	$50.00	
PBX Outbound Calling ID	$ 5.00	
Remote Activation of Call forward	$ 1.00	
Remote Call Forwarding	$10.00	
Remote Call Forwarding Additional path	$15.00	
Speed Dial 8	$ 1.00	
Speed Dial 30	$ 2.00	
Three Way Calling	$ 2.00	
e.spire Enhanced Voice Enhanced Voice Messaging (per mailbox)	$ 9.95	
(9 or fewer mailboxes)		$50.00
(10 or more mailboxes)		$95.00
Fax Overflow	$ 7.95	
Voice Mail (additional per mailbox)	$ 5.00	
Voice Mail Pager Plus	$ 7.00	

*Non-recurring charges waived if features ordered upon initial installation of Xspedius.

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RATES AND CHARGES (CONT'D)

13.13 Xspedius Complete Voice – Lines/Trunks/PRI

13.13.3 Rates and Charges

	Monthly	Non-Recurring
DS1 Optional Custom Calling Features:		
* Enhanced Feature Plan or Pack Custom Calling Features		
Account Code – Non Validated	$ 0.00	
Account Code – Validated (future)	$ 5.00	
Call Forwarding Additional Path	$15.00	
Distinctive Ringing	$ 1.00	
Incoming FX	$50.00	
Remote Call Forwarding	$10.00	
Remote Call Forwarding Additional path	$15.00	
Messaging (per mailb Enhanced Voice Messaging (per mailbox)	$ 9.95	$50.00
(9 or fewer mailboxes)		$95.00
(10 or more mailboxes)	$ 7.95	
Fax Overflow	$ 5.00	
Voice Mail (additional per mailbox)	$ 7.00	
Voice Mail Pager Plus		
*Non-recurring charges waived if features ordered upon initial installation of Xspedius.		
PRI Optional Custom Calling Features:		
Basic Feature Plan Custom Calling Features	$50.00	
Call by Call, per PRI	$50.00	
Caller ID w/ Name & Number, PRI	$50.00	
Incoming FX	$50.00	
Redirecting Number on PRI	$50.00	
Enhanced Feature Plan or Pack Custom Calling Features	$50.00	
Incoming FX		
Redirecting Number on PRI		

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RATES AND CHARGES (CONT'D)

13.13 Xspedius Complete Voice – Lines/Trunks/PRI

13.13.3 Rates and Charges

Ancillary Services	Monthly	Non-Recurring
Directory Assistance		
Non-Published	$3.00	
Non-Listed	$1.50	
Each additional Directory Assistance call	$2.00	
Long Distance Directory Assistance	$0.85	
Long Distance Directory Assistance with call completion	$0.50	
800 Directory Assistance Listing, per 800 number	$15.00	
Vanity Number Service		
Vanity Number, per number	$10.00	$25.00
Toll Free Service		
Toll Free Payphone Blocking, per number	$200.00	$250.00

Moves/Adds/Changes (MACS)	One Time Non-recurring
Complete Voice- Lines/Trunks/PRI Installation	
1st line, trunk, B channel	$50
each additional line, trunk, B channel	$15
for D Channel	$50
Change to Complete Voice- Lines/Trunks/PRI , without premises visit	$50.00, per order
Change to Complete Voice- Lines/Trunks/PRI, with premises visit	$250.00, per order
Change to add DID Trunk Termination	$50.00, per order
Change to add Voice feature	$10.00, per order
Change to CSR	$20.00 per order
Change to add PRI feature	$10.00 per order
Change to add Newsfeed	$10.00 per ckt
Change to add Primary DNS	$25.00 per ckt
Change to add Optional Calling Plans (LATAwide, EAS, Corridor…)	$10.00 per ckt
PIC change	$5.00 per WTN

[ALL MATERIAL ON THIS PAGE IS NEW.]

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RATES AND CHARGES (CONT'D)

13.13 Xspedius Complete Voice – Lines/Trunks/PRI

13.13.4 Expiration of Term Agreement

Consistent with the customer's agreement, the customer must notify XMC, in writing, at least 30 days prior to the expiration of services to express their desired services beyond the selected term agreement. In lieu of written notification, the customer services will renew under the existing term agreement, i.e. a two year agreement will renew to an additional two year agreement.

13.13.5 Termination Fees

Consistent with the customer's agreement, a termination liability charge will be applicable for service rate elements provided under the Complete Voice – Lines/Trunks/PRI term payment Plan when service is cancelled prior to the end of the chosen Term Plan. The termination fee is equal to the number of months remaining under the term agreement multiplied by the monthly rate for the Services multiplied by one hundred (100) percent. The customer is obligated to pay such charges within thirty (30) days of termination. In the event service is provided via a third party, the customer is responsible for all cost incurred for such early termination with our service provider.

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13.14 Xspedius Complete Voice - Xtra

Complete Voice - Xtra is a suite of products consisting of lines, trunks and features that are delivered via Unbundled Network Elements Platform (UNEP) to the customer. UNEP-based services are provided in markets and ILEC central offices where the Company does not have facilities. The Complete Voice - Xtra bundles local dial tone with voice features, Voice Mail and long distance service. The service will receive EZ LD minute of usage allowance. The product is primarily directed toward businesses with the incumbent local exchange carrier BellSouth in the State of Florida. Xspedius Complete Voice - Xtra is available under One Year Term Agreements. The one year commitment level will be charged Monthly Recurring and Non-recurring rates as specified below.

One Year Term Plan		
Complete Voice - Xtra	**MRC**	**NRC**
Business Exchange Lines, PBX Combo Trunk, PBX DOD Trunk, PBX Incoming Trunk	$36.00	$25.00
PBX DID Trunk	$56.00	$25.00
Discounts	0%	100%

13.14.1 Line Components:

Xspedius Complete Voice - Xtra service monthly fee includes with Business Exchange Lines and. or PBX Trunks. The customers may select a combination of the lines/trunks components with no limit on the potential number of lines/trunks in accordance with the service. Additionally, the following are custom calling features, which can be chosen a la carte at no additional cost:

900/976 Block	Caller ID Number Only
Toll Restriction	Caller ID Number/Name
Hunting	Caller ID Number/Name – Multi-Line Hunt Group
Automatic Call Back	Enhanced Caller ID with Call Management
Anonymous Call Rejection	Speed Dial 8
Automatic Recall	Speed Dial 30
Call Waiting/Cancel Call Waiting	Voicemail Phantom Number
Three Way Calling/Call Transfer	Message Waiting Indicator (A/V)
Call Forward Busy	Preferred Call Forwarding
Call Forward Don't Answer	Remote Activation of Call Forwarding
Call Forward Variable	Voice Mail Star Access
Call Forward No Answer	Call Forward No Answer Ring Control
Call Selector	

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13.14 Xspedius Complete Voice - Xtra

13.14.2 Optioal Features

Long Distance Service

Xspedius Complete Voice - Xtra customers will receive the EZ LD rates for all Xspedius Tariff Dial One IntraLATA, Intrastate and Interstate rates as noted respectively in the Xspedius FLORIDA General Services Tariff, the Xspedius FLORIDA Inter-exchange Services Tariff and the Interstate Long Distance Service Agreement.

International rates will receive the following Fixed Term Discounts for all Xspedius Tariff Dial One International rates as noted respectively in the Xspedius FLORIDA General Services Tariff, the Xspedius FLORIDA Inter-exchange Services Tariff and the Interstate Long Distance Service Agreement.

One Year	19.29%

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13.14 Xspedius Complete Voice - Xtra

13.14.2Optioal Features

Toll Free Service

Xspedius Complete Voice - Xtra customers will receive the EZ LD rates for all Xspedius Tariff Dial One IntraLATA, Intrastate and Interstate rates as noted respectively in the Xspedius FLORIDA General Services Tariff, the Xspedius FLORIDA Interexchange Services Tariff and the Interstate Long Distance Service Agreement.

One Year 12%

Voice Mail Service

Xspedius Complete Voice – Xtra customers will receive the EZ LD rates for all Xspedius Tariff Dial One IntraLATA, Intrastate and Interstate rates as noted respectively in the Xspedius Florida General Services Tariff, the Xspedius Florida Interexchange Services Tariff and the Interstate Long Distance Service Agreement.

Voice Mail
Voice Mail Pager Plus
Voice Mail Extension
Voice Mail Messaging Service
Voice Mail Transfer Box

13.14.3Rates and Charges

Service	Monthly	Non-Recurring
DID Number:		
1st Block of 20 DID numbers	$ 5.00	
DID each additional block of 20 up to 500 numbers	$ 2.50	
DID 500 + each additional block of 100 numbers	$50.00	

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13.14 Xspedius Complete Voice – Xtra (Cont'd)

13.14.3 Rates and Charges

Ancillary Services

Description of change	Service	Per Occurance MRC
Single List/WP only *	Directory Listing	$0.00
Non-published (No DA, no WP, no YP) *	Directory Listing	$3.00
Non Listed *	Directory Listing	$1.50
Addiitonal Listing *	Directory Listing	$2.00
800 Directory Assistance Listing, per 800 number *	Directory Listing	$15.00
Vanity Number, per number *	Vanity Number Service	$ 0.00
Toll Free Payphone Blocking, per number	Toll Free Service	$200.00
Station to Station	Operator Services	$2.25
Calling Card	Operator Services	$0.80
3rd Number	Operator Services	$1.15
Collect Call	Operator Services	$1.15
Person to Person	Operator Services	$4.90
Call Allowance	Directory Assistance	2 calls
Call Completion	Directory Assistance	$0.45
Long Distance DA *	Directory Assistance	$.85 per occurrence
Long Distance Call Completion surcharge *	Directory Assistance	$.50 per occurance
Verification Request	Busy Line Verification	$6.50
Emergency Interrupt Request (in addition to VR)	Busy Line Verification	$6.50

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13.14 Xspedius Complete Voice – Xtra (Cont'd)

13.14.3Rates and Charges (cont'd)

Moves / Adds / Changes Charges (cont'd)

Description of change	Per Occurance Fee
Complete Voice – Xtra Lines/Trunks Installation	$25.00
Change to add voice feature	$10.00
Change to CSR	$20.00 per order
Change to add Optional Calling Plans (LATAwide, EAS, Corridor…)	$10.00 per ckt
PIC change	$5.00 per WTN
Voice Mail installation	$10.00 per mailbox
Voice Mail Pager Plus installation	$10.00 per mailbox
Voice Mail Extension Installation	$15.00 per mailbox
Voice Mail Messaging Service Installation	$15.00 per mailbox
Voice Mail Transfer Box Installation	$00.00 per box
Vanity Number	$10.00
Toll Free Number	$ 1.00
Toll Free Payphone Blocking	$250.00 per number

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13.14 Xspedius Complete Voice – Xtra (Cont'd)

13.14.4 Expiration of Term Agreement

Consistent with the customer's agreement, the customer must notify XMC, in writing, at least 30 days prior to the expiration of services to express their desired services beyond the selected term agreement. In lieu of written notification, the customer services will renew under the existing term agreement, i.e. a two year agreement will renew to an additional two year agreement.

13.14.5 Termination Fees

Consistent with the customer's agreement, a termination liability charge will be applicable for service rate elements provided under the Complete Voice – Xtra term payment Plan when service is cancelled prior to the end of the chosen Term Plan. The termination fee is equal to the number of months remaining under the term agreement multiplied by the monthly rate for the Services multiplied by one hundred (100) percent. The customer is obligated to pay such charges within thirty (30) days of termination. In the event service is provided via a third party, the customer is responsible for all cost incurred for such early termination with our service provider.

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SECTION 3. DESCRIPTION OF SERVICE (Cont'd)

3.4 Minimum Call Completion Rate

A Customer can expect a call completion rate of 99% during peak use periods for all FG D services ("1+ dialing).

3.5 Audio Conference Calling

3.5.1 Description of Service

Audio Conference Calling service is an audio service that allows Customers to establish conference calls with individuals located at different sites. Customers may select among the following audioconferencing services when making a conference reservation:

SECTION 3. DESCRIPTION OF SERVICE (Cont'd)

3.5 Audio Conference Calling (Cont'd)

3.5.1 Description of Service (Cont'd)

800 Attended- Using the 800 Attended option, each participant to the conference enters into the conference meeting using their pre-assigned conference telephone number. 800 Attended provides a "live" conference operator who will enter each participant into the conference meeting.

800 Unattended- The 800 Unattended option is designed for experienced conference users who do not require a "live" conference operator to greet and enter participants into audioconferencing meetings. Under this option, each participant will dial into their scheduled Unattended call, receive an electronic voice greeting and prompt to enter their pass code into the telephone keypad to enter their conference meeting.

Dial Out- The Dial Out option is available for meetings that require a conference operator to "dial out" to meeting participants at a scheduled meeting time. The Dial Out participant list is either verbally given when the conference reservation is made or the Customer may fax the list of conference participants.

Local Meet Me Attended- Under the Local Meet Me Attended option, the participant, using a local DID number, dials into the conference meeting using a pre-assigned conference telephone number. Personal 800 numbers also can be used for those who schedule Local Meet Me Attended conferences. The participant will be greeted by a conference operator and each will be asked for the conference password. Additional security information can be requested by the operator such as the participant's name, or their employee number for high security conference meetings.

SECTION 3. DESCRIPTION OF SERVICE (Cont'd)

3.5 Audio Conference Calling (Cont'd)

3.5.1 Description of Service (Cont'd)

Local Unattended- Under the Local Unattended option, the participant, using a local DID number, dials into the conference meeting using a pre-assigned conference telephone number. Local Unattended is designed for Customers who are comfortable with audio conference meetings and do not require a "live" conference operator to greet and enter them into the conference call. Each participant will dial into their scheduled Unattended call, receive an electronic voice and prompt to enter the passcode into the telephone keypad to enter their conference meeting.

Audio Conference Customer also may select among the following additional features:

Tape Recording
Transcription
Fax
Tape Copes

3.6 Post-Paid Calling Card

3.6.1 Description of Service

Post-Paid Calling Card service enables Customers to make calls through the use of a long distance calling card. Charges incurred are billed to the Customer's Accounts.

SECTION 3. DESCRIPTION OF SERVICE (Cont'd)

3.7 **1+ Long Distance**

3.7.1 Description of Service

XSPEDIUS Long Distance is a long distance message telephone service provided between points located within the Commonwealth.

3.8 **Directory Assistance**

3.8.1 Description of Service

XSPEDIUS Directory Assistance is a service which provides Customers with access to telephone number information. Customers will incur a directory assistance charge regardless of whether the requested telephone number is listed in the Company's database.

SECTION 4. RATES

4.1 Audio Conference Calling

4.1.1 Billing Increments

Audio Conference Calls are billed in initial one (1) minute increments and additional periods of one (1) minute. All Audio Conference calls are rounded up to the next full minute

4.1.2 Rates

Audio Conference Calling Options

800 Attended	$.55 per minute
800 Unattended	$.45 per minute
Dial Out	$.55 per minute
Local Meet Me Unattended	$.30 per minute
Local Unattended	$.25 per minute

Features:
The charges listed below are in addition to those listed for Audio Conference Calling.

Tape Recording	$12.00 per 90 minutes
Transcription	$50.00 per transcription hour
Fax	$.50 per page
Tape Copies	$10 per tape

4. **RATES** (Cont'd)

4.2 **Post-Paid Calling Card**

4.2.1 Billing Increments

Post-Paid Calling Card calls are billed in initial one (1) minute increments and additional periods of one (1) minute. All Post-Paid Calling Cards are rounded up to the next full minute.

4.2.2 Rates

Per Minute: $0.20
There is no service charge.

4.3 **1+ Long Distance**

4.3.1 Billing Increments

All XSPEDIUS Long Distance calls are billed in initial six (6) second increments and additional periods of six (6) seconds.

4.3.2 Rates

	Peak	Off Peak
Initial 6 seconds	$0.0099	$0.0099
Additional 6 seconds	$0.0099	$0.0099

4. **RATES** (Cont'd)

4.4 **Directory Assistance**

4.4.1 Billing Increments

All XSPEDIUS Directory Assistance calls are billed on a per call basis.

4.4.2 Rates

$1.25 per call. (I)

4.5 **Returned Check Charge**

Customers shall be assessed a returned check charge of $25.00 for all checks returned due to insufficient funds.

4.6 **Discounts for Hearing Impaired Customers**

A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive, upon request, credit on charges for certain intrastate toll calls placed between the TDDs. The credit to be given on a subsequent bill for such calls placed between TDDs will be equal to applying the evening rate during business day hours and the night/weekend rate during the evening rate period. Discounts do not apply to surcharges or per call add on charges for operator service when the call is placed by a method that would normally incur the surcharge.

4.7 **Operator Assistance for Handicapped Persons**

Operator station surcharges will be waived for operator assistance provided to a caller who identified him or herself as being handicapped and unable to dial the call because of a handicap.

4. RATES (Cont'd)

4.8 **Directory Assistance for Handicapped Persons**

There is no charge for Directory Assistance for calls from handicapped persons. Such persons must contact the Company for credit on their directory assistance calls.

4.9 Toll Free Directory Assistance Listing

A Directory Assistance listing charge applies to all 800/888 numbers requesting Toll Free Directory Assistance Listing.

	Monthly Recurring
Toll Free Directory Assistance Listing (each 800/888 number)	$15.00

SECTION 4. RATES (Cont'd)

4.10 **Switched Toll Free Service**

4.10.1 Description of Service

Switched Toll Free Service is a inbound 800/888 switched voice product that provides XSPEDIUS customers with the capability to receive toll free calls from anywhere within the Continental U.S. including Alaska, Hawaii, Puerto Rico and the U.S. Virgin Islands. Features of this Toll Free Service include Area Code Blocking, 800/888 Number Portability, Toll-Free Directory Assistance Listing.

XSPEDIUS offers inbound Toll Free Access to its Customers. Rates for these services vary by specific service offering; and/or time of day, day of week, type of access, volume, term of commitment. In addition, the Company offers Toll Free Directory Assistance listing and other miscellaneous features to Customers of its services.

Intrastate Toll Free services are provided for the origination of Toll Free telecommunications within the state. Rates for Toll Free services originating outside of the state are governed by XSPEDIUS Local Switched Services' FCC No. 1. Originating availability varies by service type and the Company reserves the right to limit its service origination to specific geographic areas.

All services are available 24 hours a day, seven days a week.

4.10.2 Service Availability

All XSPEDIUS inbound Toll Free services are available to Customers in any area of the U.S. mainland served by an equal access central office. Calls can be placed from any location in the U.S. mainland, Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands. XSPEDIUS Intrastate Toll Free services are available to Customers in the serving areas as defined in this tariff.

SECTION 4. RATES (Cont'd)

4.10 Switched Toll Free Service(Cont'd)

4.10.3 Billing Increments

Charges are based on intervals of a minimum of 6 seconds and 6 second increments thereof. Rounding to the next highest increment requires the application of Minimum Billed Call increments.

4.10.4 Rate Periods

Applicable rate periods (Peak and Off-Peak) are indicated below:

Peak Period: Monday through Friday, 8:00 AM to 5:00 PM*
Off-Peak Period: All days, 5:00 PM to 8:00 AM*, Saturday and Sunday, 8:00 AM to 5:00 PM*

For the following holidays the Off-Peak Rate Period rates apply, unless a lower rate would normally apply:

New Year's Day***	Labor Day**
Memorial Day**	Thanksgiving Day**
Independence Day***	Christmas Day***

4.10.5 Rates:

(Tampa & Jacksonville)

800/888 Switched Service	Peak	Off-Peak
Initial 6 seconds	$0.0100	$0.0100
Additional 6 seconds	$0.0115	$0.0115

(Fort Lauderdale & Miami)

800/888 Switched Service	Peak	Off-Peak
Initial 6 seconds	$0.0100	$0.0100
Additional 6 seconds	$0.0099	$0.0099
Monthly Surcharge (Each 800/888 number ordered)	$1.00	

*-All times are expressed as: To, but not including
**-As federally observed.
***-When this holiday falls on a Sunday, the Holiday rate applies to calls placed on the following Monday. When this Holiday falls on a Saturday, the Holiday calling rate applies to calls placed the preceding Friday.

SECTION 5 - MISCELLANEOUS ACCESS CHARGES

5.1 Presubscribed Interexchange Carrier Charge (PICC)

The Telephone Company will recover the Presubscribed Interexchange Carrier Charge (PICC) through a flat-rated, monthly charge assessed per each local exchange service line or trunk. For end users (including resellers of Telephone Company-provided local exchange service) who have chosen a presubscribed interexchange carrier, the Telephone Company shall assess the PICC from the chosen intrastate interexchange carrier. The PICC will be based on a monthly snapshot of end user (or reseller) subscribers' accounts. For end users (including resellers of Telephone Company provided local exchange service) who have not chosen a presubscribed interexchange carrier, the Telephone Company shall collect the PICC directly from the end user (or reseller). The PICC will be applied to these end users' (or resellers') accounts based on the status of the presubscribed interexchange carrier information at the time of the end user's (or reseller's) billing period. No fractional debits or credits will be created.

	per Line, Trunk or Per T-1 Facility	
Single Line	$0.00	
Multiline Business	$2.60	(C)
ISDN – PRI	$13.00	(C)

Issued By: **James C. Falvey**
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CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 8
COMPANY/FPSC Staff
WITNESS: BellSouth Stip-1 conf.
DATE: 02/24 - 27/04

EXHIBIT NO. ___8___
Amended February 26, 2004

DOCKET NO.: 030851-TP

WITNESS: BellSouth – **Confidential** (Page 1 of 3)

PARTY: BellSouth

DESCRIPTION:

1. BellSouth's Confidential Responses to AT&T's 1st Set of Interrogatories-Item Nos.-21,22,56, 62,64 84 85 105A&B,106,&107) and Confidential Responses to 1st Request for PODs- Item Nos. 1, 7, 8 – Document Nos. - 10672-03 & 11561-03
2. BellSouth's Confidential Responses to FCCA's 1st Set of Interrogatories Item Nos. 2-6,10&12 – Document Nos. 11551-03 & 12628-03
3. BellSouth's Confidential Responses and Supplest Responses to MCI's 1st Set of Interrogatories Item Nos. 121 & 167 and Confidential Responses to 1st Request for PODs Item No. 1. - Document Nos. 11785-03, 12457-03, 13331-03, 12966-03, 12906-03, & 01223-04
4. BellSouth's Confidential Responses to Covad's 1st Set of Interrogatories - Confidential Attachment to Item No. 6 and 1st Request for Production of Documents- Item No. 1. - Document Nos. 12049-03, 12822-03, & 13092-03
5. BellSouth's Confidential Responses to FCCA's 2nd Set of Interrogatories- Item No. 24 – Document Nos. 12171-03 & 13333-03
6. BellSouth's Confidential Responses to AT&T's 2nd Request for PODs-Item No. 35 - Document Nos. 12718-03, 12900-03, & 13570-03)
7. Confidential Deposition Transcript and Exhibit of James R.J. Scheltema - Document No. 12824-03
8. BellSouth's Confidential Responses to Staff's 1st Request for PODs – Item Nos. 1, 9, & 10 – Document Nos. 12968-03 & 13620-03
9. BellSouth's Confidential Attachment to Responses to Sprint's 1st Set of Interrogatories-Item No. 1 – Document Nos. 13529-03 & 01027-04
10. BellSouth's Confidential Responses to AT&T's 3rd Request for PODs –Item Nos. - 41, 42, 44, 48, 49, 53, & 54 – Document Nos. 13573-03, 00557-04, & 00836-04
11. BellSouth's Supplemental Confidential Responses to MCI's 2nd Set of Interrogatories Item Nos. 220-221 – Document Nos. 00385-04 & 01360-04
12. BellSouth's Confidential Responses to MCI's 2nd Request for PODs Item No. 2 and Confidential Attachment in Response to Interrogatory 208 - Document Nos. 00101-04 & 01143-04
13. BellSouth's Confidential Responses to Sprint's 1st Request for PODs Item Nos. 1-3, 9,11,12,20,25 - Document Nos. 00104-04, 01071-04, & 01145-04 (Response Provided on CD ROM only.)
14. BellSouth's Confidential Responses to Sprint's 4th Set of Interrogatories Item No. 11 – Document Nos. 00555-04 & 01606-04

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 8
COMPANY/
WITNESS:
DATE:

DOCKET NO.: 030851-TP

WITNESS: BellSouth – **Confidential** (Page 2 of 3)

PARTY: BellSouth

15. BellSouth's Confidential Attachment to Supplemental Response to Staff's 3rd Set of Interrogatories Item No. 66 – Document Nos. 01026-04 & 02052-04
16. BellSouth's Confidential Responses to Staff's 4th Set of Interrogatories Item Nos. 75(b), 75(d), & 79. Document Nos. 01096-04, 02104-04, 02612-04.
17. BellSouth's Confidential Responses to Staff's 5th Request for PODs- Item Nos. 33, 36- Document No. 01505-04 (Response Provided on CD ROM), 02615-04, and 02645-04.
18. BellSouth's Confidential Responses to Staff's 5th Set of Interrogatories- Item Nos. 89 & 90- Document No. 01604-04.
19. BellSouth's Confidential Responses to AT&T's 6th Request for PODs - Item No. 59 - Document Nos. 01988-04 & 02650-04.
20. BellSouth's Confidential Responses to Staff's 6th Request for POD, Item Nos. 64 & 74– Document Nos. 02050-04, 02609-04, 02612-04.
21. BellSouth's Confidential Attachment Provided in Second Supplemental Responses to Staff's 3rd Set of Interrogatories and 1st Supplement to Staff's 3rd Request for PODs - Item No. 20 – Document No. 02094-04
22. BellSouth's 2nd Supplemental Confidential Response to AT&T's 4th Set of Interrogatories - Item No. 159 – Document No. 02096-04
23. BellSouth's Supplemental and 2nd Supplemental Responses to AT&T's and MCI's Subpoena Duces Tecum without Deposition Containing Third Party Information (CD) – Document Nos. 13592-03 00833-04, 02648-04, and 02653-04.
24. BellSouth's Responses to MCI's Request for PODs – Item No. 1 (reference Interrogatory 98, 147, 149) – Document No. 02263-04.
25. BellSouth's Responses to Staff's 7th Request for PODs – CD containing Item Nos. 100, 104, 109, 112, 113-1, 113-2, 113-3, 114, 115-1, 115-2 - and Responses to Staff's 7th Set of Interrogatories, Item No. 180-1 – Document Nos. 02265-04, 02607-04, 02606-04.
26. BellSouth's Responses to Staff's 5th Request for PODs – Attachments to Item Nos. 89 and 90 – Document No. 02375-04.
27. BellSouth's Responses to Staff's 3rd Request for PODs, Item No. 20 – Document No. 02447-04.
28. BellSouth's Confidential 2nd Supplemental Response to AT&T's 4th Set of Interrogatories, Item No. 159 – Document No. 02096-04.
29. BellSouth's BACE Model CD, February 23, 2004 – Document No. 02617-04.

DOCKET NO.: 030851-TP

WITNESS: BellSouth – **Confidential** (Page 3 of 3)

PARTY: BellSouth

30. BellSouth CD containing JWS-4 and Documents Made Available Through URL Links Identified in Discovery Responses – Document No. 02618-04.
31. BellSouth's First Supplemental Responses to Staff's 4th Request for PODs, Item No. 30 – Document No. 02645-04.

PROFFERING PARTY: STAFF

I.D. # BST-CONF-1
Amended February 26, 2004

EXHIBIT NO. 8

DOCKET NO.: 030851-TP

WITNESS: BellSouth – **Confidential** (Page 1 of 2)

PARTY: BellSouth

DESCRIPTION:

1. BellSouth's Confidential Responses to AT&T's 1st Set of Interrogatories-Item Nos.-21,22,56, 62,64 84 85 105A&B,106,&107) and Confidential Responses to 1st Request for PODs- Item Nos. 1, 7, 8 – Document Nos. - 10672-03 & 11561-03
2. BellSouth's Confidential Responses to FCCA's 1st Set of Interrogatories Item Nos. 2-6,10&12 – Document Nos. 11551-03 & 12628-03
3. BellSouth's Confidential Responses and Supplest Responses to MCI's 1st Set of Interrogatories Item Nos. 121 & 167 and Confidential Responses to 1st Request for PODs Item No. 1. - Document Nos. 11785-03, 12457-03, 13331-03, 12966-03, 12906-03, & 01223-04
4. BellSouth's Confidential Responses to Covad's 1st Set of Interrogatories - Confidential Attachment to Item No. 6 and 1st Request for Production of Documents- Item No. 1. - Document Nos. 12049-03, 12822-03, & 13092-03
5. BellSouth's Confidential Responses to FCCA's 2nd Set of Interrogatories- Item No. 24 – Document Nos. 12171-03 & 13333-03
6. BellSouth's Confidential Responses to AT&T's 2nd Request for PODs-Item No. 35 - Document Nos. 12718-03, 12900-03, & 13570-03)
7. Confidential Deposition Transcript and Exhibit of James R.J. Scheltema - Document No. 12824-03
8. BellSouth's Confidential Responses to Staff's 1st Request for PODs – Item Nos. 1, 9, & 10 – Document Nos. 12968-03 & 13620-03
9. BellSouth's Confidential Attachment to Responses to Sprint's 1st Set of Interrogatories-Item No. 1 – Document Nos. 13529-03 & 01027-04
10. BellSouth's Confidential Responses to AT&T's 3rd Request for PODs –Item Nos. - 41, 42, 44, 48, 49, 53, & 54 – Document Nos. 13573-03, 00557-04, & 00836-04
11. BellSouth's Supplemental Confidential Responses to MCI's 2nd Set of Interrogatories Item Nos. 220-221 – Document Nos. 00385-04 & 01360-04
12. BellSouth's Confidential Responses to MCI's 2nd Request for PODs Item No. 2 and Confidential Attachment in Response to Interrogatory 208 - Document Nos. 00101-04 & 01143-04
13. BellSouth's Confidential Responses to Sprint's 1st Request for PODs Item Nos. 1-3, 9,11,12,20,25 - Document Nos. 00104-04, 01071-04, & 01145-04 (Response Provided on CD ROM only.)
14. BellSouth's Confidential Responses to Sprint's 4th Set of Interrogatories Item No. 11 – Document Nos. 00555-04 & 01606-04

DOCKET NO.: 030851-TP

WITNESS: BellSouth – **Confidential** (Page 2 of 2)

PARTY: BellSouth

15. BellSouth's Confidential Attachment to Supplemental Response to Staff's 3rd Set of Interrogatories Item No. 66 – Document Nos. 01026-04 & 02052-04
16. BellSouth's Confidential Responses to Staff's 4th Set of Interrogatories Item Nos. 75(b), 75(d), & 79. Document Nos. 01096-04, 02104-04, 02612-04.
17. BellSouth's Confidential Responses to Staff's 5th Request for PODs- Item Nos. 33, 36- Document No. 01505-04 (Response Provided on CD ROM), 02615-04.
18. BellSouth's Confidential Responses to Staff's 5th Set of Interrogatories- Item Nos. 89 & 90- Document No. 01604-04.
19. BellSouth's Confidential Responses to AT&T's 6th Request for PODs - Item No. 59 - Document Nos. 01988-04 & 02650-04.
20. BellSouth's Confidential Responses to Staff's 6th Request for POD, Item Nos. 64 & 74– Document Nos. 02050-04, 02609-04, 02609-04.
21. BellSouth's Confidential Attachment Provided in Second Supplemental Responses to Staff's 3rd Set of Interrogatories and 1st Supplement to Staff's 3rd Request for PODs - Item No. 20 – Document No. 02094-04
22. BellSouth's 2nd Supplemental Confidential Response to AT&T's 4th Set of Interrogatories - Item No. 159 – Document No. 02096-04
23. BellSouth's Supplemental and 2nd Supplemental Responses to AT&T's and MCI's Subpoena Duces Tecum without Deposition Containing Third Party Information (CD) – Document Nos. 13592-03 00833-04, 02648-04, and 02653-04.
24. BellSouth's Responses to MCI's Request for PODs – Item No. 1 (reference Interrogatory 98, 147, 149) – Document No. 02263-04.
25. BellSouth's Responses to Staff's 7th Request for PODs – CD containing Item Nos. 100, 104, 109, 112, 113-1, 113-2, 113-3, 114, 115-1, 115-2 - and Responses to Staff's 7th Set of Interrogatories, Item No. 180-1 – Document Nos. 02265-04, 02607-04, 02606-04.
26. BellSouth's Responses to Staff's 5th Request for PODs – Attachments to Item Nos. 89 and 90 – Document No. 02375-04.
27. BellSouth's Responses to Staff's 3rd Request for PODs, Item No. 20 – Document No. 02447-04.
28. BellSouth's Confidential 2nd Supplemental Response to AT&T's 4th Set of Interrogatories, Item No. 159 – Document No. 02096-04.
29. BellSouth's BACE Model CD, February 23, 2004 – Document No. 02617-04.
30. BellSouth CD containing JWS-4 and Documents Made Available Through URL Links Identified in Discovery Responses – Document No. 02618-04.
31. BellSouth's First Supplemental Responses to Staff's 4th Request for PODs, Item No. 30 – Document No. 02645-04.

PROFFERING PARTY: STAFF

I.D. # BST-CONF-1

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 9
COMPANY/FPSC Staff
WITNESS: Sprint Stip-1 conf.
DATE: 02/24 - 27/04

EXHIBIT NO. 9

DOCKET NO.: 030851-TP

WITNESS: Sprint – **Confidential**

PARTY: Sprint

DESCRIPTION:

1. Sprint's Confidential Responses to Staff's 2nd Set of Interrogatories - Item Nos.- 8(b) & 14(a-b) – Document Nos. – 13531-03 & 13534-03
2. Sprint's Confidential Responses to Staff's 3rd Request for PODs - Item Nos. 18(a) & 23 and Responses and Supplemental Responses to Staff's 3rd Set of Interrogatories Item Nos. 28, 30, 43, 44, & 51 – Document Nos. 00438-04, 00844-04, 00728-04
3. Sprint's Confidential Response to Staff's POD No. 22 - Document No. 01993-04
4. Sprint's Confidential Responses to BellSouth's 1st Set of Interrogatories - Item Nos. 12-14, 20, 21, 29, 30 and Attachments to Interrogatories 2, 4, 5, 21, 22, 56(b-c), 59, 60(a-b) and Response to POD Item No. 14 and Attachments to PODs 3 & 12 - Document Nos. 01995-04 & 02048-04

PROFFERING PARTY: STAFF

I.D. # SPRINTCONF-1

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 10
COMPANY/FPSC Staff
WITNESS: Verizon Stiel - conf.
DATE: 02/24 - 27/04

EXHIBIT NO. 10

DOCKET NO.: 030851-TP

WITNESS: Verizon – **Confidential**

PARTY: Verizon

DESCRIPTION:

1. Verizon's Confidential Responses to AT&T's 1st Set of Interrogatories - Item Nos.-1, 11, 12, 20, 25, 40(c), 44(d), 55(a), 55(b), 55(d), 56(a-e), 85 (on CD ROM), 88(c), and 107 and Confidential Responses to 1st Request for PODs- Item Nos. 1, 7, 10 – Document Nos. – 110462-03 & 00353-04
2. Verizon's Confidential Responses to FCCA's 1st Set of Interrogatories Item Nos. 4,5,9&14 – Document No. 11589-03
3. Verizon's Confidential Responses MCI's 1st Request for PODs Item No. 1. - Document No. 12093-03
4. Verizon's Confidential Response to Staff's Request for PODs- Item No. 17 - Document No. 13546-03
5. Verizon's Confidential Responses to AT&T's 2nd Request for PODs-Item No. 32 and 2nd Set of Interrogatories – Item No. 112 - Document No. 13604-03
6. Verizon's Confidential Responses to Staff's 4th Set of Interrogatories-Item No. 30(bb) and 4th Request for PODs – Item Nos. 20, 23-26, & 29 – Document No. 01193-04
7. Verizon's Confidential Responses to AT&T's 3rd Set of Interrogatories-Item No. 115-Document No. 02063-04

PROFFERING PARTY: STAFF

I.D. # VERIZONCONF-1

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 11
COMPANY/ FPSC Staff
WITNESS: Data Request Responses
DATE: 02/24 - 2/04 Staff Conf.

EXHIBIT NO. 11
Amended February 26, 2004

DOCKET NO.: 030851-TP

WITNESS: MISC. - **CONFIDENTIAL** (Page 1 of 3)

PARTY: MISC. - **CONFIDENTIAL**

DESCRIPTION:

1. **Confidential** Responses to Staff's November 12, 2003 Data Request from:

a. Time Warner – Documents No. 11441-03, 11573-03, 12183-03, 12954-03
b. Daystar – Document No. 12102-03
c. Atlantic.net- Document No. 12210-03
d. Orlando Telephone Co. - Document No. 12212-03
e. FPL FiberNet – Document No. 12267-03
f. SBC Telecom – Document No. 12280-03
g. Telepak Networks – Document No. 12290-03
h. Knology – Document No. 12324-03
i. US LEC – Document No. 12326-03
j. AT&T/TCG – Document No. 12338-03
k. Covad – Document No. 12357-03
l. XO- Document No. 12360-03, 12690-03
m. Sprint – Document No. 12363-03, 12503-03
n. FDN – Document No. 12393-03, 02235-04
o. Allegiance – Document No. 12525-03
p. WillTel – Document No. 12573-03
q. Grande- Document No. 12623-03
r. Adelphia – Document No. 12735-03
s. Nuvox – Document No. 12776-03
t. MCI – Document No. 12838-03
u. ALLTEL – Document No. 12866-03
v. ITC Deltacom – Document No. 12888-03
w. KMC – Document No. 13234-03
x. Level 3 – Document No. 00619-04
y. Progress Telecom – Document No. 01688-04
z. Supra – Document No. 02236-04
aa. Preferred Carrier Services, Inc. – Document No. 12918-03
bb. CAT Communications International, Inc. – Document No. 12989-03
cc. The Alternative Phone Company – Document No. 13196-03
dd. The City of Leesburg – Document No. 13270-03
ee. New World Network – Document No. 13271-03
ff. TSI Telecommunication Network Services, Inc. – Document No. 13434-03

DOCKET NO.: 030851-TP

WITNESS: MISC. - **CONFIDENTIAL** (Page 2 of 3)

PARTY: MISC. - **CONFIDENTIAL**

gg. Global Crossing Telemanagement, Inc, Global Crossing Local Services, Inc. – Document No. 00016-04
hh. Cable and Wireless Americas Operations, Inc. – Document No. 01092-04
ii. Lightyear Communications, Inc. – Document No. 001919-04
jj. Access Point Inc. – Document No. 01935-04
kk. Advangage Group of Florida Communications, LLC – Document No. 02020-04
ll. BullsEye Telecom, Inc. – Document No. 02075-04
mm. FOCAL – Document No. 02133-04
nn. Hayes E-Government Resources – Document No. 12380-04
oo. BCI/DSSI Services, LLC – Document No. 12381-03
pp. The City of Daytona Beach – Document No. 12397-03
qq. Sun-Tel USA, Inc. – Document No. 12398-03
rr. France Telecom Corporate Solutions LLC – Document No. 12467-03
ss. Express Phone Service, Inc. – Document No. 12469-03
tt. Sandhills Telecommunications Group, Inc. – Document No. 12470-03
uu. Georgia Public Web, Inc. – Document No. 12518-03
vv. GRUCom Communications Services – Document No. 12533-03
ww. IDS Telcom, LLC – Document No. 12556-03
xx. OneStar Long Distance, Inc. – Document No. 12557-03
yy. Navigator Telecom LLC – Document No. 12660-03
zz. FPL FiberNet – Document No. 12265-03
aaa. PowerNet Global – Document No. 12276-03
bbb. Network Telephone – document No. 12277-03
ccc. Amerimex Communications Corp. – Document No. 12283-03
ddd. PaeTec Communications, Inc. – Document no. 12284-03
eee. Telsys, Inc. – Document No. 12285-03
fff. City of New Smyrna Beach – Document No. 12286-03
ggg. City of Lakeland – Document No. 12287-03
hhh. ISN Communications – Document No. 12288-03
iii. Saturn Telecommunications Services Inc. – Document No. 12291-03
jjj. The Gulas Group – Document No. 12293-03
kkk. Southern Light, LLC – Document No. 12294-03
lll. ACTEL – Document No. 12302-03
mmm. Alternative Telecommunciation Services Inc. – document No. 12305-03
nnn. American Dial Tone – Document No. 11627-03
ooo. Universal Telecom – Document no. 11812-03

DOCKET NO.: 030851-TP

WITNESS: MISC. - **CONFIDENTIAL** (Page 3 of 3)

PARTY: MISC. - **CONFIDENTIAL**

ppp. one point Communications – Georgia, LLC d/b/a Verizon Avenue – Document No. 11839-03
qqq. E.Com Technologies LLC – Document No. 11898-03
rrr. NOW Communications, Inc. – Document No. 11903-03
sss. T3 Communications LLC. – Document No. 11907-03
ttt. BellSsouth BSE, Inc. – Document No. 11921-03
uuu. Phone Club Corporation – Document No. 11946-03
vvv. Access Integrated Networks, Inc. – Document No. 11947-03
www. Quality Telephone Inc. – Document No. 12070-03
xxx. American Fiber Network, Inc. – Document No. 12123-03
yyy. Tiburon Telecom, Inc. – Document No. 12124-03
zzz. Communications Xchange – Document No. 12129-03
aaaa. 1-800-RECONEX, Inc. – Document No. 12130-03
bbbb. Symtelco, LLC – Document No. 12133-03
cccc. Bellerud Communications, LLC – Document No. 12135-03
dddd. Verizon Select Services Inc. – Document No. 12200-03
eeee. LecStar Telecom, Inc. – Document No. 12204-03
ffff. OnFiber Carrier services Inc. – Document No. 12206-03
gggg. Tallahassee Telephone Exchange – Document No. 12250-03
hhhh. NewSouth – Document No. 02440-04
iiii. Xspedius Communications – Document No. 02405-04
jjjj. SBC Supplemental response – Document No. 02400-04
kkkk. Florida Consolidated Multi-Media – Document No. 0275-04

PROFFERING PARTY: STAFF

I.D. # CONF DR RESPONSES
Amended February 26, 2004

EXHIBIT NO. 11

DOCKET NO.: 030851-TP

WITNESS: MISC. - **CONFIDENTIAL** (Page 1 of 3)

PARTY: MISC. - **CONFIDENTIAL**

DESCRIPTION:

1. **Confidential** Responses to Staff's November 12, 2003 Data Request from:

a. Time Warner – Documents No. 11441-03, 11573-03, 12183-03, 12954-03
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e. FPL FiberNet – Document No. 12267-03
f. SBC Telecom – Document No. 12280-03
g. Telepak Networks – Document No. 12290-03
h. Knology – Document No. 12324-03
i. US LEC – Document No. 12326-03
j. AT&T/TCG – Document No. 12338-03
k. Covad – Document No. 12357-03
l. XO- Document No. 12360-03, 12690-03
m. Sprint – Document No. 12363-03, 12503-03
n. FDN – Document No. 12393-03, 02235-04
o. Allegiance – Document No. 12525-03
p. WillTel – Document No. 12573-03
q. Grande- Document No. 12623-03
r. Adelphia – Document No. 12735-03
s. Nuvox – Document No. 12776-03
t. MCI – Document No. 12838-03
u. ALLTEL – Document No. 12866-03
v. ITC Deltacom – Document No. 12888-03
w. KMC – Document No. 13234-03
x. Level 3 – Document No. 00619-04
y. Progress Telecom – Document No. 01688-04
z. Supra – Document No. 02236-04
aa. Preferred Carrier Services, Inc. – Document No. 12918-03
bb. CAT Communications International, Inc. – Document No. 12989-03
cc. The Alternative Phone Company – Document No. 13196-03
dd. The City of Leesburg – Document No. 13270-03
ee. New World Network – Document No. 13271-03
ff. TSI Telecommunication Network Services, Inc. – Document No. 13434-03

DOCKET NO.: 030851-TP

WITNESS: MISC. - **CONFIDENTIAL** (Page 2 of 3)

PARTY: MISC. - **CONFIDENTIAL**

gg. Global Crossing Telemanagement, Inc, Global Crossing Local Services, Inc. – Document No. 00016-04
hh. Cable and Wireless Americas Operations, Inc. – Document No. 01092-04
ii. Lightyear Communications, Inc. – Document No. 001919-04
jj. Access Point Inc. – Document No. 01935-04
kk. Advangage Group of Florida Communications, LLC – Document No. 02020-04
ll. BullsEye Telecom, Inc. – Document No. 02075-04
mm. FOCAL – Document No. 02133-04
nn. Hayes E-Government Resources – Document No. 12380-04
oo. BCI/DSSI Services, LLC – Document No. 12381-03
pp. The City of Daytona Beach – Document No. 12397-03
qq. Sun-Tel USA, Inc. – Document No. 12398-03
rr. France Telecom Corporate Solutions LLC – Document No. 12467-03
ss. Express Phone Service, Inc. – Document No. 12469-03
tt. Sandhills Telecommunications Group, Inc. – Document No. 12470-03
uu. Georgia Public Web, Inc. – Document No. 12518-03
vv. GRUCom Communications Services – Document No. 12533-03
ww. IDS Telcom, LLC – Document No. 12556-03
xx. OneStar Long Distance, Inc. – Document No. 12557-03
yy. Navigator Telecom LLC – Document No. 12660-03
zz. FPL FiberNet – Document No. 12265-03
aaa. PowerNet Global – Document No. 12276-03
bbb. Network Telephone – document No. 12277-03
ccc. Amerimex Communications Corp. – Document No. 12283-03
ddd. PaeTec Communications, Inc. – Document no. 12284-03
eee. Telsys, Inc. – Document No. 12285-03
fff. City of New Smyrna Beach – Document No. 12286-03
ggg. City of Lakeland – Document No. 12287-03
hhh. ISN Communications – Document No. 12288-03
iii. Saturn Telecommunications Services Inc. – Document No. 12291-03
jjj. The Gulas Group – Document No. 12293-03
kkk. Southern Light, LLC – Document No. 12294-03
lll. ACTEL – Document No. 12302-03
mmm. Alternative Telecommunciation Services Inc. – document No. 12305-03
nnn. American Dial Tone – Document No. 11627-03
ooo. Universal Telecom – Document no. 11812-03

DOCKET NO.: 030851-TP

WITNESS: MISC. - **CONFIDENTIAL** (Page 3 of 3)

PARTY: MISC. - **CONFIDENTIAL**

ppp. one point Communications – Georgia, LLC d/b/a Verizon Avenue – Document No. 11839-03
qqq. E.Com Technologies LLC – Document No. 11898-03
rrr. NOW Communications, Inc. – Document No. 11903-03
sss. T3 Communications LLC. – Document No. 11907-03
ttt. BellSsouth BSE, Inc. – Document No. 11921-03
uuu. Phone Club Corporation – Document No. 11946-03
vvv. Access Integrated Networks, Inc. – Document No. 11947-03
www. Quality Telephone Inc. – Document No. 12070-03
xxx. American Fiber Network, Inc. – Document No. 12123-03
yyy. Tiburon Telecom, Inc. – Document No. 12124-03
zzz. Communications Xchange – Document No. 12129-03
aaaa. 1-800-RECONEX, Inc. – Document No. 12130-03
bbbb. Symtelco, LLC – Document No. 12133-03
cccc. Bellerud Communications, LLC – Document No. 12135-03
dddd. Verizon Select Services Inc. – Document No. 12200-03
eeee. LecStar Telecom, Inc. – Document No. 12204-03
ffff. OnFiber Carrier services Inc. – Document No. 12206-03
gggg. Tallahassee Telephone Exchange – Document No. 12250-03
hhhh. NewSouth – Document No. 02440-04
iiii. Xspedius Communications – Document No. 02405-04
jjjj. SBC Supplemental response – Document No. 02400-04
kkkk. Florida Consolidated Multi-Media – Document No. Not yet known Late-Filed Response

PROFFERING PARTY: STAFF

I.D. # CONF DR RESPONSES

(Redacted)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising From Federal Communications Commission Triennial UNE review: Local Circuit Switching For Mass Market Customers	Docket No. 030851-TP Filed: March 19, 2004

/

XO FLORIDA, INC.'S REQUEST FOR SPECIFIED CONFIDENTIAL CLASSIFICATION AND MOTION FOR PROTECTIVE ORDER FOR CONFIDENTIAL HEARING EXHIBIT NOS. 11 AND 99

XO Florida, Inc. (XO), pursuant to Rule 25-22.006, Florida Administrative Code, files this Request for Specified Confidential Classification and Motion for Protective Order for Confidential Hearing Exhibit Nos. 11 and 99.

1. On February 24 - 27, 2004, the Commission conducted its hearing in this docket. During the hearing, confidential information of XO's was entered into the record as part of confidential hearing Exhibit Nos. 11 and 99.

2. The pertinent portions of Exhibit No. 11 relate to confidential portions of XO's response to Staff's TRO Data Request and XO's Supplemental Response to Staff's TRO Data Request previously filed with Staff under cover of confidentiality on December 3, 2003 and December 9, 2003, respectively. The confidential information provided in XO's response to Staff's TRO Data Request, filed December 3rd, contains information regarding XO's transport facilities. XO's Supplemental Response to Staff's TRO Data Request, filed December 9th, contains information regarding the number, type and location of XO's switches, the number of access lines per switch, and the areas where XO provides service. XO considers the above information to be confidential proprietary business information. Disclosure of this information could severely harm XO's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

3. Exhibit No. 99 contains XO documents subpoenaed by BellSouth and

DOCUMENT NUMBER-DATE
03712 MAR 19 04
FPSC-COMMISSION CLERK

subsequently provided to Staff on February 4, 2004. On February 25, 2004, XO filed a request for confidential classification for these documents, which are identical to XO's Supplemental Response to Staff's TRO Data Request. The documents contain information regarding the number, type and location of XO's switches, the number of access lines per switch, and the areas where XO provides service. XO considers the above information to be confidential proprietary business information. Disclosure of this information could severely harm XO's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

4. Section 364.183, Florida Statutes, provides an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure of confidential business information would "impair the competitive business of the provider of the information." Disclosure of the XO confidential information would harm its business operations by placing details of its operations and capabilities in the public domain. Accordingly, the information should be exempt from the public disclosure requirements of section 119.07, Florida Statutes.

5. XO treats the information for which confidential classification is sought as private and confidential.

6. Appended hereto as Attachment B are two copies of the requested documents with the confidential information redacted.

7. Appended hereto as Attachment C is a sealed envelope containing one copy of the documents including the material which is confidential and proprietary.

WHEREFORE, based on the foregoing, XO moves the Commission to enter an order declaring the information described above to be confidential, proprietary business information that is not subject to public disclosure.

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Attorneys for XO Florida, Inc.

ATTACHMENT A

~~DOCKET NO. 030851-TP~~

XO FLORIDA, INC.'S REQUEST FOR SPECIFIED CONFIDENTIAL CLASSIFICATION AND MOTION FOR PROTECTIVE ORDER FOR CONFIDENTIAL HEARING EXHIBIT NOS. 11 AND 99

Explanation of Proprietary Information

1. The copies contain **CONFIDENTIAL** XO information regarding XO's transport facilities, including location of XO's facilities, the arrangement type, transport type and the number of transport circuits. This information is related to XO's ongoing business affairs and can be used by XO's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

2. The copies contain **CONFIDENTIAL** XO information regarding the number, type and location of XO's switches, the number of access lines per switch, and the areas where XO provides service. This information is related to XO's ongoing business affairs and can be used by XO's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

XO's Response to Staff's TRO Data Request included in Exhibit No. 11
Confidential Chart Labeled "transport_ XO Florida Inc_FL – Confidential – 12-3-03"

Page Number	Line(s)	Reason
1 of 1	5-33	1

XO's Supplemental Response to Staff's TRO Data Request included in Exhibit Nos. 11 and 99

Page Number	Line(s)	Reason
1	1-23	2
2	1-7	2
3	1-3	2
4	1-4	2
5	1-4	2
6	1-4	2
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11	1	2
12	1	2

ATTACHMENT B

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP
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2	FROM ILEC										TO ILEC											TRANSPORT ROUTE																				
3		Central Office Address						Arrangement Type				Central Office Address						Arrangement Type				Self-Providers											Wholesalers								
4	CLLI	Street Address	City	State	Zip	Vertical Coordinates	Horizontal Coordinates	Capped? (Y/N)	Capacity? (Y/N)	Virtual? (Y/N)	CLLI	Street Address	City	State	Zip	Vertical Coordinates	Horizontal Coordinates	Capped? (Y/N)	Capacity? (Y/N)	Virtual? (Y/N)	Transport Type	Dark Fiber? (Y/N/blank)	Electronics? (Y/N/blank)	# transport circuits provisioned	# transport circuits provisioned	# transport circuits provisioned	# Dark Fiber working circuits	# DS1 level working circuits	# DS3 level working circuits	Carrier? (Y/N)	Carrier?	Transport Type	Dark Fiber? (Y/N/blank)	Electronics? (Y/N/blank)	# transport circuits provisioned	# transport circuits provisioned	# transport circuits provisioned	# Dark Fiber working circuits	# DS1 level working circuits	# DS3 level working circuits	Supplier?
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Florida Switch Questions CONFIDENTIAL INFORMATION /SUBJECT TO PROTECTIVE AGREEMENT

1. Please provide the 11-digit COMMON LANGUAGE® Location Identifier (CLLI™) of each switch used to provide qualifying service[11] anywhere in the state of Florida that is owned by your company. If you lease, rent or otherwise obtain switching capacity on a switch that you do not own (other than from an incumbent Local Exchange Carrier), provide the same information regarding all such switches.

1
2
3
4 [redacted]

2. For every switch identified in response to Question 1, provide the number of DS-0/voice grade equivalent access lines that switch is equipped to provide. If you lease, rent or otherwise obtain capacity on someone else's switch, provide the DS0/voice grade equivalent access lines associated with the capacity you have obtained.

5
6
7
8
9 [redacted]

3. For every switch identified in response to Question 1, provide the number of DS-0/voice grade equivalent access lines current in use and state the date for which such information is provided.

10
11
12
13
14
15 [redacted]

4. State whether each switch identified in response to Question 1 serves residential customers.

16 [redacted]

17 5. Does this switch serve customer locations with:

18
19
20
21
22
23 [redacted]

a. 1 line only?
b. 2 or fewer lines?

c. 3 or fewer lines?
d. 4 or fewer lines?
e. 5 or fewer lines?
f. 6 or fewer lines?
g. 7 or fewer lines?
h. 8 or fewer lines?
i. 9 or fewer lines?
j. 10 or fewer lines?

6. For each grouping of customer locations identified in Question 5 (locations with 1 line, locations with 2 or fewer lines, etc.), provide: [redacted]

a. The individual customer locations. Initially, it will be sufficient to provide these locations by wire center service area. If that information is not readily available, then the information should be provided by actual customer address. To explain further, this question asks you to provide, initially by wire center service area, the number of customer locations you serve that have one line, two lines or fewer, three lines or fewer, etc. If you cannot provide the information by wire center service area, then provide this information by actual customer location, i.e. Customer A is located at 1234 Broadway, Miami, Florida, and has one line, and so forth.

b. The number of lines at each location that are used to provide voice service, and the number of lines that are used to provide data service, identified separately. If each line is used to provide both voice and data, so indicate.

c. If you know that the specific customer location is served by lines provided by another CLEC, or by an ILEC, provide the number of DS0/voice grade equivalent lines provided at each customer location by other CLECs or ILECs.

7. Provide the street address (e.g., 123 Main Street), the city (e.g., Miami), and the state (e.g., FL) where every switch identified in response to Question 1 is located.

[redacted]

8. Do you offer to provide or do you provide switching to other carriers for their use in serving customers? If yes, state: (a) the carriers to whom you provide switching; (b) the types of service, if known, that are provided by the carriers to whom you provide switching; (c) whether you will provide switching to any requesting carrier; (d) identify each wire center district (by eight digit CLLI code) in which wholesale switching is available.

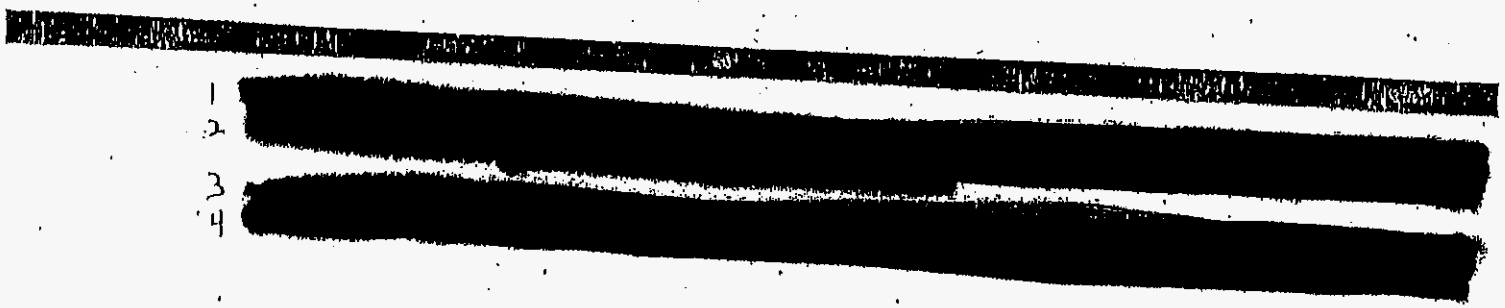
1 [redacted]

2

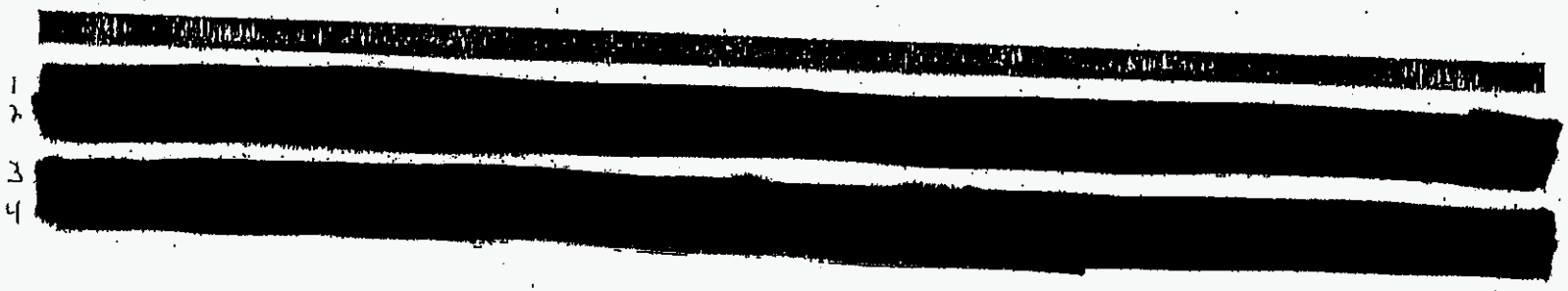
9. State whether you have any plans to terminate your service in any area in Florida that is currently served by the switches identified in response to Question 1. If you do, identify the areas where you intend to terminate service (and by areas we mean geographic areas, not individual customers).

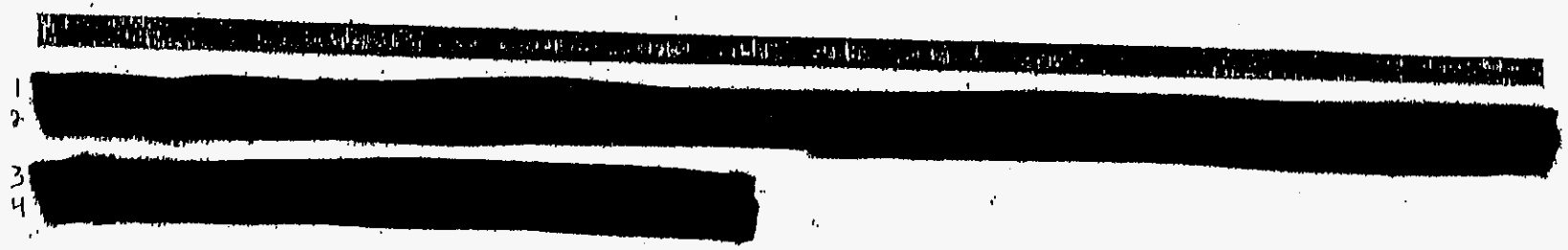
3 [redacted]

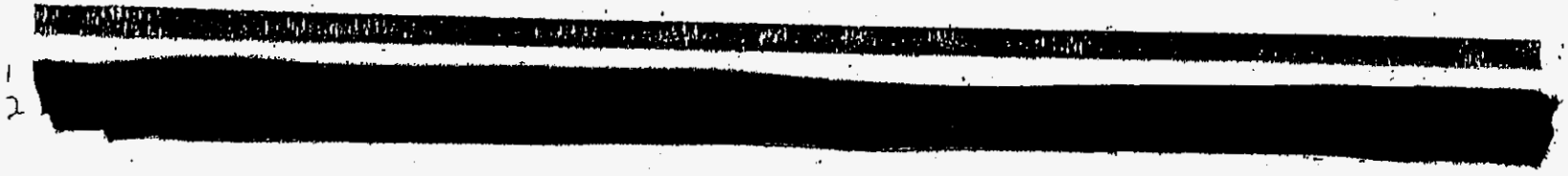
[1] A "qualifying service" is a telecommunications service that competes with a telecommunications service that has been traditionally the exclusive or primary domain of incumbent LECs, including, but not limited to, local exchange service, such as plain old telephone service, and access services, such as digital subscriber line services and high-capacity circuits. 47 C.F.R. § 51.5.

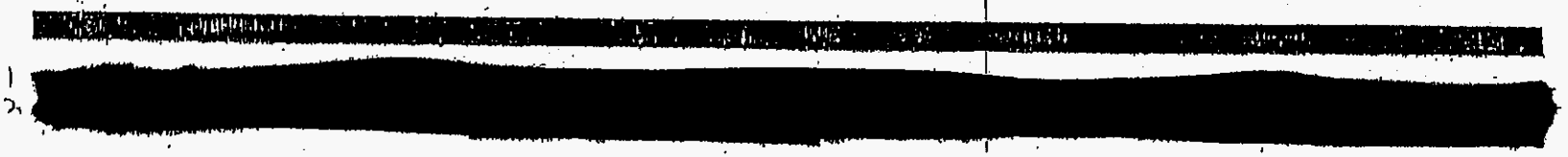


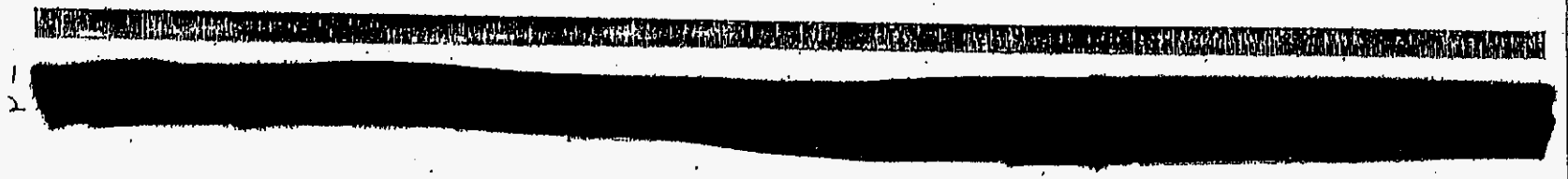
*** PROPRIETARY AND CONFIDENTIAL ***

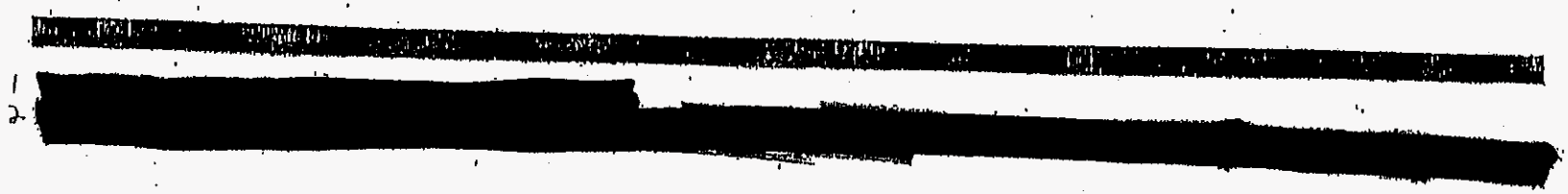


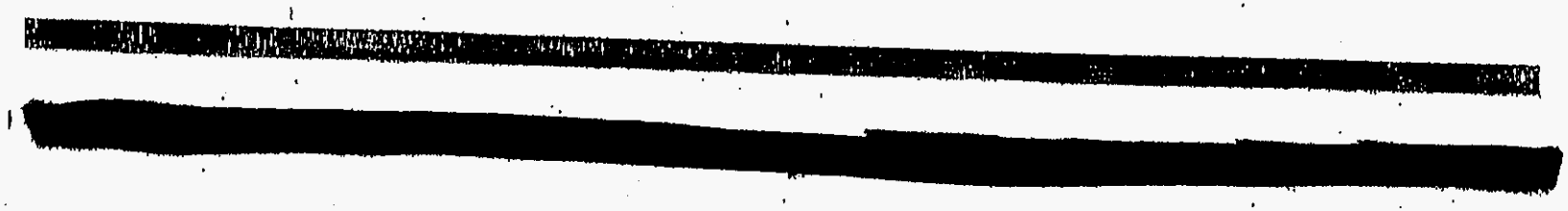


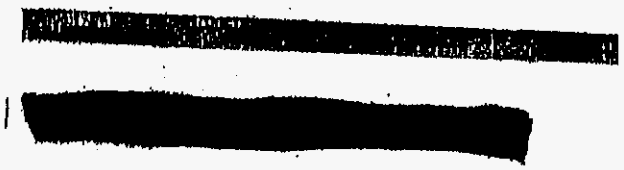












CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing the XO Florida, Inc.'s Request for Specified Confidential Classification and Motion for Protective Order for Confidential Hearing Exhibit Nos. 11 and 99 has been provided by (*) hand delivery, (**) email, and U.S. Mail this 19th day of March 2004 to the following:

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Tampa, Florida 33602

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Room 812
Tallahassee, Florida 32399-1400

Timothy J. Perry

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising From Federal Communications Commission Triennial UNE review: Local Circuit Switching For Mass Market Customers	Docket No. 030851-TP Filed: March 19, 2004

/

DIECA COMMUNICATIONS, INC. D/B/A COVAD COMMUNICATIONS COMPANY'S REQUEST FOR SPECIFIED CONFIDENTIAL CLASSIFICATION AND MOTION FOR PROTECTIVE ORDER REGARDING CONFIDENTIAL HEARING EXHIBIT NOS. 11 AND 12

DIECA Communications, Inc. d/b/a Covad Communications Company (Covad), pursuant to Rule 25-22.006, Florida Administrative Code, files this Request for Specified Confidential Classification and Motion for Protective Order Regarding Confidential Hearing Exhibit Nos. 11 and 12.

1. On February 24 - 27, 2004, the Commission conducted its hearing in this docket. During the hearing, confidential portions of Covad's response to Staff's 2003 TRO Data Request and confidential responses to Staff's and BellSouth's discovery were entered into the record as part of hearing Exhibit Nos. 11 and 12, respectively.

2. Exhibit No. 11 contains a confidential copy of Covad's Response to Staff's 2003 TRO Data Request. The document contains information regarding the number and location of Covad's switches, the areas where Covad provides service, the number of voice grade lines it has provisioned, the number of customers Covad serves and the type of service that Covad provides its customers. Covad considers this information to be confidential proprietary business information. Disclosure of this information could severely harm Covad's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

DOCUMENT NUMBER-DATE
03708 MAR 19 04
FPSC-COMMISSION CLERK

3. Exhibit No. 12[1] contains a copy of Covad's Confidential Response and Objections to BellSouth's Telecommunications, Inc.'s First Request for Production of Documents (Nos. 1-21) and First Set of Interrogatories (Nos. 1-84), Covad's Confidential Response to Staff's First Request for Production of Documents (No. 3) and Covad's Confidential Supplemental Response to BellSouth's First Set of Interrogatories (Nos. 31 and 35).

4. Covad's Confidential Response and Objections to BellSouth's Telecommunications, Inc.'s First Request for Production of Documents (Nos. 1-21) and First Set of Interrogatories (Nos. 1-84) contains information regarding the location of Covad's switches and the number of broadband lines it has provisioned. Covad considers this information to be confidential proprietary business information. Disclosure of this information could severely harm Covad's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

5. Covad's Confidential Response to Staff's First Request for Production of Documents (No. 3) contains information regarding Covad's total consumer lines in service as of November 11th and December 8th, 2003. Covad considers this information to be confidential proprietary business information. Disclosure of this information could severely harm Covad's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

6. Covad's Confidential Supplemental Response to BellSouth's First Set of Interrogatories (Nos. 31 and 35) contains information regarding Covad's "Average Revenue Per User" (ARPU) and customer churn rate. Covad considers this information to be confidential

[1] Two "Miscellaneous Confidential Stipulations" were entered into the record at the hearing as Exhibit Nos. 12 and 13. Covad believes, but it is not clear from the record, that the information it requests confidential classification for is included in Exhibit No. 12. However, if Covad is mistaken, and the documents are included as part of Exhibit No. 13, then Covad intends its request to apply to that Exhibit.

proprietary business information. Disclosure of this information could severely harm Covad's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

7. Section 364.183, Florida Statutes, provides an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure of confidential business information would "impair the competitive business of the provider of the information." Disclosure of the Covad confidential information would harm its business operations by placing details of its operations and capabilities in the public domain. Accordingly, the information should be exempt from the public disclosure requirements of section 119.07, Florida Statutes.

8. Covad treats the information for which confidential classification is sought as private and confidential.

9. Appended hereto as Attachment B are two copies of each document with the confidential information redacted.

10. Appended hereto as Attachment C is a sealed envelope containing one copy of each document including the material which is confidential and proprietary.

WHEREFORE, based on the foregoing, Covad moves the Commission to enter an order declaring the information described above to be confidential, proprietary business information that is not subject to public disclosure.

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Attorneys for DIECA Communications, Inc.
d/b/a Covad Communications Company

ATTACHMENT A

DOCKET NO. 030851-TP

DIECA COMMUNICATIONS, INC. D/B/A COVAD COMMUNICATIONS COMPANY'S REQUEST FOR SPECIFIED CONFIDENTIAL CLASSIFICATION AND MOTION FOR PROTECTIVE ORDER REGARDING CONFIDENTIAL HEARING EXHIBIT NOS. 11 AND 12

EXPLANATION OF PROPRIETARY INFORMATION CONTAINED IN EXHIBIT NO. 11

1. The document contains **CONFIDENTIAL** Covad information regarding the number and location of Covad's switches, the areas where Covad provides service, the number of voice grade lines it has provisioned, the number of customers Covad serves and the type of service that Covad provides its customers. This information is related to Covad's ongoing business affairs and can be used by Covad's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

2. The document contains **CONFIDENTIAL** Covad information regarding the number, type and location of Covad's remote switches. This information is related to Covad's ongoing business affairs and can be used by Covad's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

Chart provided in response to Staff's TRO Data Request titled "switching_covad_FL."

Page Number	Line(s)	Reason
1 of 7	3-68	1
2 of 7	69-135	1
3 of 7	136-202	1
4 of 7	203-269	1
5 of 7	270-336	1
6 of 7	337-403	1
7 of 7	404-421	1

Chart provided in response to Staff's TRO Data Request titled "Remote Switch Addresses_covad_FL."

Page Number	Line(s)	Reason
1 of 1	3	2

EXPLANATION OF PROPRIETARY INFORMATION CONTAINED IN EXHIBIT NO. 12

3. The document contains **CONFIDENTIAL** information regarding the location of Covad's switches and the number of broadband lines it has provisioned. This information is related to Covad's ongoing business affairs and can be used by Covad's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

4. The document contains **CONFIDENTIAL** information regarding Covad's total consumer lines in service as of November 11th and December 8th, 2003. This information is related to Covad's ongoing business affairs and can be used by Covad's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

5. The document contains **CONFIDENTIAL** information regarding Covad's contains information regarding Covad's "Average Revenue Per User" (ARPU) and customer churn rate. This information is related to Covad's ongoing business affairs and can be used by Covad's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

Covad's Confidential Response and Objections to BellSouth's Telecommunications, Inc.'s First Request for Production of Documents (Nos. 1-21) and First Set of Interrogatories (Nos. 1-84)

Page Number	Line(s)	Reason
6	1-6	3
7	1-6	3
8	1-2	3

Covad's Confidential Response to Staff's First Request for Production of Documents (No. 3)

Page Number	Line(s)	Reason
1	1-2	4

Covad's Confidential Supplemental Response to
BellSouth's First Set of Interrogatories (Nos. 31 and 35)

Page Number	Line(s)	Reason
1	1-53	5
2	1-6	5

ATTACHMENT B

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD
1			Type of Switch (X or Blank)																	Y or N										
2	Wire Center CLLI	Switch CLLI	End Office	Involves Office	Multi-Function	Remote Line	Tandem	Combined	Other	# of VG Provisioned	# of VG in Use	Capacity (CCS)	# of Residential	# of Customers with 1 to 3 lines	# of Customers with 4 to 6 lines	# of Customers with 7 lines or more	# Voice only	# Data Service Only	# Voice and Data	Owner?	Wholesaler?	Self-Provider?	FPSC code of Owner	FPSC code of Lessor	Nature of the arrangement	Equipment Type	Define Abbreviations	Function Performed	Class 4 and Class 5 Functions? (Y/N)	NPA-NXX
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2	Wire Center CLLI	Switch CLLI	End Office	Tandem Office	Multi-Function	Remote Line	Packet	Broadband	Other	# of VG Provisioned	# of VG in use	Capacity (CCS)	# of Residential	# of Customers with 1 to 3 lines	# of Customers with 4 to 8 lines	# of Customers with 9 lines or more	# Voice only	# Data Service Only	# Voice and Data	Owner?	Wholesaler?	Self-Provider?	FPSC code of Owner	FPSC code of Lessor	Nature of the arrangement	Equipment Type	Define Abbreviations	Function Performed	Class 4 and Class 5 Functions? (Y/N)	RFA-XXX
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Prepared by the FPSC staff
3/17/2004

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD
2	Wire Center CLLI	Switch CLLI	End Office	Tandem Office	Multi-Function	Remote Line	Packet	Broadband	Other	# of VG providioned	# of VG in Use	Capacity (CCS)	# of Residential	# of Customers with 1 to 3 lines	# of Customers with 4 to 8 lines	# of Customers with 9 lines or more	# Voice only	# Data Service Only	# Voice and Data	Owned?	Wholesale?	Self-Provider?	FPSC code of Owner	FPSC code of Lessor	Nature of the arrangement	Equipment Type	Define Abbreviations	Function Performed	Class 4 and Class 5 Functions? (Y/N)	NPA-NXX
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2	Wire Center CLLI	Switch CLLI	End Office	Tandem Office	Host/Remote	Remote Line	Packet	Broadband	Other	# of VG Provisioned	# of VG in use	Capacity (CCS)	# of Residential	# of Customers with 1 to 3 lines	# of Customers with 4 to 6 lines	# of Customers with 7 lines or more	Voice only	Data Service Only	Voice and Data	Owned?	Wholesale?	Self-Provided?	FPSC code of Owner	FPSC code of Lessor	Nature of the arrangement	Equipment Type	Define Abbreviations	Function Performed	Class 4 and Class 5 Functions? (Y/N)	NPA-NXX
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2	Wire Center CLLI	Switch CLLI	End Office	Tandem Office	Multi-Function	Remote Line	Packet	Broadband	Other	# of VG provisioned	# of VG in use	Capacity (CCS)	# of Residents	# of Customers with 0 to 3 lines	# of Customers with 4 to 8 lines	# of Customers with 9 lines or more	# Voice only	# Data Service Only	# Voice and Data	Owned?	Wholesale?	Self-Provided?	FPSC code of Owner	FPSC code of Lessor	Nature of the arrangement	Equipment Type	Define Abbreviations	Function Performed	Class 4 and Class 5 Functions? (Y/N)	NPA-NXX
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2	Wire Center CLLI	Switch CLLI	End Office	Tandem Office	Multi-Function	Remote Line	Packet	Broadband	Other	# of VG provisioned	# of VG in use	Capacity (CCS)	# of Residential	# of Customers with 1 to 3 lines	# of Customers with 4 to 8 lines	# of Customers with 9 lines or more	Is Voice only	Is Data Service Only	Is Voice and Data	Owned?	Wholesale?	Self-Provided?	FPSC code of Owner	FPSC code of Lessor	Nature of the arrangement	Equipment Type	Define Abbreviations	Function Performed	Class 4 and Class 5 Functions? (Y/N)	NPA-NXX
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2	Wire Center CLLI	Switch CLLI	End Office	Tandem Office	Multi-Function	Remote Unit	Packet	Broadband	Other	# of VG provisioned	# of VG in use	Capacity (CCS)	# of Residential	# of Customers with 1 to 3 lines	# of Customers with 4 to 8 lines	# of Customers with 9 lines or more	# Voice only	# Data Service Only	# Voice and Data	Owner?	Wholesale?	Self-Provider?	FPSC code of Owner	FPSC code of Lessor	Nature of the arrangement	Equipment Type	Define Abbreviations	Function Performed	Class A and Class 5 Functions? (Y/N)	NPA-NXX
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* Prepared by the FPSC staff
3/17/2004

Remote Switch Addresses_covad_FL
Remote Switch Addresses

	A	B	C	D	E	F	G	H
1	**Please list all of your remote switches. Any switches located at the central office, do not need to be added.**							
2	Switch CLLI	Host CLLI	Vertical Coordinates	Horizontal Coordinates	Switch Street Address	City	State	Zip
3	[redacted]							

Prepared by FPSC staff
3/17/2004

further objects that, if such discovery is relevant, it is overly broad and unduly burdensome. Nevertheless, without waiving the preceding objections, Covad will provide general churn, customer counts, business plans, and general business statistics for the state of Florida.

Subject to and without waiving Covad's General and Specific Objections, Covad responds to BellSouth's First Interrogatories as follows:

INTERROGATORIES

1. Identify each switch owned by Covad that Covad uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch).

Response to Interrogatory No. 1: Covad provides xDSL services in Florida using ATM switches, configured as multiplexers, located in the following central offices:

[BEGIN CONFIDENTIAL INFORMATION]

1. [redacted]
2.
3.
4.
5.
6.

[END CONFIDENTIAL INFORMATION]

2. For each switch identified in response to Interrogatory No. 1, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch;

(b) provide the street address, including the city and state in which the switch is located;

(c) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);

(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(f) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide ("LERG"); or, state if the switch is not identified in the LERG.

Response to Interrogatory No. 2:

(a) and (b)

[BEGIN CONFIDENTIAL INFORMATION]

1 1. [redacted]
2 2.
3 3.
4 4.
5 5.
6 6.

[END CONFIDENTIAL INFORMATION]

(c)

1. Cisco BPX 8600 ATM Switch
2. Cisco BPX 8600 ATM Switch
3. Cisco BPX 8600 ATM Switch
4. Cisco BPX 8600 ATM Switch
5. Cisco BPX 8600 ATM Switch

CONFIDENTIAL

6. Cisco BPX 8600 ATM Switch

(d) Covad does not report any type of "voice grade equivalent" lines in its FCC Form 477 filings because Covad does not provide voice services in the state of Florida or elsewhere. Covad only reports broadband lines. Covad had [BEGIN CONFIDENTIAL INFORMATION] [redacted] [END CONFIDENTIAL INFORMATION] broadband lines in service in the state of Florida as of October 27, 2003.

(e) Covad does not report any type of "voice grade equivalent" lines in its FCC Form 477 filings because Covad does not provide voice services in the state of Florida or elsewhere. Covad only reports broadband lines. Covad had [BEGIN CONFIDENTIAL INFORMATION] [redacted] [END CONFIDENTIAL INFORMATION] broadband lines in service in the state of Florida as of October 27, 2003.

(f) None of Covad's switches are listed in the LERG.

3. Identify any other switch not previously identified in Interrogatory No. 1 that Covad uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch). In answering this Interrogatory, do not include ILEC switches used by Covad either on an unbundled or resale basis.

Response to Interrogatory No. 3: None.

Covad's Response to Staff's First
Request for Production of Documents (No. 3)
Docket No. 030851-TP

			Total Consumer Lines in Service
1	FL	Consumer Nov. 11, 2003	# [redacted]
2	FL	Consumer Dec. 8, 2003	

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing DIECA Communications, Inc. d/b/a Covad Communications Company's Request for Specified Confidential Classification and Motion for Protective Order Regarding Confidential Hearing Exhibit Nos. 11 and 12 has been provided by (*) hand delivery, (**) email and U.S. Mail this 19th day of March 2004, to the following:

(*)(**) Jeremy Susac, Staff Counsel
Division of Legal Services
Florida Public Service Commission
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c/o Nancy Sims
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Tallahassee, Florida 32301-1556

(**) Richard Chapkis
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MC: FLTC0717
Tampa, Florida 33602

(**) Susan Masterton
Sprint Communications Company
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MC: FLTLHO0107
Tallahassee, Florida 32301

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Tallahassee, Florida 32302

(**) Matthew Feil
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Regulatory Affairs & Carrier Relations
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Quincy, MA

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Washington, DC 20036

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Deputy Public Counsel
Office of Public Counsel
c/o The Florida Legislature
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Room 812
Tallahassee, Florida 32399-1400

(**) Michael B. Twomey
Post Office Box 5256
Tallahassee, Florida 32314-5256

Timothy J. Perry

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 12
COMPANY/FPSC Staff
WITNESS: Miscellaneous - 1 conf.
DATE: 02/24 - 27/04

EXHIBIT NO. 12

DOCKET NO.: 030851-TP

WITNESS: Misc-1– **Confidential** (Page 1 of 2)

PARTY: Misc.

DESCRIPTION:

1. MCI's Confidential Responses and Supplemental Responses to BellSouth's 1st Set of Interrogatories and 1st Request for PODs - Document No. – 10790-03 & 12026-03
2. Covad's Confidential Responses to BellSouth's 1st Request for PODs Item Nos. 1-21 and 1st Set of Interrogatories Item Nos. 1-84 - Document No. 10793-03
3. ITC^DeltaCom's Confidential Responses to BellSouth's 1st Set of Interrogatories - Document No. 10798-03
4. AT&T's Confidential Responses to BellSouth's 1st Set of Interrogatories- Document Nos. 10978-03, 12003-03, 12729-03, 12923-03 & 00767-04
5. Supra's Responses to BellSouth's 1st Set of Interrogatories- Item Nos. 1, 2, 5-7, 18, 22, 23, 40-42, & 50 – Document No. 11601-03
6. KMC's Confidential Responses to BellSouth's 1st Set of Interrogatories – Document No. 11697-03
7. Covad's Confidential Response to Staff's 1st Request for PODs – Item No. 3 – Document No. 12893-03 & 01018-04
8. ITC^DeltaCom Confidential Responses to Staff's 1st Set of Interrogatories- Item No. 1-7 and Response to Staff's 1st Request for PODs-Item Nos. 1-8 – Document No. 13174-03
9. ITC^DeltaCom/FiberNet/BTI Confidential Response to Staff's 2nd Set of Interrogatories-Item No. 11 – Document Nos. 13520-03 & 01207-04
10. AT&T's Confidential Responses to BellSouth's 5th Set of Interrogatories – Document No. 00986-04
11. FDN'S Confidential Responses to Verizon's 1st Set of Interrogatories – Items 1, 2(a&b)-Document Nos. 00343-04 & 00989-04
12. FDN's Confidential Responses to Staff's 2nd Set of Interrogatories – Item No. 11 – Document Nos. 13550-03 & 00671-04
13. AT&T's Confidential Responses to Staff's 2nd Set of Interrogatories – Document Nos. 13597-03 & 00770-04
14. MCI's Confidential Responses to Staff's 2nd Set of Interrogatories – Item Nos. 8(b,d,e,&g) – Document No. 00181-04
15. FDN's Confidential Responses to Sprint's 1st Interrogatories – Item No. 1-Document Nos. 00219-04, 00776-04, & 02069-04

DOCKET NO.: 030851-TP

WITNESS: Misc-1– **Confidential** (Page 2 of 2)

PARTY: Misc.

16. FDN's Confidential Response to BellSouth's 3rd Set of Interrogatories – Item Nos. 23 & 24- Document Nos. 00347-04 & 00779-04
17. Covad's Supplemental Confidential Responses to BellSouth's 1st Set of Interrogatories- Item No. 31 & 35- Document No. 01599-04
18. MCI's Confidential Responses to Staff's 4th Set of Interrogatories- Item Nos. 34(d&e), 63 (a,g, & i) – Document Nos. 01801-04, 01805-04, & 01903-04
19. MCI's Confidential Responses to BellSouth's 5th Set of Interrogatories – Item Nos. 188-211 and Responses to 5th Request to PODs – Item Nos. 30-31 – Document No. 01803-04
20. FDN's Confidential Responses to FCCA's 1st Set of Interrogatories- Item Nos. 1,5, & 8 – Document No. 02007-04
21. AT&T's Confidential Response to BellSouth's 7th Set of Interrogatories- Item No. 242 – Document No. 02014-04
22. MCI's Confidential Responses and objections to BellSouth's 3rd Request for Admissions and 7th Set of Interrogatories – Item Nos. 240-273 – Document No. 02273-04
23. FDN's Confidential Responses to Staff's Interrogatory Nos. 12-14 and 16 – Appendices PSC Int. 12-A, 13-A, 14-A, and 16-A – Document No. 02295-04
24. AT&T's Confidential Responses to Staff's 5th Set of Interrogatories – Document No. 02335-04
25. Alltel's Confidential Responses to BellSouth's Discovery Requests filed February 4, 2004 – Document No. 02342-04
26. KMC's Confidential Responses to Staff's 1st Set of Interrogatories and 1st Request for PODs – Document No. 02356-04
27. ITC's Confidential Supplemental Responses to Staff's 1st Set of Interrogatories – Item No. 2 – Document No. 02358-04
28. ITC's Confidential Responses and Objections to Staff's 3rd Set of Interrogatories – Item Nos. 12-17 – Document No. 02420-04
29. AT&T's Confidential Supplemental Responses to BellSouth's 6th Set of Interrogatories – Document No. 02494-04
30. MCI Responses to BellSouth's 4th Admissions, 8th Set of Interrogatories, and 8th Request for PODs – Attachment 276 – Document No. 02656-04

PROFFERING PARTY: STAFF

I.D. # MISCCONF-1

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising From Federal Communications Commission Triennial UNE review: Local Circuit Switching For Mass Market Customers	Docket No. 030851-TP Filed: March 19, 2004

/

DIECA COMMUNICATIONS, INC. D/B/A COVAD COMMUNICATIONS COMPANY'S REQUEST FOR SPECIFIED CONFIDENTIAL CLASSIFICATION AND MOTION FOR PROTECTIVE ORDER REGARDING CONFIDENTIAL HEARING EXHIBIT NOS. 11 AND 12

DIECA Communications, Inc. d/b/a Covad Communications Company (Covad), pursuant to Rule 25-22.006, Florida Administrative Code, files this Request for Specified Confidential Classification and Motion for Protective Order Regarding Confidential Hearing Exhibit Nos. 11 and 12.

1. On February 24 - 27, 2004, the Commission conducted its hearing in this docket. During the hearing, confidential portions of Covad's response to Staff's 2003 TRO Data Request and confidential responses to Staff's and BellSouth's discovery were entered into the record as part of hearing Exhibit Nos. 11 and 12, respectively.

2. Exhibit No. 11 contains a confidential copy of Covad's Response to Staff's 2003 TRO Data Request. The document contains information regarding the number and location of Covad's switches, the areas where Covad provides service, the number of voice grade lines it has provisioned, the number of customers Covad serves and the type of service that Covad provides its customers. Covad considers this information to be confidential proprietary business information. Disclosure of this information could severely harm Covad's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

3. Exhibit No. 12[1] contains a copy of Covad's Confidential Response and Objections to BellSouth's Telecommunications, Inc.'s First Request for Production of Documents (Nos. 1-21) and First Set of Interrogatories (Nos. 1-84), Covad's Confidential Response to Staff's First Request for Production of Documents (No. 3) and Covad's Confidential Supplemental Response to BellSouth's First Set of Interrogatories (Nos. 31 and 35).

4. Covad's Confidential Response and Objections to BellSouth's Telecommunications, Inc.'s First Request for Production of Documents (Nos. 1-21) and First Set of Interrogatories (Nos. 1-84) contains information regarding the location of Covad's switches and the number of broadband lines it has provisioned. Covad considers this information to be confidential proprietary business information. Disclosure of this information could severely harm Covad's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

5. Covad's Confidential Response to Staff's First Request for Production of Documents (No. 3) contains information regarding Covad's total consumer lines in service as of November 11th and December 8th, 2003. Covad considers this information to be confidential proprietary business information. Disclosure of this information could severely harm Covad's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

6. Covad's Confidential Supplemental Response to BellSouth's First Set of Interrogatories (Nos. 31 and 35) contains information regarding Covad's "Average Revenue Per User" (ARPU) and customer churn rate. Covad considers this information to be confidential

[1] Two "Miscellaneous Confidential Stipulations" were entered into the record at the hearing as Exhibit Nos. 12 and 13. Covad believes, but it is not clear from the record, that the information it requests confidential classification for is included in Exhibit No. 12. However, if Covad is mistaken, and the documents are included as part of Exhibit No. 13, then Covad intends its request to apply to that Exhibit.

proprietary business information. Disclosure of this information could severely harm Covad's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

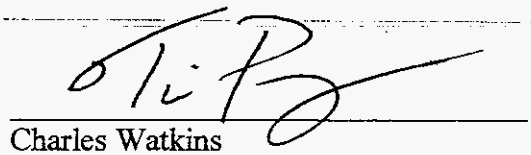
7. Section 364.183, Florida Statutes, provides an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure of confidential business information would "impair the competitive business of the provider of the information." Disclosure of the Covad confidential information would harm its business operations by placing details of its operations and capabilities in the public domain. Accordingly, the information should be exempt from the public disclosure requirements of section 119.07, Florida Statutes.

8. Covad treats the information for which confidential classification is sought as private and confidential.

9. Appended hereto as Attachment B are two copies of each document with the confidential information redacted.

10. Appended hereto as Attachment C is a sealed envelope containing one copy of each document including the material which is confidential and proprietary.

WHEREFORE, based on the foregoing, Covad moves the Commission to enter an order declaring the information described above to be confidential, proprietary business information that is not subject to public disclosure.



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Attorneys for DIECA Communications, Inc.
d/b/a Covad Communications Company

ATTACHMENT A

DOCKET NO. 030851-TP

DIECA COMMUNICATIONS, INC. D/B/A COVAD COMMUNICATIONS COMPANY'S REQUEST FOR SPECIFIED CONFIDENTIAL CLASSIFICATION AND MOTION FOR PROTECTIVE ORDER REGARDING CONFIDENTIAL HEARING EXHIBIT NOS. 11 AND 12

EXPLANATION OF PROPRIETARY INFORMATION CONTAINED IN EXHIBIT NO. 11

1. The document contains **CONFIDENTIAL** Covad information regarding the number and location of Covad's switches, the areas where Covad provides service, the number of voice grade lines it has provisioned, the number of customers Covad serves and the type of service that Covad provides its customers. This information is related to Covad's ongoing business affairs and can be used by Covad's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

2. The document contains **CONFIDENTIAL** Covad information regarding the number, type and location of Covad's remote switches. This information is related to Covad's ongoing business affairs and can be used by Covad's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

Chart provided in response to Staff's TRO Data Request titled "switching_covad_FL."

Page Number	Line(s)	Reason
1 of 7	3-68	1
2 of 7	69-135	1
3 of 7	136-202	1
4 of 7	203-269	1
5 of 7	270-336	1
6 of 7	337-403	1
7 of 7	404-421	1

Chart provided in response to Staff's TRO Data Request titled "Remote Switch Addresses_covad_FL."

Page Number	Line(s)	Reason
1 of 1	3	2

EXPLANATION OF PROPRIETARY INFORMATION CONTAINED IN EXHIBIT NO. 12

3. The document contains **CONFIDENTIAL** information regarding the location of Covad's switches and the number of broadband lines it has provisioned. This information is related to Covad's ongoing business affairs and can be used by Covad's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

4. The document contains **CONFIDENTIAL** information regarding Covad's total consumer lines in service as of November 11th and December 8th, 2003. This information is related to Covad's ongoing business affairs and can be used by Covad's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

5. The document contains **CONFIDENTIAL** information regarding Covad's contains information regarding Covad's "Average Revenue Per User" (ARPU) and customer churn rate. This information is related to Covad's ongoing business affairs and can be used by Covad's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

Covad's Confidential Response and Objections to BellSouth's Telecommunications, Inc.'s First Request for Production of Documents (Nos. 1-21) and First Set of Interrogatories (Nos. 1-84)

Page Number	Line(s)	Reason
6	1-6	3
7	1-6	3
8	1-2	3

Covad's Confidential Response to Staff's First Request for Production of Documents (No. 3)

Page Number	Line(s)	Reason
1	1-2	4

Covad's Confidential Supplemental Response to
BellSouth's First Set of Interrogatories (Nos. 31 and 35)

Page Number	Line(s)	Reason
1	1-53	5
2	1-6	5

ATTACHMENT B

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD
1			Type of Switch (X or Blank)																	Y or N										
2	Wire Center CLLI	Switch CLLI	End Office	Tandem Office	Multi-Function	Remote Line	Packet	Broadband	Other	# of VG provisioned	# of VG in use	Capacity (DS3)	# of Residential	# of Customers with 1 to 3 lines	# of Customers with 4 to 8 lines	# of Customers with 9 lines or more	# Voice only	# Data Service Only	# Voice and Data	Owner?	Wholesaler?	Self-Provider?	FPSC code of Owner	FPSC code of Lessor	Nature of the arrangement	Equipment Type	Define Abbreviations	Function Performed	Class 4 and Class 5 Functions? (Y/N)	NPA-NXX
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2	Wire Center CLLI	Switch CLLI	End Office	Tandem Office	Multi-Function	Remote Line	Packet	Broadband	Other	# of VG provisioned	# of VG in Use	Capacity (CCS)	# of Residential	# of Customers with 1 to 3 lines	# of Customers with 4 to 8 lines	# of Customers with 9 lines or more	# Voice only	# Data Service Only	# Voice and Data	Owner?	Wholesale?	Self-Provider?	FPSC code of Owner	FPSC code of Lessor	Nature of the arrangement	Equipment Type	Define Abbreviations	Function Performed	Class 4 and Class 5 Functions? (Y/N)	NPA-NXX
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2	Wire Center CLLI	Switch CLLI	End Office	Tandem Office	Multi-Function	Remote Line	Packet	Broadband	Other	# of VG Provisioned	# of VG in use	Capacity (DS3)	# of Residential	# of Customers with 1 to 3 lines	# of Customers with 4 to 6 lines	# of Customers with 7 lines or more	# Voice only	# Data Service Only	# Voice and Data	Owned?	Wholesaler?	Self-Provider?	FPSC code of Owner	FPSC code of Lessor	Nature of the Arrangement	Equipment Type	Define Abbreviations	Function Performed	Class 4 and Class 5 Functions? (Y/N)	NPA-NXX
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2	Wire Center CLLI	Switch CLLI	End Office	Tandem Office	Multi-Function	Remote Line	Packet	Broadband	Other	# of VG provisioned	# of VG in use	Capacity (DS3)	# of Residential	# of Customers with 1 to 3 lines	# of Customers with 4 to 8 lines	# of Customers with 9 lines or more	# Voice only	# Data Service Only	# Voice and Data	Owned?	Wholesale?	Self-Provided?	FPSC code of Owner	FPSC code of Lessor	Nature of the arrangement	Equipment Type	Define Abbreviations	Function Performed	Class 4 and Class 5 Functions? (Y/N)	NPA-NXX
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2	Wire Center CLLI	Switch CLLI	End Office	Tandem Office	Multi-Function	Remote Line	Packet	Broadband	Other	# of VG provisioned	# of VG in use	Capacity (CCS)	# of Residential	# of Customers with 1 to 3 lines	# of Customers with 4 to 8 lines	# of Customers with 9 lines or more	# Voice only	# of Data Service Only	# Voice and Data	Owned?	Wholesale?	Self-Provided?	FPSC code of Owner	FPSC code of Lessor	Nature of the arrangement	Equipment Type	Define Abbreviations	Function Performed	Class 4 and Class 5 Function? (Y/N)	XPA-HXX
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Remote Switch Addresses_covad_FL
Remote Switch Addresses

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1	**Please list all of your remote switches. Any switches located at the central office, do not need to be added.**							
2	Switch CLLI	Host CLLI	Vertical Coordinates	Horizontal Coordinates	Switch Street Address	City	State	Zip
3	[redacted]							

Prepared by FPSC staff
3/17/2004

further objects that, if such discovery is relevant, it is overly broad and unduly burdensome. Nevertheless, without waiving the preceding objections, Covad will provide general churn, customer counts, business plans, and general business statistics for the state of Florida.

Subject to and without waiving Covad's General and Specific Objections, Covad responds to BellSouth's First Interrogatories as follows:

INTERROGATORIES

1. Identify each switch owned by Covad that Covad uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch).

Response to Interrogatory No. 1: Covad provides xDSL services in Florida using ATM switches, configured as multiplexers, located in the following central offices:

[BEGIN CONFIDENTIAL INFORMATION]

1 1.
2 2.
3 3.
4 4.
5 5.
6 6.

[END CONFIDENTIAL INFORMATION]

2. For each switch identified in response to Interrogatory No. 1, please:

(a) provide the Common Language Location Identifier ("CLLI") code of the switch;

(b) provide the street address, including the city and state in which the switch is located;

(c) identify the type of switch by manufacturer and model (e.g., Nortel DMS100);

(d) state the total capacity of the switch by providing the maximum number of voice-grade equivalent lines the switch is capable of serving, based on the switch's existing configuration and component parts;

(e) state the number of voice-grade equivalent lines the switch is currently serving based on the switch's existing configuration and component parts; and

(f) provide information relating to the switch as contained in Telcordia's Local Exchange Routing Guide ("LERG"); or, state if the switch is not identified in the LERG.

Response to Interrogatory No. 2:

(a) and (b)

[BEGIN CONFIDENTIAL INFORMATION]

1 1. [redacted]
2 2.
3 3.
4 4.
5 5.
6 6.

[END CONFIDENTIAL INFORMATION]

(c)

1. Cisco BPX 8600 ATM Switch
2. Cisco BPX 8600 ATM Switch
3. Cisco BPX 8600 ATM Switch
4. Cisco BPX 8600 ATM Switch
5. Cisco BPX 8600 ATM Switch

CONFIDENTIAL

6. Cisco BPX 8600 ATM Switch

(d) Covad does not report any type of "voice grade equivalent" lines in its FCC Form 477 filings because Covad does not provide voice services in the state of Florida or elsewhere. Covad only reports broadband lines. Covad had [BEGIN CONFIDENTIAL INFORMATION] [redacted] [END CONFIDENTIAL INFORMATION] broadband lines in service in the state of Florida as of October 27, 2003.

(e) Covad does not report any type of "voice grade equivalent" lines in its FCC Form 477 filings because Covad does not provide voice services in the state of Florida or elsewhere. Covad only reports broadband lines. Covad had [BEGIN CONFIDENTIAL INFORMATION] [redacted] [END CONFIDENTIAL INFORMATION] broadband lines in service in the state of Florida as of October 27, 2003.

(f) None of Covad's switches are listed in the LERG.

3. Identify any other switch not previously identified in Interrogatory No. 1 that Covad uses to provide a qualifying service anywhere in Florida, irrespective of whether the switch itself is located in the State and regardless of the type of switch (e.g., circuit switch, packet switch, soft switch, host switch, remote switch). In answering this Interrogatory, do not include ILEC switches used by Covad either on an unbundled or resale basis.

Response to Interrogatory No. 3: None.

Covad's Response to Staff's First
Request for Production of Documents (No. 3)
Docket No. 030851-TP

			Total Consumer Lines in Service
1	FL	Consumer Nov. 11, 2003	# [redacted]
2	FL	Consumer Dec. 8, 2003	

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CONFIDENTIAL

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing DIECA Communications, Inc. d/b/a Covad Communications Company's Request for Specified Confidential Classification and Motion for Protective Order Regarding Confidential Hearing Exhibit Nos. 11 and 12 has been provided by (*) hand delivery, (**) email and U.S. Mail this 19th day of March 2004, to the following:

(*)(**) Jeremy Susac, Staff Counsel
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

(**) Nancy White
c/o Nancy Sims
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150 South Monroe Street, Suite 400
Tallahassee, Florida 32301-1556

(**) Richard Chapkis
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MC: FLTC0717
Tampa, Florida 33602

(**) Susan Masterton
Sprint Communications Company
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Post Office Box 2214
MC: FLTLHO0107
Tallahassee, Florida 32301

(**) Donna Canzano McNulty
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(**) Tracy Hatch
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(**) Michael Gross
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(**) Matthew Feil
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Orlando, Florida 32801

(**) Jeffrey J. Binder
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Washington, DC 20037

(**) Floyd R. Self
Messer, Caparello & Self
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Tallahassee, FL 32301

(**) Nanette Edwards
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Huntsville, Alabama 35802

(**) Jake E. Jennings
Senior Vice-President
Regulatory Affairs & Carrier Relations
NewSouth Communications Corp.
NewSouth Center
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Greenville, SC 29601

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& Sheehan, P.A.
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Quincy, MA

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(**) Charles J. Beck
Deputy Public Counsel
Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, Florida 32399-1400

(**) Michael B. Twomey
Post Office Box 5256
Tallahassee, Florida 32314-5256

Timothy J. Perry

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 13
COMPANY/ FPSC Staff
WITNESS: Miscellaneous-2 conf.
DATE: 02/24 - 27/04

EXHIBIT NO. 13

DOCKET NO.: 030851-TP

WITNESS: MISC. – CONFIDENTIAL - 2

PARTY: MISC.

DESCRIPTION:

1. Xspedius – **CONFIDENTIAL** – Certain Information Provided in Response to BellSouth's 1st Set of Interrogatories and 1st Request for PODs (Documents No. 11435-03 and 12890-03)
2. Comcast – **CONFIDENTIAL** – Response to BellSouth's 1st Set of Interrogatories. (Document No. 11437-03, 12215-03, and 12772-03)
3. Network Telephone – **CONFIDENTIAL** – Response to BellSouth's 1st Set of Interrogatories, Item 41. (Document No. 11977-03)
4. Grande – **CONFIDENTIAL** – Certain Information Provided in Response to BellSouth's 1st Set of Interrogatories, Nos. 2, 3, and 6(b). (Document No. 11985-03)
5. Allegiance – **CONFIDENTIAL** – Corrected Response to BellSouth's 1st Set of Interrogatories. (Document No. 12733-03)
6. NewSouth – **CONFIDENTIAL** – Attachments 1-9 of Response to BellSouth's 1st Set of Interrogatories and 1st Request for PODs. (Document No. 12780-03)
7. Allegiance – **CONFIDENTIAL** – Response to Staff's 1st Set of Interrogatories, No. 4(a). (Document No. 12993-03)
8. Allegiance – **CONFIDENTIAL** – Responses to Sprint's 1st Set of Interrogatories. (Document No. 13630-03)
9. TimeWarner – **CONFIDENTIAL** – Exhibits A and B; Responses and Objections to BellSouth's Request for Admissions, Nos. 1-5; Interrogatories Nos. 6-8; and Request for Production of Documents No. 1. (Document No. 01913-04)

PROFFERING PARTY: STAFF

I.D. # - MISC-CONF – 2

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising From Federal Communications Commission Triennial UNE review: Local Circuit Switching For Mass Market Customers	Docket No. 030851-TP Filed: March 19, 2004

/

NETWORK TELEPHONE CORPORATION'S REQUEST FOR SPECIFIED CONFIDENTIAL CLASSIFICATION AND MOTION FOR PROTECTIVE ORDER REGARDING CONFIDENTIAL TESTIMONY AND CONFIDENTIAL HEARING EXHIBIT NOS. 13 AND 23

Network Telephone Corporation ("Network Telephone") pursuant to Rule 25-22.006, Florida Administrative Code, files this Request for Specified Confidential Classification and Motion for Protective Order Regarding Confidential Testimony and Confidential Hearing Exhibit Nos. 13 and 23.

1. On February 24 - 27, 2004, the Commission conducted its hearing in this docket. During the hearing, confidential information of Network Telephone's was entered into the record, including a portion of the rebuttal testimony of FCCA witness Joseph P. Gillan and confidential hearing Exhibit Nos. 13 and 23.

2. The rebuttal testimony of Joseph P. Gillan, (TR. 2516), contains confidential information regarding the number and type of loops provisioned to Network Telephone's Pensacola switch. Network Telephone considers this information to be confidential proprietary business information. Disclosure of this information could severely harm Network Telephone's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

3. Exhibit No. 13[1] contains a copy of Network Telephone's Objections and Answer

[1] Two "Miscellaneous Confidential Stipulations" were entered into the record at the hearing as Exhibit Nos. 12 and 13. Network Telephone believes, but it is not clear from the record, that the information it requests confidential classification for is included in Exhibit No. 13. However, if Network Telephone is mistaken, and the documents are included as part of Exhibit No. 12, then Network Telephone intends that its request apply to Exhibit No. 12.

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FPSC-COMMISSION CLERK

to BellSouth's First Set of Interrogatories, Item No. 41. The document contains information regarding the average number of DSOs at which it would choose to serve a particular customer with a DS1 or larger transmission system. Network Telephone considers this information to be confidential proprietary business information. Disclosure of this information could severely harm Network Telephone's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

4. Exhibit No. 23, the deposition of Joseph P. Gillan and exhibits, includes the Affidavit of Margaret Ring of Network Telephone. Mrs. Ring's affidavit contains confidential information regarding the number and type of loops provisioned to Network Telephone's Pensacola switch (this is the same confidential information that appears in Mr. Gillan's testimony (Tr. 2516)). Network Telephone considers this information to be confidential proprietary business information. Disclosure of this information could severely harm Network Telephone's competitive interests in the marketplace. The information has not been made public. A more specific description of this information is contained in Attachment A.

5. Section 364.183, Florida Statutes, provides an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure of confidential business information would "impair the competitive business of the provider of the information." Disclosure of Network Telephone's confidential information would harm its business operations by placing details of its operations and capabilities in the public domain. Accordingly, the information should be exempt from the public disclosure requirements of section 119.07, Florida Statutes.

6. Network Telephone treats the information for which confidential classification is sought as private and confidential.

7. Appended hereto as Attachment B are two copies of the pertinent portions of each document with the confidential information redacted.

8. Appended hereto as Attachment C is a sealed envelope containing one copy of the pertinent portions of each document including the material which is confidential and proprietary.

WHEREFORE, based on the foregoing, Network Telephone moves the Commission to enter an order declaring the information described above to be confidential, proprietary business information that is not subject to public disclosure.

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Attorneys for Network Telephone Corporation

ATTACHMENT A
DOCKET NO. 030851-TP
NETWORK TELEPHONE CORPORATION'S REQUEST FOR SPECIFIED CONFIDENTIAL CLASSIFICATION AND MOTION FOR PROTECTIVE ORDER REGARDING CONFIDENTIAL TESTIMONY AND CONFIDENTIAL HEARING EXHIBIT NOS. 13 AND 23

EXPLANATION OF PROPRIETARY INFORMATION CONTAINED AT TR. 2516 AND EXHIBIT NOS. 13 AND 23.

1. The document contains **CONFIDENTIAL** Network Telephone information regarding the number and type of loops provisioned to Network Telephone's Pensacola switch. This information is related to Network Telephone's ongoing business affairs and can be used by Network Telephone's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

2. The document contains **CONFIDENTIAL** Network Telephone information regarding the average number of DSOs at which it would choose to serve a particular customer with a DS1 or larger transmission system. This information is related to Network Telephone's ongoing business affairs and can be used by Network Telephone's competitors to harm its competitive interests. Section 364.183, Florida Statutes, allows for an exemption from the disclosure requirements of section 119.07, Florida Statutes, when disclosure would "impair the competitive business of the provider of the information." Therefore, the information should be shielded from disclosure pursuant to section 119.07, Florida Statutes and section 24(a), Art. 1 of the State Constitution.

Hearing Transcript, Volume 18

Page Number	Line(s)	Reason
TR2516	6, 7 and 10	1

Confidential Portion of Exhibit No. 13

Page Number	Line(s)	Reason
Page 2 of Network Telephone's Response to BellSouth Item No. 41	1-9	2

Confidential Portion of Exhibit No. 23

Page Number	Line(s)	Reason
Page 3 of 22 of Gillan Deposition Exhibit No. 2	1-3	1

ATTACHMENT B

loop, each provisioned to the Network Telephone switch in Pensacola. With any of these configurations, Network Telephone is required to install equipment at the customer's location and to make a connection at its collocated DSLAM in order to provide the customer with voice service.

* Approximately [redacted] of the loops provisioned to Network Telephone's Pensacola switch are DS1 loops and the remaining [redacted] are ADSL-capable or UDC loops. These loops provide customers with Network Telephone's bundled voice and data services. While there are approximately [redacted] presently provisioned to Network Telephone's switch to provide small business customers with voice services, these analog loops would have been provisioned for a legacy customer. There would be no instance today where Network Telephone would provision such a loop to provide a small business customer with analog POTS service.

Consequently, Network Telephone clearly cannot be counted as a self-provider of mass market services.

[redacted]

Objection of Counsel

Answer furnished by Wendell Nelson

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8. The only residential customers that Network Telephone serves in Florida today are "legacy" customers or employees being served either via resale or UNE-P and not via Network Telephone's Pensacola switch.

9. The basic method by which Network Telephone serves the small and medium business customer's bundled voice and data needs in Florida are via an unbundled DS1 loop, a 2 wire ADSL-compatible loop, or a UDC loop, each provisioned to the Network Telephone switch in Pensacola. With any of these configurations, Network Telephone is required to install equipment at the customer's location and to make a connection at its collocated DSLAM in order to provide the customer with voice service.

9. When VoDSL service is provided over an ADSL-compatible loop, the provisioning is limited by even more stringent distance and loop quality issues than are encountered in providing retail DSL services. The loop must be ADSL capable, less than 18,000 feet from the DSLAM, and reasonably clean of bridged tap. Network Telephone currently tries to limit its ADSL loop length to 13,500 feet from the DSLAM to retain service quality.

10. As a result of these limitations, Network Telephone does not provide its facility-based service outside of a limited footprint. Occasionally, Network Telephone will have a request from a business customer for service at a location outside of the Network Telephone facilities-based footprint. In that instance, Network Telephone will serve that business customer via UNE-P.

11. Approximate[redacted]o Network Telephone's Pensacola switch are DS1 loops and the remainin[redacted]ADSL-capable or UDC loops. These loops provide customers with the Network Telephone's bundled voice and data services. While there are approximatel[redacted]capable loops presently provisioned to Network Telephone's switch to provide small business customers with voice services, these analog loops would have been provisioned for a legacy customer. There would be no instance today where Network Telephone would provision such a loop to provide a small business customer with analog POTS service.

Margaret Ring

Sworn to and subscribed before me, this 9th day of January, 2004.

Notary Public
My commission expires: 8/28/07

TARA DRAGON
Commit DD0[redacted]
Expires 8/28/2007
Bonded thru (800)432-[redacted]
Florida Notary As[redacted]

Docket No. 030851-TP
Gillan Deposition Exhibit No.2
CONFIDENTIAL
Page 3 of 22

CONFIDENTIAL

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Network Telephone Corporation's Request for Specified Confidential Classification and Motion for Protective Order Regarding Confidential Testimony and Confidential Hearing Exhibit Nos. 13 and 23 has been provided by (*) hand delivery, (**) email and U.S. Mail this 19th day of March 2004 to the following:

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Joseph A McGlothlin
Joseph A. McGlothlin

EXHIBIT NO. 14

DOCKET NO.: 030851-TP

WITNESS: Richard J. Walsh

PARTY: AT&T

DESCRIPTION:

1. February 11, 2004, Deposition Transcript, page 1

PROFFERING PARTY: STAFF

I.D. # RJW-D

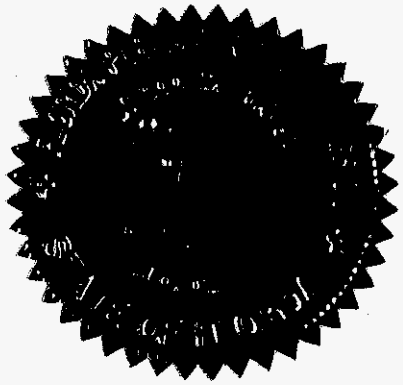
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 14
COMPANY/ FPSC Staff
WITNESS: RJW-D
DATE: 02/24-27/04

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030851-TP

In the Matter of:

IMPLEMENTATION OF REQUIREMENTS ARISING FROM FEDERAL COMMUNICATIONS COMMISSION'S TRIENNIAL UNE REVIEW: LOCAL CIRCUIT SWITCHING FOR MASS MARKET CUSTOMERS.
_____/



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THE .PDF VERSION INCLUDES PREFILED TESTIMONY.

TELEPHONIC DEPOSITION OF:	RICHARD J. WALSH
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
PLACE:	Gerald L. Gunter Building Room 362 2540 Shumard Oak Boulevard Tallahassee, Florida
TIME:	Commenced at 10:10 a.m. Concluded at 11:53 a.m.
DATE:	Wednesday, February 11, 2004
REPORTED BY:	TRICIA DeMARTE, RPR Official FPSC Reporter (850) 413-6736

APPEARANCES:

TAMI AZORSKY, ESQUIRE, AT&T Communications of the Southern States, LLC, 1200 Peachtree Street, N.E., Suite 8100, Atlanta, Georgia 30309-3579, appearing on behalf of AT&T Communications of the Southern States, LLC, participating telephonically.

DULANEY L. O'ROARK, III, ESQUIRE, MCI WorldCom Communications, Inc.(GA), Six Concourse Parkway, Suite 600, Atlanta, Georgia 30328, appearing on behalf of MCI WorldCom Communications, Inc.(GA), participating telephonically.

JON C. MOYLE, JR., ESQUIRE, Moyle Law Firm (Tall), The Perkins House, 118 North Gadsden Street, Tallahassee, Florida 32301, appearing on behalf of NewSouth Communications Corp., participating telephonically.

MEREDITH HALAMA, ESQUIRE, Wilmer, Cutler & Pickering, 2445 M. Street, N.W., Washington, D.C. 20037-1420, appearing on behalf of Verizon Florida Inc., participating telephonically.

JEREMY SUSAC, ESQUIRE, FPSC General Counsel's Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf of the Commission Staff.

I N D E X

WITNESS

NAME:	PAGE NO.
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Direct Examination by Mr. Susac	7
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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 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.

P R O C E E D I N G S

MR. SUSAC: Let's go on the record. And parties on the phone, please identify yourself for the court reporter.

MS. AZORSKY: This is Tami Azorsky for AT&T and with me is the witness Richard Walsh. And we have a Notary here to swear Mr. Walsh.

MR. O'ROARK: This is De O'Roark with MCI.

MS. HALAMA: Meredith Halama with Verizon.

MR. SUSAC: Did we just add a party?

MR. MOYLE: Yeah. Jon Moyle on behalf of NewSouth. Sorry I'm a couple of minutes late.

MR. SUSAC: No, that's all right. We're just beginning, Jon. I guess we will proceed. How about we swear in the witness.

MS. AZORSKY: Okay.

(Witness sworn.)

MR. SUSAC: All right. Before we get to the stipulations, I'd just like to read a letter from the Commissioner.

"Good morning, counsel. I wish you an efficient productive series of depositions. In order to keep these depositions productive, please keep your questions limited to the issues in this case as set forth in the draft prehearing order. What this case is not about, it's not about TELRIC, UNE pricing or about access reform and rebalancing legislation in

Florida, and it is not about the local or long distance prices that customers pay. This case is not about whether your client or you agree or disagree with the FCC's Triennial Review Order or the premises contained therein. So please do not focus on those areas in your questions.

This case is about a specific impairment analysis that pursuant to the 1996 Telecommunications Act this Commission is to conduct according to the issues set forth in the prehearing order. Your questions should thus be appropriate and focussed. While I hope the need does not arise, I will be available to rule on objections that questions are outside the scope of this proceeding."

With regard to that last statement, Commissioner Davidson is in California today and would not be available to rule on objections. However, your objections will be noted and taken up on a later date. With that, I would like to ask the parties, do you agree to the normal stipulations?

MS. AZORSKY: Yes.

MS. HALAMA: Yes.

MR. O'ROARK: Yes for MCI.

MR. SUSAC: Are all the parties familiar with the ruling from Commissioner Davidson pertaining to a witness in this case cannot be privy to this deposition even if that witness is a corporate representative?

MS. AZORSKY: Yes.

RICHARD J. WALSH

was called as a witness and, after being duly sworn by the court reporter, testified as follows:

DIRECT EXAMINATION

BY MR. SUSAC:

Q Will the witness please state your full name for the record.

A Richard J. Walsh, W-A-L-S-H.

Q Okay. Mr. Walsh, as I stated, my name is Jeremy Susac. I'm an attorney with the Florida Public Service Commission. I'm going to be taking your deposition on behalf of the Commission, and this deposition is being taken for Docket 030851.

Before we begin I just want to let you know that if you need me to restate a question or do not understand a question, if you would just let me know and I will either restate the question or try to rephrase the question. I will also ask you that when you answer your questions, if you could please begin your answer with a yes or no where appropriate and then go into further explanation if need be.

Mr. Walsh, by whom are you employed?

A I'm a consultant to AT&T.

Q And could you just please give us a brief synopsis of your educational background?

A Educational background, I have some college

experience. I have 34 years in the telecommunications industry with companies such as the former NYNEX Company; New England Telephone, which is now Verizon; Bellcore, I've had some work experience with Bellcore, which is now Telcordia; and most recently with AT&T and MCI WorldCom.

Q Okay. And have you previously filed testimony before the Florida Public Service Commission?

A Yes, I have.

Q And did you file testimony in this Docket 030851?

A Yes, I did.

Q Do you have the copies of your testimony and exhibits with you today?

A Yes, I do.

Q Okay. Mr. Walsh, are you familiar with the batch hot cut process Verizon has proposed to apply to CLECs in the --

A Yes.

Q How does the Verizon East process differ from what Verizon has proposed to implement in Florida?

A As far as I understand, it's the same process.

Q And under your understanding that it's the same process, thereby treating it the same?

A That is correct.

Q Is AT&T's proposal for a Verizon batch hot cut process in Florida fully contained within Section II of your surrebuttal testimony? And to help you out that's, I believe,

on Page 24.

A Yes, those would be our recommendations beginning on Page 24.

Q What is your understanding of when Verizon will begin offering the hot cut process described in the panel direct testimony in Florida?

A I really don't know when they would be planning on offering that. I know that this case is about understanding or trying to develop what that process is, and so once the process is determined and so ordered by the Commission I would expect that Verizon would start offering it at that point in time.

Q To your knowledge, has Verizon submitted a change request into its change management process for OSS modifications that will be needed for the proposed batch cut process?

A I really don't know.

Q All right. Mr. Walsh, what is your understanding of the status of WPTS implementation in Florida?

A I believe it could be implemented, but I don't know if Verizon has implemented WPTS in Florida. But from what I understand, they want to have one process, one hot cut process for the company. So I don't know the particular details as far as is it available in Florida. I would expect that it would be.

Q All right. Could you flip to Page 32 of your

surrebuttal testimony, and tell me when you get there?

A Okay.

Q In your opinion, what improvements could be made to make Verizon's WPTS more effective as a real-time communication tool in the provisioning and scheduling process for CLECs?

A There are a couple of things that we think would be more beneficial. First off, WPTS right now, the way that we understand it is a one directional type of system, meaning that if a CLEC needs to get information from that system, it has to query the system and then look at the information and then make a determination about the information that it sees. What we'd like to see changed is that once information is changed in WPTS, we want that information pushed to the CLEC, sort of like the way that the OSSs work today within Verizon. That would enhanced the communication aspect of it.

But also, I'd like to utilize WPTS for inquiring about project identification and also to use it as a scheduling tool; thus is eliminating the manual phone calls that we have to make to Verizon to find out, you know, what project ID we should assign to a particular project, what that due date -- what's the next available due date. Those are the types of calls that we feel are unnecessary. And WPTS feels that it could be the communication devise that would enable us to do that.

Q Going back to the first thing you listed, the one

directional, you referred to an information push. Could you please elaborate on that?

A Sure. Right now, today, WPTS has information about hot cuts that are contained in its database and it's similar to a spreadsheet. Now, Verizon has the ability to go in and to update that information with the information that they find such as maybe a no dial tone situation or there might be a trouble on one of the particular lines or one of the orders may be in jeopardy. That information just stays within WPTS, and we will not be notified until we go in and query WPTS and examine the information that's on the screen to a previous screen that we already had. So, I mean, we have to keep on refreshing the screen continually to find out if information has changed.

What we'd like to see happen is that when WPTS becomes changed in any way, shape, or form, that the processing within WPTS would push that information over to the CLEC, and then what we would do is -- what the CLECs would do is they would design systems to interpret that information as they receive it and then to process it so that we could be notified instantaneously on change statuses, on statuses that have changed so that we could take corrective action.

Q Am I correct in summarizing that as just, it would keep you on the same page as Verizon?

A Absolutely.

Q And what costs do you associate or what costs do you foresee for Verizon developing such an improvement?

A I really haven't looked at that issue in its entirety. I don't believe the cost would be a big cost. I think it's just a matter of identifying what information needs to be pushed out and facilitating that through WPTS.

Q All right. Just a follow-up. Would I be accurate in saying that you are asking for an interactive system in WPTS which permits CLECs to enter in updated info and make requests?

A Absolutely, yes.

Q What info and other communications? If you could just elaborate on that, please.

A One of the other communications that we'd like to see is a communication enabling the CLEC to go in to say that they have a problem with a particular order, or they don't want a particular order cut at a certain time. Maybe the customer has contacted AT&T and that AT&T needs to communicate that information over through WPTS to Verizon. We want the ability to go in and to update that status change on that one particular item.

When Verizon is in the cut-over process or when they are ready to cut-over, we want them to notify us through WPTS, thus eliminating a phone call. We'd also like to see when the technician actually does the work, the physical work at the main frame where he is communicating with his OSS to have that

information automatically be passed over to us or immediately passed over to us so that we can start our verification process. Those are the types of communications that we'd like to see.

Q Okay. And is this electronic push, is that the same as what you refer to on Page 29 of your surrebuttal?

A Yes.

Q Okay. Thank you. Could you please then refer to Page 30 of your surrebuttal? And just will holler when you get there.

A Okay.

Q Begin reading at the paragraph -- okay. Beginning at the paragraph at Line 7, and let me know when you have finished.

A Okay. I'm finished.

Q Okay. Are you familiar with Verizon West OSS in Florida?

A I can't say that I'm 100 percent familiar with them, but I am familiar with most of the OSSs that are in Verizon.

Q To the extent that you are familiar with the OSS in Verizon, is it sufficient to say that it cannot process LSRs with large numbers of lines?

A I think the large number of lines issue is a threshold that Verizon set on their OSS to make sure that they can meet a request. It's not a limitation of the OSS, per se.

It's a business choice that they said -- that they have chosen to stop auto-processing when an order has more than 20 lines. I want to be clear that you understand what I'm saying. It's really not a limitation of the OSS. It's a business choice to stop the order, to halt the order.

Q Okay. I'm just reviewing my notes. Let's go -- we're still on Page 30. Let's look at Line 9, starting with the sentence, "For example." If I'm reading and understanding this correctly, you say, "For example, Verizon's OSS in New York is not designed to handle LSRs involving more than 20 lines." However, today, you're saying that it's not a design; it's more of a business choice. Could you please clarify that?

A Yes. From what I understand the LSR processing, there are thresholds that are set within the front-end edit to examine how many loops are being ordered. And when a threshold has been reached, the order will fall out to manual processing so that the business office can alert the facilities people to make sure that there's enough facilities in place when we're talking about a line for 20 orders.

As a said before, it's not a threshold -- it's not a limitation of the OSS because the OSS processes one line after another, so it really doesn't matter how many lines are on the request. The 20-line threshold that Verizon sets is to produce the manual fallout. I mean, it's intended to stop the order because they want to know about large orders, per se, for

instance, so that they want to know if there's one person or one order that's going to eat up a lot of their facilities, and they might not have enough facilities to maybe serve themselves. It's a system design -- they have designed their system to do (inaudible) that cause the fallout.

Q Okay. In your opinion, should Verizon perform volume testing of the batch hot cut process to prove its claim that it is more efficient and enables larger volumes, sir?

A Yes. With any process that's implemented I think a certain level of testing has to be done before it can be proven as a successful process.

Q And what is your estimate of the costs associated with conducting a volume test for this batch hot cut process?

A I really don't know how much -- I mean, I haven't looked at the process. I haven't looked at how much time would be required to do the testing. That is not something I did any analysis on.

Q If a volume test was necessary, should a third-party perform the test and build the test deck?

A Yes.

Q Okay. In your opinion, does a CLEC need to know exactly when the cut-over process will take place within the batch hot cut process? Why or why not?

A Yes. It's important for the CLEC to know when the actual cut-over will take place because the customer is going

to be out of service. A CLEC needs to establish relationships with their customers, and they need to be made aware of any type of activity that could affect that relationship or could affect that service that they deliver to their customers, be it on Verizon's network today. But if that service is going to be affected in any way, shape, or form, I certainly would want to know when that's taking place, and I know my client, AT&T, wants to know when that's taking place because customers have different needs.

The pizza parlor has a different requirement for when they want their service interrupted as opposed to a residential account. So each customer is uniquely different. And understanding what's going to affect their service also enables us to better manage the customer's expectation, especially if something does go wrong.

Q Currently, how long is the customer out of service during the cut-over?

A Just so that we are talking about the same thing --

Q Okay.

A -- there is two types of -- there's the out of service that actually takes place when the wires are lifted off of the cable pair of the loop that go to the Verizon switch and the time it takes to put the wires back on. We view that out of service as a relatively short period of time, possibly a couple of minutes. But there's also a loss of service

functionality that takes place, and that service functionality that I'm talking about has to do with the number porting, the time it takes for the CLEC to get notified so that they can have that number ported so that incoming calls can be redirected to the CLEC's switch as opposed to Verizon's switch. That could take a substantial amount of time if the CLECs aren't notified that the hot cut work has actually taken place. So it could be an hour, it could be as few as a few minutes if they're doing it by the onesies. And that's a concern to us.

Q Okay. Thanks for clarifying that for me.

A Okay.

Q In WPTS, does using the accumulation of LSRs enable the CLEC to predict when the cut-over will take place?

A Not to my understanding, no.

Q What predictors might exist that could enable a CLEC to know approximately when the cut-over would take place?

A If there was some type of a time commitment that Verizon was willing to give in a process that would say, we are going to cut this line over at a particular time of day, you know, within a window, that would be at least an indicator to us to say -- you know, to examine that data and then to say, is this going to affect our customers, and then if it is going to affect our customers, take appropriate action such as deferring that cut-over to a different time. And that information, I believe, could be passed back, stored in WPTS and passed on to

the CLEC.

Q To your knowledge, has Verizon indicated to the CLECs if it will conduct any testing of the batch hot cut operational processes, methods, documentation, or procedures?

A Not to my knowledge, no.

Q If Verizon conducts batch hot cut process testing, what is your opinion of how the testing should be done?

A Well, I think, first, we have to agree upon what the process is that would be most beneficial to both companies; that certainly once that's decided, then we should also consider what metrics that need to be identified within that process that would be indicators of whether the process is successful or not. And once those metrics are determined, then we can decide upon how long the test should take place.

We really don't have a process that has been agreed upon, nor do we have any metrics that would measure that process -- the effectiveness of that process. So estimating on how much time it should take, I'm really not in a position to do that at this point.

Q Okay. I guess, should Verizon use a third-party tester?

A Absolutely.

Q Okay. Do you know of multiple entities that are competent to conduct a proper test?

A I'm sure there are several entities that would be

competentable (phonetic) to conduct a test once the process has been developed. Certainly Telcordia comes to mind, KPMG comes to mind. People that have done testing probably third-party for the 271 cases where they tested some of their OSSs, and they would be good candidates, in my opinion. But this would probably be a much smaller test. I really don't who the best group would be.

Q Could you please repeat the second and third ones? I didn't hear.

A The company names?

Q Yes.

A Telcordia comes to mind, KPMG, that would be another one. So long as the Commission had some oversight on who the companies were and the Commission had some input into the testing process. I don't think I'm in the position to really provide that information, who the best third-party testing group would be.

Q Okay. Thanks. Based on what you know of Verizon's proposed batch hot cut process, what limitations exist on the ability of a CLEC to make changes to a customer's account pending completion of the hot cut?

A I think I understood your question correctly, and I think what we're talking about is Verizon's proposed batch process where they're going to hold service orders for a period of time. That period of time has yet to be determined, but

from what I understand, it could be up to five weeks. And so the inability to process service orders in that five-week time frame could be a hindrance. Not so much -- it could be a hindrance in two different ways. If there is a service order that's pending against that account and we can't process change orders against that without first cancelling that order, there is a cost associated with that cancellation, and there is additional costs with processing the change request and then putting that same -- reinputting that order back in afterwards. So that is a hindrance right there. That's probably the biggest one.

But as far as the time frame, the five weeks or the seven weeks, that number that is yet to be determined on how long, that in itself poses a problem.

Q And just for my clarification, is that five to seven weeks, is that the norm or is that the exception?

A Well, that's what Verizon is proposing that it's going to take that much time for the critical mass to be reached in order for them to have a batch from which they want to work with. So it could take up to seven weeks for that critical mass number to be reached. And that means that we could place an order today and not have the ability to process any kind of customer changes on that account for seven weeks. As smoothly as it would be as if it was done all at the same time, I mean, if it was instantaneous, if there was no critical

mass that had to be reached first.

Q Okay. So could a new Verizon customer make changes to their account while waiting for that actual cut-over?

A No.

Q Okay. In the Verizon batch hot cut process, what is your understanding regarding whether a CLEC can control or indicate the sequence of cut-overs for a multiline order?

A It's my understanding that the CLEC would have no control and no say over which orders get cut-over at what time. Verizon's testimony indicates to me that they're going to reorganize the batch whatever way the technician sees fit to work -- he's going to rework the orders the way that he thinks they best be cut.

And there is no indication within their process that we would be notified as far as the scheduling of what orders get cut in what sequence, and that's important to us because a lot of those customers that we're talking about might have one or two lines that are hunting. And when you knock one line out, you ultimately disrupt the entire service that we would be delivering to that customer.

So if you decide to do one at 10:00 in the morning and then one at 3:00 in the afternoon, the customer would not have the same functionality that they would expect. They would actually be out of service. Their service would not be -- they wouldn't be able to utilize the service the way that they had

envisioned from us.

Q What is your understanding of whether the Verizon batch hot cut process includes prewiring and dial tone checks prior to the day of the actual cut-over?

A My understanding is they're going to work those orders the day of the cut and not do any prewiring activity like the current hot cut process but like is being done with the current hot cut process, two days in advance. So there is -- if there is a problem, they're not going to know about it until they actually start to wire the frame, and then that could be too late. Wires could be lifted off, wheels set in motion, orders could be not canceled in time and disconnecting the customer's service entirely. All kinds of problems could erupt from that. And that's why we feel the way we do so strongly about the process the way it's been depicted to us. It has a few holes, it has a few hurdles they need to get over for it to be an effective process.

Q Okay. Thank you. Do you have an opinion on whether Verizon will commit more or less errors in an order when prewiring and dial tone checks are not done prior to the day of the cut-over? If you'd like, I can repeat the question.

A No, I understand. I'm just thinking about my opinion.

Q I'm sorry.

A Any manual process that involves the wiring of the

frame and -- I guess when you do things in advance, maybe you're more apt not to make mistakes than when you're under the gun and you have to get things done right away. That's always been my experience. And people tend to be, I guess, a little bit more relaxed, they tend to make less errors when there's enough time for them to do the work.

Q Would Verizon's OSS current metrics be sufficient to provide a disincentive for Verizon for delays and errors in cut-overs?

A I don't think so.

Q Are you familiar with Verizon's metrics?

A Very little. I really can't say I'm an expert with Verizon metrics, no.

Q Who with AT&T would be?

A I believe the name is Cheryl Barsha (phonetic).

MS. AZORSKY: Jeremy, while I'm not the witness, our performance measures witness in this case is Cheryl Bursh.

MR. SUSAC: Okay. Thank you.

MS. AZORSKY: I'm not sure that Mr. Walsh is really familiar with that.

MR. SUSAC: Okay. Thank you very much, counselor.

BY MR. SUSAC:

Q Given the limitations of the preordering and ordering processes, the lift and lay process and the following completion activities, how can two or more hot cuts be done

simultaneously?

A They can't --

Q Okay.

A -- unless you consider some type of electronic provisioning.

Q Can -- well, did a party just add?

All right. Never mind that. Can you speculate as to what the FCC meant when it said simultaneously?

A No, I really don't know if I could speculate what they meant by that, but -- I'll just leave it at that. I'd only be guessing.

Q Verizon proposes that in its batch hot cut process it will hold orders for two to approximately six weeks prior to provisioning those orders in a central office. Until critical mass is reached, how, in your opinion, does this proposed holding period comport with the timeliness standards ordered by the FCC?

A I have no idea. Certainly it doesn't appear to me -- well, I don't have an opinion on that, or I don't have an idea on that.

Q If Verizon maintains control of NPAC notification after a line is cut in the batch hot cut process, could it reduce the amount of time and communication needed between CLEC and ILEC?

A Verizon could reduce the time between the CLEC and

ILEC in a number of different ways. Certainly I don't think Verizon is incented to deliver that message to the NPAC any faster than the CLEC would be. So I really don't see the requirement or the advantage of Verizon performing that task.

As I said earlier, one of the things that we petition as far as the recommendations is as soon as that lift and lay is done at the frame where the customer is out of service, we talked about total service, being out of service totally for that one or two minutes while that transaction is taking place, if the technician could somehow communicate that he has actually placed the wire on the frame and it's okay for us to port that number, and if that message could be electronic, we would know instantly, and it would be our responsibility to ensure quality service to our customers. It would be our job to send that notification off to NPAC. We see no advantage whatsoever with Verizon performing that task. Certainly Verizon is not incented at all to deliver that any faster than we would.

Q When you say when the technician is doing the lift and lay, and that if you could have an electronic notification sent to you, how do you propose Verizon does that?

A Well, Verizon has been investigating -- I know in the Northeast region it's conducted some trial tests where they're giving their technicians these handheld devices that communicate with the OSS and act also as phones, so sort of

like a PDA. And so they receive their work on this PDA that tells them what wires to lift and lay. And when they perform that work and they're going on to their next job, they would tap the screen to say, you know, I have done my part. I've done my work. And by them tapping that little PDA, that information would be passed over to the OSS and in turn the OSS would process that information and deliver it to us. That notification could then be almost instantaneous as to delivery. There would be no wait whatsoever. I mean, we would be notified right away that that technician has done the work, and then we could start porting the number and doing our testing on our end to ensure that our customers have the service that they expect to have.

Q Just an estimate, how much do you believe that would cost Verizon?

A I have no idea. I haven't looked at that, to be honest with you.

Q But your opinion is that WPTS could be modified to achieve this?

A Oh, absolutely.

Q Does WPTS show that a particular order is part of a batch with specific schedule information?

A As far as I understand, the present WPTS shows project information. They're part of a project. I don't believe they have implemented the batch yet. So we're talking

about the same thing. We're really talking about a large job or a project job where orders have been identified belonging to a particular project, and that information is stored in WPTS today, I believe.

Q In your opinion, what other improvements could you suggest for the WPTS functionality?

A Well, I certainly outlined several of them in my testimony. Give me one second. I can read them all to you.

Q All right.

A I summarized my improvements on Page 24 of my testimony, and I won't read them verbatim because I'm sure you have access to my testimony right now. But I can tell you right now that as far as WPTS is concerned, one of the big things that we're looking for is the push communication that we talked about earlier. That would certainly be an enhancement that would greatly improve the process.

Q To your knowledge, is the WPTS covered under the Verizon West change management process?

A I really don't know. I believe it would be though. I don't see any reason why it wouldn't, but I don't know for certain.

Q Okay. Could you please describe your understanding of what would happen to an order if a CLEC declined a cut-over that was part of a batch?

A Could you repeat the question, please?

Q Sure. Could you please describe your understanding of what would happen to an order if a CLEC declined a cut-over that was part of a batch -- that that cut-over was included in the batch?

A Okay. I'm going to give you my understanding of what I think you're asking me. If you're asking me if the CLEC canceled one of the orders within a batch, what would happen.

Q Yes.

A Okay. We would expect that work not be done.

Q But what about with regard to the other orders that you wanted completed? Could you please elaborate on that?

A Certainly with -- you know, when you have a large job or a batch, per se, that you want to work, there might be conditions that you don't want a particular line cut at a particular time, so you might want to defer it. But if what you're asking me is what's going to happen if we cancel one of those in its entirety, we would expect that one line not be worked and the others to be worked.

If we have that control, you know, we would expect that Verizon would honor that. If we had that ability to control, you know, having the ability to cancel an order, we would not expect any work to be done on that particular customer -- or customer's line, I should say.

Q Just for my clarification, sir, could you describe the process in which you submitted a batch and after submitting

the batch you wanted to cancel one order within the batch, could you just reveal how that would take place? You contacting the ILEC, what the ILEC does to ensure that the remaining order goes through without terminating the rest of the numbers that you would like to go through.

A Okay. I'll try to paint a scenario that might clarify what we're talking about here. I think I understand the issue that you're talking about. Let's say, for instance, a customer may have ten lines, and we put together a small project or a batch that says that we want to convert -- we want to migrate these customers over to a UNE loop, and we want it to take place on such and such a day. And after renegotiating with the customer we find out maybe there is one line that we don't want to flow over just yet because it's involved with a service, maybe it's a dial up service that they need to be logged into their computers or something along that line, so we want to defer that one item until a different day that the customer has given us, a new date which would be more agreeable to them. So instead of doing them on night one, we might want to do that line on night two. So we should be able to send a change order in to Verizon that would enable us to defer one line to a new date. Now, in effect, what that does, it cancels it out of the work for that one particular night, but also reschedules it for a later date.

I think that's the scenario that you're trying to

understand is what would happen, what would we expect to happen. Well, what we would expect to happen is Verizon would honor that due date change and not process that work that particular night, because if they did, for instance, if it was tied to a computer, like dialed into a computer on a continuous, you know, during a continuous time period, then the customer would definitely lose their service, and they would probably lose, you know, the ability for them to communicate with their computes or whatnot or whatever the reason was that the customer expressed to us that they did not want that service on that line changed that night.

Q All right. Thank you. Did Verizon seek CLEC input in developing the batch hot cut process?

A None that I can see.

Q Not even on an informal level?

A Well, there were some technical collaboratives that took place in New York, and certainly the CLECs were quite vocal about some of the things that they'd like to see, and certainly Verizon presented the way that they want to do business. But the batch process that ended up in their testimony was nothing that was discussed at those technical discussions. That was just presented in their testimony out of the blue.

Q Did you attend any of those collaborative sessions?

A Yes, I did. I attended three of them.

Q Which three were those?

A The dates?

Q Yes.

A I'd have to look at my calendar to find out what dates those were, but I did two by phone and one when I was present. One was up in Albany during the summer and two others before that.

Q All right. Going to Page 5 of your surrebuttal, beginning the Line 18, just holler when you get there.

A Yes, I'm there.

Q You state that there is a total lack of CLEC control over the sequence in which the lines of a multiline order are cut. My question is, would Verizon's current OSS metrics be sufficient for Verizon to complete all lines in a multiline order in a timely manner?

A The reason that statement is in my testimony, I don't think it's aligning with your question, but let me see if I can explain it a little bit. When we talk about a multiline order, we're talking about an order that might involve multiple lines which could be in some type of a hunting arrangement, and it's critical that those lines be migrated in a certain sequence so that the hunting does not get -- so they're not without their hunting for an extended period of time.

Certainly you would not want to do the first line of a multiline hunt group, per se -- or not complete the first one

for an extended period of time and do all the others. The customer would be without that functionality because the lines won't hunt across different switches. They only hunt within the same switch. So that's what we were speaking about with that bullet point that's on Page 5.

Now, as far as the OSS metrics or deciding upon how fast they should cut-over these lines, there needs to be some control about which lines get cut-over when because that's important to us as far as how we deliver our service to our customers. So we want to be able to control that ourselves to indicate to Verizon which lines should be cut in what sequence.

Q Okay. I just have -- let me digress real quickly. To the extent you can answer a yes or no to a question that is designed to elicit a yes or no, please do so. And I know a lot of these questions can't be pigeonholed into a yes and no, but we'd appreciate that, and then if you could elaborate afterwards, that would keep the deposition moving a little faster.

Also, I think earlier you stated that you did not have a sufficient understanding as to the metrics Verizon uses, but now you seem to have a better understanding of the OSS metrics that Verizon currently has. Could you reconcile that for us?

A Yes, I can reconcile that. I did not know -- I hope I didn't come across that I understood all the metrics that are

in place in Verizon's systems. I certainly am knowledgeable about the Verizon systems, but I don't know what metrics they have in place -- I don't know what things are being measured.

My last answer was I was trying to explain to you that it's important for us to have certain control about how we deliver services to our customers. In regards to how much time it takes for Verizon to do a cut-over of a multiline order, I don't have that information. I don't know what is the appropriate number or how that should be measured.

Q Okay. And following up on a previous question about the multiline order in a timely manner, what do you consider to be a timely cut-over?

A I don't know if I can answer that. We would expect it to be right away, in the shortest amount of time. But I don't have that number, that timeliness number that you're looking for. We haven't really decided upon a process that is agreeable that you would mandate, and so we don't know what parameters to put around that process yet.

Q Mr. Walsh, did you provide any evidence in your testimony regarding the magnitude of the problem with multiline orders not being cut-over an order?

A No, I did not.

Q Could you please comment on this then now?

A I guess I'm not making myself entirely clear. The problems in and around multiline orders, we're really talking

about a couple of different issues. Certainly hunting comes to mind is a -- would be a serious issue, especially if a multiline order -- or if a customer has multiple lines and, say, one line within that hunt group is working on IDLC and there's no provision within the batch process to cut-over that line that's on an IDLC facility. So therefore, the batch process that Verizon is offering cannot be worked for that particular customer who has hunting and one of those lines happens to be an IDLC facility.

Those are the types of problems that would arise with designing a process which has limitations on it such as the one that Verizon has put forth.

Q We understand the problem. We're just trying to understand how significant it is, how often it occurs, things of that nature. Could you please elaborate on that?

A From what I understand, talking to the people that do the day-to day-operation, it's quite frequent at least in the Northeast region where they have done a few hot cuts for AT&T that the customers have been -- the customers that we have acquired have been on IDLC facilities. And often when we try to put them into a project, we'll find out that one line is on IDLC and several of the other lines are not. And so all of them have to be done through what they call the basic process or the manual process. So it is a common problem. It causes a bunch of rework when things aren't identified up front. And we

would expect the same type of network to be in place in Florida and the same types of problems to happen.

Q When you say "quite frequent," and I think you also used the word "common," could you please define that for us to the extent possible?

A Sure. Verizon's network, certainly they have the ability to go in today and to design that network that's most economical and efficient for them today. So they might choose to install IDLC as opposed to copper or UDLC in the network when they're dealing with their retail customers, for instance. And that works well for Verizon as a single entity company. However, because they want to unbundle those loops to us and they choose to do that unbundling at the MDF, that presents a different set of problems when we try to acquire those customers onto our switch because the work has to take place in the field first and then at the frame second. So it's a two-step process.

And we have no say over how Verizon assigns their facilities. They do that because they manage their network. So when we are acquiring the customer through unbundled switching, we have no say whether -- you know, how Verizon will assign a customer.

Q Okay. Thank you. What metric do you believe should be designed to measure successful completion of batch cut-overs?

A I really don't know if I'm the right metrics person. I really -- we have not sat down as a group and decided what would be good measures to -- how would we measure a successful batch process because we really don't even have a -- we haven't identified the most successful batch process. I mean, it's still one to be tested. We have talked about improvements to Verizon's current process that would make it better, but we haven't finalized what that process is going to be yet.

Q Okay. Well, do you suggest that the metric should measure only the number of batches, or do you suggest that it should reflect the number of cuts within batches?

A Probably it should measure the number of cuts within batches.

Q And why do you say that?

A Well, because when a line's affected there's a time factor that takes place, how long the customer is out of service or how much time it actually took to do that cut-over of that particular line. And those would be service affecting things that could come back to haunt us if we didn't somehow measure that. I mean, if we weren't notified that a line had been cut-over or if the number didn't get ported in time so that the customer had full functionality, certain customers when we start doing the mass numbers, we could find more customers are without the features that they are paying for for extended periods of time.

They could start a batch in the morning at 12:01 a.m. and not notify or send that information over to the NPAC for the number porting until 3:00 in the afternoon. So the customer would be out of service without full functionality for an extended period of time, and we don't think that that would be an appropriate number. So therefore, putting a metric around the time it takes for that full functionality to be restored, I think, would be more appropriate.

Q Is it your opinion that Verizon's batch process should require sequentially provisioned multiline LSRs in a batch?

A It's my opinion that it should, yes.

Q At Line 25 on Page 5 of your surrebuttal testimony --

A Yes, I'm there.

Q Okay. You state that there is a lack of metrics and penalties that would ensure a Verizon commitment to the process it proposes. My question is, have you offered metrics in your testimony to address this issue?

A No, I haven't in my testimony, but probably another witness within AT&T might have offered it in their testimony. I was just not in a position to offer metrics.

Q To my knowledge, no other witness has. Would you like the opportunity now to offer some metrics to address this issue?

A Well, you probably would need to have to have a

workshop to identify what the process is so that we're all on the same playing field, and possibly at that point we could discuss and socialize what those metrics would be. I'm just not in a position right now to give you my opinion of how things should be measured without at least conferring with the people that I work here with here at AT&T. There are other people that have some ideas about how things should be measured, and I would like to get their input. And I think the best form for that would be a workshop with the staff included.

Q So do you agree with Verizon then that we should hold off on the metrics in this proceeding?

A Yes, for a little bit of time.

Q Could you do me a favor and turn to your surrebuttal on Page 5?

A Okay, I'm there.

Q Beginning at Line 5 and ending at Line 7, could you please read aloud your statement concerning problems with Verizon's proposed batch hot cut process?

A "The inability to control the time of day, and day of week, that customer's service will be interrupted, and put at risk for greater interruption, by a hot cut."

Q Under the Verizon process proposed thus far in Florida -- or for Florida, I should say, what is your understanding of the notice that CLECs will be given of the time frames of the actual hot cuts within a batch?

A I think it's six days' notice that a batch will take place, but certainly it won't be the time of day.

Q Is this sufficient, in your opinion?

A No.

Q Well, then what, in your opinion, is appropriate notice to CLECs and why?

A Well, I think the CLECs should be able to control when something is going to affect service for one of their customers. I don't think that it should be Verizon controlling that. I think it should be the other way around. I think it's the CLECs that should be controlling when Verizon is to do the work.

Q Well, how many days would be sufficient, in your opinion, for notice?

A Again, I think what you're saying to me is, do I agree that Verizon should dictate when it's going to do the work that we request them to do; I think it should be the other way around. It should be the CLEC mandating to Verizon a day that they would like the work done.

Q Please refer to your surrebuttal testimony on Page 5.

A Okay.

Q On Lines 5 through 8, please explain what qualities AT&T needs to monitor between the time of cut-over and NPAC porting. I'm sorry. Let me back up.

On Page 5 of your surrebuttal testimony,

Lines 8 through 10.

A Okay.

Q Please explain what qualities AT&T needs to monitor between the time of cut-over and NPAC porting.

A Right. As I explained earlier in this deposition today, the quality of what we're really talking about is the quality of service that we deliver to our customers that our customers have come to expect from us. And that quality of service is full service functionality, meaning both inward and outward dialing capability or for them to receive calls and to place calls.

So the quality of -- or the critical time period between cut-over and loop activation -- number activation, I should say, is a critical juncture for us. We would expect that, as I expressed earlier, to be instantaneously. So the longer it takes Verizon to notify us or the inability for Verizon -- or for the inability for us to know when that takes place hampers our ability to service our customers because we might not know that a cut-over has taken place and the porting has not taken place. It might seem like everything is working okay when, in fact, it is not. So it's really a service quality issue that we want to control.

Q Okay. Thank you, Mr. Walsh. Could you please explain your concerns about Verizon's use of their win-back program in connection with the changes proposed for the batch

cut-over process?

A All right. I think I can talk about that. One of the problems that we see with the batch process as it's been proposed is that the time frame it takes for Verizon to reach that critical mass. We had talked about this earlier today where it could be between five weeks and seven weeks. It could be that much time.

And what we're concerned about is in that time frame it takes for Verizon to reach that critical mass where they're able to decide on what day they would actually do the work, that they might not be actively marketing those customers that we've identified as wanting to come over with us through a win-back program. They might have products and services that they could offer that would change the customer's mind. And so our ability to make changes on their account in that time frame or, I should say, our inability to make changes to counteroffer the win-back program, for instance, would definitely hamper our ability -- (phone interference.)

MR. SUSAC: Let's go off the record real quick.

(Discussion off the record.)

BY MR. SUSAC:

Q I believe, Mr. Walsh, just to refresh your memory, we were explaining concerns about Verizon's use of their win-back program in connection with the changes proposed for the batch cut process.

A Right. As I said earlier, I think that there is this window, this time window where our ability to make changes on the service orders are going to be limited. Verizon might actively engage in a win-back program during that time frame and target those customers that we can't make changes to those accounts to better service them. That's a concern that we have.

Q Okay. Could you please go to Page 7 -- I'm sorry, 37 of your surrebuttal, beginning at Line 11?

A Yes.

Q Okay. Could you please comment a little further on what, in your opinion, will it take to move to electronic loop provisioning?

A What it will take to move towards electronic loop provisioning?

Q Yes, sir. And how feasible is it, things of that nature.

A Sure, I can give you what knowledge that I have on that issue. From what I understand, the literature that I've read, certainly electronic loop provisioning would provide the ability of the person that owns that switch where that electronic loop provisioning was to take place to make changes in the network almost instantaneously. That's my understanding of how that technology works.

And if, in fact, there were technologies that enabled

electronic loop provisioning, you would not have a manual process. You would have a process that would be driven by the OSS, that would be driven by the LSR, and it would almost, in my opinion, be a seamless operation where you could submit an LSR in today and because there wasn't a time requirement, it could be provisioned quite quickly. Something similar to, like, a long distance PIC change or a migration to platform. That's how I envision those frames working, and that's how I envision -- that's the end game we would like to be.

Q How feasible would it be to do this on a forward-looking basis?

A I think it would be quite feasible. If you're asking my opinion, I think that there's an investment that's made in the technology. Certainly it eliminates technicians that are required to do the physical work. It eliminates errors. It enables Verizon -- or it enables the network provider to act just as that, as a network provider. It enables to deliver services faster and probably at less cost overall.

Q What kind of costs are you talking about?

A Well, network operations costs. I mean, I think probably in the long run those costs would be less, or they wouldn't be implementing those frame types in the Northeast. I mean, Verizon is actively putting those electronic loop provisioning switches in certain central offices. As I understand in New York and New Jersey, Massachusetts, they have

a program that's in place. They don't want to send technicians -- put technicians behind a driving wheel, per se, and have them drive from one location to another location where there's not much activity. It's much easier to just have the order flow right through and have the OSS read information off that order and make those changes automatically. That's certainly the wave of the future.

Q So is it your opinion that the Florida Public Service Commission should open a docket to examine this topic?

A I would say yes.

Q What evidence could be provided in such a docket that has not been provided in this docket?

A Some of the technology issues, operation issues, and possibly what it would cost, you know, as a forward-looking network to determine what those nonrecurring costs are, for instance.

MR. SUSAC: All right, Mr. Walsh. Well, I appreciate your time. And that is all the questions that we have for you.

Any parties on the line have questions? We're good to keep going if any parties on the line have any questions for Mr. Walsh.

MS. HALAMA: I do have some questions, but if you all need a break, that's fine with me too.

MS. AZORSKY: Meredith, before we make that decision, about -- yeah, can we take just, like, a five-minute break?

MR. SUSAC: Sure. Let's take a five-minute break. I have 11:30. Why don't we reconvene at 11:35. Is that a sufficient amount?

MR. MOYLE: Yeah, that works for me. I'm sorry. I had to jump off.

MR. SUSAC: That's all right. Okay. 11:35 it is. We'll reconvene. Thanks.

(Brief recess.)

MR. SUSAC: We're back on. We see it as 11:35.

MS. AZORSKY: We are ready when you guys are.

MR. SUSAC: Okay. The parties on the line, please identify yourself.

MS. AZORSKY: AT&T is here.

MS. HALAMA: Verizon is here.

MR. SUSAC: We'll give Mr. Moyle about one more minute.

MS. AZORSKY: Mr. Moyle must be on a long other telephone call.

MR. SUSAC: And MCI entered an appearance early on. Do you think that was the buzz I heard? Did they drop off?

MS. AZORSKY: De was still here right when we broke, so my guess is he'll be back shortly. And if not, I would suggest we go ahead.

MR. SUSAC: Okay. Verizon, I believe you stated you had some questions. We can proceed.

CROSS EXAMINATION

BY MS. HALAMA:

Q All right. Mr. Walsh, I just want to start off by following up on some things that we have been talking about. The first one, the electronic loop provisioning that we were just talking about. I'd like to direct you to Page 22 of your surrebuttal testimony. There you indicate that -- you believe it's doubtful that any process that depends on manual rewiring of every line for every change of carrier can be either low cost or seamless.

Just so I understand your position, is it your position that no process that includes any sort of manual wiring can meet the Triennial Review Order's requirements for a low-cost and seamless process?

A Yes.

Q Okay. Going back to the discussion before that, your concern about Verizon's ability to engage in marketing during the holding period for the batch process. Is it your understanding that Verizon would also not be able to submit orders against a pending order just like AT&T would not be able to?

A No, it's not my understanding.

Q All right. Can you explain to me how -- what you see is the limitation on submitting orders while the batch order is pending?

A What do I see the limitation as?

Q Yeah. What's your understanding of why it's not possible for CLECs to make changes during that time?

A Well, I believe it's when the LSR processing -- I believe it's the LSR cannot -- I mean, if there is a pending order that -- when we send across an LSR, your SOP (phonetic) creates service orders and that SOP would identify that there are pending orders in against that account that cannot be processed and again probably will cause a manual fallout. And I don't know what happens after that, but certainly what we understand, that open orders cause problems and we can't do it.

Q And in your understanding, would those sort of open orders pending on a line cause the same sort of problems for processing a Verizon order as they would for processing a CLEC order?

A No, I don't believe those constraints are there within Verizon.

Q Okay. Let's move on to Pages 14 and 15 of your testimony -- I'm sorry, of your surrebuttal. You describe a pre-implementation testing process that I think as we discussed would involve third-party monitoring and the use of Verizon's own retail customers. Could you just elaborate for us a little bit of what you envision with the use of Verizon's retail customers?

A Sure. You could set up a pseudo-CLEC with Verizon

customers on that and test on those Verizon customers. When Verizon would move them from one switch or one something within that to another something. I mean, affect Verizon's customers and see how they responded.

Q And please correct me if I'm misstating this -- if I'm not stating this correctly. You envision taking a Verizon customer, moving it over to another switch that is also Verizon's switch but it's set up to be a pseudo-CLEC switch and just moving these lines back and forth as if they were part of a batch?

A Yes. I would take some customers and have an appearance of their office equipment on the MDF and coming from one switch and then having another -- doing sort of like an office equipment change on these customers but not doing it electronically, but doing them with a physical lift and lay where they would have to move the wires over from point A to point B just like they would do for a hot cut today. And if the process worked, you know, it certainly would identify some of the shortcomings within the process.

Q All right. Let's go back to some of the improvements that we've talked about today to Verizon's OSS and in particular to WPTS, and even more specifically the push option that you've advocated. Is it AT&T's position that the primary benefits of improving Verizon's OSS in these ways would flow to the CLECs or to Verizon?

A Both.

Q In what respect?

A Well, I mean, when I talked about the push, we want to be able to have -- when information is changed within the project, have that information be delivered to the CLEC, and let the CLEC determine from that information what actions are needed to take place. Likewise, when conditions change and we want to notify Verizon that information is about to change, we want to be able to push information over to Verizon as well. We want to be able to use that as a communication tool. Maybe there's a last-minute change that we don't want to take place, and we want to be able to notify you without issuing an LSR.

Q Okay. So is it your position that use of this push option would reduce Verizon's costs at all?

A Yes, it would. It certainly would eliminate phone calls. It would eliminate the time that it takes for one department to notify another department and then in turn notify us, and then have somebody within the CLEC respond to that notification and possibly get back with another phone call back to Verizon. That would be a huge cost savings.

Q So it's your position that this would be a cost savings both to CLECs and to Verizon?

A Yes, it would.

Q And who do you -- do you imagine that the CLECs or that Verizon would bear the cost of improving the OSS for these

capabilities?

A Well, certainly both sides would win if phone calls were reduced. In designing the system, I believe that would be Verizon's responsibility, and they have mechanisms in place to recover the costs for that.

Q All right. I'm going to try to narrow my question a little bit. With regard to the push option in particular that you say is not currently part of Verizon's process but should be, if Verizon were to develop that push option in response to the CLECs' concerns, do you believe that the CLECs would then be responsible for the costs of that enhancement?

A No, not entirely, no, because certainly, as I just said, there would be a lot of benefits that Verizon would gain from that by not having to make those phone calls.

Q But you believe the CLECs would be responsible for at least part of that cost?

A Some. I don't know how much that some would be. I haven't really looked into that, and that might be through rates, not nonrecurring, but through UNE rates because WPTS is going to be around for quite some time, and maybe it would be through the UNE rates.

Q I'd like to direct you to Page 20 of your testimony and specifically to Footnote 10. If you could read that footnote and let me know when you're done.

A Okay. I'm done.

Q Mr. Walsh, is it a fair characterization of that footnote that you do not see Verizon's proposed batch process as having any sort of -- as lowering CLECs' costs at all?

A No, I don't see that.

Q You don't think that anything in the batch process lowers CLECs' costs; is that correct?

A In the proposal that Verizon has presented, I don't see it as a -- no. I see some -- you know, I see Verizon positioning themself saying that some work would be reduced. Certainly they wouldn't have to go through the expense of notifying NPAC, but like I said earlier when staff was questioning me, that's a responsibility that I don't think the CLECs want to give up. I think that's part of the way that they want to do business. It's important for them to control different aspects of the services that they sell to their customers.

Q All right. I understand your position that this does not -- that perhaps CLECs would not want these particular benefits, but would you agree that for a CLEC who did want, for example, Verizon to notify NPAC, that the CLEC would be alleviated of the cost of doing that activity?

A Yeah. I mean, you're taking that work away, certainly.

Q All right. I think throughout your testimony, but in particular Pages 17 and 18, you talk about various aspects of

Verizon's batch process is not as complete, you're not having as many checks and balances as the other hot cut processes. Is it AT&T's position that any sort of batch process has to have the same number of checks and balances as all other individual hot cut processes?

A It's our position that a batch hot cut process really should be seamless. It should be smooth as -- it should be seamless. It should be like ordering unbundled local switching today. When the retail customers decide to come over to us and how seamless that appears to us, that's how the process should work.

Q So I guess this goes back to my first question. It's your position that basically only some sort of electronic loop provisioning will be a seamless process as intended by the FCC?

A Yes, that is my position.

Q Okay. And then I just have a couple of questions where I just want to try to understand what exactly you're proposing. The first one is on Page 19, and you're talking about the exclusion of IDLC loops from Verizon's process. And you say, a solution must be developed, and one of the options would be that provides additional UDLC or copper loops in order to permit the migration of IDLC loops in larger groups, project or batch, individually in a basic hot cut process or in an appropriately defined batch process. Could you explain to me what you mean by that?

A Yes. Give me a second to just reread the paragraph.

Q All right.

A What we're talking about here is the network and the design of the network, whereas the solution needs to consider either having enough facilities in place or to have some type of a seamless process whereby we could transfer customers utilizing UDLC facilities.

Q So the second option, the additional UDLC or copper loops, there you're just talking about having -- putting in additional facilities?

A If there is not enough facilities in place today for us to be serviced and to acquire UNE loops, then I think that our ability -- you know, I think that taking away unbundled local switching is the wrong way to go. If there is no way for us to service those customers, then we are hampered.

Q Okay. I'm just trying to understand your proposal here. I just wanted to understand that all you're saying there is put in additional copper or UDLC.

And finally, I'm sorry I don't have the page, but one of your criticisms of Verizon's batch process is that a process is required to migrate one CLEC to another CLEC via a UNE-P in a manner that's in parity with the process of migrating a CLEC UNE-L customer back to Verizon. Can you explain how you see them -- how you see Verizon's current process or proposed process as those two not being in parity?

MS. AZORSKY: Can you tell us where you are in the testimony again, please?

MS. HALAMA: Yes. I will find the page. One moment. It's at the top of Page 26.

MS. AZORSKY: Thank you.

MS. HALAMA: Uh-huh. And it's just the fourth, the bullet point.

BY MS. HALAMA:

Q If you could just explain what you mean, how you see the current process for migrating CLEC UNE-L to CLEC UNE-L as not in parity with migrating CLEC UNE-L back to Verizon.

A From what I understand, there is some limitation on the information that a CLEC has available to them and on to acquire and process the UNE-L order, the CLEC UNE-L to UNE-L order. And it has to do with the circuit identification in that we believe that Verizon has that information and so therefore because Verizon has that information, we are not in a parity situation.

Q So this criticism is premised on the assumption that Verizon has the circuit ID information; is that correct?

A That's correct.

MS. HALAMA: All right. That's all I have. Thank you very much.

MR. SUSAC: Okay. Are there any other parties on the line that have questions for Mr. Walsh? I believe the lack of

response means that there are no more questions.

MS. AZORSKY: Mr. Walsh is just sitting here wondering if he can catch that earlier plane.

MR. SUSAC: Well, good luck in catching it. I think you are done. Thank you very much.

(Deposition concluded at 11:53 a.m.)

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ERRATA SHEET
DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE

IN RE: DOCKET NO. 030851-TP
NAME: RICHARD J. WALSH
DATE: FEBRUARY 11, 2004

PAGE	LINE	CHANGE

STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, TRICIA DeMARTE, 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 55 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 16th DAY OF FEBRUARY, 2004.

TRICIA DeMARTE
Official FPSC Reporter
(850) 413-6736

EXHIBIT NO. 15

DOCKET NO.: 030851-TP

WITNESSES: Mark Bryant

PARTY: MCI

DESCRIPTION:

1. February 13, 2004, Deposition Transcript, page 1.
2. Late-Filed Exhibit 1, page. 101.

PROFFERING PARTY: STAFF

I.D. # MB-D

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 15
COMPANY/ FPSC Staff
WITNESS: MB-D
DATE: 02/24-27/04

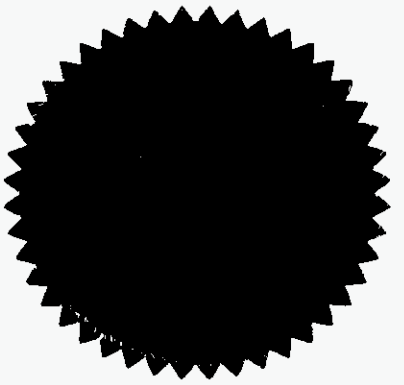
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO.030851-TP

In the Matter of

IMPLEMENTATION OF REQUIREMENTS ARISING FROM FEDERAL COMMUNICATIONS COMMISSION'S TRIENNIAL UNE REVIEW: LOCAL CIRCUIT SWITCHING FOR MASS MARKET CUSTOMERS.

_____/



TELEPHONE DEPOSITION OF:	MARK BRYANT
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
DATE:	February 13th, 2004
TIME:	Commenced at 2:05 p.m. Concluded at 5:20 p.m.
LOCATION:	Gerald L. Gunter Building Room 362 2540 Shumard Oak Boulevard Tallahassee, Florida
REPORTED BY:	NANCY P. VETTERICK, RPR Notary Public, State of Florida at Large

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P R O C E E D I N G S

MR. ROJAS: I'd like to go ahead and take appearances now.

MR. O'ROARK: This is De O'Roark representing MCI.

MS. MAYS: This is Meredith Mays on behalf of BellSouth.

MR. CHAPKIS: This is Richard Chapkis on behalf of Verizon.

MR. ROJAS: And this is Jason Rojas on behalf of the Commission. I have the usual stipulations here. Do we want them read into the record?

MR. O'ROARK: Yeah. Why don't we make sure that we've got them?

MR. ROJAS: Okay. 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, and 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. Are there any objections to those?

MR. O'ROARK: I suppose that's fine. That last one we've discussed, but that's fine.

MS. MAYS: We have no objections to the stipulations.

MR. CHAPKIS: No objection.

MR. ROJAS: And I am going to read Commissioner Davidson's introductory message that we've read at every deposition.

"Good afternoon, counsel. I wish you an efficient and productive series of depositions. In order to keep the depositions productive, please keep your questions limited to the issues in this case as set forth in the draft pre-hearing order.

"What is this case not about? This case is not about TELRIC. This case is not about UNE pricing. This case is not about access reform and rate rebalancing legislation in Florida, and it is not about the local or long distance prices that customers pay.

"This case is not about whether your client or you agree or disagree with the FCC's triennial review order or the premises

contained therein; so please do not focus on those areas in your questions.

"This case is about a specific impairment analysis that pursuant to the 1996 Telecommunications Act, this Commission is to conduct according to the issues set forth in the pre-hearing order.

"Your questions should thus be appropriately focused. While I hope the need to do so does not arise, I will be available to rule on objections that questions are outside the scope of this proceeding."

Again, that was the message from Commissioner Davidson.

THEREUPON,

MARK BRYANT

was called as a witness, having been first duly sworn by Rachael Verastiqui, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. ROJAS:

Q Having said that, Mr. Bryant, I'm going to ask you a series of questions. I would ask you to please start with a yes or no where applicable and then to elaborate thereafter.

A All right.

Q If you need me to repeat a question, I will stop; I'll repeat; I'll try to rephrase if I can; and we'll try to get through this as quickly as possible.

Mr. Bryant, do you have available a copy of Dr. Aron's direct testimony and revised exhibits?

A If you'll give me a moment, I will find it. I have it.

Q I'm sorry. We're going to need that in a bit, but do you have your rebuttal testimony handy?

A Yes, I do.

Q Could I have you look at page 28, line 18 and continuing through page 29, line 2?

A I'm sorry. I'm trying to search for it here. Could you give me the pages and lines again?

Q It's going to be page 28, line 18, and it's going to continue over onto the next page.

A Okay.

Q And just let me know when you're ready.

A Okay. I'm there.

Q Here you state that you have not been able to assess the BASC model's methodology and calculations. Is that true?

A That's what I said. Yes.

Q Have you reviewed the supplemental direct

testimony that BellSouth witness, James Stegman, has submitted including version 2.2 of the BASC model?

A No. I have not as far as Florida is concerned.

Q Have you reviewed the responses that BellSouth has provided to Sprint's request for production of documents, set 1, including the supplemental set filed on January 23rd?

A No. I have not.

Q Have you reviewed the responses that BellSouth has provided in response to Sprint's interrogatories, sets 1 through 5, regarding the BASC model?

A No. I have not.

Q Do you plan to make an assessment based on this new information of the model's methodology and calculations prior to the hearing?

A Time permitting, yes.

Q In your rebuttal testimony, on pages 33 and 34, you reference an anomalous condition in which 29 wire centers showed higher profitability with a higher churn rate.

A Yes.

Q Have you run the same test on the newer version of the BASC model?

A Not as to Florida, no. I have not seen the

same anomaly occur in other states, specifically in Georgia -- well, in Georgia. I'm right in the middle of running the North Carolina model, but I haven't seen the same anomaly occur for the Georgia runs anyway.

Q Have you made any additional runs to test the model's validity?

A Not as to Florida, no.

Q Have you made any other runs in other states?

A Yes. I've made the same set of runs that I made for Florida for Georgia, and as I mentioned earlier, I'm in the middle of doing that for North Carolina.

Q What version of the model was used for these tests?

A I'm not sure I can tell you right off the top of my head. It was the version that was filed in each of those states. Unfortunately I'm here with my laptop, and the model that I've used is installed on the PC at home, so I can't really go to it and tell you which version it is.

Q Have you found any anomalous conditions?

A In --

MR. O'ROARK: Object as to form. It's ambiguous.

BY MR. ROJAS:

Q In your additional runs, were there any anomalous conditions?

MR. O'ROARK: Object as to form. Which data are you referring to?

MR. ROJAS: Georgia.

THE WITNESS: Oh, for Georgia? No. I didn't see anything in Georgia.

BY MR. ROJAS:

Q I'm going to refer you now to page 33, line 13, and it's going to continue onto the next page.

MR. O'ROARK: Which page are we on?

MR. ROJAS: Page 33.

BY MR. ROJAS:

Q You referenced a wire center in Daytona Beach, PLCSFLMA, and a run of the model that you performed where BellSouth's defaults were used except the exclusionary filters were turned off.

A Yes.

Q The NPV for the mass market in this wire center turned out to be negative, but the total NPV for the wire center is positive.

A Yes.

Q You state, "The BASC results, as presented by BellSouth, would lead one to a conclusion that this wire

center is profitable for a potential CLEC entrant."

Is this wire center in any of the markets that BellSouth claims unimpaired with regards to the triggers or potential deployment?

A You would have to give me a few minutes to look that up.

Q That's fine.

MR. O'ROARK: The question is which market?

MR. ROJAS: Give me one moment to review this.

BY MR. ROJAS:

Q Dr. Bryant, what I'm referring to is the Daytona Beach wire center. Is that in one of the impaired markets?

A One of the impaired markets as identified by BellSouth?

Q Yes.

A Give me just a moment. Okay. The answer is no.

Q Are the NPVs for the mass market negative in any of the BellSouth markets that BellSouth claims are unimpaired in its economic analysis of potential deployment?

A NPV for the mass market?

Q Yes.

A No. Let me elaborate by saying that the point of the testimony was that there are individual wire centers within those market areas that could show a negative net present value.

Q Thank you. Does MCI currently serve residential customers in Florida?

A Yes.

Q Does MCI use UNE-P as a strategy to serve those customers?

A No, not to my knowledge.

Q Does MCI currently serve residential customers in BellSouth's territory?

A Yes.

Q Are those customers served using UNE-P?

A Yes.

Q Would you say that the majority of residential customers that MCI serves are served via UNE-P?

A As far as I know, all of them are.

Q When did BellSouth first offer UNE-P in its territory in Florida?

A I don't know.

Q When did MCI enter BellSouth's territory to serve residential customers using UNE-P?

A Again, I don't know. I think Ms. Lichtenberg may be more familiar with those issues than I.

Q Okay. Thank you. Does Verizon offer UNE-P?

A Yes.

Q Is the price for UNE-P in BellSouth's territory less than the price for UNE-P in Verizon's territory?

A I'm sorry. Could you state that again? There was something on the line.

Q Is the price for UNE-P in BellSouth's territory less than the price for UNE-P in Verizon's territory?

A I don't know.

Q And is MCI currently serving residential customers in Verizon's territory?

A I have not personally researched that. I believe that they are, but I can't say that for sure from personal knowledge.

Q Thank you. Is MCI marketing residential service in Verizon's Florida territory?

A Again, I don't know.

Q Okay.

A Ms. Lichtenberg would probably be the witness to ask those questions of.

Q Does Sprint offer UNE-P?

A Does Sprint?

MR. O'ROARK: As an ILEC? Is that the

question?

MR. ROJAS: Yes.

BY MR. ROJAS:

Q As an ILEC, does Sprint offer UNE-P?

A Yes.

Q Has MCI found the UNE-P strategy to be more profitable than the UNE-L strategy to serve residential customers?

A Any answer that I give you on that would be speculation on my part. I'm not familiar with MCI's profit margin for any particular line of business.

Q With that caveat, could you speculate?

MR. O'ROARK: I'm going to object to the form. I mean, you're expressly calling for speculation.

MR. ROJAS: Withdrawn.

MR. O'ROARK: This witness is here to testify about his analysis and his personal knowledge. You're asking him to testify about something, which by definition, he would have no knowledge of.

MR. ROJAS: Thank you.

BY MR. ROJAS:

Q If you will give me just a moment. Does MCI consider profitability in deciding which method of entry

to use?

A I can only answer that generically, that any business considers profitability in deciding which markets to use. As to MCI specifically, I have to assume they're behaving rationally.

Q Does MCI bury the price of its residential offering between ILEC territory?

A I don't know the answer to that.

Q I'm going to take a five-minute break right now, and we will be back on in five minutes.

(Brief recess.)

BY MR. ROJAS:

Q We're going to go back on the record. We're going to move forward a little bit. Are you ready to begin, Dr. Bryant?

A Yes.

Q Why do you feel that your analysis is the proper market definition for a trigger analysis in your testimony?

A Well, I think I explained that in pretty good detail in the testimony, but just to offer a summary of that, I believe that the FCC, in its triennial review order, ordered the state commissions to consider all of the factors that would enter into a CLEC's decision to provide service using the UNE-L mechanism as opposed to

UNE-P.

In looking at the kinds of decisions that a CLEC would have to make to enter the market providing local exchange service using UNE-L, it became pretty clear that variations in cost among wire centers would be a primary determinant.

I believe the FCC, also, recognized that in its order in which it discussed specifically that costs may vary among wire centers, and that that should be something that state commissions look at.

Q Do you agree we can end up with a market larger than a single wire center?

A Well, let me -- let's be very clear here about a market as defined for purposes of a market definition, per se, versus how it would be perhaps administered later on. I think that unless you look at individual wire centers, you're going to miss a lot of the factors that are going to enter into a CLEC's decision to provide UNE-L base local exchange service or not.

It may well be that, at some point after that, you could aggregate wire centers into some larger unit, but at that point, you would have already done the relevant analysis based on the proper market definition which is the wire center.

Q Is it your testimony that potential

profitability could be gained by grouping together wire centers that fall into the same UNE band?

A No. It's not.

Q Could I refer you to your direct testimony, page 27, lines 20 through 23?

A Just a moment. Again, what page was that?

Q Twenty-seven.

A I'm on page 27.

Q And having read those lines --

A I'm sorry. Which specific lines were you referring to?

Q Twenty through 23.

A Okay. Yes. I've read those lines.

Q I'm going to ask the question again. Is it, also, your testimony that potential profitability could be gained by grouping together wire centers that fall into the same UNE band?

A No. It's not.

Q Okay. Thank you. UNE Zones 1 and 2 are primarily urban, correct?

A That's my impression from having looked at the wire centers. You know, I don't know if I would want to give a blanket characterization. I mean, there may be some wire centers in each of those zones that could be more rural in character, and I'm not familiar with what

bases the Commission used to group those into UNE Zones.

Q In UNE Zones 1 and 2, would you expect to find a large enterprise market?

A I'm having a little bit of trouble with that question because, I mean, an enterprise customer can certainly occur in any area of the state. There can be, you know, enterprise customers located in rural areas.

Q But I'm asking specifically about a large enterprise market. Say in comparison to a UNE Zone 3, would you expect Zones 1 and 2 to have a large enterprise market?

A Are we defining large enterprise market to mean a greater number of large enterprise customers?

Q Yes.

A Well, again, without going and looking exactly at where the enterprise customers in Florida are located, I couldn't make a blanket statement like that. I mean, I know right here in Austin, you know, a city that I'm familiar with, we have companies like Samsung and Motorola that are located pretty much out in the sticks.

Q Would you expect that if there was a self-provisioning CLEC presence, that it would be found in UNE Zones 1 and 2?

A I think where you're going to see, to the

extent that there are any CLEC's that are self-provisioning their own switching and using unbundled loops or are self-provisioning their own loops, that's going to be in connection with large enterprise customers.

As I said a moment ago, large enterprise customers can occur anywhere.

Q Can I refer you to BellSouth's Exhibit PAT-4? Let me know when you're ready.

MR. O'ROARK: That would be attached to the Tipton testimony?

MR. ROJAS: Yes.

THE WITNESS: Okay. Do you want me to look at the revised one or the original one?

BY MR. ROJAS:

Q The revised --

A Okay. I have it.

Q According to this map in the Miami market, does it appear that UNE Zones 1 and 2 are contiguous?

A I'm sorry. I bumped the wrong button on the phone there. That's why I went away for a moment. Well, the copy of the exhibit that I have is not colored. I received it by fax. It's a black and white, so it's a little bit hard to make out what's going on.

Before I answer that, I'd ask you to define

what you mean by contiguous.

Q The standard definition for contiguous being that they run adjacent to each other.

A Again, I'm having trouble with not having a colored map here, but for individual urban locations -- let me put it that way. I'm sorry. I really just can't answer the question because I don't know that the map that I'm looking at here, you know, represents all of the zones in the BellSouth territory of Florida, or whether it's just a selection of the ones that they're claiming no impairment for.

Again, I'm having trouble with it not being in color. I think I know what you're trying to get at in the question, and that is, do you see Zone 1 surrounded by a bunch of Zone 2 wire centers, and are those more or less contiguous with Zone 3 perhaps a line further out from those?

I think I could say that's probably generally true, but let me, also, say that the Zone 2 wire centers, for example, Daytona Beach, would not be contiguous with the Zone 2 wire centers in Ft. Lauderdale or Miami.

Q Could we say typically that UNE Zones 1 and 2 fall within a metropolitan area?

A I don't know.

Q Where would they normally fall?

A Well, again, without knowing the specific criteria the Florida Commission used for creating those UNE rate zones, I couldn't really say. I think I answered earlier that my impression is that Zones 1 and 2 tend to be more urban in character than Zone 3.

Q In that urban area, are UNE Zones 1 and 2, are they typically contiguous?

A I'm sorry. I just couldn't say.

Q Is it true that an aggregation of wire centers within UNE Zones 1 and 2 may not be a serving area large enough to afford economies of scale necessary to compete in the mass market?

A I would have to ask what economies of scale you're referring to.

Q I'm just going to proceed forward. Parties, we're going to take another five-minute break. We'll go back on the record in five minutes.

(Brief recess.)

BY MR. ROJAS:

Q We're going to go back on the record. Dr. Bryant, I'm going to read you a definition from Baron's Business Guides. It's a dictionary of business terms.

A Okay.

Q "Economies of scale, reduction of the cost of production of goods due to increasing the size of the producing entity and the share of the total market for the good. For example, the largest auto producer may be able to produce a given car for a lower cost than can any of its competitors."

Again, that is the definition from the Dictionary of Business Terms, Third Edition, Baron's Business Guide.

A Okay.

Q Having read you that definition, is it true that an aggregation of wire centers within UNE Zones 1 and 2 may not be a serving area large enough to afford economies of scale necessary to compete in the mass market?

MR. O'ROARK: Let me interpose. You stumbled over a word. It wasn't clear to me whether you intended to say that it is or it is not.

BY MR. ROJAS:

Q Is it true that an aggregation of wire centers within UNE Zones 1 and 2 may not be a serving an area large enough to afford economies of scale necessary to compete in the mass market?

A Well, my response, when you originally asked that question, was to ask you which economies of scale

you were referring to, and there are economies of scale that pertain to many different aspects of a CLEC's ability to compete in providing mass market service.

There are, for example, economies of scale that pertain to switching. There are, also, economies of scale that pertain to the cost of establishing collocation space in individual wire centers.

Q What economies of scale would you think most directly link to this proceeding?

A Well, I think that --

MR. O'ROARK: Form. The witness may answer.

THE WITNESS: As I stated in my rebuttal testimony, I believe that the economies of scale that pertain to aspects of the CLEC's operation, such as switching or operation support systems, are achieved fairly quickly.

That is, that once a CLEC has expanded beyond a minimal customer base, that the addition of additional customers to its customer base doesn't really gain it much in reducing its unit cost.

In my view, the far more significant economies of scale that pertain to a CLEC's decision to provide mass market local exchange service are those that are present in the

collocation and transport facilities that the CLEC needs to establish in order to use UNE-L loops to provide local exchange service.

BY MR. ROJAS:

Q Now, in using your definition that you provided, is it true that an aggregation of wire centers within UNE Zones 1 and 2 may not be a serving area large enough to afford economies of scale necessary to compete in the mass market?

A Well, an aggregation of wire centers in UNE Zones 1 and 2 would really not reveal the information that's necessary to assess whether or not a CLEC can compete in the mass market. I think that if the only economies of scale you're concerned with are those that pertain to switching an OSS, then grouping of wire centers along those lines probably would be sufficient to capture all the economies of scale.

However, it doesn't tell you much about whether the CLEC is going to be able to profitably provide local exchange service in individual wire centers, or in total for that matter.

Q And again, using your same definition of economies of scale, how would you determine when the economies of scale necessary to compete in the mass market were reached?

A Well, it's my testimony that a CLEC is going to have to make that decision on a wire center to wire center basis, and there are some wire centers that have sufficient customers, in which the CLEC can anticipate capturing a sufficient proportion of those customers, that it would be able to overcome the economies of scale that are present in that wire center, and therefore offer service profitably in those wire centers.

In looking at other wire centers, a CLEC may determine that the total customer base, the total number of customers that it can address and the kinds of services that it can provide to those customers are not such that it could capture sufficient customers to overcome the economies of scale.

Q What is efficient? You mentioned the term efficient in your answer? What is efficient?

A Sufficient is what I said.

Q I'm sorry. What is sufficient? What is the threshold of sufficient?

A Well, I mean, it's going to vary from wire center to wire center. The CLEC will have to make a determination of what cost it's going to occur, and the relevant costs for the question of economies of scale are what the initial upfront cost it's going to incur.

For example, the nonrecurring costs that are

associated with establishing the collocation of space; the investments that it needs to make in transmission and cross-connect equipment and DLC equipment to locate in that space; and if it's going to provide DSL service, the investments that it needs to make in DSLAMs and other equipment that's necessary to provide that service.

It's going to have to look at all of those costs and determine, well, in this wire center, how many customers do I think that I can get, and, you know, if it's a 2000-line wire center and it thinks it can get 10 percent of the customers, that's 200 customers.

Looking at the revenues that those customers are going to produce, given the services that those customers are going to subscribe to, the CLEC can anticipate a certain amount of revenue, and if the revenue that it's going to obtain is sufficient that it can produce, at a unit cost where it can establish a price that's comparable to what the ILEC and what other CLECs are charging, well then, the volume of customers is sufficient in that case.

Q I'm going to refer you to the exhibit we were looking at earlier again. We're going to use the same definition of economies of scale.

A Okay.

Q In your opinion, do the markets defined in this exhibit constitute serving areas large enough to afford economies of scale necessary to compete?

A Well, I would have to answer the question in the same way, that this grouping of wire centers doesn't tell you whether you have achieved economies of scale. Again, the CLEC is going to have to look at individual wire centers that determine, for each of those wire centers, whether it's going to obtain a sufficient volume of customers and sufficient revenues to recover the cost that it's going to incur in establishing a collocation in each of those wire centers.

Q Are there any markets shown in this Exhibit that you would consider too large?

A Each one of them.

Q If we were going to make a business case, what should we consider to make a determination of sufficient economies of scale?

A Well, I guess I would refer you to my previous question. Again, for each wire center, there are certain investments, certain nonrecurring costs that are associated with establishing a collocation in each wire center, and the relevant question is whether the CLEC is going to be able to obtain sufficient customers that

generate sufficient revenue that those nonrecurring costs will be recovered in such a way that the unit cost the CLEC incurs would be comparable to that -- would allow it to establish a price that's comparable to that charged by the ILECs and the other CLECs.

Q Do you believe it would be reasonable to use an aggregate of wire centers from Zones 1 and 2 as the market definition?

A No.

Q Can you elaborate on that?

A Well, the FCC specifically ordered the state commissions to consider all the factors, the cost factors that would influence or determine the CLEC's decision to enter the markets and provide service using unbundled local loops.

In my view, establishing a market that incorporates units from some number of wire centers doesn't really address that question. It doesn't get to the costs that are relevant to the CLEC's decision to enter that market.

Q If we began with UNE Zones 1 and 2 and found them to be too small, what would your opinion concerning expanding to include bordering wire centers comprising a contiguous geographic area until a sufficient size to obtain scope of scale is reached?

A Well, I would have to ask on what basis are you determining that those aggregations of wire centers are too small?

Q It's a hypothetical.

A Well, I guess I've already testified that the aggregation of Zone 1 and 2 wire centers is already too large an aggregation, and it's my testimony that you really can't answer the question of what are the relevant cost factors that are going to determine the CLEC's decision unless you look at individual wire centers.

Q Do you agree that serving one area, which is found not impaired, with UNE-L does not restrict a carrier from serving an adjacent area, which is found impaired, with their choice of method of entry?

A I'm sorry. I don't understand the question. Could you repeat?

Q Do you agree that serving one area, which was found not impaired, with UNE-L would not restrict a carrier from serving an adjacent area, which was found impaired, with their choice of method of entry?

A Well, if the CLEC is serving an area and it's found impaired with respect to serving that area, whether or not it decided to offer service in another area -- and I think in your question, you were

hypothesizing that that other area is an area in which the CLEC is impaired. I think it would be unlikely.

Q Unlikely for? I'm not understanding your answer.

A Well, if the definition of impairment is that the CLEC cannot profitably offer service and if we've posited in the question that that adjacent area is an area in which the CLEC is impaired, I can't imagine that the CLEC would want to enter that area. Any business is not going to enter an area where it's not going to be able to make money.

Q But they're not restricted from entering that market with their choice of method of entry, correct?

A Well, what do you mean by restricted? Do you mean restricted in the legal sense or restricted in an economic sense?

Q Economic.

A Well, if the CLEC -- again, if the question is posed if the CLEC is impaired in that adjacent area, it's restricted in an economic sense in that it can't make any money by entering that adjacent area.

Q Are they able to use UNE-P in that impaired area?

A Are they able to order it? They can order UNE-P. I doubt they would choose to do so.

Q I'm going to refer you now to Exhibit WET-1. It's an advertisement for MCI. Let me know when you have it in front of you.

A Okay. I have it.

Q In this advertisement, does it mention the method of delivery used to provide service such as UNE-L or UNE-P?

A Let me read through it real quick. No. I don't see any mention in the advertisement.

Q Is it true that a method of entry does not affect the media campaign?

A Well, no. It would -- the method of entry may determine whether there's going to be a media campaign, but I doubt that a carrier would advertise in a different way depending on whether it were entering using UNE-P or UNE-L.

It might have to make some statement about, you know, how long it would take to deliver the service depending on what their experience is in obtaining cut-overs from the ILEC.

Q MCI provides mass market service in Florida, correct?

A Yes, it does.

Q That service is provided predominantly with UNE-P, correct?

A To my knowledge, it's exclusively with UNE-P.

Q Has MCI filed a notice to terminate service in any market which they are currently serving?

A I don't know.

Q Are you familiar with the TRO, Dr. Bryant?

A Yes, generally.

Q Would you agree, subject to check, that paragraph 500 requires a self-provisioning candidate to be one who is likely to continue to provide service?

A Subject to check, yes.

Q Do you have the TRO available?

A Yes, I do.

Q Can I refer you to note 1556 in paragraph 500?

A Give me just a moment. I'm at paragraph 500. Let me find the note. I see the note, and it reads that the State should review whether a competitive switching provider has filed a notice to terminate service in that market.

Q Does it state that likely to do so is determined by whether a notice of termination has been filed?

A It says that -- well, it speaks for itself. States should review whether the competitive switching provider has filed a notice to terminate service in that market, but if I could elaborate a little bit.

What the FCC is discussing here are the companies that are being used to meet the trigger test, that is, companies that are providing service using UNE-L.

Q MCI has not filed such a notice, correct?

A MCI is not using UNE-L to provide mass market service. If it were forced into a situation where it would have to provide service using UNE-L as opposed to UNE-P, well, it would be speculation, but my guess is that you would probably see some termination notices.

Q Is your testimony that a question this Commission must consider is whether CLECs will continue to serve the market if UNE-P were no longer available?

A I think, as a public policy matter, it's a responsibility that the Florida Commission has to ensure that customers continue to have a competitive alternative, and if a decision is made to terminate the availability of UNE-P, it's my testimony that that could have significant consequences for Florida consumers in having those competitive alternatives.

Q Is it true that in addition to providers serving the market using their own switch, there may, also, be providers only using UNE-P?

A There are certainly carriers that are providing service using UNE-P, and there are carriers

who are providing some services, primarily enterprise services, using their own switch.

Q Is it true that those carriers serving that market using only UNE-P could decide not to continue to provide service if a market was found not impaired?

A Well, the question is whether the market is really truly not impaired. You know, I would agree that if there really is no impairment, that a carrier might be able to migrate from providing service using UNE-P to a scenario where it provided service using UNE-L.

That's the way the question is to be answered, though. If an incorrect finding of non-impairment is made, then I believe that carriers that are providing service now using UNE-P would most likely terminate their service.

Q Does the TRO address concerns for carriers using only UNE-P within the market found not impaired?

A Well, that's a lot of the discussion in the TRO. In fact, that covers a lot of ground. Is there any way you can narrow the question some?

Q I'm looking right now. Let me rephrase my question, Dr. Bryant. Does the TRO specifically address carriers that only use UNE-P?

A It refers to carriers that use UNE-P throughout the order.

Q But users that use solely UNE-P.

A I think the fundamental finding of the order is, on a nationwide basis, that carriers are impaired without access to UNE-P, so yes. I mean, it addresses those carriers.

Q Is it true that those carriers dependent solely on UNE-P -- I'm going to begin again. Is it true that if those carriers dependent solely on UNE-P were to leave a market found not impaired, their customers would become available candidates for the existing self-provisioning carriers?

A The assumption in your question is that a finding is made for a specific market that impairment does not exist.

Q Correct.

A And the question is, would other carriers then be able to serve those customers? Am I right?

Q Self-provisioning carriers, yes.

A Well, if the finding of non-impairment were correct -- and that's in my view a big jump, but assuming that they were correct, then whether or not those self-provisioning carriers would be able to serve the customers, the former customers of the UNE-P base carriers, will depend on a lot of things.

It would depend on whether the OSS systems

are capable of handling it, and, you know, whether the alternate carriers are able to expand their capacity rapidly enough to absorb that increase in demand, but yes.

I mean, again, with the big assumption that the finding of non-impairment was correct, those other carriers presumably would be able to serve the former customers of the UNE-P carriers.

Q Does the carrier need a presence in the ILEC's wire center to access those customers served by that wire center?

A Under what conditions? Are we talking in a UNE-P's world, or are we talking service provided using UNE-Ls?

Q In general.

A Well, I can't say in general. In specific, if the carrier is providing service using UNE-P, then no. It does not require a presence in an individual wire center. If a carrier is providing service using UNE-L, then yes. It does require presence in that wire center.

It requires that it establish some form of collocation arrangement unless it's able to economically provide service using the enhanced extended loops or EELs.

Q If a market is found not impaired because of

the existence of three self-providers in that market, is this an indication that all three of those self-providers have access to all the customers in every wire center in that market?

A Well, the short answer is no, but I would have to go back and ask you how the market is being defined. Are we defining the market as the individual wire center, or are we some defining it on some broader basis?

Q This is a hypothetical market that was found not impaired.

A I'm sorry, but I just can't answer the question without knowing how the market is defined.

Q For the sake of this question, we will define it as a wire center.

A Okay. So the question is assuming that an individual wire center is defined as the market and that the finding of non-impairment based on three self-provisioning carriers is made, would those carriers be able to serve all the customers within that wire center? The answer is it depends.

It depends primarily on what the ability of the ILEC is to handle the transition of those customers from the ILEC to the CLEC. It, also, depends I think very importantly on whether that finding was made on

the basis of those three self-provisioning CLECs serving business customers only, or if they're serving a mix of business and residence customers because each answer would be different depending.

If the carriers, those three self-provisioning carriers, are providing only a few loops to a few business customers, I think it's no question whether they can expand their operations to, also, serve all of the residential customers in that wire center.

The reason for that is that you have different kinds of revenue streams and different mix of services being provided to business and residence customers.

Q Then those self-providers may need to get collocation arrangements or EELs in some of the wire centers in that market, correct?

A Again, we defined the market as the wire center, and I would have to assume that if you have three self-provisioning carriers, that those three carriers already have a collocation established in that wire center.

Q Can you refer again to Exhibit PAT-5?

A Okay. I have it.

Q Does MCI have collocation arrangements in any

of the markets deemed not impaired by BellSouth?

A I believe Mr. Weber has made a closer study of that than I have. I am generally familiar with his testimony, but I believe that he had an illustration with his testimony that showed where MCI had collocations.

Q Well, we don't need an exact location, but does MCI have collocation arrangements in any of the markets deemed not impaired by BellSouth?

A The best I can say is that I believe it has some collocations in some of those markets, that is, in some of the wire centers in some of those markets.

Q Does MCI have EELs in any of the markets deemed not impaired by BellSouth in their exhibit, PAT-5?

A I don't know.

Q In your experience, on average, how long does it take to secure a collocation arrangement?

A Well, I don't have any personal experience with establishing collocation arrangements, so I couldn't answer the question. My impression, just based on my experience, is that it takes a matter of months.

Q In your experience, on average, how long does it take to secure an EEL?

A I couldn't really say. I haven't had much

experience with the provisioning intervals for EELs.

Q If this Commission were to find a particular market not impaired, would you recommend traditional access to unbundled switching -- transitional access to unbundled switching?

A Well, if CLECs are going to have to make the decisions whether or not to establish collocation space, that's going to take some time. It's going to take time, first of all, to make the business case analysis from the part of the CLEC.

It's going to take time to order and have established those collocation spaces by the ILEC assuming he decides to go forward. It would take time to arrange financing for the equipment that it would have to place to order that equipment and to get it installed.

Yes. I think some kind of transitional period would be required if service to the CLECs customers is not to be disrupted.

Q How long would you recommend that length of transitional time be?

A I don't have any recommendation on that. I don't have enough familiarity with all of the issues involved. Ms. Lichtenberg may have a better idea than I do.

Q If a market was found not impaired and certain wire centers within that market had three self-providers with existing collocation arrangements, would there be a need for transitional access to unbundled switching in those wire centers?

A Yes. Again, because even if they already had collocation spaces in those wire centers, it's going to take them some time to once again do their business case analysis, order their equipment, have it delivered, have it installed.

Q Is it true that the TRO states that the existence of three unaffiliated self-provisioners of switching demonstrates adequately the technical and economic feasibility of an entrant serving the mass market with its own switch? I'm referring specifically to paragraph 501.

A The language of the order is that the State must find no impairment where three or more unaffiliated competing carriers each is serving mass market customers in a particular market with the use of their own switches.

The question really is what's the market, and who are those customers?

Q Do you believe that the technical and economic feasibility of serving the market is adequately

demonstrated by three unaffiliated CLECs?

A Serving the mass market?

Q Yes.

A Well, I think, as I've stated in my testimony, that the presence of three unaffiliated self-provisioning CLECs, who are serving a small number of lines to business customers only, doesn't adequately demonstrate that those three carriers would be capable of serving all the mass market customers in that market.

Q Is it your testimony that a distinction should be made between small businesses and residential customers?

A It's my testimony that, for purposes of the triggers analysis, that if a CLEC, a self-provisioning CLEC, is serving only a few lines to business customers only, that that again, doesn't adequately demonstrate that those carriers would be capable of serving all the customers in the mass market.

To that extent, yes, a distinction between business and residence customers is appropriate.

Q In the TRO, is there a requirement to be able to serve all of the customers in the market?

A I believe that there's a language that says that the CLEC needs to be able to provide service to -- I don't know if every single customer, but certainly

needs to be able to provide service to the bulk of the customers in the market.

Q Could you point me to what part of the TRO that is?

A Give me a few moments. If you look, for example, at paragraph 499, about midway through the paragraph, the Commission states that the identifying competitive switch providers should be actively providing voice service to mass market customers in the market.

They must, also, be operationally ready and willing to provide service to all customers in the designated market. They should be capable of economically serving the entire market as the market is defined by the State.

Wait. That part -- I'm sorry. I'm reading from the old version of the TRO, but that particular sentence has been taken out, but --

Q Is there another specific place that this language occurs?

A Give me a few more minutes. I know that I had a reference in my testimony, and I'm looking for it now. Well, I'm having trouble locating it right now. If I could get back to you with the specific references, I can do that.

Q You can late-file that.

A Okay.

MR. O'ROARK: Remind me what we've got to find.

THE WITNESS: I believe that --

BY MR. ROJAS:

Q Go ahead.

A We're looking for additional sites from the order that the triggering CLEC needs to have the ability to serve, you know, all customers or substantially all customers within the defined market.

Q We'll just name it TROA.

MR. O'ROARK: TROA?

MR. ROJAS: TROA.

(Late-Filed Exhibit Number 1 was marked for identification.)

BY MR. ROJAS:

Q I'm going to move back to discussing the difference between small businesses and residential customers with you.

A Okay.

Q Is there a difference in revenue opportunities between small businesses and residential customers?

A Yes.

Q Can you elaborate?

A I think that generally businesses, small businesses, in general, pay a higher rate than residential customers. They generally take more lines than residential customers, and they have a need for more sophisticated internet services than residential customers generally that present the higher revenue opportunities.

Q Is it accurate to state that another basis for your opinion is the relative volume of residential and small business customers?

A Well, yes. I mean, there's certainly a lot more residential customers than there are small business customers.

Q I'm going to refer you back to UNE Zones 1 and 2 in the areas indicated on PAT-5, the Exhibit PAT-5.

A Okay.

Q Do these areas indicated on PAT-5 have a heavy business concentration?

A Again, we'll go back to my ignorance as to how these were specifically established and the degree to which Zone 1 or Zone 2 might incorporate, also, some rural areas, but with that qualification, yes, there will be heavier concentrations of business customers in more urban settings.

Q Is there a greater revenue opportunity in

these markets for carriers serving mass market business customers than for those serving only or predominantly residential customers?

A I think you need to look at that in a wire center by wire center basis. There are going to be some wire centers within Zone 1 or some wire centers within Zone 2 that would have a relatively high concentration of business customers and, therefore, a greater revenue opportunity for the CLEC considering collocating in those specific wire centers.

There may, also, be wire centers within Zone 1 and Zone 2 that have relatively few business customers, and therefore, in a relative sense, to the ones we were just discussing, would have a lower revenue opportunity.

Q By your testimony, are you suggesting that we should give competitive carriers serving the business mass market greater weight and consideration?

A Greater weight and consideration with respect to what?

Q I'm going to withdraw that question.

In the TRO, does it state or imply that CLECs serving different segments of the mass market with UNE-L should be weighted differently?

A Well, are we referring to the trigger steps or

to the potential deployment tests?

Q The trigger test.

A I think what the trigger test is designed to accomplish in the TRO is whether a self-provisioned mass market service is feasible, and I think implicit in that is the consideration of the ability of the CLECs to serve that mass market.

For purposes of the trigger test, if a carrier is serving only a few business lines, I don't think that qualifies as evidence that they would, in fact, be able to provide service to all of the mass market or to customers generally in the mass market.

Q Thank you. But I was asking where in the TRO does it state or imply that?

A I believe that a -- the TRO includes small business and residential customers in the mass market. I'm suggesting, as a public policy matter, that if the Commission has a concern that Florida consumers continue to have access to competitive alternatives in telecommunications, it certainly needs to consider whether it's realistic to expect that a carrier serving only a few small business customers is really going to be capable of providing that competitive alternative.

Q So this does not appear in the TRO?

A I believe that it's implicit in the TRO. I

can't point you to specific language, but, I mean, the TRO is designed to determine whether there is going to be a competitive alternative in the absence of UNE-P.

Q Thank you. What would be the cost of modifying a switch to serve the mass market rather than enterprise customers?

A Well, the cost -- well, let me think about that. If a switch right now is providing service to enterprise customers only and would need to expand to serve mass market customers using that same switch, you might have to purchase additional line units to be attached to that switch to serve the much larger number of lines that you'd presumably be attaching at that point.

You might very well, as a result, require additional space for the switch. You're certainly going to have to buy a lot of line cards to plug into the switch. Primarily it's the costs you're going to incur in establishing the transport and collocation spaces needed to serve those mass market customers.

Q Would this be a significant cost?

A I think it would be substantial.

Q But would it be prohibitive.

MR. O'ROARK: Object to the form. You haven't really given him many facts, I think, to

make that kind of a determination. Subject to that, the witness can answer.

BY MR. ROJAS:

Q Thank you.

A Well, my answer would be that whether or not it's prohibitive, it would be -- it would depend on a lot of the same factors that we've been discussing this afternoon. I mean, the carrier would have to look at the actual cost that it would incur to augment its switching facilities including any costs that it would incur to expand the space for the switch.

Together with all of the other factors that we've been talking about, all of those wire centers' specific costs and transport costs, would have to make a judgment as to whether it would be able to recover those costs, and whether or not it's prohibitive would depend on the answer to that question.

I don't think I can generalize to say that, you know, for every switch in every location for under every circumstance, that it would or would not be prohibitive.

Q Are you familiar with the testimony of Ms. Lichtenberg?

A In a very -- yeah, in a very general sense.

Q Do you have it with you?

A Yes. You're referring to the direct? The rebuttal, or the surrebuttal?

Q Could you refer to her supplemental rebuttal testimony?

A Yes. Just a moment. Okay. I have it.

Q I would like to refer you to page 2.

A Okay.

Q And line 22, and it's going to continue onto the next page. Here she gives a scenario where a large or a midsized business customer requires a relatively small number of DSL loops at a satellite location.

Is that customer, at that satellite location, an enterprise customer?

A Yes. I believe she's referring to enterprise customers there.

Q At this location, is this customer requesting a limited number of DSL loops?

A I believe in the example that she's citing, yes.

Q How does the TRO define a mass market customer?

A It defines the mass market customer as residential customers and very small business customers.

Q And those would be customers that typically purchase analog DS0 and x-DSL technologies?

A Well, yes, at least the DSO part of it, yes. Some of them, also, purchase DSL services.

Q Can I refer you now to the TRO paragraph 197?

A Give me just a second. Okay.

Q Would you agree that a customer -- I'm going to refer you to the last sentence of that paragraph, and just let me know once you've read that beginning with "through this approach."

A Okay. I've read the sentence.

Q Would you agree that a customer is defined as either a mass market customer or an enterprise customer based on the loop type and capacity?

A Yes.

Q Would you agree that a customer who purchases a limited number of analog lines which are provided via an analog DSO loop is a mass market customer?

A No. I would not.

Q Can you elaborate on that?

A What the FCC is saying here in this paragraph and specifically the sentence that you referred me to is they're trying to calibrate their rules to ensure that competitive LECs only gain access on the loops where they're impaired under the standard we adopt, i.e., where they cannot be economically self-provisioned and competitive alternatives do not exist.

If a CLEC is serving an enterprise customer that requires a limited number of loops in a few locations, that doesn't tell you anything about whether the CLEC is able to economically to self-provision switching and provide services using UNE-L.

If I, you know, have a multimillion dollar account, you know, with Samsung or a Monsanto, and I'm trying to keep that customer happy -- that customer needs a few loops in some central office somewhere -- I'm not really going to look at whether I'm going to make a profit if I can economically provision those loops.

I may be taking a bath on the sales of those particular loops, maybe losing a lot of money, but in order to keep that multimillion dollar account, I'm perfectly happy to lose money on those C loops. It doesn't say anything whether I would economically be able to serve the mass market using UNE-L.

Q Does the customer given in the scenario in Ms. Lichtenberg's testimony meet this definition, the definition of a customer to who purchases a limited number of analog lines?

A I'm sorry. Which definition refers to the limited number of analog lines?

Q Basically, I'm referring to the question right

before where I asked you if you agreed that a customer who purchases a limited number of analog lines, which are provided via an analog DSO loop, is a mass market customer.

I'm following up with does the customer given in the scenario, in Ms. Lichtenberg's testimony, meet this definition?

A Meet the FCC's definition of a mass market customer?

Q Yes.

A No. It does not.

Q Can you elaborate why not?

A For the reasons that I just stated, that the large enterprise customer is purchasing lots of high capacity loops and may need, you know, a few DSO analog loops at some location. That situation -- I mean, whether or not the CLEC can economically provide those loops tells you nothing about whether it's able to economically provide service to the mass market, and, in fact, may be losing money on the provisioning of those loops.

The test is whether a carrier can economically provide service using those unbundled loops.

Q Would you agree that a consumer of high

capacity loops is an enterprise customer?

A Yes.

Q And irrespective of the number of enterprise customers, does serving one customer using DSO qualify for actively serving the mass market?

A I don't know that it does.

Q Can you elaborate?

A Well, let me give you a good example of that. It's one of the companies that BellSouth has cited as a, quote, triggering company, and that would be SBC Telecom. SBC Telecom was required, under the terms of its merger with Ameritech in an agreement with the justice department, to provide -- to enter a number of markets around the country providing competitive local exchange service using its own switches.

It did that to comply with the merger agreement. It has not actively marketed services in any of those place. It may be providing a few loops, but it's not attempting to serve the mass market using it's own switches. That's what I think is meant by actively marketing.

There may be some incidental stuff out there like the SBC situation, or there may be a carrier that has -- another example would be say a carrier like MCI or AT&T that has ordered a few UNE-L loops to do some

testing of its products to see if they can actually work, to see if they can really work it and hook it up to their switches, but that doesn't mean that they're actively marketing the service.

Getting back to this, this isn't just a simple counting exercise. You can't just count to three. You have to see what the circumstances are under which those UNE-L loops are being provided.

Q I would like to refer you now to paragraph 210 of the TRO. Could you read that paragraph and let me know when you're ready?

A Okay. I've read the paragraph.

Q Would you agree that the TRO at paragraph 210 specifies that loop unbundling rules are specific to loop types and do not vary based on the customer to be served?

A What it's saying here is that the customer class distinctions are not intended to preclude a competitive LEC from obtaining an unbundled loop to serve those business customers.

Q So you would agree that it specifies that loop unbundling rules are specific to loop types and do not vary based on the customer to be served?

A Yeah. I mean, it's saying that I ought to be able to obtain an unbundled loop if unbundled loops are

available regardless of the type of customer I'm serving.

Q But you agreed with my statement?

A Well, give me your statement again. I'm not sure I do.

Q Do you agree that the TRO, at paragraph 210, specifies that loop unbundling rules are specific to loop types and do not vary on the customers to be served?

MR. O'ROARK: Object to the form.

MR. ROJAS: Could you specify?

MR. O'ROARK: Specify the objection?

MR. ROJAS: Yes. I'm not understanding. What's wrong with the question?

MR. O'ROARK: You are paraphrasing a statement from that paragraph. You left out some words. I'm not sure that -- well, in any case, the objection is that this line of questioning is asking for a legal conclusion. Subject to that, the witness can answer the question to the extent he's able.

MR. ROJAS: Thank you.

THE WITNESS: Let me go back to the first sentence in that paragraph. If our market classifications allow us to conduct the impairment

analysis for various loop types that are more like granular level, but are not intended to prohibit the use of UNE loops by customers not typically associated with a respective customer market class.

My reading of this paragraph is that the FCC is simply saying that a CLEC should not be prohibited from ordering and unbundled loop to serve an enterprise market.

BY MR. ROJAS:

Q Is it true that a customer can be an enterprise customer at one location and a mass market customer at another?

A No.

Q Is MCI serving mass market customers with UNE-L?

A Not to my knowledge. I believe that's the thrust of Ms. Lichtenberg's rebuttal testimony that we were discussing earlier.

Q What factors would prevent those CLECs targeting mid-to-large business customers from targeting very small business customers as well?

A Well, I think these are some of the same issues we've just been discussing. If you have a large business that is generating a lot of revenues and a lot

of profits for the CLEC, it may well decide that it can deploy or can use an unbundled loop at a few locations just to satisfy a specific need that that customer has at that location.

It doesn't tell you anything, again, about whether it's economically feasible to serve the mass market using unbundled loops at that same location 'cause the CLEC may very well be taking a loss on the sale of that particular unbundled loop.

Q What factors would prevent those CLECs targeting business customers from targeting residential customers as well?

A Well, I believe, you know, we've already talked about some of this, but one of the main factors would be the revenue opportunity that is available from business customers that are not available from residential customers.

Q If an enterprise switch has been modified to provide analog service, then does that enterprise switch now have a dual function for both data and analog?

A I'm having trouble following the question. If you're talking about like a class 5 voice switch, is that the type of switch you're referring to, or are you referring to like an ATM switch?

Q Not a class 5 switch.

A Not a class 5 switch? I guess I'm just trying to envision the scenario you're talking about here. You have an ATM switch that has been modified so it's able to do, for example, like voice override PE?

I'm sorry. If you could just clarify what kind of switch you're talking about.

Q I'm working on that right now. What type of switches is your most predominantly used switch in the enterprise market?

A Are you talking about MCI?

Q Yes, MCI.

A I really don't know.

Q Then let's use the class 5 switch.

A Okay.

Q And again, if an enterprise switch has been modified to provide analog service, then does that switch now have a dual function for both data and analog?

A Well, a class 5 switch is a voice switch, and it's capable of accepting both digital and analog interfaces. If your connectivity to your customer is primarily through the DS-1 or higher mid-rate loops, then that has one kind of interface to the switch.

If you need to interface DS-0s, then that's a different kind of interface. Data switches are an

entirely different beast. I mean, typically what you would have would be a cross-connect in the wire center that, for example, would take a DS-3 coming in from the customer and terminate.

Some DS-1s and, also, DS-3 on the class 5 switch and take other DS-1s off to an ATM switch for the data services, so -- and the same thing applies to data services that are provisioned over DS-0s. You would have a division of the data traffic from the voice traffic in the D-slam where the data traffic, again, would be sent off to an ATM switch, and the voice traffic would go into the class 5 voice switch.

I'm not sure I've answered your question. A switch doesn't simultaneously doesn't do both voice and data. There's one kind of switch that does data and another kind that does voice. The lines may be carrying both kinds of traffic, but the traffic is segregated before you get to the switch.

Q If a class 5 is interfacing DS-1 and DS0, is it serving a dual function?

A Yes.

Q Thank you. Do you agree that voice and data services for an enterprise customer can be provided over high capacity loops?

A Yes.

Q If an enterprise customer is a consumer of high capacity loops, then can we assume that their voice service is integrated over that facility as well?

A I would expect in most cases. Yes.

Q I'm going to refer you now to the TRO, paragraph 508. Can you let me know when you're there?

A Okay. I'm at paragraph 508.

Q Do you agree that it states that enterprise switches are likely to be employed to serve the mass market?

A Let me read through the whole paragraph.

Q Okay.

A Could you ask your question again now that I've read it?

Q Would you agree that paragraph 508 states that enterprise switches are likely to be employed to serve the mass market?

A What the paragraph says is that after implementation of a batch cut process, switches being used to serve the enterprise market are likely to be employed to be serve the mass market as well.

I think, also, in the paragraph, if you back up to the sentence before that, it says that the state commission, also, has to determine that the prime writers are operational and economically capable of

serving the mass market.

Whether or not that switch, that enterprise switch, would be likely to serve the mass market would really depend on the implementation of a batch hot cut process as well as overcoming all of the other operational and economic barriers.

Q But after implementation, would you agree that enterprise switches are likely to be employed in the mass market?

A Ultimately if the operational and economic barriers just serving the mass market are overcome. If they're not overcome, then it's not likely to be used.

Q In the same paragraph, does the TRO, also, state that the existence of switching serving the enterprise market is an indicator of the possibility of serving the mass market?

A Yes. It does of the possibility, and again, referring to the earlier part of the paragraph that it specifically states that the Commission needs to determine that the providers are operationally and economically capable of serving the mass market.

Q I am going to now direct you to paragraph 441 of the TRO, and let me know when you're ready to begin.

A Okay. I'm ready.

Q Does it state that switches deployed to serve

the enterprise market should be treated differently because of the substantial modifications required for that switch to be employed to serve the mass market?

A Should be treated differently than what?

Q Than mass market switches.

A What the paragraph is doing is pointing to costs that would require some of the same things I talked about a little while ago in order to make the switch capable of serving the mass market, that is, the switch that is currently serving the enterprise market to serve the mass market.

Q Would you agree that what is being referred to as an enterprise switch is a switch that has not been modified to serve the mass market?

A That has not been modified to serve the mass market?

Q Correct.

A Yes. That's what it's referring to. By the way, let's refer to your earlier question. I mean, it's a different question, whether a switch has been modified to serve the mass market than whether a switch has been modified to serve analog lines.

Q If you will give me just one moment.

(Brief recess.)

BY MR. ROJAS:

Q Earlier we discussed how an enterprise switch could be modified to serve the mass market.

A Yes.

Q If the modifications required for that switch to be employed to serve the mass market have already been performed, then is it true that the reason given to treat this switch differently no longer exists?

A It's difficult for me to conceive why anyone would modify a switch to serve the mass market unless it were serving the mass market. It's a question of scale. If you were -- and again, I would refer to my previous answer that, you know, to serve an analog line or to -- is a different question than serving the mass market.

If you're going to serve the mass market, you may need a whole lot of this kind of analog equipment. You may need a whole lot of additional cabling and power and those sorts of things compared to what you would do if you were only going to serve a few voice grade lines for using that switch.

I mean, just because the switch has been modified so it's able to provide service over a DS-0 doesn't mean that that switch is capable of serving the mass market, if that's the thrust of your question.

Q In the analysis of the trigger component that

this Commission is to determine -- I'm going to back up.

In the analysis of the trigger component, this Commission is to determine whether competing carriers are serving mass market customers with the use of their own switches; is that correct?

A Yes.

Q What is the difference in serving analog lines in the mass market?

A Okay. There are a number of issues there, and we've been over most of these. The biggest one is that serving a few DS0 lines to an enterprise customer may or may not be done on an economic basis. A carrier may well decide to do a few of those lines in view of the larger revenues and the profitability that's gained from serving that enterprise customer.

That doesn't mean that carrier is going to turn around and lose a lot of money on a lot of lines that it's going to sell to mass market customers, so that's the biggest one. There are, also, difference in the kinds of and the scale of modifications that would need to be done to that enterprise switch to enable it to serve mass market customers.

Most importantly, there are all the costs that would be incurred in establishing the collocation spaces in all the wire centers in which it hopes to

serve those mass market customers.

Q Does the self-provisioning trigger identify the existence of actual competitive facilities serving the mass market?

A I'm sorry. Could you repeat the question. I'm not sure I got it.

Q Does the self-provisioning trigger identify the existence of actual competitive facilities serving the mass market?

A Let me rephrase the question and answer it this way. If a carrier is found to satisfy the self-provisioning trigger, that carrier should exhibit that it is indeed providing service to the mass market. I mean, is that the question you asked, or did I rephrase it too much?

Q That's close enough. If a carrier is serving mass market customers with the use of their own switch, then does this identify them as deploying actual competitive facilities to the mass market?

A Your assumption is that that carrier is providing mass service to mass market customers in some defined market, and again, the market hasn't been defined here, but the predicate to the question is that that carrier is indeed providing service using its own switch to mass market customers.

Then, yes, as to whatever market we're talking about, that carrier is a triggering company, so to speak.

Q Based solely on the criteria of having actual competitive facilities serving the mass market, would MCI be considered a trigger candidate?

A No.

MR. ROJAS: That concludes staff's questions. Parties before we begin, I'd like to ask how long you have, and then I would like to take a break.

MS. MAYS: I do have questions, but I want to make sure I don't repeat stuff you've covered, so I'm estimating 30 minutes. I would use the break to kind of go over my questions and make sure I'm not repetitive.

MR. ROJAS: That was Meredith?

MS. MAYS: Yes.

MR. ROJAS: You're cutting in and out.

MS. MAYS: I'm sorry. Can you hear me better now?

MR. ROJAS: Yes.

MS. MAYS: Okay.

MR. ROJAS: Do any other parties have questions?

MR. CHAPKIS: This is Richard Chapkis for

Verizon. I do not have questions, and I may need to leave in the middle of Ms. Mays' cross-examination. I will need a copy of the transcript.

MR. ROJAS: Then I'm going to take a ten-minute break, and we'll come back right around 4:25.

MS. MAYS: Okay.

(Brief recess.)

CROSS-EXAMINATION

BY MS. MAYS:

Q Dr. Bryant, my name is Meredith Mays, and I'm an attorney with BellSouth. I would like to go over a few of your questions. I have some questions about your testimony, and then I want to follow up on one or two things that staff said.

Before we get into your testimony, just for my edification, can you let me know if you have any changes or corrections to your direct, rebuttal, or surrebuttal testimony?

A Let me think through that. I had planned on doing that before the hearing, but I haven't really had a chance to.

Q Well, you have several pages, so I'm not going to ask you to read them all and wait. Do you know of

any changes as we sit here right now?

A Nothing I can think of right at the moment.

Q Would that be the same answer with respect to your exhibits?

A The only thing that I can think of is that Ms. Tipton filed a revised exhibit, and I looked that over a little bit last night. I don't think it makes a difference, but I may have to change one of my exhibits to conform to the different list of companies that she had in that revised exhibit.

Q Are you referring to Exhibit PAT-5?

A Yes.

Q And as I understand the scope of your testimony, you really deal with four areas: Market definition -- well, really three: Market definition, economic impairment, and the switching triggers; is that right?

A Yes.

Q Now, in your testimony concerning the market definition, I understand that your position is that a wire center is the appropriate market. Have you reviewed some of the other market definitions proposed?

For example AT&T has put forth a LATA market, and Sprint has put forth an MSA market. Have you reviewed those proposals, also?

A Yes, I have.

Q You disagree with all other market definitions?

A I don't believe that they are granular enough to capture the cost differences that are going to make a difference to the CLECs.

Q Is that a yes?

A Yes.

Q Before I continue, just backing up just a little bit, what witnesses' testimony have you reviewed in this proceeding?

A Well, I certainly reviewed all of BellSouth's and all of Verizon's testimony.

Q Have you reviewed the testimony of all 15 BellSouth's witnesses or only --

A Only the ones that were pertinent to the areas that I addressed in my testimony. No. I didn't look at the testimony on hot cuts, operational impairment.

Q In terms of the other CLEC witnesses' testimony have you reviewed the testimony of the CLEC witnesses?

A Yes. I've read through Mr. Gaillan's testimony and Mr. Wood's and Mr. Turner's to a lesser extent for AT&T.

Q In reviewing the other testimony, have you

reviewed the other models? I'm specifically wondering about Mr. Turner's model. Have you reviewed that?

A Not in any depth, no. I'm generally familiar with what the model does due to some conversations that I've had with AT&T, but not necessarily based on Mr. Turner's testimony.

Q You mentioned conversations with AT&T, and without asking you to address any conversation that might be privileged with your attorney, have you had conversations with other witnesses in this case about any of the positions that you are taking?

A No. Oh, wait. I'm sorry. I did have a brief conversation with Mr. Wood concerning the BACE model.

Q Can you elaborate on the substance of that conversation?

A It was really more operational than anything else. I was hoping that he had tried changing some of the same inputs that I had and if -- and I was asking if he knew how to change certain inputs to test certain assumptions.

Q Did you reach any conclusions or form any opinions as a result of that conversation?

A He wasn't much help on the inputs that I needed to change, and I can't think that I really reached any conclusions as a result of the conversation.

Q And what were the inputs that you wanted to change?

A I was looking to change the price trend for the residential bundle of services.

Q Dr. Bryant, are you aware that MCI is a member of the FCCA?

A Yes, I am.

Q Are you aware that the FCCA members, or the joint CLECs in this case, are taking positions that, in some instances, differ from yours?

A Yes. I'm aware of a couple of places where we vary.

Q And referring to your direct testimony at page 29 at line 3 through 5 --

A Give me a moment to locate that. You said 3 to 5?

Q Yes, lines 3 to 5.

A Of page?

Q Page 29 of your direct.

A Okay.

Q Are you there, sir?

A Getting there. Three through 9 you said?

Q Three through 5.

A Three through 5, okay.

Q Reading that sentence that begins with "the

essential economic criterion," is another way for stating what you're stating here that you are referring to substitutability?

A Yes.

Q And so you are in agreement with Dr. Pleatsikas that substitutability is a key component of a market definition?

A It certainly is a consideration. Yes.

Q Well, you refer to it as the essential economic criterion.

A It's a very important consideration.

Q And then turning now to your direct testimony at page 38, and I'm referring to lines 9 through 10. Are you there, sir?

A Yes. I'm there.

Q Is it your testimony that the market definition of a wire center should be further subdivided into a residential wire center market and a small business wire center market?

A I believe two things go into this. First, is that in considering the trigger test, the market definition for that purpose -- and, of course, the market definition is the same for both purposes, but I believe that evidence that a carrier is serving only business customers is not sufficient to demonstrate that

it meets the economic feasibility of providing the mass market generally.

For purposes of the potential deployment, a similar kind of consideration applies. A carrier serving only -- it having been shown that a carrier can feasibly serve business customers in a given wire center does not necessarily imply that it can serve all of the mass market in that wire center.

Q Is it your testimony that there is an economic component to the trigger test?

A I believe that the fundamental thing to be tested in the trigger test is whether actual deployment demonstrates the economic feasibility of serving the mass market. It's my testimony that a trigger test that would cause a company to be classified as a trigger because it is serving only business customers does not demonstrate the economic feasibility of serving the mass market.

Q What provision of the rule or the TRO do you rely upon to support that position?

A Let me go to -- well, I'm looking for the best language here. I really wish that I had written down a list of the relevant paragraphs here before I came into this. I think that if you refer to paragraph 435, the Commission says that we are considering evidence of

competitive deployment in the relevant customer market and say that that is the best evidence of whether they've been able to overcome barriers to entry.

I think this is indicating that the Commission believes that the whole purpose of the trigger analysis is to demonstrate economic feasibility.

Q Have you read any of the appellate papers, the pleadings that your client has filed in the appeal of the TRO?

A No.

Q And it is your testimony that a cable telephony provider cannot satisfy the triggers; is that correct?

A Cable telephony is not as the TRO requires comparable in cost and maturity and quality to the existing ILEC offering.

Q I'm sorry. I didn't understand your answer. Is that a, yes, a cable telephony provider cannot satisfy the test, or did you say something else?

A No. That's a yes for the reason that I gave in the answer.

Q So it's not your testimony that a cable -- let me make sure I understand what you're testifying to. You agree that a cable telephony provider that is

comparable in quality, maturity, and cost to the ILEC would satisfy the trigger test; is that correct?

A Depending on how the market is defined. As you know, cable operators, networks are not coincident with the incumbent LECs networks, and a cable operator is restricted to providing service only in areas where it actually has network deployed.

Therefore, to the extent that, for example, if the market were defined as BellSouth proposes it be defined, I think that a cable operator, again, under the assumption that its service was equal to cost and quality and maturity to the ILEC's offering, it would only be evidence of a competitive source and supply in those portions of the market where the cable operator actually has network.

Q How do you reconcile the difference between the rule and the order whereby the rule has cable telephony must be comparable in quality, and the order adds the words maturity and cost?

MR. O'ROARK: Object to the extent it calls for a legal conclusion.

BY MS. MAYS:

Q You can go ahead, Dr. Bryant.

A Well, I think obviously from a substitutability standpoint, if the offering is not

equal to or is not comparable in cost and quality and maturity, all of those factors, then it isn't really a true substitute.

Q What is your understanding of maturity in that context?

A Well, maturity would have, among other things, to do with the reliability of the service, the scope of the features that were available with the service, for a couple of examples.

Q If this Commission were to define the market as you have proposed it, would you object to a cable company being found as a trigger?

A I think that it would require an evaluation, again, of whether cost, quality, and maturity of the service were equivalent or not.

Q Have you performed any such evaluation for the cable company that BellSouth has identified as the trigger?

A No. I have not.

Q At your direct testimony at page 45, on 22 --

A Just a moment.

MR. O'ROARK: What's the reference again, Ms. Mays?

MS. MAYS: Direct testimony, page 45, line 22.

MR. O'ROARK: Thank you.

THE WITNESS: Okay. I'm there.

BY MS. MAYS:

Q Is it your testimony that most CLECs make entry decisions at a wire center level?

A It's my testimony that in evaluating whether to provide mass market service using unbundled loops and self-deployed switching, that that decision would be made at a wire center level.

Q Are you aware that many CLECs in Florida have indicated that they do not make entry decisions on a wire center level?

A I am aware of an interrogatory that BellSouth propounded on the FCCA members, and my reading of that interrogatory is that no conclusion can be drawn from the answer as to what the approach those carriers would make in situations -- in the situation where they were forced to rely on UNE-L for the provision of service.

I am aware that one competitive LEC has said that it does make decisions at a wire center level, aside from MCI, that is.

Q Do you make any conclusion about whether CLECs make entry decisions at a wire center level based on the fact that the joint CLECs in this proceeding have not endorsed your market definition?

A I don't draw any conclusion from that with respect to whether an entry decision is made at a wire center level. I'm not familiar with why the companies or what went into the analysis of those companies to choose to advocate a broader market definition.

Q You didn't have any conversations with any representatives from the other companies to assess the fact that your market definition varies from theirs?

A No. I did not.

Q You refer, in your direct testimony, to a Connecticut decision, and the reference is at page 49 at lines 12 through 13.

A Yes.

Q Do you have any additional information as to the status of that decision?

A I'm aware that the Commission retreated somewhat from that finding.

Q Are you aware of any rulings from any other state commissions about finding market?

A I'm sorry. I know that I have heard rulings that have been made in Ohio and, I believe, in Arizona, but at the moment, I just can't recall what those were.

Q Some of your testimony, Dr. Bryant, seems to imply that if this Commission were to accept BellSouth's position that switching would no longer be available,

are you aware that BellSouth intends to continue to offer switching at market based rates?

A Well, I'm not aware specifically or not. I know that some of the BellSouth witnesses have stated as such. I can only assume that whatever rate will be charged will be almost certainly higher than what's being charged today, and that's going to affect the ability of CLECs to continue to offer service.

Q It is correct, isn't it, that if BellSouth does offer switching at a market based rate, that a CLEC would have an alternative between self-supplying switching or terminating service?

A That's not at all clear to me.

Q Why not?

A Well, for one thing, a market based rate, to me, is really kind of a nonsensical formulation in the current situation since there doesn't, in fact, exist a market for wholesale local exchange switching; so I would read, for market based rate, instead of whatever BellSouth chooses to charge for switching, to the extent that that charge would force CLEC prices to an uncompetitive level, then certainly there would not exist an alternative for the CLECs.

Q Have you done any analysis of what BellSouth's proposed rate is and how that would impact your analysis

tool or model?

A No. I haven't. I don't know that BellSouth has said what its rate would be.

Q I want to go back a little bit to triggers, and you talked some with the staff about actively providing service. My question to you is this, I want you to assume for me the following hypothetical.

If a trigger -- if a company is actively serving a customer with one or two lines, but the company had not added any new customers recently but had chosen to use UNE-P because it led to a higher margin, is it your testimony that such a company would not be a trigger candidate?

A Yes. But let me go a little bit to the foundation of your question, and that is whether the use of UNE-P would lead to a higher margin or not. You know, I don't know that that's the case and that company is choosing to stay with UNE-P strictly for that reason.

Q Do you know that it is not the case?

A Well, I think my analysis has shown that in a very, very high proportion of cases in Florida, that UNE-L is uneconomic.

Q So what you're saying is that there's no choice to be made? Is that your testimony?

A No economic choice.

Q Do you have a statement in your rebuttal testimony at page 19?

A Give me a moment to get that out. At page 19 you said?

Q Yes. I'm trying to find a line number. It's line 14 through 17. The sentence begins "unless a potentially triggering company."

A Yes. I see the statement.

Q My question is whether there is anywhere in the TRO or rules that you can point me to that supports that position.

A Let me read this paragraph. Just a moment. Okay. Having read that, I think the question is whether a customer is providing service to mass market customers within the market, and if a CLEC is unable to provide service to customers served over IDLC, then that part of the market is now being served by the CLEC.

Q My question to you was whether you could point me to some portion of the TRO or the rule that supports your position.

A This goes to one of the considerations in defining the market. I've proposed that the market be defined as the wire center, and, you know, I have not gone the further step in saying that IDLC portion of that wire center should be considered separately from

the portion of that wire center that's served off of that long facility.

I think it is a consideration that the Commission needs to keep in mind, that a portion of even the wire center market definition, a portion of the customers in that market may not be able to be served by the CLEC.

Q Do you have some threshold in mind of how much of the market a triggering company needs to serve in your opinion?

A No specific threshold.

Q I want to turn now to your potential deployment analysis. As I understand that, your analysis in a nutshell is that it may be possible, in some instances, for a company to profitably serve using UNE-L; is that fair?

A No. That's not exactly my testimony. I don't think that I can say with certainty that there is any instances in which the Commission can conclude that a CLEC can profitably offer services using UNE-Ls.

Q What you're saying is, in terms of your potential deployment analysis, there are no circumstances in which a CLEC can profitably serve with UNE-L?

A I'm saying that there's no circumstance in

which the Commission can conclude that to be true.

Q When you have reached that conclusion, part of your analysis focuses on a model, and part of that model depends on certain inputs; is that fair?

A Yes.

Q And some of the critical inputs you have that you are looking at include market shares, customer life, and so forth?

A Yes.

Q And what is your opinion as to what a reasonable market share figure is in your analysis?

A Well, I've used, as a starting place, the 5 percent market share, and shown the variation and profitability that occurs with moving from 3 percent up to 8 percent of market share for the CLEC.

Q What is your opinion as to the average expected customer life?

A I believe I started with -- let me call it back up just so I'm sure I'm giving you the exact right numbers, but I believe I started with 12 months and consider a range from 8 months to 16 months, or 8 months to 15 months.

I'm sorry. I start with 10 months and consider a range of 15 to 20 months.

Q So it would max out at 20 months?

A Yes.

Q And what is your opinion as to the average revenue per customer?

A I began -- in Florida, I began with a figure that was based on MCI's price for their neighborhood 200 service offering.

Q At an average price for all of MCI's offerings in Florida?

A No. The price for that specific offering.

Q Why is it that you used the price for that specific offering?

A In my view, that constituted an average type of customer.

Q When we talk about average customer, we're still talking about a mass market customer?

A Yes.

Q By talking about a mass market customer, we are still talking about a residential or very small business customer?

A Yes.

Q Do you have an opinion as to the crossover in this case, Dr. Bryant?

A No, I don't. The crossover between a small business and enterprise customer?

Q Yes, sir.

A No, I don't.

Q In looking at your direct testimony at page 46 beginning at line 6 --

A Direct testimony?

Q Yes, sir.

A Fifty-six, line 26?

Q Fifty-six beginning at line 6. You have in your analysis incorporated both costs and revenue; is that fair?

A Yes.

Q Do you have an opinion as to an analysis that does not discuss revenue as to whether that would be a useful analysis?

A Well, I think anything that would demonstrate the costs that would be incurred by a CLEC certainly is relevant to the consideration of whether a CLEC can profitably enter.

Q If you consider cost without considering revenues, can you reach a conclusion as to whether a CLEC can profitably enter?

A Certainly one way of approaching the problem would be to look at the cost disadvantage that a CLEC operates under, under the assumption that in a competitive market that revenues or prices and the resulting revenues would tend toward cost.

Q Was that a yes or no, Dr. Bryant?

A How was your question phrased.

Q I'm asking whether if a model does not consider revenue, whether it is economically useful?

A Yes, it is.

Q How is that?

A As I explained, if you approached the problem by examining cost differences between carriers, and then assume that prices and therefore revenues will tend toward cost over time, then I think certainly it's useful to an economic analysis.

Q How do you reach that conclusion if you haven't included any analysis of revenues?

A Again, the assumption is that, in a competitive market, prices and therefore revenues will tend toward costs, and the costs themselves then become a proxy for the revenues.

Q What do you rely upon or what is the basis for your opinion that in assessing revenues, prices will decline in the range of 11 to 20 percent over time?

A It was based on a model constructed by the consulting firm of MICRA on expected price decreases in the local exchange market.

Q Did you do any analysis of your own, or did you accept the analysis of this other model?

A Well, certainly I was involved in discussions with the people who developed the model and satisfied myself as to the model's accuracy. I did not conduct an independent analysis, if that was the question.

Q You have disputed certain inputs that are used in the BASC model, and as I understand your testimony, the basis for your disagreement is that the precise inputs are unknown. I'm referring to your rebuttal testimony at page 39 at line 7.

A Give me a moment to get to that. Page 39 line 7?

Q Yes, sir.

A My pagination must be different. I don't have the PDF version of it.

Q Okay. Well, I will read you a sentence.

A Okay.

Q The sentence reads as follows:

"Again, customer acquisition costs in a post UNE-P market is an unknown and unknowable quantity."

A Yes.

Q And my question for you is, if the acquisition costs are unknown and of an unknowable quality, you don't know for certain that the inputs that you are disputing are not correct?

A No. I don't believe -- Yes. I mean, the

answer is yes. I don't believe anyone can know, with any degree of certainty, what a lot of these critical inputs will be.

Q Now, as I understand it, you started with revenue from MCI's plan that you had referred to for your revenue figures, and then you used data from T&S Telecom for monthly revenue spending; is that right?

A I did not have any of the T&S data at the time that I did the Florida filing. I have used T&S data in other states.

Q For your entire analysis in Florida, all of the revenue comes from MCI?

A I believe that, in the Florida testimony, that I showed that the MCI revenue per customer was comparable to the FCC's reporting of average household revenue. Again, it's adjusted for subscriber line charge, and taxes, and so forth.

That FCC statistic, in turn, is based on data gathered by T&S Telecom.

Q Let me make sure I understand. Is it your testimony that your revenue inputs for your analysis tool in Florida used MCI revenue, and then you compared that revenue against FCC data?

A Yes. Well, the specific input is based on MCI's price for the neighborhood 200 product. In the

testimony, I think demonstrated that that was a reasonable assumption by comparing it to the FCC's statistic.

Q Now, your model does not factor in feasibility to serve medium or large business customers in addition to mass market customers; is that right?

A As it's presented in Florida, yes. That's correct.

Q And isn't it fair that if you have discarded certain segments, that you may have overstated the number of wire centers that are not profitable?

A If you were to look at the numbers produced or the results produced by the model as an absolute figure, that's possible. The relevant consideration is whether a CLEC providing enterprise services in a particular wire center would gain any additional economies of scale by, also, serving mass market customers out of that particular wire center.

Q You didn't look at enterprise and mass market customers together. You looked at mass market customers alone; is that right?

A That's correct.

Q Now, just as a general matter with your input, as I understand it, you have used different sources for your inputs. In some instances, you've used default

values from Dr. Gable. In other instances, you've used inputs based on interviews with MCI personnel, and then on other instances, you relied on FCC statistics; is that right?

A The part I'm having -- well, for one thing, I don't think that's an exhaustive list of all the sources, but I'm having trouble with that last part, the FCC statistics. I'm trying to recall where I might have used an FCC --

Q Well, I may have confused when you were referring to your verification of the revenue.

A Of the revenue, yeah.

Q Let's take that off. Let's say is it accurate to say your inputs used a combination of values from Dr. Gable, and a combination of input based on interviews with MCI personnel?

A For some of the inputs, yes.

Q Are there any other sources of input of general categories that you have used?

A For some of the DSL costs, I used inputs that are currently being used in the HAI model.

Q Can you explain for me your rationale for choosing these different sources of inputs?

A Well, obviously, in the latter case, for those that came from the HAI model, those were for items of

equipment, the cost inputs that were not included in the original Gable model. Dr. Gable did not consider the costs and the revenues that would come from the provision of DSL services, and that was something we thought we ought to include in the model.

That's the reason for using that source. In general, we had a preference, in developing a model, for using, to the greatest extent possible, the default that Dr. Gable had in the model. We didn't want to get into a controversy that we were somehow attempting to gain the inputs to the model.

In, I think, two situations, the reaction that we had from MCI personnel was that they were just not reasonable inputs.

Q And what were those two occasions in reference to?

A I believe that was the uncollectibles factor and the customer life.

Q Do you know whether the inputs that you -- do you know the difference between what you ended up using versus what Dr. Gable originally proposed for those two items?

A I would have to go back and look to give you an absolutely certain answer, but I -- well, if you've got a few minutes, I can probably track that down.

Q That's fine.

A Give me just a moment. Yes. On the uncollectible factor, Dr. Gable had a 3.2 percent rate, and in the impairment analysis tool, we instead used the 5 percent rate.

Q What about the customer life?

A Still looking for that one. Dr. Gable used an 18 month figure, and again, in the impairment analysis tool, we used a baseline of 15 months with a variation between 10 and 20 months.

MR. O'ROARK: If I may interject.

Dr. Bryant, do you know if any of the information is confidential.

THE WITNESS: I don't believe it is. No.

MR. O'ROARK: Thank you.

BY MS. MAYS:

Q Let me ask you this, Dr. Bryant. Do you have an opinion on what a reasonable payback period for an investment would be?

A Well, it varies by the type of investment being made, and some of the factors that would go into that would be what the economic depreciation life of the investment is, and what resale value the equipment would have at whatever point the CLEC decided to discontinue its use.

Q You had testified, in response to staff, that MCI is not serving the mass market using UNE-L. Do you recall that?

A Yes.

Q And in the context of that question, are you still defining mass market as residential or very small business customers?

A Yes.

Q And it's your testimony that MCI is not serving any very small business customers?

A Yes. That's based on Ms. Lichtenberg's rebuttal testimony.

Q Let me present a hypothetical to you. Let us assume that MCI has a customer that is say Home Depot, for example, and Home Depot has a satellite office. At that location or satellite office, there are three analog lines just to that office; so there are a total of three lines going to that office.

MCI serves them using UNE-L. Your testimony is that that location and that MCI serving that location is not providing service to the mass market?

A That's correct.

Q Have you done any independent analysis to see if there are just very small business, stand-alone small businesses, that MCI serves, or are you relying solely

on Ms. Lichtenberg's testimony?

A I'm relying on Ms. Lichtenberg.

Q You had testified, also, about SBC. Do you recall those questions --

A Yes.

Q Do you know whether SBC has entered more markets than it was originally required to do?

A I'm not aware if they have.

Q Would it change your opinion if they had?

A Well, certainly if there were markets in Florida where they had entered and were actively marketing services using UNE-L, that's something I would have to consider, but then again, I'm not aware that they've done that.

Q When you use actively marketing in that context, what do you mean by that?

A I mean they're out advertising trying to obtain customers.

Q Does it have to be a specific form of advertising? What if there were flyers in a subdivision? Would that be marketing and actively advertising?

A Well, I suppose it's, in a sense, of a matter of degree. I mean, if you're going after the mass market, I don't think that that's the advertising, you

know, avenue that you would tend to employ. You know, I would have to be acquainted with the specific circumstances.

You know, I don't want to speculate based on some kind of hypothetical here.

MS. MAYS: Those are all the questions I have.

MR. ROJAS: Did Mr. Chapkis leave?

(No response.)

MR. ROJAS: Are there any other parties on the line that wish to ask questions?

MR. O'ROARK: I have just a brief line of redirect --

MR. ROJAS: Okay.

MR. O'ROARK: -- if there's no other party that wishes to ask questions.

MR. ROJAS: I believe there's only three of us on the line. Whenever you're ready.

MR. O'ROARK: Okay. Thanks.

CROSS-EXAMINATION

BY MR. O'ROARK:

Q Dr. Bryant, you were asked by staff whether a carrier that serves mass market customers is a trigger company. Do you recall that question?

A Yes.

Q Is it possible that a carrier who serves some mass market customers would not be a trigger?

A I think, as I pointed out in my testimony, that a carrier is serving only a few business customers, small business customers albeit, could not really be considered as serving the mass market.

Q Are there any other reasons that any carrier that serves some mass market customers would not be a trigger company?

A Well, certainly the operational barriers to serving large numbers of mass market customers would have to be considered in determining whether that ought to be considered a trigger or not.

MR. O'ROARK: That's all the questions I have. Thank you.

MR. ROJAS: Meredith, I'm assuming you would like a copy of the transcript.

MS. MAYS: Please.

MR. O'ROARK: As would we, please.

MR. ROJAS: Okay. Are there any other questions, comments, or concerns?

(No response.)

MR. ROJAS: Hearing none, we will adjourn.

(The deposition concluded at 5:20 p.m.)

ERRATA SHEET

PAGE	LINE	CORRECTION
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Date of deposition Reporter

CERTIFICATE OF REPORTER

STATE OF FLORIDA)

COUNTY OF ALACHUA)

I, NANCY P. VETTERICK, Registered Professional Reporter, certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 98 are a true and correct record of the aforesaid proceedings.

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 14th day of February, 2004.

NANCY P. VETTERICK, RPR, CCR
Notary Public
1-800-934-9090
850-878-2221

The proposition that competitive providers should be capable of providing service to substantially all customers in a defined market is implicit in virtually the entirety of the *Triennial Review Order*, in its focus on ensuring that customers have access to alternative providers of local exchange service. Indeed, the Commission's focus on the "mass market" itself is nonsensical under any interpretation of the *Order* that would find non-impairment due to a very limited availability of competitive alternatives. Service to a few customers in a small portion of a geographic market does not reflect a carrier's ability to actively serve the "mass market." A key reason the FCC looked to actual marketplace evidence is that such evidence shows "whether new entrants, *as a practical matter*, have surmounted barriers to entry in the relevant market." *TRO* ¶ 93 (emphasis added and deleted).

In defining the evidence that it will consider in assessing the availability of competitive alternatives, the FCC stated in ¶ 94:

> As we examine the evidence of facilities deployment by competitive LECs in the specific UNE discussions, we will give it substantial weight, but we do not agree that we must find it conclusive or presumptive of a particular outcome without additional information or analysis. For example, if the marketplace evidence shows that new entrants have deployed a certain type of facility, we will consider the facts as evidence that the barriers to entry in that market for that element are surmountable. In deciding what weight to give this evidence, we will consider *how extensively carriers have been able to deploy such alternatives, to serve what extent of the market, and how mature and stable that market is.* Thus, while we agree that such evidence may indicate a lack of impairment, we disagree with commenters that argue that such evidence is dispositive or creates a rebuttable presumption of no impairment.

(Emphasis added.) Thus, the FCC clearly is concerned that any evidence of facilities deployment be assessed in light of the extent of the market served and indicates that

limited deployment is insufficient to support a finding of non-impairment. Thus, in eliminating consideration of CMRS as a triggering alternative, the FCC cited as one factor the lack of ubiquity of that service:

> For example, we note that CMRS does not yet equal traditional incumbent LEC services in its quality, its ability to handle data traffic, *its ubiquity*, and its ability to provide broadband services to the mass market.

TRO ¶ 499, n.1549 (emphasis added). If the ability to serve more than a few customers within a market were not a concern, the Commission would not have eliminated CMRS on the basis of its lack of ubiquity.

Finally, the Commission, in establishing requirements for consideration of retail and wholesale switch providers, stated that:

> Moreover, the identified competitive switch providers should be actively providing voice service to mass market customers in the market. Identified carriers providing *wholesale* service should be actively providing voice service used to serve the mass market and be operationally ready and willing to provide wholesale service to all competitive providers in the designated market.

TRO ¶ 499. In a footnote to this paragraph, the FCC went further, in language that does not distinguish between retail and wholesale carriers, to state:

> In circumstances where switch providers (or the resellers that rely on them) are identified as currently serving, or capable of serving, only part of the market, the state commission may choose to consider defining that portion of the market as a separate market for purposes of its analysis.

TRO ¶499, n.1552. If the FCC believes that portions of a market that are actively being served should be segregated from portions that cannot or are not being served, then it must also believe that the extent of the ability of competitors to provide service within a market is an important consideration.

EXHIBIT NO. 16

DOCKET NO.: 030851-TP

WITNESS: Kenneth L. Ainsworth

PARTY: BellSouth

DESCRIPTION:

1. February 9, 2004, Deposition Transcript, page 1.
2. Late-Filed Exhibit 1, page 162.
3. Late-Filed Exhibit 2, page 166.
4. Late-Filed Exhibit 3, page 182.
5. Late-Filed Exhibit 4, page 183.
6. Late-Filed Exhibit 5, page 184.

PROFFERING PARTY: STAFF

I.D. # KLA-D

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 16
COMPANY/ FPSC Staff/BS
WITNESS: KLA-D
DATE: 02/24-27/04

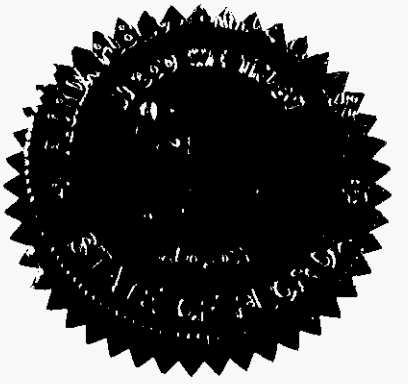
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030851-TP

In the Matter of

IMPLEMENTATION OF REQUIREMENTS ARISING FROM FEDERAL COMMUNICATIONS COMMISSION'S TRIENNIAL UNE REVIEW: LOCAL CIRCUIT SWITCHING FOR MASS MARKET CUSTOMERS.

_____/



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TELEPHONIC DEPOSITION OF:	KENNETH L. AINSWORTH
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
PLACE:	Gerald L. Gunter Building Room 309 2540 Shumard Oak Boulevard Tallahassee, Florida
TIME:	Commenced at 2:15 p.m. Concluded at 7:35 p.m.
DATE:	Monday, February 9, 2004
REPORTED BY:	JANE FAUROT, RPR Chief, Office of Hearing Reporter Services FPSC Division of Commission Clerk and Administrative Services (850) 413-6732

FLORIDA PUBLIC SERVICE COMMISSION

APPEARANCES:

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JEREMY SUSAC, ESQUIRE, FPSC General Counsel's Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf of the Commission Staff.

WITNESS

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EXHIBITS

NUMBER:		I.D.
1	(Late-filed) Number of orders in batch process completed by BellSouth	15
2	(Late-filed) February 18th documentation	32
3	(Late-filed) WPTS Scheduling Tool Specifications	41
4	(Late-filed) Policy and procedures of hot cuts	55
5	(Late-filed) Documentation regarding notification systems	143
6	(Late-filed) Process flow for noncoordinated hot cuts	143

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 objections, except as to the form of the question, are reserved until hearing in this cause; and that reading and signing was not waived.

P R O C E E D I N G S

(Witness sworn by notary.)

MS. FOSHEE: The witness has been sworn, and he is available for cross-examination.

MR. SUSAC: Thank you.

KENNETH L. AINSWORTH

was called as a witness and, after being duly sworn by the notary, testified as follows:

DIRECT EXAMINATION

BY MR. SUSAC:

Q Good afternoon. My name is Jeremy Susac. I am an attorney with the Florida Public Service Commission. I am going to be taking your deposition today on behalf of the Commission, and this deposition is being taken for Docket Number 030851-TP. Before I begin, I would just like the witness or the deponent to know that if you need me to restate a question, or do not understand a question, if you would just let me know, and I will either restate the question or try to rephrase the question to your understanding. I will also ask you that when you answer the questions if you could please begin your answer with a yes or a no where appropriate, and then if you have to elaborate, please, go into further explanation.

A We will do that. Thank you.

Q All right. Could you please state your name for the

record?

A My name is Ken Ainsworth.

Q And by whom are you employed, Mr. Ainsworth?

A I am employed by BellSouth Telecommunications.

Q Could you please give us a brief synopsis of your educational background?

A I have a couple of years of college, as far as advanced education. Of course, high school graduate, and been with BellSouth for right at 38 years.

Q Okay. Mr. Ainsworth, I would like to digress for a second.

MR. SUSAC: I'm sorry, I apologize to all the parties. I'm in a little bit of a rush. Do we agree to the usual stipulation?

MS. FOSHEE: Yes, for BellSouth.

MR. O'ROARK: Yes, for MCI.

MR. CRUZ-BUSTILLO: Yes, for Supra.

MR. SUSAC: Okay. And we understand that the Commissioner has made a ruling on last Friday, that to the extent a witness is a corporate representative that witness may not be on the line during the deposition, however, if the telecommunication company wants to put forth a corporate representative, they may do so. Again, as long as they are not a witness in this proceeding. Is that agreeable?

MS. FOSHEE: Yes.

MR. CRUZ-BUSTILLO: Okay with Supra.

BY MR. SUSAC:

Q All right. To get back to you, Mr. Ainsworth. Thank you very much for your patience there.

On Page 5 of your direct testimony, Lines 4 through 6. And you can just tell me when you get there.

A I'm there.

Q Okay. It states that the batch hot cut process applies to migrations of multi-account for the same service type within a specific wire center. Could you please explain this statement?

A Yes. The statement that you are reading here applies to, that for a particular type of account or multiple accounts of the same type, so the same type loop, the same type UNE loop in the same wire center would apply for the batch migration process. And that is within a specific wire center.

Q Thank you. Can the bulk request contain multiple service time and different wire center?

A I'm not sure I understand that question.

Q All right. Let me try to rephrase it here.

Okay. Let me see if this sheds light on it. When I say can the bulk request contain multiple service times, I mean at different times, 9:00 a.m., 10:00 a.m., 11:00 a.m., and in different wires centers. Say that 9:00 a.m. is in Miami, that 10:00 a.m. is in Winter Haven, Florida, and that 3:00 p.m. is

in Orlando?

A No. The bulk migration request I think you are referring to is -- or what I understand you are referring to is time specific. Bulk migration does not allow time specific. It does allow for coordination for time frames, but not for time specificity.

Q All right. Thank you. Could you explain why the coordinated time specific hot cuts are not available for the batch process, then?

A Yes. When the product team developed this process, it was laid out for really the mass market. And the feeling was that if you wanted the efficiencies of a batch process, that you needed to be able to cut those in volumes. If you went to time specificity, that would reduce that opportunity. Also, for those type loops that we are talking about in the mass market, the volumes of those would be higher. The ones that are the business type loops that would be transitioned or migrated utilizing the time specificity could be done on the single order process, and we would allow the time specific category to be applied at that point in time.

Q Okay. And just to get a clarification on my previous question, when we asked if the bulk request contained multiple service time and different wire center, was your answer no?

A My answer was, no, we don't have time specific in any particular wire center. You could have a bulk migration

request simultaneously in many wire centers, but not with time specificity.

Q But eliminating the time specific part of your statement, can it apply to different wire centers?

A Absolutely, yes.

Q Okay. Going back to your testimony, again, is it fair to say you state in your testimony that the individual hot cut process and the batch hot cut process on the provisioning side are exactly the same?

A Yes, there are similarities in that process, and we really took -- when the team looked at the provisioning process, the process that we use functions extremely well. As a matter of fact, the performance measures indicate that. So the provisioning process that we utilize in the batch process is basically the same. The only addition would be that from a project manager standpoint there could be some coordination functionality that goes on from the front end and through that coordination that would -- that would add some -- that would add some opportunity there, or would add some coordination that would not be on the individual process for provisioning.

Q Is that the only efficiency on the provisioning side of the batch hot cut process?

A From the provisioning side, yes, the introduction of the project management and the ability to schedule that work out and dedicate the technicians to that process would be the

efficiencies. If you don't use the batch process, then that load will be spread out between the central office or the central office and the field personnel, and you wouldn't have it assigned to the personnel and that would lessen the efficiency.

Q Absent that efficiency, are they exactly the same?

A As far as the cutover process itself, yes, they are.

Q All right. Could you please explain the minimum intervals a CLEC will encounter for placing a bulk order? If it will help, on Page 22 of your direct testimony you speak to this issue.

A Let me look and be sure I'm on the same. Okay. In the batch hot cut process, there is the interval of the notification to the project manager. So if you look at -- you refer to my testimony, on Page 22, if you look at Lines 12 through 17, it talks about that up to 99 telephone numbers, that is a seven-business day process. And that process includes the time for the project manager to take that spreadsheet and negotiate with the network interfaces, and then they would return that spreadsheet to the CLEC. The CLEC would have three days once those due dates are set to enter that batch process via the mechanized batch process ordering I believe that Mr. Pate described. And then from that point there would be a 14-day provisioning interval once those orders are entered into the system.

Q So we are looking at 17 days?

A You are looking at a total of 24 days if you go end to end from the initiation of the process all the way through the provisioning. You're looking at a 14-day provisioning interval and a seven-day interval for the project manager to process up to 99 telephone TNs and get those scheduled in three days for the CLEC to enter that order.

Q All right. And are these same intervals encountered with an individual loop migration order?

A No. The intervals on an individual migration order are because you are only talking about a single order would be determined based on the type loop you were ordering. If it were a designed loop, it could be four days. If it were a nondesigned loop, it could be three days. And those are stated in the interval guides.

Q Going to Page 24 of your direct, and just holler when you get there.

A Okay.

Q What is your estimate of the minimum number of days from the point at which a CLEC submits a request for a bulk migration to the date the order was completed in SOC? S-O-C, for the court reporter.

A The orders would be completed in SOCS on the due date that would be specified on the bulk migration request. So whatever interval was communicated back via the spreadsheet,

they would be completed on that due date.

Q What is your estimate of the minimum number of days from the date a CLEC submits a request for an individual loop migration to the date the order is completed in SOCS?

A Let me clarify. I want to make sure I didn't miss it. You said individual?

Q Yes, individual loop.

A The individual loop, again, it depends on the time frame, it depends on what the CLEC requested. If it is standard interval, it would be three days for a noncoordinated or a nondesigned service, or four days, each one of the loop services that are migrated here would have a specific interval. So if they requested on a specific interval, they would be completed on the due date. I think -- I think to get at simply, we would complete the order on the due date when the function was completed, whether that be based on the standard interval or a requested date other than that by the CLEC.

Q All right. So in terms of timeliness, would you agree that the bulk migration process takes more time from the date of project notification to order completion than an individual loop migration?

A Yes, I would.

Q All right. Now, going to page -- on Page 24 of your direct, again, you state there has been commercial use of BellSouth's batch hot cut process. How many orders have been

placed in this manner?

A There have been -- there have been several requests, and I think the last account I had there had been five requests. There has been two that I know have been processed and completed.

Q Of the remaining, what is the status of the remaining pending migration requests?

A For the batch process, the status of the pending is that they have been returned to the CLEC and have not been processed at this time.

Q How many orders have been consumed in those requests?

A I can't remember on the two batch requests, but they were a small number of orders, but I can't remember the exact number.

MS. FOSHEE: Jeremy, just for clarification, were you asking how many orders were in the batches that BellSouth completed?

MR. SUSAC: Yes. Has that been previously filed? If not, we can have a late filing hearing exhibit.

THE WITNESS: Yeah. I don't know the exact number of orders that were associated on the two batches that were completed, but we certainly can determine that.

MS. FOSHEE: Okay. So that would be Late-Filed 1, you want the number of orders in batch processes completed by BellSouth?

MR. SUSAC: Yes.

MS. FOSHEE: Okay.

MR. SUSAC: Thank you.

(Late-Filed Deposition Exhibit 1 marked for identification.)

THE WITNESS: That might have been there also, Lisa. I don't know.

BY MR. SUSAC:

Q Mr. Ainsworth, do you have Witness Van De Water's direct testimony before you?

A I can get it if you will hold on.

Q Sure. Take your time.

A Are you talking about the direct?

Q Yes, sir.

A Okay. I do have that.

Q Okay. Could you go to Page 42?

A I'm there.

Q Witness Van De Water's direct testimony claims that BellSouth does not have spare copper loop facilities or UDLC system to move 18 percent of lines off IDLC system. How do you respond to this?

A Oh, okay. 18 percent?

Q Yes. It's on Line 10.

A Let me read above him, and then I will reply to that.

Q Sure.

A My reply to that would be that the 18 percent, if I am reading this and I am interpreting properly, that he is talking about do not have spare copper facilities available. I don't know if that is a correct assumption or not, and I'm not sure what he -- when he is replying to the 18 percent he is talking just about spare facilities, because he was talking about 82 percent either have parallel copper or UDLC facilities. So I can't say, I can't really reply and say whether or not that is an accurate statement.

Q Just for clarification, you can't reply because, one, you don't know where he gets the 18 percent, or you just don't understand what he is saying?

A Well, I think it depends on the -- no, it really depends on what these percentages are representing. I am not sure that 18 percent would be directed just to spare copper facilities in the network. That would not be available, I'm sorry.

Q All right. Let's move forward, but I may revisit that question. If so, I will properly address that. Please explain why the loop migration due date standard intervals are lengthier than the UNE-P intervals?

A Well, the loop migration intervals were set up by the product team, the product teams do all the development for our products, so they set forth the time intervals based on the work activity that would be contained in the process to deliver

a service to market. So the product teams would have developed those intervals with the input of all the individuals on the -- that serve on the product team for product delivery. So in the event, or in the case of the UNE loops, the product team, whatever interval they set, that would be the time increment that they determine would be necessary to deliver that product. If there is a difference in the product intervals, it would be a difference in the process for product delivery.

Q Will you please explain why the bulk migration due date standard intervals are generated longer than the individual loop migration intervals?

A Bulk migration interval, if we are going back -- and I'm assuming, yes, I will -- I'm assuming you are talking about the 24 total days here are longer than the average interval, because you have project management negotiations that transpires with network. And that has to do with the project manager working through the process and coordinating with network to make determinations on the due dates to match the force and the load to be sure that we have the capability to match those dates and meet those load volumes that are being presented. At the same time, we are working multi-volumes of orders. We are not working one single order with maybe, as an example, you have a single order with one line on it or a single order with multiple lines. On the bulk process, you can have up to 99 orders associated with that, each of those can

have up to 25 lines. So the sheer volume of that indicates that those negotiations need to take place for efficiency and effectiveness of that process. Then the process for the CLECs to order and the process for those orders to be placed into the system and for the prewiring to occur, it is a lot more time-consuming for the preparation work for 99 accounts versus one account. So, therefore, those intervals have been established to take that into consideration.

Q All right. Does BellSouth currently employ a procedure to switch customers back to UNE-P if a hot cut fails?

A In the hot cut process, and let me take -- let me take, for example -- yes. The answer is yes. In the hot cut process on the coordination side, if you have a coordinated hot cut, if the hot cut is made, those coordination steps require that BellSouth notify the CLEC that the process has been completed. If for some reason prior to the acceptance of that particular order there is a requirement or a request from the CLEC to migrate that back, they would contact the provisioning entity, and we would move that service back.

If that service is completed and accepted by the CLEC, and later those orders are completed out of the system, it would be handled on an expedited request through the maintenance to return that to a UNE-P. And the reason for that is that you have to re-establish the records in the switch so that we can migrate that back, and that we won't have any

interference with that from a record standpoint that would cause that particular service maybe to be interrupted because the record data base has not been updated.

If that is a noncoordinated service, those orders would be completed on the process, notification would be given to the CLEC based on an ending notification, and in that case they would resume, as I had explained about a completed service, they would be expedited back through the maintenance process and reinstated through that process.

Q All right. Mr. Ainsworth, do you have the Triennial Review in front you?

A No, I don't.

Q You don't?

MS. FOSHEE: I'll go get it if you want to --

MR. SUSAC: It's just -- I only have one question. In particular, it kind of infers an understanding of Footnote 1574, which --

MS. FOSHEE: Let me go get it. William Ellenberg from BellSouth is here, actually. So, Jeremy, if you want to ask your next question, and I'll go get the order, maybe we can keep going.

MR. SUSAC: Okay. Thank you.

BY MR. SUSAC:

Q Just to go back, we were talking about the efficiencies gained. What are the BellSouth ordering

efficiencies gained from the proposed hot cut process?

A There are a couple of things I think in the bulk migration process from efficiencies, and primarily is the ability to order batch through a mechanized process, multi-order process on one batch request. Another major efficiency, I think, is the project management involvement in that process to do the coordination and be a point of contact during that bulk migration process. The coordination with the network groups to assure that we are setting those due dates, or validating those due dates to meet force and load means that the opportunity to meet those due dates will certainly be enhanced in that process.

The other side of that process is that based on the fact that project management is negotiating, we have a project number that is associated with that. We can distribute those to individuals, specific individuals to handle that process end-to-end, either in the central office or in the field, which buys an efficiency over the process of individuals which would be spread out through several different technicians in the process of trying to complete those orders.

So those are the major processes. Again, on the ordering, I think Mr. Pate probably or should have gone over the efficiencies in the ordering process that he has the responsibility for.

MS. FOSHEE: Jeremy, this is Lisa. I'm back.

MR. SUSAC: Okay.

BY MR. SUSAC:

Q Mr. Ainsworth, I'm looking here at a CLEC information package, a UNE port/loop combination to UNE loop/UNE-L bulk migration. Are you familiar with that?

A You are talking about a carrier notification?

Q No, sir. It is just a CLEC information package.

A Okay. I'm looking at it.

Q All right. Could you please turn to Page 5 of that package.

A Okay.

Q And could you please go down eight bullet points from the heading under requirements on that page?

A Okay, I'm there.

Q All right. This goes back to the question earlier about the multiple service times and the different wire centers. Will you please reconcile this requirement with your earlier statement that a bulk LSR could be for multiple wire centers? And the bullet point I am looking at is all EATN must be served from the same BellSouth serving wire center.

A Let me clarify and make sure that we are all on the same page.

Q Sure.

A The bulk migration request is specific to a wire center. You can have multiple bulk migration requests, but a

single migration, bulk migration request, must be for the same serving wire center. So if you are issuing -- you can issue a bulk migration request for Central Office A, you can issue another bulk migration request for Central Office B, but they must be in the same wire center. One bulk migration request does not cover multiple wire centers.

Q Okay. Thank you for that clarification. Now do you have the Triennial Review in front of you, sir?

A Just about it.

Q On Page 324 of that TRO, Footnote 1574.

A Okay.

Q How would you interpret the footnote which states that commission's review is necessary to ensure that loops can be transferred as promptly and efficiently as an ILEC can transfer customers using unbundled local circuit switching?

A I'm looking at this. If you will give me a moment to look that over.

Q Sure. Maybe while -- let me point you to the pertinent part of that Footnote 1574. If you go after the -- starting with "this review is necessary," it is one, two, three, four, five lines down.

A Okay. Ask that question again, now.

Q Yes, sir. How would you interpret that footnote which states that a commission review is necessary to ensure that loops can be transferred as promptly and efficiently as an

ILEC can transfer customers using unbundled local circuit switching?

A I think you have to look at that in perspective of what type of services you are migrating. And I think that is the difference in my opinion. I think that when we are migrating loops and you compare that to loops, we are migrating those or putting those in in the same efficiencies as we would for retail or any other services. So if you are comparing that from an efficiency standpoint, I would say that you have to look at the type of loops or type of services that you are trying to deliver. So I would say in that case that it is really -- it really is not comparable, I guess is what I would say, to the UNE-P.

Q Okay. Has BellSouth or anyone else on your team reviewed the Verizon WPTS program?

A From a high level we have not. You know -- I mean, when you say reviewed it, we have taken some information that we have on that, so I don't know what detail you are referring to.

Q Well, when I use the word review, I was trying to follow up to elicit what is your opinion of that program, to the extent you have reviewed it?

A Well, my opinion was that it gives some flexibility it appears. The CLECs in the collaboratives actually pointed to that. As a matter of fact, we had looked at that. We did

not think it was necessary based on the processes we have to effectuate the transfers. We thought the process we had was completely capable and still is completely capable of doing that transfer. However, since the CLECs had pointed to that and we did look at that, we are going to include a program similar to that for the CLECs, for notification process, particularly on the SL-1s that will be coming out -- and I forget the time frame, I think. Let me look. Well-based communication systems, we are going to deliver that -- the plan is to deliver that by June 2004, and it is very similar to the Verizon product.

Q When you say it is very similar, what elements are similar in the Verizon program that you will be implementing in your BellSouth program?

A One of the things the CLECs had indicated in the workshop was that the notifications going out on the noncoordinated, they would like to -- they would like to come up with a more efficient way in their term for the notification process to take effect. As you probably know from the testimony today, those notifications go out either by fax or by E-mail. And they said in that process that they would like to have a notification similar to what Verizon has that will give them a well-based notification where those things are -- when those are completed, rather than the E-mail or the fax notifications.

This process that we are putting together now will, in fact, do that. It will allow you to cumulatively look on a website at those completions when they occur and get the full view, rather than taking the individual notification. So we are taking that as an enhancement to the process, and we are going to deliver that.

Q Other than what you just stated, are there any other elements of the Verizon program that you will be implementing in your program?

A No. We are -- no, that is the one that we are rolling out for June. We have looked at some of the other alternatives there, and right now that is the process that we are trying to enhance.

Q And does BellSouth in its normal course of business employ company technicians that work on weekends in this current environment?

A Yes, we do.

Q And can a CLEC request weekend due dates without incurring additional cost for the order?

A Can you clarify? When you say weekend, are we talking batch or are we talking individual orders?

Q Batch.

A If the schedule -- the answer is yes and the answer is no. The process is that if we have people scheduled that can accommodate that work, there would not be any overtime

required for that process. Today, if there is a requirement to come in on overtime and do that work, that would be billed as additional time.

Q What about an individual as opposed to a batch?

A An individual, they work the load based on whatever the capabilities are in network. If you are asking for particular type conversions or particular type service moves out there or project management type work, the same conditions would apply.

Q Now, with regard to a batch, do you anticipate having company technicians work on weekends and future environment as a normal course of business?

A Yes. I think in the batch, depending on the loads we are getting, we would have scheduled employees working in that process. Yes, the answer would be.

Q All right. And could you please explain what loops are included from conversion -- I'm sorry, let me restate that.

Please explain what loops are excluded from conversion UNE-L via batch hot cuts?

A It would be easier for me to tell you what is included.

Q Okay. Go ahead and do that, then.

A Included in the batch are the SL-1 voice type loops, the SL-2 voice type loops, UCL short loops, unbundled copper loops, short, long, two and four-wire, unbundled copper loops

nondesigned, two-wire ADSL loops, two-wire HDSL loops and four-wire HDL loops are included.

Q All right. So what is left after that, then?

A What would be left are more of the complex type loops, PRI type loops. Some of the PBX type trunks would be excluded from that particular process, also. So the complex type loops would be excluded.

Q All right. Mr. Ainsworth, going to your surrebuttal testimony, could you please explain in more detail the ten enhancements you have agreed to as listed on Pages 2 and 3 of this surrebuttal testimony?

A Sure. Let me get there.

Q Okay.

A Okay. Yes, I will be glad to go through those.

Q Let me narrow the scope a legal bit. It might help out your answer. In requiring or asking you to explain, could you please describe any qualifications for each of these enhancements, and when the enhancements were adopted or implemented, and whether they are already included as enhancements in your previous testimony on the bulk hot cut process?

A CLEC to CLEC, on the first of the batch process is new. We already do CLEC to CLEC on the individual, but we are going to include those in the batch process. And that is UNE-P to UNE-L, let me be specific, because I was trying to look and

see if there are any caveats to that. But that's UNE-P to UNE-L batch process. Also applicable to CLEC-to-CLEC migrations are UNE loop to -- I'm sorry, is somebody coming in?

(Brief interruption.)

BY MR. SUSAC:

Q You were describing the qualifications for the enhancements, when they were adopted and already included in the enhancements in your previous testimony.

A I'm back with you. Yes. The UNE-P to UNE-L actually will be available. We are putting out a notification for that, I think on the 18th, and we will be able to include that. The batch process to include the CLEC-to-CLEC migrations, UNE-L-to-UNE-L, we will be adding that process also to the batch. That will -- the caveat to that is that we will have to make system changes to allow that to be done. So we will have to schedule that, and I don't have a time frame for that as yet. The batch process will guarantee that an end user's account will be cut on the same day. We had agreed to that in the workshops. That was another situation we talked about the project management being involved in. However, we are going to include that in the documentation for the --

(Brief interruption.)

MR. SUSAC: Can we go off the record here for a second?

(Off the record.)

BY MR. SUSAC:

Q Why don't I repeat the question for you. And to my understanding we are on your surrebuttal, Pages 2 to 3. And we were talking about the ten enhancements listed on Page 2 and 3.

A Are you ready?

Q Yes, sir. Could you please describe any qualifications for each of these enhancements and when the enhancements were adopted or implemented, and whether they are included as enhancements in your previous testimony on the bulk hot cut process in this docket?

A Okay. I'm just going to begin again, Jeremy. I'll be glad to do that.

Q Okay.

A The first batch process will be applicable to CLEC-to-CLEC migrations. It is an enhancement to the process. We already handle that for the single order process, and we are going to include that. That is UNE-P to UNE-L. It will be available based on documentation updates that, I believe, the letter, let's see, will be coming out somewhere around February the 18th, if I am right there. I believe I am right.

The batch process for CLEC-to-CLEC migrations for UNE-L to UNE-L, I don't have a date for that. It is an enhancement. We have adopted that change. And it will be coming out, but we will have to have system changes to be scheduled, and I don't have any dates on that at this time.

The batch process will guarantee that an end user's account will be cut on the same day. Again, that is a documentation change. It will be coming out on the 18th as the update to the bulk migration plan, and it will state that, that process in that documentation.

The batch process will include after hours and Saturday cuts. That is an enhancement to the process, and let me give you a caveat there. Actually, we would have negotiated that in the process that we have today; however, we are going to put it in the documentation in a more formal method, so that it will have the documentation with the process.

The batch process will guarantee a four-hour time window for coordinated hot cuts. This is another enhancement based on input we have had that the CLECs had requested, and we are going to incorporate that. That will be included also in the update on the 18th.

The batch process will include a time and restore process if a problem will be with the cut. We described that briefly earlier. We will include that in the documentation. That is a process that we have in effect. However, it just was not documented in the bulk or in the migration process, and we are going to clarify that in that process.

There is a web-based communication system for noncoordinated cuts similar to that by Verizon and SBC. I explained that also briefly earlier. We plan to have that. It

is an enhancement, and we plan to have that out in, I believe I said in June of this year, 2004.

BellSouth will reduce 14-day provisioning interval in the batch process to eight days. That will -- it's being scheduled also for a release. I don't have the date on that presently, but we will supply that as soon as we get that on the schedule.

BellSouth will implement a scheduling tool similar to Verizon's. Again, that is an enhancement to the bulk process. We will be implementing that. That time frame will be October -- let me look at my note and see. Yes, that will in October of 2004 when we will be rolling that out for deliverable. That will allow the CLECs to schedule on line prior to submitting the bulk request. That will also negotiate an opportunity there to set some standard line cuts process in the bulk migration process, which has already been -- which has also been discussed.

The process will include hot cuts to the -- batch process will include hot cuts to DS-0 EELs. Again, that is an enhancement. We heard it was on the product team priority list. We have upped that priority, and the product team will be developing that. And that is due to roll out in the July 2004 time frame. And I think that covers the issues there, unless you have any questions.

Q Is there anything else that BellSouth intends on

proposing?

A As far as the batch hot cut process, those are the enhancements that we are proposing. I don't know of anything else now. I think Milton McElroy had a proposal also, but I think he delivered that in his testimony for an alternate option if the CLECs chose.

Q Okay. With respect to that documentation that you referred to, can we get that as a late-filed exhibit?

MS. FOSHEE: February 18th documentation, Jeremy?

MR. SUSAC: Yes. Yes, please.

(Late-filed Deposition Exhibit Number marked for identification.)

MR. SUSAC: Just tell me when you are ready.

THE WITNESS: I'm just finishing my note. I'm ready.

MR. SUSAC: I guess from here on out, with the late-filed exhibits, I guess -- is it feasible to have about a week time frame of getting those into the Commission?

MS. FOSHEE: I am just trying think when the 18th is.

THE WITNESS: Wednesday week, I think.

MS. FOSHEE: That would make it a little longer than a week.

MR. SUSAC: Okay. That's pretty -- well, hold on a second.

MS. FOSHEE: We will get it to you as soon as we have it.

MR. SUSAC: Okay. Thank you.

BY MR. SUSAC:

Q Mr. Ainsworth, on your surrebuttal, Page 11, you state that you will develop a web-based notification tool for noncoordinated hot cuts. Why wouldn't you also include coordinated hot cuts as a part of the system?

A The notification tool that we are talking about today, what we heard in the workshops was more in line with the notification process through the ENDI process that we have today. When we look at the coordination process, it is extremely efficient. We make the -- we make the contacts to the CLECs in a very expedient manner. We can track that. We have the data to track that, and we know we are doing that. Actually our objective on that is five minutes, and I think we are in the two-minute area, two-plus minute area on those notifications. So that process is extremely efficient.

Even when I look at some of the Verizon and SBC's processes, they still do the notification manually on some of their coordination, which is exactly what we choose to do. We think that the coordination we are doing now is actually more effective, and we are looking at the areas where the CLECs felt like we needed to enhance it. And that is where we felt like that needed to be, was on the SL-1, rather than on the coordinated side.

Q Further down in your surrebuttal on Page 15. Just

tell me when you get there.

A I'm there.

Q Okay. You state that you have agreed to include after-hour and Saturday cuts in the batch cut process?

A Yes.

Q I believe we somewhat touched on this earlier, but is there an additional charge to the CLEC for this scheduling?

A Again, as long as we can schedule the personnel for those time frame cuts, there is no charge. We don't charge if we can do it within the scheduling time frames. If we have to do it out of scheduling where we incur overtime, then overtime charges can be applied.

Q I am a little hazy on that. How is your scheduling set, or could you elaborate on that?

A Well, today if we are planning work activity, and the product managers are involved in that, and we have resources out there that we can schedule either after hours in those time frames to work it, then we would schedule those personnel to work those particular hours or those particular days. And as long as we don't incur overtime in that, and that is go over the 40 hours that the technicians would work out there, then we can schedule that to meet the needs of the business. So as long as we can incorporate that into the schedule, then there is no overtime. So if we want to schedule a technician -- for instance, if we wanted to have a cut scheduled for after 5:00

o'clock, and we can schedule that from 5:00 to 8:00, then we could schedule that technician's hours that would include that and would not include the overtime.

Q So would it be fair to say if you -- I don't know how to put this. You already have your scheduling set at the beginning of the week, and if an order can't be processed within your time schedule, then you would have to charge a CLEC?

A If we are scheduling -- and we are talking about the bulk migrations now, Jeremy, I hope.

Q Yes. Yes.

A If we are talking about the bulk migrations where we are working on the schedules, and the CLEC is requesting that we do this out of hours, then we will attempt to make our schedule to meet that commitment. So if we can reschedule those technicians in those time frames, then we will, and there will be no overtime incurred.

And we can move that schedule -- based on the intervals we are talking about here, we should have an opportunity and will have an opportunity to view that prior to the time that those schedules are in effect. Even though we do a weekly schedule, we can make adjustments in that schedule within, I think it is the 24 hours, or whatever the time frames are, that we have to notify the technicians.

Again, if you think about bulk migrations in the

context of what we are talking about here, we will have enough interval in front of us to where we, hopefully, will be able to schedule those resources, you know, prior to the time that we don't get into a commitment that would cause us to be in an overtime situation.

Q Now, how does that differ from your current protocol and process and your current scheduling, or does it?

A For bulk?

Q Yes.

A If we negotiated for bulk today, and we had the resources -- and let me just give you an example. Let's say that we had bulk, had met the criteria for bulk, and a CLEC wanted a Saturday conversion. And we looked at the resources that we had, and we could take that Friday and not have those technicians work that Friday, or reschedule them during the week so that we would have an eight hour regular schedule for them on Saturday, then we would be able to meet that schedule on Saturday for that commitment time. And that would be without overtime.

So it is just a matter of the project manager and network scheduling the personnel to meet the business needs. And that is no different than what we do today. Now, we are talking about at a CLEC request. We are talking about bulk migrations here that the CLEC has specified that is the hours they want to work, and those processes are the same today.

Q All right. Going back to the improvements that you listed on Pages 2 and 3 of your surrebuttal, do those improvements originate from a joint collaborative process between BellSouth and the CLECs?

A I guess the answer to that would be no, not a collaborative in the sense I think you are stating collaborative. We didn't have collaboratives to develop that process. We did have workshops where we engaged in dialogues about that process, and that is where these enhancements were derived. Some of the CLECs had actually out of some of those workshops sent information to us that we reviewed, such as the SBC process, and some of the other processes that they felt like they liked some of the inclusions in, and we did take that into consideration. But they came out of the workshops in the state PSCs that we have had.

We did not have any formal workshops. By the time we got to the point that we were ready to start going through this process, we felt like it was too late to determine that or to really have any beneficial meetings to discuss that. We felt like we got a lot of information out of the workshops, and we feel like we reacted to that.

And then I guess lastly, the main thing is that what we heard from the CLECs from day one is no matter what we do in a manual world, they would not support it. Therefore, we did not really see the benefit of entering into a workshop.

Q And going to the bullets on Pages 15 and 17 of your surrebuttal, are each of these items that you identified as new enhancements your offering or are they part of a batch process as described in your direct testimony?

You may, for clarification, just want to walk through each one of those bullets.

A Yes, I'm trying to do that. I guess -- and I will do that, yes. When I start through that process, we are comparing here, I think, Mr. Van De Water's statements about the SBC's process. It started out with flexible scheduling, and I guess it is what that -- the response to that is, that's what we have done in the after hours and the Saturday cuts process. What they call flexible scheduling, we believe we have addressed in the process for the after hours.

Elimination of the steps for -- negotiation steps and the time involved. We think today that we have very little negotiation with the CLEC in that process that we have. There are some internal negotiations that go on from a due date process, but we think the ones we've got are advantageous to both the CLEC and to BellSouth.

It defines an interval to allow CLEC resource planning. I believe our current process does allow for resource planning based on our side. The CLEC resource planning, they have the capability when they submit those orders for a desired due date for their batch request. The

negotiation that comes back will allow them an opportunity to do that on the entry of their orders prior to the provisioning of those orders. So we believe today that we are meeting that responsibility. And then if you go on to the enhancement where we're adding the scheduling tool, I believe we are giving them what they had indicated in the Verizon process was the ability to schedule that up front prior to the spreadsheet process. So we think we have addressed that particular item on the SBC process.

Ability to reserve, reserve time, we are committing to what we call a window of time for conversion, so we think we have addressed that. We are developing a tool that will allow the CLEC to request those time frames, and that will be in that scheduling process that we are posting.

Wire centers based on the CLEC ability to convert multiple central office today. Our current process allows multiple central offices to be converted via batch process. As I indicated earlier, Jeremy, you can put a batch process in simultaneously in different central offices. Each batch process has to be associated with a particular central office, but you can put multiple batch processes in.

Includes requests involving IDLC cuts. Our process currently today includes IDLC cuts. As a matter of fact, I believe FDN, and they are here, made a comment, a positive comment about that in their testimony that that process worked

very well.

Mechanized order flow. Our batch process is mechanized, and has been mechanized since, I believe, March of 2003, and it will take up to 99 end user accounts. Where BellSouth -- even though SBC if you look at their process, once we put the well dates scheduling tool up there, they enter -- continuously enter single submission of orders even with that process. And we still have the capability of utilizing what we have developed on the batch ordering process, which we believe is an enhancement and an efficiency for the CLECs.

Reservation tool. We currently have that function in BellSouth. And, again, the scheduler tool that will be implemented will allow to make reservations when we put that in in October.

Preorder IDLC tool. Loop makeup today is accessible. The CLECs have the capability to go in and do queries, so the CLEC can query now what type of facility currently is on the end user's line, and even reserve that facility or reserve an alternate facility if they choose to do that.

Does that cover those issues, or does that cover your question, Jeremy, I guess is a better way?

Q I'm sorry. Yes. I had to go on mute. I was saying yes.

Going back to the WPTS scheduling tool, does BellSouth have any documentation regarding the BellSouth

proposed WPTS type system they are developing?

A It is currently in development. I haven't seen any of the details yet. I did meet with the team. We have -- it's been discussed, but I don't know if there is any formal documentation. I can verify that, but I don't know if there is anything in detail presently.

MS. FOSHEE: Jeremy, this is Lisa. Would you like us to check and file what we have?

MR. SUSAC: Yes, please. I think that's our third late-filed exhibit.

(Late-Filed Deposition Exhibit Number 3 marked for identification.)

MR. SUSAC: And we can title that WPTS Scheduling Tool Specifications, I guess, if that works for everyone.

MS. FOSHEE: Would it be okay if we called it, "The BellSouth Notification System"? I just don't want to make Verizon mad.

MR. SUSAC: Yes. Yes. Yes. That's --

MS. FOSHEE: The BellSouth Scheduler, how about that?

MR. SUSAC: The BellSouth Scheduler, that's perfect.

MS. FOSHEE: Okay. Thanks.

MR. SUSAC: Okay. Thank you.

BY MR. SUSAC:

Q Mr. Ainsworth, in your surrebuttal testimony on Page 3, Lines 13 to 19 -- I'll give you a second to flip there.

A I'm there.

Q You indicate that because FDN leases 75 percent of BellSouth's UNE loops, that this is proof that the hot cut process works and the Commission could give this evidence great weight. Would you have please tell me how many Bell migration orders FDN has placed since that process has been in place, and how many lines have been migrated FDN from UNE-P to UNE-L using that process?

MS. FOSHEE: I'm going to just -- FDN is on the phone. I don't know if we want to get into confidential information if you know it.

THE WITNESS: I don't have it in front of me.

MS. FOSHEE: Okay.

MR. FEIL: This is Matt Feil with FDN. I'm not sure I understood the question as to whether or not it would be confidential. I thought that what Jeremy asked is whether or not the FDN had used the bulk process in order to convert UNE-P to UNE-L. Was that the question, Jeremy?

MR. SUSAC: Yes. Thank you, Matt.

MS. FOSHEE: Okay. We can answer that question. Sorry.

THE WITNESS: I didn't understand that, Jeremy. If the question is the bulk process, to my knowledge, they have not used the bulk process, FDN has not.

BY MR. SUSAC:

Q Okay. So there have been no bulk migration orders by FDN?

A Not to my knowledge, no.

Q Mr. Ainsworth, is it your understanding and belief the TRO is focused on individual hot cuts or a functioning bulk migration process?

A It's my understanding they are focused on the bulk migration or mass migration process.

Q Okay. Going back to -- going to your surrebuttal testimony again, on Pages 4 and 5. In particular, I would like to point your direction to Lines 18 through 25 on Page 4 and Lines 1 through 6 on Page 5?

A Got it.

Q In this part of your testimony you admit that BellSouth's bulk migration process consists of a new bulk ordering process combined with an original provisioning process. Please explain how using the original provisioning process comports with the bulk migration process definition of provisioning two or more lines simultaneously?

A Ask me that one more time. I'm not sure I got exactly where you are headed.

Q Sure. If you could -- and my question is if you could explain how using the original provisioning process comports with the bulk migration process definition of

provisioning two or more lines simultaneously?

MS. FOSHEE: And I'm just going to object to the form of the question to the extent you are quoting the TRO and asking him for a legal conclusion.

But, Mr. Ainsworth, you can answer to the extent you understand.

THE WITNESS: I'm not -- I'm not sure I can answer that in the context that you've asked.

BY MR. SUSAC:

Q All right. Well, maybe if I just break it down. Can BellSouth's current process provision two or more lines simultaneously?

A (No audible response.)

Q Mr. Ainsworth, would you like me to restate the question?

A I thought I answered it. I said, yes, we can do simultaneous.

MS. FOSHEE: I'm sorry. We were waiting for you.

MR. SUSAC: Oh, I apologize. I didn't hear his response.

MS. FOSHEE: Oh, I'm glad you asked.

UNIDENTIFIED SPEAKER: We could have been here all day. I didn't hear his answer either.

MS. FOSHEE: I'm sorry. Mr. Ainsworth, the answer was yes?

THE WITNESS: The answer was, yes, we can do simultaneous.

BY MR. SUSAC:

Q Can you elaborate on that?

A If I am understanding your question, you are asking me can we simultaneously cut two or more services or migrate two or more services, and the answer is, yes, we can cut two or more services simultaneously on a migration.

Q I guess what my problem is I'm trying to reconcile if the individual and the batch are exactly the same, then how can -- and you can simultaneously provision two or more lines, why is the batch not more efficient?

MS. FOSHEE: I'm going to object to the form of the question. I think his testimony is that the batch is more efficient. But you can answer the question, Mr. Ainsworth.

A Well, the batch is more efficient, because if you are looking at it, you -- let me reflect back. I had mentioned the fact that we can dedicate personnel based on the project manager and the process to the batch process, which means we will have dedicated people that are cutting. And it could be multiple people that are cutting in a central office based on a high volume of loops, which means when we start cutting, we will cut to a certain point, and then do our completions or notifications, however that process is set up, depending on what type loop that we are dealing with.

If you are dealing with the individual process, then you have work activity in the central office that is taking place during the day. And depending on what type loop coordination you have or noncoordination you have, those loops can be worked at different intervals during the day. So they are not simultaneous. They are not working as they would in a bulk type process where we are working more efficiently to cut them one behind the other or simultaneously one behind the other.

You could, in fact, be cutting simultaneously, but the process does not require you to do that as it does in the bulk process. If you had two or more individuals that were doing individual orders, they could be cutting simultaneously on different orders. But not necessarily in a bulk migration process would that be efficient if we were trying to migrate high volumes of customers.

Q I don't want to mix up the definitions of cutting and provisioning here. I understand that you can have two technicians at the same time cutting simultaneously, however can you provision simultaneously?

A Yes, you can provision simultaneously. You are talking about the prewire work that goes on in the office. You can certainly provision simultaneously.

Q Could you give me two minutes just to review my notes real quick?

A Absolutely.

Q Thanks. Mr. Ainsworth, could you please help me understand the difference between migration and provisioning?

MS. FOSHEE: I am going to object to the form of the question. I don't know that there has been a distinction, but he can answer.

MR. SUSAC: Okay.

THE WITNESS: When I'm saying -- I'm trying to put it in terms so that I know we are talking on the same page. When I am talking about a migration, I am talking about transitioning from a UNE-P type loop, for the sake of conversation, over to a UNE loop. That is the migration process I'm talking about.

When you talk about the provisioning process, you are talking about the prewiring activity that takes place along with that migration process of actually cutting that loop over, that UNE-P loop over, in this case or this example, to a UNE loop, a stand alone UNE loop. So the migration process to me is what that order is asking you to do, is to migrate from one service to another. The provisioning process is the activity that goes on to make that happen.

BY MR. SUSAC:

Q Okay. Let's keep going. Let's go to Page 8, Lines 23 to 25, carrying over onto Page 9, Lines 2 to 3 of your surrebuttal testimony, sir.

A I'm there.

Q Are all accounts and lines associated with a particular batch migration order cut over simultaneously? In other words, on the same day as you state in the case for all lines for one particular account?

A Let me try to answer that. I think the answer to that is yes, based on what I am going to follow it with; and that is, that all the lines on an account, an account being an order activity, any account will be converted on the same day. So if you have an account, an AETN that's being provisioned or being migrated, and it has four lines, all four lines will be converted on the same day. We would not split an account between different days for the process of provisioning. So every line on an account, what we are saying here, would be guaranteed that it would be cut on the same day for each individual account.

Q Are all the remaining lines in that batch migrated on the same day?

A I'm thinking about that. On a batch request that comes in, everything that we have agreed to the due date on the batch by account will be migrated that day unless a situation that occurs that would not allow an account to be migrated. If that were to occur, that particular account might not be migrated. But, normally, everything that is scheduled on that batch, if no situation has occurred that will not allow it to

be migrated, will be migrated on that date.

Q And to the extent you can answer this next question without a legal understanding of the TRO, wouldn't cutting over all the lines associated with a particular batch simultaneously be keeping up with the definition of a batch hot cut process?

A I would think the answer -- if I understand your question, yes, if you simultaneously cut over a large volume of orders simultaneously, it would be -- it would be considered a batch process. The difference or the qualifier I would give you here is that just because you are converting individual orders doesn't make it a batch process, because there is no association of those orders as to what you are doing. I will given you an example. In a batch process the way the TRO described it, I know one of the initial points they made was to take the embedded base and transfer that embedded base over. That is not necessarily -- well, it is absolutely not customer acquisition. Customer acquisition would come on the normal individual order process primarily and not through a batch process.

Q Okay. Referring to your surrebuttal testimony again on Page 14, Lines 8 through 20.

A Eight through 20. Okay.

Q Does BellSouth have a written policy on how communications between it and the CLECs will be conducted during the noncoordinated hot cut, a coordinated hot cut, and a

coordinated time specific hot cut? And if you would like me to repeat that, I can break it down into three.

A No, I think I've got it. Yes, there are processes that are set up for each of those that are documented, those processes for time specific, for coordinated, and for noncoordinated.

Q Can you explain the standards to the best of your ability, then, and provide a copy of the policy, or procedure, or equivalent as a late-filed exhibit, if you do not know?

A I'm not sure what you are asking me, Jeremy.

Q All right. Let me try to break this down real quick.

Let me back up. Maybe I misunderstood your answer then. Is there procedures and policies in place on how communications between you and the CLECs will be conducted during noncoordinated hot cuts, coordinated hot cuts, and coordinated time specific? If so, if you could explain these standards to the best of your ability; if not, that's when we would like a late-filed exhibit.

A I didn't understand you wanted me to explain them. Let me --

Q Okay.

A Let me go through them individually, then. We will start with the coordinated time specific. For coordinated time specific, when those orders are issued, the CLEC is requesting a specific time for that conversion to take place. Those

orders are -- orders can be -- I don't want to confuse you here, but I'm going to -- let me take you through the process, and then I will give you some caveats on this, okay?

Q Sure.

A Once those orders are issued, the CWINs center, which acts as a control office for coordination for CLECs, for the coordination function for CLECs, the CWINs center will see a copy of that order. They will go through a screening process for that order. They will also make a contact to the CLEC 24 to 48 hours prior to that order due date. And the purpose of that is to validate the order, validate the lines, validate that all the information on there is correct, validate that the time-specific time for this activity to occur is on that order. And then they will, in fact, do a load out, the network operations people, to be sure that they have people in place at the time that the due date and the migration is to occur.

They will also, if the service is an SL-2 -- this is where it gets a little bit different. If it is an SL-2 service, it means it is designed, and it has test points on it. They will also do validation testing for dial tone remotely. For SL-1s that are -- for coordination they do not have test points and the central office will perform that functionality. They will load out the central office. They will also -- after the 24 to 48 hour-process on the due date, they will send out a notification prior to conversion, again, to the CLEC to

validate that we are still on go for that particular date.

They will contact the central office, if it is a central office conversion, or be contacted by the field technician if it is a field conversion prior to the time of the conversion. They will set up. They will be on the line to monitor that conversion. They will go through that process with the central office or the field technician. They will actually tell them when to start the cut. They will measure the time frame for the cut. The central office will do their validations, complete the cut, come back and tell them that all of those tests have been completed, the conversion has been made. The CWINs center will then call the CLEC and tell the CLEC that the conversion is complete, is ready for acceptance.

The CLEC will either at that time make tests or may go and make tests off line and call the CWINs center back to accept that service. Once the CLEC accepts that service, the CWINS' technician will then complete those service orders that are associated with that process.

Now, what I have described, and I don't think I have left anything out, but what I have described to you is a coordination function. And the only difference in the coordination function for SL-1 and SL-2 is that the SL-2 is a designed order process with test points, and the noncoordinated is an SL-1 that does not have test points. So that really takes care of the time-specific category that you gave me. Are

you okay with that?

Q Yes. Yes. Okay with that.

A Okay. Now let's take the second scenario you gave me, which is coordinated non-time specific. In the coordinated non-time specific, the same process takes place for the coordination. CWINs, again, gets the service order, screens it. They go through the 24 to 48-hour notification. Again, if it's -- if it's an SL-2, they will make the test remotely. The central office will go through the prewiring and the test. The CWINs center will actually load that particular item to the office. CWINs will then negotiate on that date for time frames, if possible, of when those conversions are to take place.

The CWINs will then, on the due date, again make a notification to the CLEC to -- for a go, no go on the due date to be sure the conversion activity is still on go. The CLEC will either concur or not. The process then would be during the day. The only difference between the time-specific and the coordinated is that the CWINS' technician will work with the central office, either within the time frames that they have negotiated or at times that the central office has time available to make that conversion.

Once that conversion is made, the CWINS' technician, again, will immediately -- will measure that cut, will immediately contact the CLEC to tell them that the conversion

is complete. They will ask for acceptance. Again, the CLEC has the opportunity to test that, do their porting. Once the CLECs accept, we will close all service order activity.

So the only difference in the two that we have talked about thus far is one is time-specific, to take place at a specific time; and the other one is coordinated without a time-specific time.

The third category that you asked, or the third area that you have asked about was the nondesign. In the nondesign area, the CWINs center is not involved. That is totally a network function. Those orders are processed. They flow through. I say that CWINs is not involved. On the back end they are, but not on the front end for any of that type coordination. On a nondesign, that order flows to the network, the network does the prewiring. They do their internal coordination as they do on any service, whether it be coordinated or noncoordinated. And that's doing the ANAC test and the dial tone test. They do their prewiring test. Then on the due date they will work those into their load at times during the intervals during the day. They will convert those.

Once they convert those, they will complete that function on their load -- in their load system. Their load system will then set off a notifier in ENDI. ENDI will send out a notification to the CLEC, either via fax or via E-mail, telling them that -- as a go ahead notice, to tell them that

that service has been converted and the orders have been completed.

So that's the three scenarios, I believe, that we are talking about here that you gave me.

Q Okay. Is this a written policy and procedure?

A Yes. I believe we do have -- we do have written procedures related to that, yes.

Q Could I ask if we could have that as Exhibit 4, late-filed exhibit, policy and procedure of hot cuts. Or, actually, it would be noncoordinated, coordinated, and time-specific hot cuts.

A Okay.

(Late-Filed Deposition Exhibit Number 4 identified.)

BY MR. SUSAC:

Q And I just have a few more questions, Mr. Ainsworth.

A I'm yours all afternoon.

Q All right. Could you please refer to Page 19 of your surrebuttal testimony, in particular Lines 5 through 24. This relates to the scalability of the batch cut process.

A All right.

Q Does BellSouth's scalability model take into account the effects of any possible commercial UNE-P offerings by BellSouth?

A Are you asking me do the current models take into account offerings? I'm not sure what context you are asking.

I don't understand what you are asking me.

Q Just give me one second. All right. Let me see. Let me give you another stab at it. Has there been any commercial arrangement between BellSouth and the CLECs as to keeping them on the UNE -- as to continue to offer UNE-P maybe at a different price or so?

A I don't know the answer to that. Not from me, but I don't know the answer to it for BellSouth.

Q Is it because this is best directed towards someone else, or --

A Yes. That is just not my area of responsibility.

Q Who would be the area of responsibility?

A I would suggest Ruscilli.

Q Ruscilli?

MS. FOSHEE: Jeremy, if you like, we could file a late-filed. I mean, I believe we have CLECs that have signed our market agreements, if that is what you are asking.

MR. SUSAC: Yes, that would help out. And has that been taken into account, too, if the exhibit could address that.

MS. FOSHEE: You lose me there, I'm sorry. Taken into account in what capacity?

MR. SUSAC: On the model, the force model.

MS. FOSHEE: Oh, okay. Well, I think Ken can address what the force model does, if you want.

THE WITNESS: Jeremy, let me take a stab at this.

BY MR. SUSAC:

Q Okay.

A Yes, the force model addresses all forecasts we have today, no matter what, whether they are loops or UNE-P, they are included in a force model. So if there is any forecasts out there for any volumes, regardless, they should be included in our force model.

MS. FOSHEE: Jeremy, stop me if I ask the question wrong.

I think, Ken, what he is asking is did BellSouth assume that CLECs would stay on UNE-P, or did BellSouth assume that all CLECs would convert to UNE-L?

MR. SUSAC: Exactly.

THE WITNESS: That's different. I thought you were asking if there were any contract agreements and had we taken that into consideration. The answer is yes.

But, yes, we have run a model. We ran a model for what we call a worst-case model. We put it in the testimony, where we looked at -- if we had relief in every area for the nine states, we took the volumes of UNE-P, we took -- we took that through an iteration over the period 2004 through 2007, and we did the calculations on that to determine manpower from a center standpoint, LCSC and CWINs. And also Al Heartley took the same model and ran that with the network entities for

sizing for the network forces.

So we have taken that from a worst-case scenario, not knowing at this point in time or not believing that might be the case, but at least proving to ourselves that we would have the capability to manage that in the event that were to occur. So, yes, the answer is, yes, we do have that model.

BY MR. SUSAC:

Q So your worst-case scenario is that CLECs will not stay on UNE-P?

A The worst-case scenario says that we migrate everything. Every UNE-P line they have will be migrated over to a loop.

Q So would it be accurate to say the answer to the original question would be, no, you did not include commercial UNE-P offerings?

A That is correct.

Q Okay. Thanks.

MS. FOSHEE: Jeremy, do you still need that late-filed or not?

MR. SUSAC: I don't think -- no. No.

MS. FOSHEE: Thanks.

BY MR. SUSAC:

Q Okay. If you could turn to Page 20, Line 16 through 25 of your surrebuttal, carrying over to Page 21, starting at Lines 1 to 18.

A Okay.

Q Okay. How were the staffing levels adjusted in the central office where these batch cut cut-overs were made?

A Let me see what he said here. Just a moment.

Q Okay.

A Jeremy?

Q Yes, sir.

A Let me -- let me try to answer that and see if we are on the same page. How are the staffing levels in the scenario that we attested to here, how were they done in the central office, is your question?

Q Yes. Yes, sir.

A We did that through -- we did that through the scheduling for these -- for these particular orders that we had, the ones that we are demonstrating here are office conversions that we have been handling. So these schedules have been generated through the process of the service orders being generated. And the scheduling has been handled through the normal process that we have today. So, the service orders generate the schedule in those particular central offices and generate the manpower to network to get the people in place to handle those volumes and loads, whether that means move people into those offices or work the overtime. But the service orders for the activity we have here demonstrate that we can handle those volumes on an individual day basis.

Q So the force model sees that and changes it appropriately?

A No, now there is a difference in the force model and daily work activity. The force model generates a forecast to tell us what our loads will look like. They get down into network and their force model generates that based on a lot of factors. Historical activity, whether or not CLECs give us input into forecast in areas where they are going to do business. So when we are involved in the forecast, and we are laying the forecast out, those forecasts are what drives the models to generate the number of technicians in a particular central office. So, based on the model that we have out there, the anticipation is that we have the people in place that can handle that. There is things in the model that include peaks and valleys. I guess what you would call spikes, spikes in loads. So, each of the network operations, central office groups CWINs operations, whether they are centers or not, are built on those forecasts. We just completed a forecast looking into 2004, we will review it again in six months, in July, and revise that forecast based on the activity. But strictly based on forecasts is what generates that load.

Now, when you are talking about what we are talking about as far as the actual process in here, then the service order activity being generated, if the forecast is being accurate, will allow us to have the people out there to meet

that load. That is why we run the forecast. We run the forecast to predict that in advance based on anticipating any changes in that. If you look at -- for example, if you look at the embedded base of UNE-P, the model we just ran, that's exactly what that model is doing. That model is looking at a worst-case scenario that says, okay, BellSouth, in network by central office, and CWINs by center, LCSC, by ordering entity, what capacity do you need to band up to if these things happen at these particular intervals of time. And that's exactly what that forecast model does.

But we met this based on the model we have out there today. So we met this volume that's being discussed here based on an earlier forecast. If we have to make adjustments or something changes, then we will have to change -- we change the model to address that. And we will shift the manpower or either hire the manpower based on those things. But we think the forecasts we do now, which is annually and review semiannually, pretty much puts us on track. We have been since -- we've been since -- gosh, the 1999s up into the 2000s, we have been running these forecasts to predict and project how the work activity was going to be to meet the load and to meet the demand of the different services. And we think we've done a very good job of that. We think the performance indicates that.

Q To follow up, how many additional personnel were brought in to work the cut-overs described there?

A I can't answer -- I don't know, because we are talking about particular central office locations, so I don't know how network -- network has an organization out there that manages their personnel and their load, and it is called the Work Management Center. The Work Management Center would be making those decisions.

They make those decisions on a daily basis of where the work loads and volumes are, and where they need their manpower. So that would be made in the WMC, so I couldn't tell you looking here on those particular days, you know, where people were shifted from. But that is how it happens, the WMC would manage that.

Q All right. This is my last question of the day, and I thank you for everything so far.

Could you please refer once more to your surrebuttal testimony on Pages 21 and 22, and particularly on Page 21, Lines 23 through 25, and on Page 22, Lines 2 through 12?

Hello?

A I'm looking.

Q Oh, I'm sorry. AT&T Witness Van De Water seems to make a valid point that BellSouth's force model should reflect cut-overs based on a true estimate of the percentage of noncoordinated and coordinated cut. Given this, please explain why BellSouth is using a simple 50/50 split?

A Okay. And I'm surmising that based on the model,

this is coming -- that Van De Water is referring to the fact that we said 50 percent would be noncoordinated, 50 percent would be coordinated? Is that --

Q Yes, sir.

A Okay. We are taking a best -- we are making a best estimate here of what to anticipate. I think in the testimony -- and I am not looking at the particular reference right now. We think it may be less coordinated. But there are two things that you have to consider here, Jeremy. The first one is that today, in the world we are in today, most of the high percentage of conversions or migrations to UNE loop are done in a coordinated mode. Okay? So if you look at what goes on today, that's the majority of what we are dealing with.

If you look at the base of UNE-Ps, you're looking at a base that we feel like predominately, probably about 85 percent, is going to be residential and small business that may not account or may not -- the CLECs may not require going to a coordination function for. And we know those numbers are 3-plus million that we have out there.

So, we are taking what our experience is today, saying that predominately everything we are doing today or a high percentage of that is coordinated, and saying we think it is going to be mostly coordinated. You know what, if we want to be wrong on manpower, we want to be wrong on the high side. So we built coordination in at 50 percent, thinking that that

would be the high side of what would be migrating, so that if we were looking at staffing, we would be sure that we had looked at enough staffing to cover that process. Does that make sense?

Q Yes, that makes sense.

MR. SUSAC: That concludes staff's questions for Mr. Ainsworth. I anticipate other parties now have numerous questions. However, I would ask that we be able to take a break. It would be a ten-minute break, and reconvene at this same number, 888-288-0022.

MS. FOSHEE: Jeremy, let me -- I have one redirect question from your questions.

MR. SUSAC: I'm sorry. Go ahead.

MS. FOSHEE: Should I hold all my redirect until the end of all questions or ask them as we conclude different parties?

Why don't we just ask -- follow up right now while it is still in Mr. Ainsworth's head.

THE WITNESS: I don't know about that, Jeremy.

MS. FOSHEE: That's true. That was a long time ago.

CROSS EXAMINATION

BY MS. FOSHEE:

Q Mr. Ainsworth, the staff asked you some questions about Mr. Van De Water's testimony about the 18 percent of spare copper and the UDLC. Is spare copper the only way

BellSouth could provision a loop served out of IDLC?

A No. We have -- we have other -- we have several other capabilities to serve a loop. So if we are not talking about just copper, we have UDLC, and we have side door. We have other alternatives. I believe we described those eight alternatives that go through that process to actually provide a loop. And in those instances, I guess, the bottom line is that if you go through that we call -- those eight conditions, I guess, that are applied by the BellSouth network facility folks is BellSouth's loop deployment directives. And out of those directives it guarantees -- or we guarantee that we can provide a loop for any service being migrated utilizing one of those -- one of those functions. So, yes, there are other alternatives other than copper, and they are described in those eight options.

MS. FOSHEE: Thank you, Jeremy. That's all I have.

MR. SUSAC: All right. Why don't we just all put our friends on mute, and take a ten-minute break. And I have --

THE WITNESS: Can we do five?

MR. SUSAC: Yeah. We can do -- well, the court reporter has been going nonstop.

(Recess.)

MR. SUSAC: I just remind the witness that he's still under oath. And with that, Matt, it is all yours.

MR. FEIL: Thank you.

CROSS EXAMINATION

BY MR. FEIL:

Q Mr. Ainsworth, my name is Matt Feil. I am an attorney with FDN Communications. I want to ask you a few questions. I may be a little choppy in the subject matter I am covering. I have to sort of followup on a few things that Mr. Susac asked you and then a few things on my own.

The first question I want to asked you to followup to what Mr. Susac ask you, he asked you whether or not that the TRO was focused on bulk migration or individual hot cuts, or words to that effect, in his question. And you said, bulk cuts. Is it your understanding of the TRO that a bulk cut process is required when the state commissions find impairment from the hot cut process?

A It is my understanding that when relief is given, that a bulk process has to be in place and that the commissions have nine months to make that determination and assess that and put a hot cut process, a mass hot cut process in place.

Q Is it your understanding that the TRO permits states to find that a batch process is not necessary?

A There are certain circumstances, I understand from the TRO, where there is not -- a batch process is not required for a finding of nonimpairment, yes.

Q Thank you. Mr. Susac asked you whether or not FDN had used the bulk process to convert UNE-P to UNE-L lines, and

you said that FDN has not. Do you have an understanding as to why not?

A No, just to my knowledge they have not. I don't know any rationale other than that.

Q Do you know whether or not FDN has UNE-P lines?

A You know, I think so, but I can't -- I don't have any data in front of me at this point in time.

Q Is it your understanding that FDN predominately has UNE-L lines?

A Yes, it is my understanding that FDN predominately is a UNE loop provider.

Q Up to this point in time, has the batch process permitted converting in batch lines from BellSouth's switch to FDN's switch or a CLEC's switch?

A If I understand your question, the answer is, no, up to this point in time. If you are talking about resale on the retail through the batch process to UNE-P, it does not.

Q Is the retail to UNE-L, including a conversion in batch from retail to UNE-L, one of the enhancements you mentioned that BellSouth is working on?

A No, it is not.

Q Why not?

A Predominately the team, I believe at this point in time there is really not an understanding of why that would be necessary to provide it. If you look at from a business

standpoint why a CLEC would want to do batch migrations, it means they would have to collect the orders and actually delay billing or delay transition of customers over to UNE loops. So it did not make any sense, or did not make any business sense, at this point in time that we can understand that there would be a need for that process.

Q So if I, over the phone, request it from you now saying that there is a need for it, is that sufficient for you to look into it?

A You know, I guess my answer to that would be -- you know, if you asked the question, you know, we would look at it. I don't know that the answer would change, but, certainly, we are -- we would look at any type option where we could have a clear understanding of the benefit.

Q Okay. What is your understanding of the definition of a hot cut under the TRO?

A My definition of a hot cot under the TRO primarily is to mass migrate embedded base over to UNE loops.

Q I didn't ask you what a definition of a batch process was. I asked you just the definition of a hot cot?

A Oh, a hot cut?

Q Yes, sir.

A The definition of a hot cut is a transition of a line -- is a transition of a line to a UNE loop. That line could be resale, it could be a retail, or it could be a UNE-P.

Q All right. Mr. Ruscilli is testifying in support of the rates for BellSouth's batch-cut process, is that your understanding?

A Yes, it is.

Q Are you testifying in support of the batch cut rates or the batch cut costs, or you are just testifying in support of the process?

A No, I am just testifying in support of the process.

Q Okay. Do you know who on BellSouth's side is testifying in support of the batch cut costs?

A I would assume that would be Ruscilli, but, at this point in time, I am not testifying to that.

Q Okay. So if I asked you any question about what the batch cut costs were, and why the rates resulted, and how they did you would not know the answer?

A No, I would not.

Q Okay. Mr. Susac asked you a question earlier, and I want to make sure I understand your answer. His question was why is there no order coordination time-specific option available for the batch cut process? And I don't want to put words in your mouth, but I sort of understood your answer to be because of two reasons really. Number one, is that you saw the batch process as being designed for a large volume of cut-overs, and the other reason is that if somebody wanted order coordination time specific, they could still request it

through the standard processes available to date. Is that a fair summary of what your answer to his question was?

A Yes, I believe I would agree with that, yes.

Q Okay. Well, isn't it correct that if a CLEC wanted to order, order coordination time specific for a -- well, let me rephrase that. Let me back that up.

So the only way that a CLEC could order order coordination time specific would be through the standard process, right?

A Through the standard process or a request project management. You could go through the project management process if it qualified there and request for time specific through that process, also.

Q In which case there would not be -- the CLEC requesting such would not be eligible for any batch discounts, correct?

A To my knowledge that would be correct, yes.

Q Okay. Are you familiar with what an RPON is?

A Related PON?

Q Right.

MR. FEIL: And for the benefit of the court reporter, Jane, RPON just means related purchase order number, RPON.

BY MR. FEIL:

Q Are you familiar with that, Mr. Ainsworth?

A Yes. I am somewhat familiar with it, yes.

Q Okay. What is involved in an RPON? I assume that it means more than one PON are submitted in process. Could you explain what it means in your understanding?

A Well, in my understanding that is exactly what it means. It means that there are different -- there are different PONS being submitted, and then they are related so that they will be processed in the same time interval or the same due date.

Q So, is it correct that the normal intervals for an isolated PON would apply for an RPON?

A Yes, I believe that is correct.

Q Do you know how many orders can be submitted or how many accounts, or orders, or lines could be submitted via RPON?

A No, I can't answer that.

Q Do you know who would be able to?

A I can find out, but I don't have that information with me.

Q Well, let me ask you this question: Can RPONs be processed with order coordination time specific?

A I don't know that I can answer that for sure, so I would rather say that I can't answer that at this time.

Q Okay. Next question. I don't know whether or not you will know the answer to this one, either, then. When, say, two PONS are related, so it is an RPON, are submitted, are separate order coordination charges charged for each of the

PONS in the RPON group?

A In the RPON situation that I am thinking about, if it is as I am stating it here, if the RPON -- depending on the circumstance of the RPON, there could be a charge for the RPON order, because the RPON order may be implementing something different than what the original order, or associated order, is. So it would be like orders asking for two different things, and that would be like two separate orders, but RPON to collect them together for a due date. So if they fit -- if they fit the rules for that process, then I would think, yes, that would be considered two separate orders.

Q So, let me make the example a little more granular, perhaps. If I requested order coordination time specific on two orders that were RPON, am I charged order coordination time specific on both orders or just one since they are RPON?

A No, you would -- and I'm not sure you can -- I'm not sure RPONs would apply in the case that I think you are headed toward. I think RPON has some criteria around it, and I would have to validate exactly what that is.

Q Do you know which of BellSouth's witnesses in this case may know more about RPONing than you?

A I'm not sure if Mr. Pate would have any knowledge of that through the system side of it, but, no, I do not.

Q Okay. Could you distinguish then, for me, the RPON process versus the batch process, or are you not able to answer

that question, either?

A Well, I don't know in what context -- no, I can't answer, because I don't know in what context. I think I would have to have more specificity around that to be able to determine exactly what you were asking me.

Q Okay. I'm looking to see whether or not I have any other followup questions on what Mr. Susac asked.

MR. FEIL: I believe those are all the questions I have. Thank you, Mr. Ainsworth.

CROSS EXAMINATION

BY MR. CRUZ-BUSTILLO:

Q Good afternoon, Mr. Ainsworth. This is Jorge Cruz-Bustillo with Supra Telecom.

A Good afternoon.

Q For noncoordinated hot cuts, would you agree that there is no contact 24 or 48 hours before the cut?

A Yes, for an SO-1 noncoordinated, there is none of the CWINS' precoordination applied. That is correct.

Q Would you agree that there is no guarantee that the work will even be performed on the specified due date for a noncoordinated cut?

A No, I would -- I don't know that I would agree with that statement. I think the process of the due date being set would be no different than any other circuit out there or any other order we were processing. That the due date would be

applied -- the due date provisioning would be applied to that to be met. So I don't think I would agree with that assessment.

Q Okay. Can you turn to your direct testimony, Page 7, Line 25, and then on Page 8, Lines 1 and 2. And I will wait for you to get there.

A Thank you. Page 7?

Q Page 7, the last line begins, "noncoordinated."

A Okay.

Q Let me just read what you wrote. "Noncoordinated hot cut requests are converted by BellSouth's network personnel during normal business hours, based on network technician's workload activity and schedule." And my question is, are you implying, again, that if the workload activity does not permit, that noncoordinated cuts will not be performed?

A I'm looking at that. Let me look at that language.

No, what I am implying is that the process indicates that those orders for the SL-1 would be processed during the normal business hours, 8:00 to 5:00. That is correct.

Q So, could there be a case where you -- could there be a -- would it be reasonable to conclude that you could schedule cuts for that day, but due to workload, they wouldn't be met. Is that reasonable?

A That could be the case, yes.

Q If no dial tone exists on the line -- and this is for

noncoordinated cuts. If no dial tone exists on the line, is it true that BellSouth will keep this information a secret from the CLEC until after the due date?

MS. FOSHEE: I'm going to object to the form of the question. You can answer it.

A No, I don't think keeping it a secret is the right term. In the process for SL-1, which has been explained, I think the dial tone process there is that the CLEC is responsible for placing that dial tone. Since there is no coordination that has been requested, that dial tone will be re-verified on the due date. For SL-1 type service, the CLEC, is in BellSouth's mind, taking responsibility to validate and make sure they have dial tone at the cut point or in their switch on the due date. And if it is not there, then, in fact, on the due date is when that will be put into a missed appointment status for dial tone not being provided.

Q Okay. Can you turn to Page 11, Lines 17 to 20 of your direct testimony?

A I'm there.

Q Okay. On line 17, you say, "If on the date there is no CLEC dial tone, the hot cut does not go forward, and the BellSouth technician codes the order as a missed appointment due to CLEC problem." So is it correct to state that once BellSouth confirms there is no dial tone, that information is not communicated until after the due date? That information is

not communicated to the CLEC until after the due date, is that true?

A For an SL-1 noncoordinated, yes, that would be true -- well, no, that would not be true. Actually, it would be communicated by a missed appointment status being applied on the due date, not after the due date.

Q When you send the missed appointment, do you explain that there was no dial tone on the line, and that is the basis for the missed appointment?

A I believe there is an applicable code to that on the missed appointment, yes.

Q In your testimony, you state that coordinated hot cuts average -- on average take less than two minutes. What does your data show for coordinated, noncoordinated SL-1 hot cuts?

A The data shows, and I am assuming you are talking about the time frame for the actual cut to take place, is that your question, the movement of the jumper?

Q Yes.

A For the coordinated -- I'm trying to think back. For the coordinated that we have given the averages for, I think on average it has taken about two-plus minutes for that function to take place. We don't measure that particular -- we don't measure that function on the SL-1s noncoordinated. The function is exactly the same, should be the same average, but

we don't measure that particular function.

Q Actually, now that I am looking at my notes that wasn't my question. But thank you for answering that.

On Page 2 of your rebuttal testimony, Page 2, Lines 16 through 17, you state, while you are getting there, "BellSouth data shows that it provides a go-ahead notification on average in less than two minutes."

A Yes.

Q Now, my question is for those noncoordinated SL-1 hot cuts, what is the average for providing the go-ahead notification to the CLEC?

A The average providing the go-ahead notification that we stated here, according to our system people is once the order is completed it is in that two-minute realm.

Q But that is for coordinated, correct?

A No, that is for once the order is completed for an SL-1, the notification out of the ENDI process to send that notifier across, the system people have validated that, and they say that it is within the two-plus minute range, whatever that number was. I'm not looking right at it.

Q Let me ask you this, then, because I didn't understand your answer. I believe in your testimony you state that you notify the CLEC. The CLEC is notified of the completion of the conversion two minutes after the conversion is complete for coordinated, okay? My question is for

noncoordinated, how much time elapses on average between the completion of the conversion and the notification of the CLEC?

A On the SL-1 noncoordinated is your question?

Q That's right.

A The time lapse could be we have agreed to a two-hour format for notification or closure of the work request for the migration on SL-1.

Q Thank you.

MR. FEIL: This is Matt Feil, Jorge. I didn't mean to interrupt. I just wanted to let everybody know that I am leaving the deposition now. If something comes up, then I will just have to worry about it later.

MR. SUSAC: Okay.

BY MR. CRUZ-BUSTILLO:

Q Of all the conversions that BellSouth completes, which the two categories that I am focussing on are coordinated and noncoordinated, what percentage does the noncoordinated account for?

A I don't know that I have that information in front of me. I don't have the data to answer your question.

Q Would you say that it is more?

A I'm sorry?

Q Would you say that it is more?

A I don't have the data to answer your question. I can't -- I can't really answer it.

Q I'm going to be asking you a question related to -- beginning on Page 4 of your rebuttal testimony, beginning on Lines 21 through Page 5, through Line 9. The question that's been given to me says, why is it -- why is it efficient for a tech doing a single coordinated conversion to report the completed activity to CWINs immediately upon completion, but it is not efficient for that same tech doing a single noncoordinated conversion to report the completed activity to CWINs or a CLEC immediately upon completion?

A Well, let me answer that question. The reason is one is a coordinated conversion that includes CWINs in that coordination effort. The other conversion is -- excuse me -- the other conversion is a SL-1 noncoordinated conversion, which does not include that additional coordination. So, the reason that you get the notification directly from CWINs is because that is part of the coordination that is being ordered by the CLEC when they order that particular SL-1 coordinated service or they order SL-2. When you order an SL-1 service, you are not ordering that coordination with that service.

You will get that notification, as I have said, within -- we have agreed to within a two hour period. That means that based on the load out there, the technician or the attendant could complete that load immediately if the time permitted or within a two-hour period, and no more than that. And then we have concluded, based on our system people, that

once that completion or that order completion takes place, it takes a little over two minutes to send that notification out to the CLEC. So, the time frame for an SL-1 can be, depending on the order completion time, and the time the technician has to apply that to the load, it can be within minutes up to two hours and, what, two minutes, I guess, if you add the system time.

Q So if I understand your answer, you are saying that it is more efficient because the CLEC pays more for the coordinated one versus the noncoordinated one?

MS. FOSHEE: Object to the form of the question.

BY MR. CRUZ-BUSTILLO:

Q Okay. You can answer the question, Mr. Ainsworth.

A Yes. From an efficiency standpoint it has nothing to do with it. It is just a service offering that the CLEC has an opportunity to decide which type of conversion process they choose.

Q Would you agree that the noncoordinated hot cut is the preferred option for CLECs whom economics are the utmost importance?

A Yes, I believe I would agree with that.

Q What volumes would make it efficient for a BellSouth technician doing a single noncoordinated conversion to report the completed activities to CWINs or CLEC immediately upon completion?

MS. FOSHEE: I'm going to object to the form of the question. I think he said what volumes --

MR. CRUZ-BUSTILLO: Don't answer for the witness, please. You objected to the form.

BY MR. CRUZ-BUSTILLO:

Q Mr. Ainsworth, I will repeat it if you didn't understand it.

A Yes. Go ahead, if you don't mind.

Q What volumes would make it efficient for a BellSouth technician doing a single noncoordinated conversion to report the completed activity to CWINs or a CLEC immediately upon completion?

A I don't know that there is any specific volumes. It would be related to work activity. So work activity could be either volumes of service order activity or wiring or other activity. So I don't know if there is a distinct answer to that question as far as volumes. If the activity was very low, then they would be completing that work activity in a shorter time frame. If the volumes were higher, then, like I said, we have agree to a two-hour -- no more than a two-hour completion for that activity.

Q Okay. How many conversions in total can a BellSouth technician do in an hour? Did you hear me?

A I'm trying to think through the answer, because I guess I'm thinking it could vary. But, you know, I think based

on whatever the product teams came up with, I think that process was established to -- depending on what type conversions they were doing or what the volumes were out there. But I would say it could -- that we had -- and I am trying to think back to when we had the discussion about that.

Q Okay. Let me break this down. Can you answer the question by saying how many conversions -- how many noncoordinated conversions can a BellSouth technician do in an hour, in your estimation?

A Estimation?

Q Or your answer factually. Your answer.

A Well, I am trying to think statistically. I will have to look back and look. I don't know that I can answer that. I guess that would be a field technician or a central office technician, and I think maybe -- maybe Mr. Heartly could answer that better than I can.

Q Okay. I am going to be turning to Page 6 of your rebuttal testimony on 2 through 9.

A Okay.

Q No, I'm sorry. Page 6, Lines 12 through 13.

A Okay.

Q Or Lines 12 and 13, where you address the number portability administration center. I have four questions there. Until the CLEC notifies NPAC with an activation notice, isn't it true that the customer cannot receive incoming calls?

A Yes. Once the conversion has taken place or the hot cut has taken place, until the activate message is sent by the CLEC, they would not be able to receive calls. That's correct.

Q Would it be correct to say that the CLEC cannot notify the NPAC until BellSouth notifies the CLEC that the loop has been cut over?

A Yes, I would agree with that, also.

Q Now, earlier we just discussed that a noncoordinated cut, it takes BellSouth up to two hours to notify the CLEC, is that correct?

A It could -- the agreement is that we could take -- it could take up to two hours for that completion of the service order activity that would generate that notification. That is correct.

Q You said an agreement. Who is the agreement with?

A I am just saying we have agreed. "We" being the network, has agreed to the two-hour completion interval, so BellSouth.

Q I interrupted you and I talked over you. Could you say who the agreement was with?

A The agreement, BellSouth has agreed that we would -- we would handle the notifications in a two-hour period.

Q And who did you agree with?

A We agreed internally on the team after we had discussions through the workshops that we would make that a

two-hour commitment.

Q Do you know the range of time that the customer may not be able to receive calls after an NPAC is notified? Wait a minute. Scratch that.

A Thank you.

Q Okay. I didn't even know what I was just asking.

Oh, okay. Now I understand the question. Okay. Do you know the range of time that the customer may not able to receive calls after a CLEC notifies the NPAC?

A No.

Q Well, okay. Thank you for answering that question. Let me ask you this: Would you agree that since you have agreed not to notify a CLEC in a noncoordinated cut for up to two hours, that a CLEC cannot -- that a customer will not be able to receive calls for two hours?

A In the situation -- now, I would I agree that in the situation where the two-hour time limit occurred that would be a true statement. If it were -- if it were a two-hour completion of the service order, that would be correct.

Q Okay. So CLECs, on average, are being notified most of their conversions two hours afterwards, that would be correct?

MS. FOSHEE: Object to the form of the question. You can answer.

BY MR. CRUZ-BUSTILLO:

Q Okay. Go ahead.

A Okay. No, I didn't say that. I said that we would do -- the central office technician would complete those loads in no less than two hours. That doesn't mean that on average it would be two hours.

Q When you mean complete the load, you mean notifying the CLEC?

A Well, the completion of their work activity is what actually generates the notification message.

Q Okay. Now, I am just slightly confused. I thought you just said earlier that the CLEC is not notified until two hours after the completion.

A No, what I said was we would -- we have a time limit in there that the central office technician will not -- no longer than a two hour limit complete their load activity, which would include any activity they have been working on in those two hours, if they have not already done so. As I described earlier, and maybe it wasn't very clear, if the central office technician completed that load activity five minutes after they actually completed the cut, if their work activities would allow them to do that, then the notifications would go out at that particular time.

What I said was, based on the work activities that the technicians on the frame were engaged in, that they would

not go any longer than two hours before closing those load functions out, which would initiate those notifications. So the average could be anywhere from two hours less, depending on what the load closures were.

Q Okay. Now, I was looking at Page 5 of your testimony, Lines 6 through 9, on your rebuttal testimony.

A Okay.

Q And there, that is where you talked about -- I am going to ask you a question. You talk about from the time that they complete the cut until they generate -- from the time -- BellSouth was willing to commit that the time elapsed between the actual cut to the time their work is completed, which generates the completion of this, would be two hours. What happens if the completion takes place after work hours? When is the batch -- when is the go-ahead notice sent to the CLEC?

A The go-ahead notice is always generated on the completion of the technician's load. Whenever that takes place is when that notification would be sent.

Q I am now turning to Page 12, Lines 4 through 11, of your rebuttal testimony. And I will ask you the question while you are getting there. What is your understanding of where a CLEC must be collocated to provide UNE-L service via EELs?

A My understanding in reference to EELs -- let me look. My understanding is that they have to be collocated at the point we -- at whatever central office point they are going to

receive a collocation point, they are going to receive that EEL to take it to their switch. So, I guess in my mind that says that wherever their collocation is located, they would have to have a collocation point associated with that EEL circuit.

Q Okay. Must a CLEC be collocated in a BellSouth office to order a two-wire POT to DS-1 EEL?

A I am not the collocation person. I think you would have to ask Mr. Gray that, to be specific.

Q Okay. To your knowledge will BellSouth provide two-wire POTS EELs to noncollocated CLECs?

A No. To my knowledge, we will not.

Q Does BellSouth have a process to provide EELs that Mr. Milner testifies about in a UNE-P to UNE-L conversion?

A I'm sorry, ask that one more time.

Q Well, let me read it -- let me read it the way it is written: Why is it that BellSouth has no process to provide EELs, that Mr. Milner testifies about in a UNE-P to UNE-L conversion?

A You are looking at Milner's testimony in this docket?

Q Well, that is the question. Can you answer it?

A No. If Mr. Milner testified to that, Mr. Milner needs to answer that question.

Q Okay. Well, let me ask you, are you aware that BellSouth has no process to provide EELs?

A No. Actually, BellSouth does have a process to

provide EELs. It just depends on what type of EEL we are talking about.

Q How many -- and I am going to be turning to Page 15 of your rebuttal testimony, Lines 14 through 16, and where you talk about BellSouth capability to move large quantities of customers.

A Give me that page number again. I'm sorry.

Q Page 25, Lines 14 through 16. I'm trying to hurry so I can finish by 5:50.

A I'm there.

Q Okay. My question is how many customers can BellSouth move in a single day in one central office?

A I think that is variable. I don't think we have set any number. That is just really based on volume and work force, and load. So we haven't, as yet, set any volumes to the extent that we would have a set number.

Q Well, when you said you can move -- that BellSouth can move large quantities on Page 15, what were you referencing in your mind when you wrote that?

A Let me look and see. Which lines are you talking about?

Q Line 15, on Page 15.

A You're talking about on Page 15, correct?

Q Yes. This is your rebuttal testimony, January 7th, and, yes, where it says BellSouth shows its capability to move

large quantities of customers. And I would like to know what that number is to you since you translated it to the words, large quantities?

A Okay. I am trying to find you, but for some reason we are not hooked up.

Q The paragraph begins with the word moreover?

A No.

Q Page 15?

A Right.

Q January 7th testimony?

A The one I am looking at is under other issues.

Q Under other issues? This is the one that BellSouth sent me. This is the copy that BellSouth sent me. Oh, yeah. Okay. Other issues. Other issues for me is on Page 14. So there is a Q and A under other issues, then it is the next Q and A after that. The answer begins, absolutely not. The next paragraph begins moreover.

A Okay. Hold on. I have just got to find you.

Okay. I'm with you now. I just had to go back and catch up. It looks like we were off a page. Now, if you don't mind, state your question one more time after I caught it up.

Q You know, I think my question was when BellSouth -- when you write that BellSouth can move large quantities of customers, how many customers can BellSouth move in a single day in one central office?

A Okay. And I had answered in one central office we don't have a limit. Large volumes of customers to me are anything we are moving in a batch-type or a -- I guess, hundreds of lines per office.

Q Can you move 600 per office?

A I guess it would depend on the work force and the office and the load. But, you know, again, when you say -- when you say large numbers, I think large numbers significantly here we are talking about what was looked at for activity that was directed toward a batch process, which is in addition to normal activity load.

Q Okay. What was that number, when you say activity, because you wrote the words "large quantities." What number did you have in your mind?

A Let me look. Okay. I think we had -- I think we had given a rule of thumb at one time of 125 type orders or type migrations would be considered volumes of orders. And I am talking about in addition to what normal load activity would be. So we are talking about in the batch process that we use that as a rule of thumb. But that is not a high end level. That number could exceed that based on the project manager and the network looking at those activities in a central office and making a determination as to what load activity could actually be done.

Q Okay. What is normal load?

A Normal load is the daily activity that we handle every day, in and out.

Q Migrating from UNE-P to UNE-L?

A No. Migrating from UNE-P to UNE-L, really constitutes to me that is churn type work. We are using that from a CLEC like as a project type activity. So to me that is above and beyond. That is what we have got the batch process developed for, and that is what the batch process is capable of handling.

Q Okay. So then just to finish this off. About 125 per day is what you had in mind per central office with respect to batch hot cut process?

A I think 125 in mind is the rule of thumb we set out to say that we could handle a minimum of that number, yes.

Q You mentioned "churn." What is the number that BellSouth must convert for itself?

A I don't think I can answer that.

Q Okay. Let me ask you this. With respect to the large quantity of conversions, and you said a rule of them was 125, how many -- how much -- how many conversions can BellSouth do from a CLEC switch back to an ILEC in a single day per central office?

A I think it varies. I don't think there is a set number there that I could -- that I could attest to.

Q Would it be more than 125?

A Based on, again, central office load and volume, yes, it could.

Q Would you likely assign more personnel to a specific central office so that you could get those customers back?

MS. FOSHEE: Object to the form of the question. You can answer.

A We would -- we would process or migrate additional personnel into the central office to meet any load, not just that particular situation.

Q Would BellSouth give itself a preferential treatment as compared to the CLEC with respect to migrating back?

A Absolutely not.

Q But you would assign more personnel to a particular office?

MS. FOSHEE: Object to the form of the question, misstates his testimony. You can answer.

A As I stated, we would -- we would add additional personnel to the central office for any situation, not particularly that situation, where we had load to account for and due dates to meet.

Q If a CLEC is processing 3,000 new conversion orders a day, would you agree that it would not be able to avail itself of the batch process?

A No, I don't think I would.

Q And why is that?

A I don't know why you -- are you saying avail itself of the batch process? I am saying you could use the batch process.

Q But we wouldn't be able to do all the conversions in that day?

A You could -- you could submit the batch process for the central office up to the maximum number for that batch process request. And if that request totaled 3,000, and we validated that, then, yes, we could do the 3,000.

Q Over and above the 125 per central office? We are talking per central office.

A We are talking about 125 per central office in the same vein of what you are talking about. We are talking about if you issued the batch request for whatever the number is, in multiple offices using the criteria of the batch, we would schedule that and maintain that. If those orders were spread over various offices and the capability was there and the total of that was 3,000, we could certainly do that.

Q Okay. But you changed my question. You said multiple offices; mine was a single office.

A A single office?

Q A single office.

A No. As far as a single office, that would have to be negotiated. I don't know what that level would be.

Q Okay. On Page 15, I am still on Page 15, Lines 6

through 11, you state that the batch process applies to conversion of an embedded base, and that it is not applicable to daily load. Why is that? That may be a variation of what I just asked you, but --

A No, I think -- I think what we are saying is that if you look at the batch process, it was created for UNE-P to UNE-L conversions, and that's written in the development and in the documentation for the batch process.

Q Okay. On Page 19, Lines 8 through 17, and the sentence begins, "Per published performance measurement," the PMAP paragraph. In your testimony you imply that Supra began conversions in July. Were you aware that Supra did not start sending conversion orders until the end of October, 2003?

A No, I'm not aware of that.

Q Still on Page 19, my next question is, would you consider a customer's inability to receive incoming calls for a couple of days a service disruption?

A Yes, I would.

Q Are you aware that BellSouth's process requires frame technicians to check for CLEC dial tone before cross-connecting a UNE-P to UNE-L converted loop?

A Yes, the process does require that we verify dial tone.

Q Would no dial tone also be considered a service disruption?

A A no dial tone condition to an end user? Yes, it would be a service interruption.

Q Given that BellSouth's process checks for dial tone before the conversion, if a non-dial tone situation is resolved by a call to CWINs, whether a dispatch occurs or not, would that not be evidence of a BellSouth-caused service disruption?

A State that one more time and let me be sure I got it.

Q I will, Mr. Ainsworth. Thank you. Given the BellSouth -- given that the BellSouth process checks for dial tone before conversion, if a non-dial tone situation is resolved by a call to CWINs, whether a dispatch occurs or not, would that not be evidence of a BellSouth-caused service disruption?

A No, not necessarily.

Q Could you tell me why you answered not necessarily?

A The reason I answered no is because if you are talking about the process where we validate the dial tone, and the order is completed and you get a customer report of no dial tone, that does not mean that that service interruption has to be a BellSouth issue. It still could be a CLEC switch issue, because a CLEC swish provides dial tone.

Q Okay. But my question said if the no dial tone was resolved by a call to CWINs, would that not be evidence of a BellSouth-caused service disruption?

A Let me make sure I've got it right. If you called

CWINs maintenance, is that what you are saying?

Q I am saying if BellSouth calls CWINs. Let me ask it to you again, so I can get a specific answer for the client. Given that the BellSouth process checks for dial tone -- which we all agree coordinated and noncoordinated you check for dial tone -- if a no dial tone situation is resolved by a call to CWINs, which would be BellSouth calling CWINs and CWINs fixes it, would that not be evidence of a BellSouth-caused service disruption?

A Well, I'm really confused. And, first of all, CWINs doesn't fix it, and I don't know who BellSouth is that you are talking about here.

Q Who checks for the dial tone, specifically?

A The central office or the field personnel check for the dial tone.

Q Is it the CWINs technician that checks for dial tone or the BellSouth network group?

A Well, it depends, again, on the type service we're ordering. If it is a designed SL-2, then the CWINs technician has the capability to validate.

Q How about if it's -- I didn't mean to interpret. I'm sorry, Mr. Ainsworth.

A That's fine.

Q I just wanted to move on. What if it is a noncoordinated cut-over?

A If it is a noncoordinated cut-over, the dial tone verification function resides in the field organization and network, either in the CO or in I&M.

Q And is that the CWINs technician?

A No, it is not.

Q Okay. The field personnel, who are they -- who are they working for, are they working for the network group?

A Yes, they are.

Q Okay. So if that person in the network group identifies no dial tone, and BellSouth fixes the no dial tone on their side, would it be reasonable to conclude that the cause of the no dial tone was on the BellSouth side?

A In that situation, yes, if the BellSouth technician concluded no dial tone on the BellSouth side and resolved the issue, I would agree that would be a no dial tone on the BellSouth side.

Q Thank you. I'm just checking my notes, Mr. Ainsworth. Hold on one second.

Oh, when a CLEC reports that a cusTomer has no dial tone or a problem requiring a BellSouth dispatch to repair, does BellSouth penalize itself through SEEMs?

A Yes, there are maintenance measures in place that are recorded based on maintenance measures that are included, and we do pay SEEMs penalties.

Q If a customer is converted, but does not have dial

tone or cannot receive incoming calls, does BellSouth still count that conversion having met the due date performance?

A We would not convert -- no, we would not convert if there were no dial tone from the switch. Our process says that we would not convert that service, and if we don't convert that service, we would not count that in our base.

Q If they lost the dial tone afterwards -- strike that. On Page 20, Lines 8 through 11.

A Give me some verbiage to make sure we are talking on the same page.

Q Yes. Let me ask you the question, because that is not the page. In your testimony, if you remember, you had asserted that Supra must launch activation messages to NPAC to port a number. The question I have here is, isn't it true that Supra cannot launch such a message until it gets a go-ahead notification from BellSouth?

A No, it is not.

Q And why did you say, no, it is not?

A Because it is true. It is not. You can send an activate message once you fulfill the time increments for the network portability system impact. So if, in fact, you are beyond, and I think it is 18 hours, you can send that activate message prior to getting a notification. That would be incorrect, but you could do it.

Q Okay. But it would be incorrect to do it?

A Yes, it would.

Q Okay. Thank you. Okay. Are you aware -- are you aware of any BellSouth routing problems at the new Miami/Flagler access tandem?

A No.

Q Okay. Are you aware of any routing problem complained about in LATA 460, or specifically, the Miami Grand equal access tandem?

MS. FOSHEE: I'm going to object to the form of the question. I think it's outside of the scope of his testimony.

A No. I mean, generically, I'm not, no.

Q Are you aware of any routing problems Supra has complained about in LATA 460 or specifically at the Miami Grand equal access tandem?

MS. FOSHEE: Object to the form of the question. Outside the scope of his testimony. You can answer.

A No. The only routing problem was in a meeting that we discussed, involved -- and we didn't know if it was a routing problem, involved some cellular in-bound calls. I don't remember the offices involved. We had an account person research that. That is the only situation I am aware of.

Q Are you aware that BellSouth has dispatched its own technicians to repair no dial tone problems in the outside plant on Supra's UNE-L lines?

A Not specifically, but that could happen.

Q Does BellSouth bill Supra or any other CLEC on a UNE-P to UNE-L conversion that is found to have a no dial tone situation, where the no dial tone situation is resolved by repairing what was wrong in the outside plant?

A No, BellSouth should not bill for any service repair that is found to be in the BellSouth plant.

Q Thank you, Mr. Ainsworth. Does BellSouth make sure all outside plant rearrangements are complete before moving the central office cross-connect to the CLEC switch?

A I'm not sure that the answer is -- I think you have got the process reversed. If we are talking about an outside field cut, the cut takes place outside. The work is already done in the central office, so there is no central office cut per se on that type of activity.

Q Well, let me ask you the question that was given to me and tell me how you can answer it the best, because you answered a different question. Does BellSouth make sure all outside plant rearrangements are complete before moving the central office cross-connects to the CLEC switch?

A Yes, they make sure that all cross-connects are complete. However, the cross-connect in the central office -- I mean, the central office portion, if it is an outside cut, is complete prior to dispatch.

Q What are the working hours for a frame technician?

A It varies.

Q Why is that?

A Load, work activity.

Q Do they have like a time they need to be at work from 8:00 to 5:00, and there is one shift, a second shift?

A All of those are possibilities. It depends on the central office.

Q Well, you know, let me ask you because I just gave you the answer. Please tell me to your knowledge what are the different -- what are the working hours of a frame technician, and if they vary, why? I want you to give me the answer, instead of me giving you the answer.

A They vary based on load and work activity.

Q Are there generally set hours for frame technicians?

MS. FOSHEE: Object to the form of the question.

A The hours -- the hours basically are set based on the activities. The normal working hours -- the normal working hours, normal meaning the high activity time for the central office, is basically 8:00 to 5:00, but that does not mean that there won't be schedules either earlier or later based on office activities.

Q Okay. Thank you, Mr. Ainsworth. Does BellSouth perform uncoordinated hot cuts for SL-1 loops at 6:23 a.m.? I don't know why I have a specific time, but I have a specific time in the question.

A Well, I mean -- and that probably keeps me from

answering that, because, you know, I don't know any details about a 6:23 cut. So I would say we could perform a hot cut at different time increments.

Q Okay. Thank you. Do you consider a go-ahead notice delivered at 9:30 p.m. to be timely?

A It would be timely based on the fact of when the activity was completed in that respect.

Q If Supra did not port a number with a go-ahead delivered at 9:30 p.m. until the next morning, would that be a BellSouth or Supra-caused problem?

MS. FOSHEE: I am going to object to the form of the question to the extent it relies on exhibits that were just provided to us, but you can answer the question if you --

MR. CRUZ-BUSTILLO: Well, let me just -- let me just state that I am talking about his testimony on Page 22, Lines 19 and 20.

MS. FOSHEE: Okay. Thank you for that clarification.

THE WITNESS: And give me the verbiage there, so I make sure we are together.

BY MR. CRUZ-BUSTILLO:

Q Yeah, and I'm asking as not Supra -- let me change -- let me restate the question.

A Okay.

Q If a CLEC -- so we are not relying on anything Mr. Nilson filed as an exhibit. If a CLEC did not port a

number with a go-ahead delivered at 9:30 p.m. at night until the next morning, would that be a BellSouth or a CLEC-caused problem?

A It would depend on the situation.

Q Please explain your answer, why it depends on the situation?

A Well, I guess if the work activity was to occur in that time frame, and the go-ahead came at that time, then it would be expected that it would be ported. If that go-ahead came and it was not expected in that time, then it would not be -- it would not be a situation that would be expected.

Q Okay. So we are dealing with a noncoordinated batch cut between 8:00 and 5:00, which depends on work load, and there is no time specific, and we don't know that they are going to get done, but we expect them to get done on that day, and it's after working hours, because it is 9:30 at night, and the go-ahead is sent to the CLEC. Now, under that situation, the next morning the CLEC sends a notification to NPAC, would that be a BellSouth or CLEC-caused problem?

A In the description of what you just said, if that were a batch cut, depending on where that was negotiated for, or whether there was any activity negotiated, that could be generated in a timely manner.

Q Okay. But, Mr. Ainsworth, you did it again. You changed my question, okay?

A I'm sorry.

Q There is no negotiation -- from my understanding of your direct testimony and rebuttal testimony that there is no negotiation in noncoordinated cuts. It is just, you know, the time frame is in the coordinated. There is time-specific coordinated and then the coordinated you have a time frame, and in the noncoordinated it is just if we get to it on that day.

A Let me go back and try to --

Q Well, let me just ask my question so I don't hold up the rest of the people here, and I've got to get to the airport.

A You said batch cut, okay?

Q Noncoordinated batch cut. Was that wrong?

A A batch cut can be -- can have activities outside normal working hours if that is negotiated with the project manager.

Q For the purposes of my question, we are not having it outside the normal. I sent in a batch cut. It is between 8:00 and 5:00. It is noncoordinated, and I am paying for that, and I don't get a notice until 9:00 o'clock at night.

A Okay.

Q Okay.

A In that instance, if there is no negotiation for any after hours, we should cut it based on the normal working hours, which is 8:00 to 5:00, and we should have sent that

notification. The process is to send that notification in that time frame.

Q Well, what if at the end of the day is 5:00 o'clock, which is 8:00 to 5:00 in your testimony, and there is a two-hour interval that I get it at 7:00 o'clock, and personnel have gone home, the CLEC personnel have gone home, and they are unable to notify NPAC until the following morning. Whose fault is that?

A Well, again, it depends. If we cut that between 8:00 and 5:00 then we have done -- we have fulfilled our obligations to that process. If we cut it after 5:00, then we are outside our process, and that is something we need to resolve. However, we have opportunity there to validate that, follow up on that, because you know what those due dates are. And in that context I would say if we cut it outside those hours without any notification or any other process, that BellSouth was out of process.

Q Okay. Again -- okay, let me ask you a new question, because that wasn't the question I asked. It's a hypothetical, really simple. The way the process is set up by your testimony, a noncoordinated batch cut doesn't allow for -- I have a two-hour interval for notification, and it will be done between 8:00 and 5:00. This cut, because I don't know when it is going to be done between 8:00 and 5:00, gets done at 4:45. Okay. Because I am going to the normal protocol that BellSouth

has listed, 4:45. Two hours later at 6:45, personnel has gone home at the CLEC. The CLEC sends a notice. Now the next morning, the CLEC comes in and notifies NPAC. Under that hypothetical, who is at fault?

A If we completed the order prior to 5:00 o'clock, then we performed our process.

Q So is the CLEC the cause of the problem?

A In that situation, we were within process. The CLEC should have been looking for that notification. If we completed it outside that 5:00 o'clock range, then that would be BellSouth out of process.

Q What if BellSouth doesn't provide the notice within two hours, and the notice doesn't come until 9:30 at night?

A If we sent it after 5:00, in the scenario you stated, we would be out of process. We, BellSouth.

Q So any notice not received before 7:00 p.m. would be out of process, the process established by BellSouth?

MS. FOSHEE: Object.

MR. CRUZ-BUSTILLO: Correct? Let your attorney object.

MS. FOSHEE: No, I'm sorry, I am withdrawing my objection. Sorry to interrupt.

BY MR. CRUZ-BUSTILLO:

Q Okay. We have an two-hour interval. You finish at 4:59. I should get my last notice at 6:59 to go ahead on that

day. If I don't, would BellSouth be out of process by your testimony here today?

A We would be out of process if we did not complete that, send that notification prior to 5:00 o'clock, yes.

Q Oh, if you didn't send the notification prior to 5:00 o'clock, the notification to the CLEC?

A No, I said if we completed it prior to 5:00 o'clock, we would be in process. If we completed it after 5:00 o'clock, we would be out of process.

Q If you completed it before 5:00 o'clock, but sent the notice at 6:59, would you be in process?

A Yes. According to the process we have today, that would generate the activity, we would be in process.

Q Okay. If you sent the notice at 9:30 at night under the same scenario, would you be in process?

A If we -- if we sent the notice, completed the activity at 9:30 tonight, we would not be in process.

Q No, no. I mean, if you completed the process at 4:59, and you didn't send the notice until 9:30, would you be out of process?

A When I complete the notice, that does -- when I complete the activity, that does send the notice.

Q No, I understand that. But let's just say a CLEC, any CLEC out there, happens to have documentation that demonstrates that the cut is completed before 5:00, the notice

was not received until three hours later, in this case 9:30. Hypothetically, would that be out of process?

A Hypothetically, I would agree that it could be out of process.

Q Okay. Thank you. Just give me one minute.

On Page 29 of your testimony, Lines 5 through 14. It's your rebuttal testimony.

A Rebuttal, okay.

Q And I will ask you the question while you are getting there. I think there was testimony on our side with respect to being notified with respect to four missed orders by BellSouth. Not missed orders, let me restate that. BellSouth sent us notification regarding why four orders were rejected. And the question is, from Supra, is why was there no explanation regarding why there were no facilities? And I will wait for you to get there. I just wanted to give you the question.

A I'm looking at it. You are talking about where we talked about the E-mail on November 17th?

Q Right. You were rebutting Mr. Stahly, so let me give you the question again, because I was talking while you were looking. Why was there no explanation regarding why there was no facilities?

A My understanding was there was explanation that was communicated from the project manager to Supra.

Q And can I tell you that all they said -- all it said

was there no were facilities, but it didn't provide an explanation why. Let me ask you this: Is it your testimony that BellSouth will provide an explanation why whenever they say there is no facility?

MS. FOSHEE: I am going to object to the form of the question. I think that mischaracterizes what he said.

MR. CRUZ-BUSTILLO: No, no, no, this is a new question. Oh, I'm sorry.

MS. FOSHEE: Well, you started with, is it your testimony that.

MR. CRUZ-BUSTILLO: Okay. Then let me strike that.

BY MR. CRUZ-BUSTILLO:

Q I am asking you, Mr. Ainsworth, will you here today state that BellSouth will provide an explanation why it -- will BellSouth provide an explanation regarding why there were no facilities if it issues a notice saying there are no facilities?

A If it is questioned, and we are asked why, we would provide that information, yes.

Q Okay. But you won't provide it initially? The CLEC would have to come back and ask?

A Well, in the situation we are dealing with here, I think it is a little bit different, because we were doing something or looking at something for Supra. So I think the fact that they went back to them, there is a process that they

can follow, and Supra has now that they are getting those notifications back and that information back and that was the information I have. So they are getting that information. But if we were -- they were communicated back or we did not communicate it properly in the future, we certainly would amend that.

Q I thank you, Mr. Ainsworth. And I would say for the record that Supra has been working to resolve this issue, like all issues. I was asking generically in the process, you know, does the CLEC have to come back and ask without -- you know, does it get the information the first time. But, yes, Supra is going ahead and --

A But, generically if that process is in there, if that's a process we are utilizing, we would provide that.

Q Okay. I think I just have -- I think I have six questions left. And I am going to turn to a whole new subject. How prevalent is the use of digital loop carrier, DLC, in BellSouth's outside plant?

A The last numbers I looked at I believe were in the 30 percent range. Don't quote me emphatically on that, but I believe that is pretty close to correct.

MS. FOSHEE: Just for purposes of clarification, are you asking in Florida or region-wide?

Q Oh. How about -- it is going to be in Florida, and my question would be is it more or less prevalent in LATA 460

than the rest of the state?

A I can't really answer the details in Florida. I believe the answer would be around 35 percent, but I can't really tell you in LATA 460 predominately by CO or area how that lays out as far as far as density.

Q Okay. How prevalent is the use of universal digital loop carrier compared to IDLC?

A I don't know that I can break that down. I have seen those numbers, but I don't remember what they were.

Q Do you know who I can get that from?

A No, I don't.

MR. CRUZ-BUSTILLO: Can you provide it as an exhibit?

MS. FOSHEE: No, I would object to doing that.

BY MR. CRUZ-BUSTILLO:

Q When did BellSouth put into place a hot cut process for IDLC?

A IDLC has been part of the process since 1999.

Q Why does BellSouth sometimes insist that a CLEC order for SL-1 be converted to SL-2 when served via IDLC?

A As I had stated earlier, when the staff was going through the process, there is a process that we use for the loop deployment directives, and we use that. The engineers use that to determine how they are going to serve a loop. One of those processes is that if available, we will offer that type of solution to provide a loop.

Q Why can't every IDLC conversion be SL-1?

A Why can't every -- say that again.

Q Why can't every IDLC conversion be SL-1?

A The reason it can't be SL-1 if you are using IDLC is because we have to have a design record, because we are using DLC with channel units, and that configuration requires that we design that service to be able to provide that.

Q Okay. Let me just check my notes one more time.

MR. CRUZ-BUSTILLO: Okay. I'm done, Mr. Ainsworth. Thank you very much.

MS. HARVEY: Lisa?

MS. FOSHEE: Yes.

MS. HARVEY: This is Lisa Harvey.

MS. FOSHEE: Hey, Lisa.

MS. HARVEY: Jeremy had to step out for just a second. Before we proceed, the court reporter needs to take a break.

MS. FOSHEE: I was going to ask if we could take one, too. That was longer than we had anticipated, so that would be great.

MS. HARVEY: Ten minutes?

MS. FOSHEE: Sounds great. Ten minutes is fine. Thank you.

MS. HARVEY: Uh-huh.

(Brief recess.)

MR. SUSAC: We're ready to go. Whose turn is it? Is it AT&T's?

MS. AZORSKY: Yeah. AT&T will go next.

MR. SUSAC: Okay.

CROSS EXAMINATION

BY MS. AZORSKY:

Q Mr. Ainsworth, I am going to skip around a little bit, because some of the things I wanted to ask you about have been covered by others, and I'm sure all of us would like to wrap this up as quickly as possible.

MR. SUSAC: Excuse me. I'm sorry. This is the Commission again. Could you please state your name for the record?

MS. AZORSKY: Oh, I'm sorry. It's Tami Azorsky on behalf of AT&T.

MR. SUSAC: Thank you very much. I'm sorry to interrupt.

MS. AZORSKY: That's okay.

BY MS. AZORSKY:

Q Is it your view, Mr. Ainsworth, that the batch process that is to be developed by state commissions under the TRO is only for converting the embedded base of customers who are currently served by UNE-P?

A It is my understanding that is the primary objective, yes.

Q But it is not your view that that is the only objective?

A No. I don't know if I'm qualified to state all of the objectives of that, but that is -- my statement would be that is the primary objective.

Q Is there something specific in the Triennial Review Order that you rely on for your view that that is the primary objective of developing a batch hot cut process?

A Tami, let me look at 488 or --

Q I want to make sure you haven't answered and I didn't hear you.

A I'm looking through, Tami.

Q All right.

A I am trying to find the specific paragraph. I don't have my copy in front of me, so I am having to look.

Tami?

Q Yes.

A I would be referring to Paragraph 489.

Q Okay. And is that all in the TRO that you rely on for that view?

A That is the primary view, yes.

Q Okay. Just so I am clear, Mr. Ainsworth, a coordinated cut is where you coordinate with the CLEC, both before, during, and after, but it happens within a four-hour window, is that correct?

A Tami, it depends on -- the answer is no, not exactly.

Q So why don't you just tell me what it is?

A Okay. A coordinated cut, depending on what type you are asking for, if you are just saying coordinated, non-time specific, or coordinated time specific --

Q All right. Let me back up, if I might. I don't mean to interrupt you, but exactly what I would like is for you to differentiate between, describe for me a coordinated cut and compare it to a coordinated time-specific cut?

A Okay. Let's talk about the time specific first. The coordinated time specific, again, is a process where the CLEC is requesting a specific time to actually execute that conversion, that cut, as you call it. So they are defining a specific time they want. We have to meet that requirement within a 15-minute interval either prior to or after that conversion. So we are actually setting up the coordination to do that at that specific or particular time.

A coordinated non-time specific cut says that we are going through the coordination process that includes the notification after cut, the same basic process, except we are negotiating that time based on the availability of the central office technician, and we are making the determination as to exactly when that cut will take place. On the coordinated time specific, we are negotiating that with the CLECs -- I'm sorry, not time specific. Don't let me confuse you. The coordinated

cut, we are negotiating that 24 to 48 hours ahead of the due date, and trying to meet a window of time for the CLEC, which would be in the four-hour category; whereas, the time specific would be exactly at a specified time. Does that answer your question?

Q I think so. The CLEC will have a due date for a coordinated cut, and in the 24 to 48-hour call, is that when you negotiate with the CLEC which four hours it will be on that due date?

A Yes, that is correct. Yes, if they -- on the coordination when we make the contact 24 to 48 hours ahead, then we would negotiate with the CLEC for that time period.

Q Now, coordinated time-specific cuts are not currently available in either the batch process that you put in your direst testimony or in the enhanced batch process in your surrebuttal testimony, is that correct?

A Yes, that is correct. They are not available presently.

Q Okay. In terms of the hot cut performance measures that you have, the things that are specific to the hot cut, none of those apply to noncoordinated cuts, is that right?

A Let me think. The time increments -- no, there are measures that are associated with the noncoordinated. The time of cut portions of it that we -- that we do for the coordination are not associated with the noncoordinated cuts.

The due date completion interval is measured, as well as any of the maintenance measures that follow that, which would be the same for coordinated and noncoordinated.

Q Right. But things like how long the customer is out of service is not measured for a noncoordinated cut, correct?

A The actual -- no. The actual cut time, the start and stop of the cut is not measured for the noncoordinated.

Q Okay. And for noncoordinated, also, you don't measure, do you, the time from completion of the cut until you notify the CLEC?

A No, we do not. Actually, we do not today have a measure even on the coordinated side for the notification time.

Q Okay. Now, you had this long discussion with counsel for Supra about in process and out of process based on when the cut was completed and when they were notified.

A Yes.

Q And you were talking about this two-hour time interval for notifying them?

A Yes.

Q Is that associated with coordinated or noncoordinated hot cuts?

A That is associated with noncoordinated hot cuts.

Q And where does that two-hour interval appear? In one of your -- in which piece of documentation does that appear?

A I don't know that that appears in any documentation.

Q Okay. That is just your practice?

A Yes.

Q That is what you try to do?

A Yes.

Q Okay. I would like to talk for a minute about IDLC conversions. When a customer is served by IDLC, and a CLEC requests that that customer be cut over to UNE-L, some type of field work is necessary, is that right?

A Yes. The actual conversion takes place in the field for those IDLC conversions.

Q When the actual conversion takes place, or the actual conversion work takes place in the field for the IDLC conversion, how is that work coordinated with the central office?

A The central office actually does all the prewiring steps prior to the due date, which means that for a IDLC type conversion, they will go ahead and wire from the collocation equipment to the new facility. So the coordination, the coordination validation step that the field technician would complete would be the same as the central office. They would validate for dial tone, and they would validate via an ANAC, because the service would already be provisioned to the cut point in the field.

Q I'm not sure I understood that, so I want to go back, okay? The person in the field is essentially taking the

service off the IDLC and putting it onto copper?

A Copper --

Q Or UDLC?

A That is correct.

Q Okay. And when they do that, they have to do some of the tests to make sure that there is dial tone on the line, correct?

A That is correct.

Q And then how do they ensure -- so how do they make sure that what is being tested in the central office is the same thing they are checking in the field? That is the piece I'm not quite clear on.

A Let me try to explain. The prework in the central office for an IDLC conversion is that the facility is already available. The customer is working on an IDLC, so the central office when they do their prewiring will complete the wiring steps to tie the collocation to the new facility. So, in essence, what you have done is you have extended the cut point from the central office to the field.

Q Okay.

A The field technician will perform the same functions as the central office does on a central office conversion.

Q Okay. All right. Thank you. If a customer is being served by IDLC, can the CLEC get a coordinated time-specific hot cut?

A Yes.

Q Does the 15-minute interval apply?

A Yes.

Q In your direct testimony on Page 18, I believe it starts at Line 19, although, I know you have (inaudible), you say that BellSouth has performed 300,000 hot cuts from November 2000 to September of 2003.

A Okay.

Q Is that a Florida number or a regional number?

A That would be a regional number.

Q Okay. Do you know how many of those have been in Florida?

A Not offhand, no, I don't.

Q Could you break that number down into each month of that 35-month period?

A I'm sorry, ask that again, Tami.

Q The period is about 35 months from November of 2000 to September of 2003. Can you break that 300,000 number down into how much you did each month?

A Can we, or did we?

Q Well, how about answering both of those questions?

A I'm not sure. That is a cumulative number, and I would have to go back and look at the data.

Q Okay. Do you know whether BellSouth has done 90,000 hot cuts in any single month?

A No, I do not.

Q Okay. Do you know how many of those 300,000 lines that were hot cuts the customers are still CLEC customers?

A No, I would -- I would not be -- I would have no idea. I wouldn't have any idea.

Q Okay. You reference in your direct an instance in which you converted 200 lines for a single CLEC in a single CO on one day. And I am not sure exactly where it was in your testimony, but I know you know what I'm talking about.

A Okay.

Q Do you know in connection with that when the prewiring work was done?

A The prewiring work was done prior to the due date. If you are asking me specifically for each of those 200 do I know exactly what day they were wired, I can't tell you, no.

Q Do you know if all the prewiring work was done in one day or if it was done over a period of days?

A No, I can't answer that. The prewiring work is scheduled in the central office, and it could occur on a single day or it could occur on multiple days.

Q So it could have occurred over a number of days?

A It could, yes.

Q Okay. Do you know how many shifts it took during the day that those 200 lines were converted?

A No, I do not.

Q And just to be clear, all we are talking about is the 200 that happened on one day, that was only the piece of the cut of taking the loop from BellSouth's switch to the CLEC collocation?

A Yes. That would be -- the 200 lines referred to there, subject to check, would be for those 200 lines to move them to a loop, yes.

Q But it was only that one piece of it that was done in the one day?

A Well, the prework done in one day. Are you talking about the --

Q No, I'm talking about the prework was done ahead of that day?

A That's correct.

Q Okay. So it was only the actual physical lifting of the loop from BellSouth's switch and attaching it to the CLECs?

A That would be done on one day, that is correct.

Q Okay. Did I ask you do you know how many shifts it took during that day?

A You did.

Q Okay. Could you repeat, please?

A I don't know.

Q Okay. Sorry. Do you know how many technicians you had working?

A No, I do not.

Q Do you know if staff was brought in from other central offices?

A No, I can't answer that, either.

Q Okay. Do you know when they started and when they ended in terms of the time?

A No, I don't have firsthand knowledge of that.

Q Do you have any knowledge how many hot cuts were done in that office the day before?

A No, I do not.

Q Do you know how many were done the day after?

A No, I do not.

Q Okay. Do you know what other activities were going on in that central office that day?

A No, I do not.

Q In your direct testimony, on Page 22 -- and you are going to need to find this. It is Line 17 in my copy. It says maximum telephone numbers per batch request.

A Yes. I think we are on the same page.

Q Okay. Can you explain that 99 times 25 equals 2,475? What does that represent?

A In the batch request you are allowed to enter 99 EATN or accounts.

Q Uh-huh.

A You also are allowed to enter from one to 25 lines per account. So if you maximize and add 25 lines for every

EATN, you would have 2,475 lines being submitted.

Q Okay. Thank you. There was some discussion earlier about the assumption that 50 percent of the hot cuts in the future would be noncoordinated for purposes of the force model?

A Yes.

Q What was the basis for that?

A The basis for the 50 percent?

Q Yes.

A The basis for the 50 percent was the fact that if you look back at the UNE-P base and you look at what the mass migration is targeting, it appears that those would be more residential or small business type services. So, when you look at the -- when you look at the plan size that we plugged in, taking that into account, if you look historically today at what we are doing in the hot cut process, the majority of those, other than what we would be talking about in an embedded base converting, today those loops are primarily coordinated.

So we took a look at the model trying to look at a worst-case scenario. We don't think 50 percent will be coordinated, but we wanted to be on the high side as far as manpower was concerned looking at the model, so we calculated 50 percent in just so that we would be able to take that consideration in the event that coordination was more than we anticipated.

Q But for the hot cuts that you do today, a much

greater percent than 50 percent is coordinated, isn't it?

A A much greater percent is coordinated, but, again, if you are looking at the target for the mass migrations on the small business and on residential, when you go back in and look at the UNE-Ps that are sitting in there, most of those are small biz or residential, and they are certainly at a higher level than are the loops that we are doing today on coordination. But, again, we did not want to underestimate the coordination aspect of it, so we took the high road to make sure that we compensated for any coordination efforts that may be considered by the CLEC.

Q Your assumption is that while CLECs today are asking for coordination for their Enterprise customers, that they won't ask for such coordination for their mass market customers?

A No, my assumption was that it would be a higher number migrating for the noncoordinated based on the volumes that we are looking at in UNE-P. But we did not want to discount the coordination, that is why we included the 50 percent.

Q I guess I'm confused. Just so I understand, you are assuming a smaller percentage of coordination than what is happening today?

A Well, in the model we are assuming it is going to be 50/50.

Q Which is less than what is happening today with hot cuts?

A Which is less than what is happening in actuality today based on the loops that are being provisioned.

Q Okay. For the force model that you used to project LCSC and CWINs staffing, what level of manual handling on orders did you assume?

A It is built into the -- it is built into the formula. It actually counts -- it actually counts into the formulas, I think, for the UNE -- let me look.

We used a -- we used a flow-through rate for that calculation and built it in. There is a lot of -- in the formulas we are using, once we put the inventory numbers in, went through the process, we are looking at a flow-through percentage of about, for UNE loops, about 37 percent.

Q So you assumed that 37 percent of the orders would flow through?

A Yes, we did.

Q Okay.

A And then there are some other calculations in there, too, and I don't want to leave you thinking that is the only calculation. But that is one calculation where we built in those assumptions. So we are taking into consideration the flow-through rates, and what we are getting down to is the count of manual LSRs that would be handled in the LCSC, based

on our historical documentation.

Q So were there any other flow-through rate assumptions other than that 37 percent one?

A Not for the UNE, no, that was the one across-the-board that we are looking at on the flow-through model.

Q Do you have a different flow-through assumption for UNE loops than you have for UNE loops with LNP?

A I'm not looking at -- let me see. I am only looking at the UNE projections, Tami.

Q Okay. So is that with or without local number portability?

A No, that is the loops with the local number portability.

Q Okay. And that was the 37 percent number?

A Yes, it was.

Q Okay. The enhanced batch process that you discussed in your surrebuttal --

A Right.

Q -- when did BellSouth decide to enhance their process?

A You are asking me for a specific date, Tami?

Q Well, generally.

A I really can't give you a specific date. We assessed every one of the workshops that we went to. We put together a

team, and we went over the comments at the workshops and made those determinations at some point in time after the workshops began. But I can't tell you specifically a date.

Q Okay. But it did happen sometime after the workshops began that these impairments began?

A Yes, at the workshops, that is where we -- that's where we took the information and formed the teams to take a look at those comments.

Q Has someone been charged with determining what operational support system changes will be required to implement this enhanced process you discuss in your surrebuttal?

A The answer is that for the things that are going to need any OSS, and I believe I listed one when I went through those, there are a couple of things we would need to get those program for releases. Those will be handed off, and have to be determined and scheduled. Someone will be looking at that, but I don't know, you know, what those times frames are currently.

Q Now, two of the things that are in that enhanced process, one is a web-based notification tool and the other one was a web-based scheduler?

A Yes.

Q And I think that staff counsel asked you for the schedule for developing the scheduler?

A Yes. I think I replied in October, 2004.

Q Correct. But wasn't there a late-filed exhibit?

MS. FOSHEE: To you provide any documentation that we had on the scheduler is Late-filed Exhibit Number 3.

THE WITNESS: Yes.

MS. AZORSKY: Right. Could we have as Late-Filed 5 any documentation you have on the schedule for the notification tools?

MS. FOSHEE: No. You have had ample opportunity to conduct discovery, so we are not going to produce late-filed exhibits for other parties.

MS. AZORSKY: Okay.

BY MS. AZORSKY:

Q When do you believe, Mr. Ainsworth, that this entire enhanced process will be up and running?

A If I'm looking at the schedule that we talked about today, and the only thing I can't attest to, Tami, is for a couple of items that we've got to get in the releases, it looks like we would have all of the functionality in by October.

MS. AZORSKY: I'm going to ask you to reconsider, Lisa, on the basis that we didn't see this enhanced process until the surrebuttal.

MS. FOSHEE: Okay. I will reconsider it. Let me think about it while you continue to depose him.

MS. AZORSKY: Okay.

BY MS. AZORSKY:

Q Let's see. In your surrebuttal on Page 2, where you talk about the enhanced process?

A Yes.

Q The second bullet says that it will be applicable to UNE-L-to-UNE-L migrations at such time as necessary system changes can be made.

A Yes.

Q Have you determined what system changes are necessary?

A No, that is being handed off to make that determination.

Q Okay. So do you know when those system changes will be completed?

A No. No. As I mentioned awhile ago, when you asked the previous question, the ones that we know we gave the dates for. There were a couple in there that we are having to get scheduled, and I do not know the time frames on those presently.

Q Okay. In terms of doing CLEC-to-CLEC UNE-L-to-UNE-L migration, will BellSouth switch a loop from, say, AT&T UNE-L to MCI UNE-L directly, or will BellSouth require the loop to go back to UNE-P before it can be switched to the other CLEC?

A No, my understanding is we will switch it loop to loop. If it is a loop now -- and let me clarify to make sure I

am answering your question correctly. If it is an AT&T loop now, and it is migrating to a MCI loop, then we would process it as such.

Q Okay. Without an intervening UNE-P step?

A Yes.

Q Okay. In your third bullet you talk about the batch process, the enhanced batch process will guarantee that an end user's account will all be cut on the same day.

A Yes.

Q Could you describe how you are using the word account there?

A You know, if you look at the batch process your EATN is an account. So for every account that you submit on that batch process, we will complete that on the day that is -- on the due date that is either negotiated or scheduled.

Q Will there be a limit on the telephone numbers that could be included in that account?

A Yes. As we discussed earlier when we were going over the formula --

Q Uh-huh.

A -- it takes up to 25 lines per account.

Q Okay. Have you considered in this enhanced process how you would handle a multi-line account with hunting?

A I have not specifically, no.

Q Is someone looking at that?

A I can't answer that.

Q All right. On the fourth bullet you state that you will do Saturday and after hours cuts now?

A Actually, yes, we will do that. I think we said in the workshop we would even do that through project management coordinated now.

Q Okay.

A We are going to -- all we are doing there, Tami, is we are going to update the documentation to put it into that process so it will be documented.

Q That is what I heard you say earlier, and that is what brings me to my question, because I have to admit I got confused on the overtime discussion. I understood you to say that if someone is scheduled, and they can do it in their regular 40-hour week, there is no overtime. But if they have to work overtime, then there could be an overtime charge?

A Yes, that's correct.

Q My question is how does the CLEC know when the CLEC schedules a Saturday or after-hour cut whether they are going to be hit with a higher charge or not?

A If we schedule that, Tami, with the project management intervention, we can communicate that to you.

Q But you are not guaranteeing CLECs that you will have personnel available to do these Saturday or after-hour cuts with no overtime?

A No, we are not guaranteeing that.

Q When you have your web-based scheduling tool available, will the CLEC be able to go in and schedule a Saturday or after-hour cut using that tool?

A Yes, they will.

Q Will Saturday and after-hour cuts include customers served by IDLC?

A Yes, they will. Let me -- Tami, let me preface that, okay?

Q Okay.

A They will -- we will allow that, unless it is a situation where the after hours scheduling will put our technicians in jeopardy.

Q What does that mean?

A That means depending on the hours of the schedule.

Q In other words, if they have been working too many hours?

A No, it means if there is situations where if we worked them that it would be a security issue for them or whatever. We would have to determine that based on the schedule, if you are asking for dispatches.

Q Okay. So when would a CLEC be notified if the CLEC went into the scheduling tool and scheduled a Saturday cut?

A That would be a responsibility of the project manager.

Q How long would it take the CLEC to find out that they couldn't get that Saturday cut?

A They will be tracking those orders. We will put that in the documentation, but they will be tracking those orders, and the project manager -- we will have to look at the documentation to see when that will occur.

Q So that hasn't been decided yet?

A I haven't seen that piece of it written yet, so I can't tell what you that is, what that interval is.

Q On the last bullet on Page 2, it's the one, two, three, four, fifth bullet, you talk about the four-hour time window for coordinated cuts?

A Yes.

Q Could you define for me what is the start time for that four-hour window? What starts that four-hour window running? Or am I missing the point? It's just that you will do the cut somewhere within that four hours?

A Yes. This would be a coordinated cut. We would agree to do that cut in a four-hour window, and we would execute that cut within that time frame. The same measures and parameters that are there today would measure the timeliness of that cut.

Q So even if a CLEC had an order with 99 accounts, all 25 phone numbers, you would commit to do that within that four-hour window?

A Wait a minute. Say that one more time, Tami.

Q Remember when we did the formula earlier?

A Yes.

Q We had 99 accounts with 25 phone numbers each?

A Yes.

Q Would you do that within that four-hour window?

A We would negotiate it based on the schedule and the load. If you could -- if you could select that today in the project management, they would make that determination, and they would schedule that appropriately. When we go to the scheduler, it will be a tool in there, and that will be part of the scheduler to differentiate that if there is a problem with the load or the force in those areas, because you will be able to select that by central office. But today you can do that through the project manager.

Q It would be a project for a coordinated hot cut?

A Well, it would be a batch cut, and the project manager is part of that process. They would be evaluating that when they negotiated with network to make that schedule.

Q So with this new scheduling tool, it might that be that a CLEC would put in an order like that, and they would get back a notice that, no, it can't be done, and you should have a batch hot cut with this project manager who will help you get through that?

A Yes. If that batch process, if you are using the

scheduler to do that and those type situations occurred, then there would have to be some kind of notification back or restriction on that.

Q And is that also something that you haven't quite figured out the timing and what kind of notice would go back yet?

A That is what they are developing.

Q Okay. On Page 3 of your surrebuttal, the first bullet, which talks about the timely restoral process?

A Yes.

Q Do you intend that that process would apply at any time during the cut? If you are having trouble with that, I can be more specific.

A No, I'm thinking back, because I described -- when I described that earlier, the restoration process really falls into two categories. One is if you are in a coordinated cut mode, and you're in the acceptance process, prior to acceptance if you, for some reason, determine that you want to -- you have a problem and you want to restore that service, then you would contact the CWIN center prior to acceptance, and we would restore that service for you based on that notification. That is one, okay?

Q Okay.

A The second process is that you accepted that service, and we have completed all of the orders associated with that

conversion. Now, if you determined at some point later than that that you wanted to restore that service back, then that would come through the maintenance operation as an expedite to reestablish that service.

Q And this, through the maintenance process is an expedited, is that part of this timely restoral process that you intend to implement?

A It absolutely is. And, actually, it is something we have in place today. We just did not have it documented in the batch process, so we are going to document it there. And, actually, in looking at SBC's process, it mirrors what they are doing out there, also.

Q How quickly can it be expedited?

A I don't know offhand what the expedited time frame is, but we will document it and put it out with the -- with the update.

Q Will there be any cost associated with this restoral process if it happens prior to acceptance?

A No, I can't think of any cost prior to acceptance that would be incurred.

Q But there would be a cost if it was after acceptance?

A After acceptance, there would be a cost, at least in my mind, because we would be processing an order.

Q As a maintenance order?

A Yes. Well, it would be through maintenance, but it

would actually be an expedited provisioning order to reestablish that service.

Q Okay. So it would be an additional order with which costs would be associated?

A Yes, I believe that is correct.

Q Okay. Your second bullet at the top of Page 3 talks, again, about the web-based communication system, and it says for noncoordinated cuts. Why only noncoordinated cuts?

A Well, as I had described a little earlier, first of all, for the coordinated cuts, they are very efficient and timely on the notification process. And we can document those processes, and we know exactly where they are, and we know that they are performing at a very, very high rate of success. So the process that we heard from the workshops was that it was the process of the single notifications per order that the CLECs were concerned about. So that deals with the SL-1 noncoordinated. It really does not have an impact on the coordinated services. So at this point, we are building a scheduler -- I mean, I'm sorry, we are building this process of the web-based communication to address the SL-1s, the noncoordinated.

Q Okay. Someone asked you earlier how your process would be similar to Verizon's, and I don't want you to repeat that. But what differences will there be between your process and the process that Verizon has put forward, or do you not

know that yet?

A I don't know if I can answer that in detail, Tami. I don't know. We know there are some similarities in that process, but I don't know if I can detail that on a step-by-step basis for you.

Q And, similarly, you cannot detail the differences?

A I can't at this time, no.

Q I'm a little confused by -- I'm looking for the place. I wrote it down and now I can't find it. Oh, it's on Page 15. You are talking further -- on Page 15, near the bottom of the page, you are talking further about the scheduling tool, and you said BellSouth also has agreed to implement a scheduling tool to allow CLECs to select batch migration due dates, thus reducing negotiation steps and manual interface times.

A Yes.

Q How would it eliminate the manual interface times?

A Well, if you have a scheduling tool, what we heard from the CLECs was that what it would eliminate is the spreadsheet process that you have to send -- that you would send in today for the batch to the project manager. You would be setting that schedule yourself and you would not be utilizing a spreadsheet process to enter the batch process. You would make those -- you would use the scheduler to establish your due dates and submit that then on the batch

process.

Q You say in the following paragraph that BellSouth will honor that date as long as workload and personnel will allow. Again, how will you notify the CLEC using that web-based scheduler that, no, sorry, we can't do it, the workload doesn't allow?

A Well, the web-based scheduler, when we put the scheduler in place, then there will be a -- there will be a number of -- I will use the word appointments, or there will be a number of availabilities per office for you to select from. So as a CLEC you will go in and select on that web-based scheduler based on what is available in that office or how many we have available that we are going to apply to that particular order or process. And so once you exceed that amount, then they will no longer be available for that particular date.

Q But more than one CLEC will be using that scheduler, right?

A Absolutely.

Q And will it bump someone out as soon as they go in and try to put something in if that day is already full?

A Yes. There will be a process where you will select those off, and then as you are selecting those, then it will count down for the number of available slots for that office.

Q Have you determined what the number of available slots will be?

A Right now we are looking at the SBC process, and we are looking at 200.

Q Per day?

A Per day, per office.

Q Including Saturdays?

A Saturdays and after hours, Tami, we are looking at setting those based on time frames, so we will be delivering that to you when we deliver the after hours on the 18th. And they will be set similar also to SBC's where there will be selectivity for a certain amount based on whether it is an after hours or a Saturday schedule.

Q Mr. Ainsworth, you have used in your testimony a number of different places the word "seamless." When you use that word, how are you using it? What does it mean to you?

A The word "seamless," to me means that we have mitigated any interruption to the customer to a minimal. So to me, seamless means that the only time frame from a cut process is the movement of that jumper, which is a process that has to happen from the facility to the CLEC collocation or switch.

MS. AZORSKY: I have no further questions.

CROSS EXAMINATION

BY MR. O'ROARK:

Q Mr. Ainsworth, this is De O'Roark with MCI. I believe I am last, so I'm trying to go through my questions to see how I can pare them down. I will do my best.

MS. FOSHEE: De, just for purposes of Mr. Ainsworth and the court reporter, how much do you think you have? I'm not trying to limit you, I'm just wondering if we should take five minutes.

MR. SUSAC: Could we just take just a two-minute break?

MR. O'ROARK: A two-minute break is fine.

(Brief recess.)

MR. SUSAC: All right. The Commission is back on line.

MR. O'ROARK: Okay. BellSouth, I think, is still here. I am here. AT&T went to grab another call.

MS. AZORSKY: I'm here. I was listening.

MR. O'ROARK: Okay. BellSouth are you here?

THE WITNESS: De, this is Ken. I am waiting on Lisa. Lisa stepped out on the phone. Let me holler at her.

MR. O'ROARK: Okay.

MR. SUSAC: I know right before -- or, actually, I should say right after we took a break, wasn't BellSouth going to give AT&T that late filing exhibit?

MS. FOSHEE: We are going to do a Late-filed Number 5, which is any documentation that we have for the notification systems. And then we are going to do a Late-filed Number 6 for MCI to the extent that we have a process flow for the noncoordinated hot cuts.

MR. SUSAC: And does the Commission receive a copy of those?

MS. FOSHEE: Yes. We will serve all the parties, including the Commission.

MR. SUSAC: Okay. Thank you very much.

(Late-filed Deposition Exhibit Numbers 5 and 6 identified.)

MR. O'ROARK: Do we have a court reporter?

MR. SUSAC: Yes, we do. We are ready to go.

MR. O'ROARK: Okay. Great.

BY MR. O'ROARK:

Q Mr. Ainsworth, this is De O'Roark with MCI. Let me ask you to turn to Page 36 of your direct, please. And let me know when you are there.

A I'm there.

Q On my version of your testimony at Line 14, you say that using daily volumes for Florida, you would have to hire 425 CWINs technicians in what you consider to be the worst-case scenario, is that right?

A Yes, that is correct.

Q And since Florida represents 29 percent of the region, does that mean you would need to hire another thousand or so, to cover the rest of the region? Let me ask it another way. Is the 425 a Florida specific number to cover sort of Florida's contribution to the total?

A Yes, the 425 is the number just for Florida, based on their percentage, and it would be additional resources for the region.

Q So if I divided that by .29, that would give you almost 1,500 for the region?

A 1,467.

Q Thank you. How many people work in CWINs today, region-wide, ballpark?

A Today in CWINs we are looking at -- I think as of January, and, again, this is an estimate, but it is fairly close, there is a little over 500. 507 total.

Q Of those 507, roughly how many serve the function that these new folks would be hired to perform?

A Today -- we're talking CWINs, is that right?

Q Yes. You are hiring the people to help with the additional coordinated cuts, and so the question is roughly how many of those 507 today are helping with the coordinated cuts?

A What we are talking about in the process, De, would be today performing those functions in CWINs would be 194.

Q Okay. So you have got about 194 people doing it today, and if you ramped up to the kind of volumes you are talking about, you would need an additional 1,467 region-wide?

A For the region that would be correct.

Q All right. The same page you talk about the numbers for the LCSC, and at Line 16 you talk about adding 105 LCSC

representatives. And, again, I am assuming that is a Florida specific number?

A Yes, you would be correct. It is Florida specific.

Q And so if we went region-wide, again, we would divide by .29, and what would that give us?

A It would give you a difference of 361.

Q You say a difference, and that is what the region-wide total would be?

A That's what the region-wide total -- I'm sorry. The region-wide total for the LCSC?

Q I'm talking about the region-wide additional number, and I think that is the 361 that you just gave me?

A Yes, it is.

Q Now, let's go to the current number working at the LCSC?

A The current number at the LCSC is 377 performing that function.

Q Okay. All right. What is the grand total at the LCSC? I am the assuming 377 is a subset.

A 734 was the last check I had on it in January.

Q So you have got 377 that are handling manual fallout and manual orders?

A That would be processing, yes, for these type UNE orders. That is correct.

Q Let's talk about EELs for a couple minutes. And

let's talk about specifically the retail to CLEC EEL situation, and I'm talking about DS-0 level EELs?

A Yes.

Q And you understand that by DS-0 level EEL, that is a UNE-L loop combined with DS-0 transport, or it could be DS-1 transport?

A Yes.

Q In your surrebuttal testimony, I believe at Page 6. Yes, it is Page 6, Line 19 on my version, you say that you have got a product team that is developing the DS-0 EEL process, is that right?

A Yes, that is correct.

Q So a CLEC could not order that today?

A A CLEC -- a CLEC today cannot order a DS-0 EEL today, not for a migration.

Q At the time you filed your surrebuttal testimony, you said that it would be premature to speculate on the connectivity process. Do you know anything more about what is contemplated for the EEL process as you sit here today?

A I'm not sure I know specifically what you are asking me, De.

Q All right. Let me put it in terms of some more specific questions. Do you know whether an ASR or an LSR will need to be used to order an EEL, a DS-0 EEL?

A No, I can't answer that currently.

Q Is that because the product team hasn't determined that yet?

A They may have determined it, I just don't know the answer to it yet. They have not -- I'm not informed as to what they are going to do.

Q The same if I asked you whether it is going to be one order or two?

A The same answer, yes.

Q Do you know whether BellSouth plans to offer a concentration with DS-0 EELs?

A No, I do not.

Q Do you know if it has been contemplated?

A No, I do not.

Q Currently, if there is a CLEC that has got UNE-P and wants to migrate the customer to an EEL, that is not available?

A Currently that is not available. That is correct.

Q Is BellSouth planning to provide that?

A BellSouth is planning to allow UNE-P to an EEL, yes.

Q And I gather -- I believe you said earlier that the implementation time frame you have in mind is July of this year?

A Yes, that's what they have targeted to deliver that.

Q Does BellSouth plan to support the migration from one CLEC that serves a customer via UNE-P to another CLEC that will use an EEL, or do you know?

A No. I'm trying -- I'm trying to remember if I have been told that, but I can't answer that. I do not know.

Q A similar question, a migration from CLEC EEL to CLEC EEL, do you know if BellSouth plans to support that?

A No, I can't answer that, De.

Q Assume that in the loop transport case BellSouth wins the right not to provide access to transport over a transport route. Will BellSouth provide a DS-0 EEL involving the combination of a UNE-L loop and transport over that route?

MS. FOSHEE: Object to the form of the question. I think it is outside the scope of his testimony, but you may answer the question.

A I don't think I can answer that question.

Q And you can't because you don't know?

A I don't know.

Q Will DS-0 EELs require SL-2 loops or can SL-1 loops be used?

A The process right now as it is being developed is that they will be SL-2 loops.

Q Do you know whether the product team contemplates manual or electronic ordering?

A No, I do not know that.

Q Do you know if the CLEC will designate the specific CSA when ordering an EEL?

A I know the CLEC will have to designate a CFA. I

don't know how that will be processed at this time, though.

Q Will BellSouth do ANI testing on a DS-0 EEL?

A BellSouth will perform ANI testing for conversion activity at the conversion point for the EEL, yes.

Q All right. You qualify that in terms of conversion activity. I just want to make sure that we are communicating. Is there other -- are there other circumstances in which BellSouth will not do the ANI testing?

A I am talking about in context there could be -- yes, there could be other circumstances where we would not. If you were putting in a new service or a service that did not require a migration, then we would not have that process, because there would be no need for that process.

Q Okay. Thank you. Let me take you back to your direct testimony for a moment and flip back to Exhibit KLA-1, please?

A I'm there.

Q This is the provisioning process flow for coordinated cuts, and BellSouth has agreed to provide a Late-filed Exhibit 6, process flow for noncoordinated cuts, if BellSouth has such a process flow. Are you aware of whether BellSouth, in fact, does have such a process flow?

A I believe we do have a process flow, yes.

Q And that is going to save you some questions. A couple of questions, though. Upper left-hand corner, with a

coordinated cut, the first box you have got there is that the pending service orders were pulled from WFA-C?

A Yes. Work force administration, yes. Control office, yes.

Q That's what that stands for, work force administration control office?

A Work force administration control, yes, that is what it stands for. That's the administrative database.

Q I gather that there is not a screening group that screens orders for the noncoordinated cuts, is that correct?

A Not in the same context, no. They do not in the same context as is screened for coordinated orders.

Q In what context do they screen the orders?

A The context they screen the orders would be to move them to a position to validate on the due date that the go-aheads had been sent.

Q And we are talking about a noncoordinated order?

A Yes.

Q Okay. Let's go at it this way: Let's start with SOCS. We've got valid service orders, we are going to have a D order and an N order for a noncoordinated cut. Are you with me so far?

A Yes.

Q Can you please walk me through and explain how those service orders get to the central office technician's screen,

you know, when they pull the work orders for the prewiring work?

A Yes, I am --

Q Can you walk me through the process of how the orders get to that point, please?

A Well, yes, they enter the order into -- of course, you mentioned the SOCS, the service order system.

Q Yes, you said, "they enter," and you lost me right from the outset.

A When the LCSC enters the order or the order comes in electronically --

Q Yes.

A -- it enters into the SOCS system, which distributes the order downstream. And then it goes through the process, through our downstream systems, validating through LFACS and those systems for facilities and making those determinations to create the service orders. Once that service order is created, it will be generated out to CWINs based on the fact it is an SL-1 noncoordinated, as I said, and it will be moved to a position to be tracked on the due date for a go-ahead notification validation. The order simultaneously or parallel will be sent into a system for the central office, and I think that system is called FOMS, but I don't remember what the designation currently is for that.

Q F-O-M-S?

A -- system for the technicians, or either LMOS, if it's a dispatched order, or WFA-DI -- I'm sorry, WFA-DI or either WFA-DO for a dispatched order, which will load the technicians in the central office and in the field, if necessary. That will give them their work activity, and it will be scheduled based on the dates that are associated with that order. So they will be given that order and the prewiring steps will be loaded to them prior to the due date. They will go in their system -- it will be generated out of their system. They will go in and complete their order functions with that service order out of WFA-DI. They will complete that function back into WFA-DI, and then they will again be loaded on the due date to complete the wiring function or the cut function that will take place.

Q Okay. Can I stop you there, please?

A Absolutely.

Q Okay. Thanks. Is there a human being that does any screening activity before the central office technician first looks at the screen to start the prewiring process?

A It flows through electronically. The answer is no and yes. As far as screening, no. There is no screening done as far as stopping the order to the central office.

Q Okay.

A There is screening done in the work force management center, who looks at the loads for the central office and for

the IM technicians, and actually looks at those loads and monitors those loads into the offices to make sure they don't need to make adjustments or level load that. But other than that, the system will generate that downstream to the central office technician or the IM technician, whichever one is necessary for the activity.

Q So I gather that there is some computer system that performs a scheduling function, but then the work force management center oversees that to level things out as necessary?

A That's right. Their responsibility is to monitor the load and to make sure that the load is level, level-loaded. So they may move that load around based on technicians, particularly when you are dealing with dispatch technicians.

Q And you call that the work force management center?

A Yes.

Q Is that in CWINs?

A No, that is not. That is the network operation center, WMC, work management center.

Q And does the WMC have to physically process those service orders before they flow to the central office personnel?

A Not to my knowledge. I would say that Al Heartley may can lend more to that process you are talking about.

Q But your understanding is that the orders will flow

unless somebody in the WMC sees some kind of imbalance and manually shifts things?

A Yes, that is correct.

Q And you went -- a couple of minutes ago you went through a number of acronyms. I'm mindful of the time, and I'm not planning to take a lot longer, but can we kind of walk carefully from SOCS to the technician's screen in the central office. I think the first thing you said was that there were a number of database checks, LFACS and switch, I assume were a part of that?

A Well, yes, switch, actually, we call that FOMS now. I don't remember -- I don't remember the exact definition of that, but switch and FOMS are the central office database. And that where it resides, information resides for your OE. And, of course, LFACS is your facility database where it validates the facilities.

Q And SOAC, S-O-A-C, is kind of the computer management system for all of that?

A That is correct.

Q Let me ask you this, when the service order gets to the technician's screen, what information is the technician provided?

A Again, now, I think you need to ask Mr. Heartley that question.

Q Do you have any knowledge on that?

A I know that from the central office standpoint that they get -- they get the circuit ID, they get the telephone number, they get the cable and facilities from the central office side, and they get similar information on I&M in their work activity screens.

Q When you say they get similar information on I&M, I mean, does that -- are you saying that the installation and maintenance personnel would get similar information on their screens, or are you saying that the central office folks get I&M information?

A No, the central office gets the information related to their wiring and to their work tasks that they are utilizing, so they will get the information as far as the cable pair, CFA pairs, whatever the assignments are, whether or not it's a C order, the activity of the order and those type things. The I&M person will receive, also, S&E equipment information, plus the facility information, plus customer name, end user location, that kind of information.

Q Thanks, Mr. Ainsworth. I tell you what, since you are pretty sure that you have got a process flow -- if we had more time I would get into this a bit more, but we don't.

Let me ask you a couple more things. Once the technician has completed his or her activities, and the loop cut-over is finished, then the technician inputs information into the system, and a lot of information flows, such as to the

CRIS database to update the CSR, to the maintenance repair databases and so forth. Is that generally accurate?

A Yes. They will close out their work request, and it will promulgate up and complete the SOCS order. The SOCS order generates the activity you are talking about to the other databases.

Q Okay. Is it possible in the updating of those databases and the providing of the completion notice that the orders can fall out for manual processing and it is handled by BellSouth's provisioning group?

A I'm not sure I've got your question specific enough for me to answer.

Q Let me give you an example. Remember when we talked about the hold file for billing? A couple or three years ago it was possible for the orders to fall into a hold file, and a BellSouth representative had to go in and figure out the problem before the order could be completed to billing?

A Yes, I do.

Q And it is still possible for that to happen today?

A That could occur, yes.

Q And you have -- BellSouth has representatives that deal with the hold file today, I assume?

A Yes. We have representatives that monitor those type files to pick up any kind of error conditions we have or hold file errors and resolve those. That is correct.

Q Are there other situations where the orders fall out for manual processing, either in, say, maintenance repair, the updating of the CSR, and the provisioning of the completion notice, or, other systems that are updated after completion of the cut?

A There are possibly some other orders -- there are some other errors that could occur. Hold file is one of those errors that could occur, but I would have to go back and look at those specifically.

Q Mr. Ainsworth, if we are dealing with IDLC, and there is no spare copper available, how is the decision made as to how the customer is going to be served? Is that something that a person in CWINs looks at, researches, and figures out?

A No, CWINs has nothing to do with that. That goes out to the network groups who would make decisions on how to process that. If you would look at my direct testimony, I refer to that, I think. Let me look. On Page 25.

Q Yes.

A I give you eight alternatives there, in the event we are looking for or trying to provide a facility for various reasons. That is the loop deployment directives that BellSouth uses to make a determination on what type facility and what process we will go through to provide that loop.

Q And that was the list I had in mind, Mr. Ainsworth. And my question is, is that a human being who figures out which

one of those applies or is that mechanized?

A No, it would be manual.

Q And you said it was -- I've forgotten, an engineering group that looks at that?

A Let me clarify that. It would be -- it could be manual. If there are facilities available in the database, in the process, then it would assign them, like it would if there is an available copper loop. Your scenario said there was no loop available?

Q That's right. That is what I was asking you about.

A It would look -- it would look at the next scenario. And if it could assign it in the database, it would do that. Otherwise, the steps that we are talking about here would have to be looked at by the network groups to make a determination of how they would apply that.

Q Specifically, which network groups do that?

A It would be in the engineering group. Al Heartly can probably tell you exactly. It is a SAC group out there that would get the request.

Q What does SAC stand for?

A I wish I knew.

MR. O'ROARK: Okay. Give me one moment, Mr. Ainsworth. I think we are about done here. Okay. That's all I have, Mr. Ainsworth. Thank you.

THE WITNESS: Thank you.

MR. SUSAC: All right. Well, staff just has about four more hours of questions. Is that all right, Mr. Ainsworth?

THE WITNESS: Just fire away.

MR. SUSAC: Let's go off the record.

(Off the record.)

(The deposition concluded at 7:25 p.m.)

ERRATA SHEET
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IN RE: DOCKET NO. 080851-TP
NAME: KENNETH AINSWORTH
DATE: February 9, 2004

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

_____ KENNETH L. AINSWORTH

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 160 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 13th day of February, 2003.

JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

Summary Bulk Migration Orders

Bulk Order	Due Date	EATNs	Lines	Rmk.
SF7011061201BULK	6/18/2003	2	2	
SF7011061202BULK	6/18/2003	1	1	1 EATN canc.
FL1118306AS3BULK	11/19/2003	57	57	
FL1120206AS4BULK	11/20/2003	22	22	

ACNA	ORDER	DDCOMP	ZLOC	PON	COS	PRN	ITEMS
[redacted]	NQ3353L8	6/18/2003	MIAMFLRR	UNELRRBLK2	UEANL	SF7011061201BULK	1
	NQ2K3NL4	6/18/2003	MIAMFLRR	UNELRRBLK1	UEANL	SF7011061201BULK	1

ACNA	ORDER	DDCOMP	ZLOC	PON	COS	PRN	ITEMS
[redacted]	NQ7NJKY4	6/18/2003	NDADFLGG	UNELGGBLK1	UEANL	SF7011061202BULK	1

11/19/2003

	ACNA	ORDER	DDCOMP	ZLOC	PON	COS	PRN	ITEMS
1		NRG67JC1	11/19/2003	FTLDFLPL	STIPLR00453	UEANL	FL1118306AS3BULK	1
2		NRFY4M14	11/19/2003	FTLDFLPL	STIPLR00463	UEANL	FL1118306AS3BULK	1
3		NRFDN0T6	11/19/2003	FTLDFLPL	STIPLR00440	UEANL	FL1118306AS3BULK	1
4		NRFDJPB5	11/19/2003	FTLDFLPL	STIPLR00480	UEANL	FL1118306AS3BULK	1
5		NRF8YFP8	11/19/2003	FTLDFLPL	STIPLR00436	UEANL	FL1118306AS3BULK	1
6		NRDVM2P4	11/19/2003	FTLDFLPL	STIPLR00474	UEANL	FL1118306AS3BULK	1
7		NRDRY7Q7	11/19/2003	FTLDFLPL	STIPLR00487	UEANL	FL1118306AS3BULK	1
8		NRD70R45	11/19/2003	FTLDFLPL	STIPLR00429	UEANL	FL1118306AS3BULK	1
9		NRD46CC7	11/19/2003	FTLDFLPL	STIPLR00466	UEANL	FL1118306AS3BULK	1
10		NRCY0VL7	11/19/2003	FTLDFLPL	STIPLR00451	UEANL	FL1118306AS3BULK	1
11		NRCKN2W7	11/19/2003	FTLDFLPL	STIPLR00465	UEANL	FL1118306AS3BULK	1
12		NRCKG8D3	11/19/2003	FTLDFLPL	STIPLR00439	UEANL	FL1118306AS3BULK	1
13		NRCJ9FF3	11/19/2003	FTLDFLPL	STIPLR00458	UEANL	FL1118306AS3BULK	1
14		NRCHKHV2	11/19/2003	FTLDFLPL	STIPLR00469	UEANL	FL1118306AS3BULK	1
15		NRBFFQ81	11/19/2003	FTLDFLPL	STIPLR00437	UEANL	FL1118306AS3BULK	1
16		NRBDJXW4	11/19/2003	FTLDFLPL	STIPLR00459	UEANL	FL1118306AS3BULK	1
17		NRB66BG1	11/19/2003	FTLDFLPL	STIPLR00448	UEANL	FL1118306AS3BULK	1
18		NRB4X3G5	11/19/2003	FTLDFLPL	STIPLR00452	UEANL	FL1118306AS3BULK	1
19		NRB2F712	11/19/2003	FTLDFLPL	STIPLR00475	UEANL	FL1118306AS3BULK	1
20		NR9YY0K7	11/19/2003	FTLDFLPL	STIPLR00434	UEANL	FL1118306AS3BULK	1
21		NR9W7Y49	11/19/2003	FTLDFLPL	STIPLR00492	UEANL	FL1118306AS3BULK	1
22		NR9P0R33	11/19/2003	FTLDFLPL	STIPLR00435	UEANL	FL1118306AS3BULK	1
23		NR9M8XC1	11/19/2003	FTLDFLPL	STIPLR00433	UEANL	FL1118306AS3BULK	1
24		NR9B13R9	11/19/2003	FTLDFLPL	STIPLR00471	UEANL	FL1118306AS3BULK	1
25		NR90BPV2	11/19/2003	FTLDFLPL	STIPLR00442	UEANL	FL1118306AS3BULK	1
26		NR8V31D8	11/19/2003	FTLDFLPL	STIPLR00443	UEANL	FL1118306AS3BULK	1
27		NR8Q3B77	11/19/2003	FTLDFLPL	STIPLR00464	UEANL	FL1118306AS3BULK	1
28		NR8KPT98	11/19/2003	FTLDFLPL	STIPLR00472	UEANL	FL1118306AS3BULK	1
29		NR7WMXR3	11/19/2003	FTLDFLPL	STIPLR00461	UEANL	FL1118306AS3BULK	1
30		NR7TY408	11/19/2003	FTLDFLPL	STIPLR00432	UEANL	FL1118306AS3BULK	1
31		NR7KQMF7	11/19/2003	FTLDFLPL	STIPLR00441	UEANL	FL1118306AS3BULK	1
32		NR6Y1662	11/19/2003	FTLDFLPL	STIPLR00446	UEANL	FL1118306AS3BULK	1
33		NR6VLRK8	11/19/2003	FTLDFLPL	STIPLR00468	UEANL	FL1118306AS3BULK	1
34		NR6JBC33	11/19/2003	FTLDFLPL	STIPLR00481	UEANL	FL1118306AS3BULK	1
35		NR567WC8	11/19/2003	FTLDFLPL	STIPLR00483	UEANL	FL1118306AS3BULK	1
36		NR4LX617	11/19/2003	FTLDFLPL	STIPLR00490	UEANL	FL1118306AS3BULK	1
37		NR4G7RX2	11/19/2003	FTLDFLPL	STIPLR00478	UEANL	FL1118306AS3BULK	1
38		NR495GK6	11/19/2003	FTLDFLPL	STIPLR00431	UEANL	FL1118306AS3BULK	1
39		NR48JQN7	11/19/2003	FTLDFLPL	STIPLR00489	UEANL	FL1118306AS3BULK	1
40		NR3VRKB9	11/19/2003	FTLDFLPL	STIPLR00462	UEANL	FL1118306AS3BULK	1
41		NR3P0B98	11/19/2003	FTLDFLPL	STIPLR00467	UEANL	FL1118306AS3BULK	1
42		NR3L05P0	11/19/2003	FTLDFLPL	STIPLR00470	UEANL	FL1118306AS3BULK	1
43		NR33H4B0	11/19/2003	FTLDFLPL	STIPLR00449	UEANL	FL1118306AS3BULK	1
44		NR2XLLT2	11/19/2003	FTLDFLPL	STIPLR00450	UEANL	FL1118306AS3BULK	1
45		NR2PVDF2	11/19/2003	FTLDFLPL	STIPLR00476	UEANL	FL1118306AS3BULK	1
46		NR25VL07	11/19/2003	FTLDFLPL	STIPLR00488	UEANL	FL1118306AS3BULK	1
47		NR2084H6	11/19/2003	FTLDFLPL	STIPLR00477	UEANL	FL1118306AS3BULK	1
48		NR1XQVQ4	11/19/2003	FTLDFLPL	STIPLR00485	UEANL	FL1118306AS3BULK	1
49		NR1WXLX2	11/19/2003	FTLDFLPL	STIPLR00486	UEANL	FL1118306AS3BULK	1
50		NR1Q5C44	11/19/2003	FTLDFLPL	STIPLR00454	UEANL	FL1118306AS3BULK	1
51		NR169H53	11/19/2003	FTLDFLPL	STIPLR00447	UEANL	FL1118306AS3BULK	1
52		NR1206W0	11/19/2003	FTLDFLPL	STIPLR00482	UEANL	FL1118306AS3BULK	1
53		NR0XXX39	11/19/2003	FTLDFLPL	STIPLR00444	UEANL	FL1118306AS3BULK	1
54		NR0L6F51	11/19/2003	FTLDFLPL	STIPLR00456	UEANL	FL1118306AS3BULK	1
55		NR0G6NG5	11/19/2003	FTLDFLPL	STIPLR00455	UEANL	FL1118306AS3BULK	1
56		NR090JL0	11/19/2003	FTLDFLPL	STIPLR00491	UEANL	FL1118306AS3BULK	1
57		NR06MG62	11/19/2003	FTLDFLPL	STIPLR00457	UEANL	FL1118306AS3BULK	1

11/20/2003

	ACNA	ORDER	DDCOMP	ZLOC	PON	COS	PRN	ITEMS
1		NRG3BF21	11/20/2003	FTLDFLPL	STIPLR00857	UEANL	FL1120206AS4BULK	1
2		NRG2KN88	11/20/2003	FTLDFLPL	STIPLR00877	UEANL	FL1120206AS4BULK	1
3		NRFCTFT0	11/20/2003	FTLDFLPL	STIPLR00855	UEANL	FL1120206AS4BULK	1
4		NRCVNPB6	11/20/2003	FTLDFLPL	STIPLR00864	UEANL	FL1120206AS4BULK	1
5		NRCTFHR7	11/20/2003	FTLDFLPL	STIPLR00867	UEANL	FL1120206AS4BULK	1
6		NRC97169	11/20/2003	FTLDFLPL	STIPLR00862	UEANL	FL1120206AS4BULK	1
7		NRBQ6DY5	11/20/2003	FTLDFLPL	STIPLR00870	UEANL	FL1120206AS4BULK	1
8		NRBL5TL8	11/20/2003	FTLDFLPL	STIPLR00859	UEANL	FL1120206AS4BULK	1
9		NR9RTDW7	11/20/2003	FTLDFLPL	STIPLR00875	UEANL	FL1120206AS4BULK	1
10		NR7GTK29	11/20/2003	FTLDFLPL	STIPLR00861	UEANL	FL1120206AS4BULK	1
11		NR6TLCT2	11/20/2003	FTLDFLPL	STIPLR00869	UEANL	FL1120206AS4BULK	1
12		NR6R4QC1	11/20/2003	FTLDFLPL	STIPLR00878	UEANL	FL1120206AS4BULK	1
13		NR5YYG51	11/20/2003	FTLDFLPL	STIPLR00854	UEANL	FL1120206AS4BULK	1
14		NR5V3F21	11/20/2003	FTLDFLPL	STIPLR00865	UEANL	FL1120206AS4BULK	1
15		NR53K0J2	11/20/2003	FTLDFLPL	STIPLR00871	UEANL	FL1120206AS4BULK	1
16		NR4NQ7X3	11/20/2003	FTLDFLPL	STIPLR00881	UEANL	FL1120206AS4BULK	1
17		NR24WNG9	11/20/2003	FTLDFLPL	STIPLR00868	UEANL	FL1120206AS4BULK	1
18		NR1K8T63	11/20/2003	FTLDFLPL	STIPLR00872	UEANL	FL1120206AS4BULK	1
19		NR1GF9Y0	11/20/2003	FTLDFLPL	STIPLR00880	UEANL	FL1120206AS4BULK	1
20		NR1DJ9T9	11/20/2003	FTLDFLPL	STIPLR00858	UEANL	FL1120206AS4BULK	1
21		NR0L53N7	11/20/2003	FTLDFLPL	STIPLR00876	UEANL	FL1120206AS4BULK	1
22		NR0682F0	11/20/2003	FTLDFLPL	STIPLR00856	UEANL	FL1120206AS4BULK	1

UNE-Port/Loop Combination (UNE-P) to UNE-Loop (UNE-L) Bulk Migration

CLEC Information Package

Version 2
February 18, 2004

UNE-P to UNE-L Bulk Migration

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UNE-P to UNE-L Bulk Migration

1. Introduction & Scope

This Product Information Package is intended to provide CLECs general ordering information specific to the **UNE-P** to **UNE-L** Bulk Migration process described herein.

The information contained in this document is subject to change. BellSouth will provide notification of changes to the document through the CLEC Notification Process.

Please contact your BellSouth Local Support Manager if you have any questions about the information contained herein.

UNE-P to UNE-L Bulk Migration

2. Revisions

1) Following are the revisions in section 5 "Bulk Migration Options" that are enhancements to the Bulk Migration process as referenced in Carrier Notification Letter SN91083967.

- After Hours/Weekend Migrations
- Two-Hour Go Ahead Notifications for SL1 non-coordinated migrations
- Time Windows for coordinated conversions
- Pre and Post order completion restoral process (Throwback)
- Same-Day end-user account migration
- CLEC to CLEC migration (UNE-P to UNE-L)

2) Additional revisions include interval reductions in the table in section 10.1 **"Bulk Migration Project Notification Interval"** .

- For a "Maximum of 99" telephone numbers the CCPM interval has been reduced from 7 business days to 4 business days.
- For "100-200" telephone numbers, the CCPM interval has been reduced from 10 business days to 6 business days.

UNE-P to UNE-L Bulk Migration

3. Service Description

The Unbundled Network Element – Port/Loop Combination (UNE-P) to Unbundled Network Element – Loop (UNE-L) Bulk Migration process may be used by a CLEC when migrating existing multiple non-complex UNE-P Services to a UNE-L offering.

All Bulk Migration orders will be project managed by a BellSouth Project Manager. Initially, the CLEC will submit required information to a BellSouth Customer Care Project Manager (CCPM) who after reviewing the bulk migration work effort with the field organizations will provide due dates back to the CLEC. Once the CLEC receives the due date information from the BellSouth Project Manager, the CLEC will electronically submit a Bulk Request for service order processing and provisioning. This allows migration of multiple UNE-P end-users to a UNE-L offering without submitting individual Local Service Requests.

UNE-P and UNE-L are defined below:

3.1 UNE-P

UNE-P is a UNE Port/Loop Switched Combination that combines a UNE local switch port and UNE loop to create an end-user-to-end-user transmission path and provides local exchange service. The CLEC may also choose to use the vertical services that are available through the features and functions of the local switch.

3.2 UNE-L

UNE-L is defined as the local loop network element that is a transmission facility between the main distribution frame (MDF) in BellSouth's central office and the point of demarcation at an end-user's premises. This facility will allow for the transmission of the CLEC's telecommunications services when connected to the CLEC's switch equipment. The local loop will require cross-connects for connection to the CLEC's collocation equipment. BellSouth does not provide telecommunications services with the UNE-L.

UNE-P to UNE-L Bulk Migration

4. Bulk Migration Requirements

Major requirements for UNE-P to UNE-L Bulk Migration process are listed below. For complete requirements, refer to the **UNE to UNE Bulk Migration** section of the **Local Ordering Handbook** *(formerly named "BellSouth Business Rules for Local Ordering")*

- Bulk Migration is available for migrating existing **non-complex** Port/Loop Combination services to Unbundled Loops with Local Number Portability (LNP).
- A UNE Loop will be provided for each ported telephone number formerly associated with the UNE-P Service.
- Complex UNE-P accounts are prohibited on Bulk Requests. Examples of Complex UNE-P are 2 Wire ISDN/BRI Digital Loop & Port UNE Combination, 4 Wire ISDN/PRI Digital Loop & Port UNE Combination, UNE-P Centrex, *Digital Direct Integration Termination Service (DDITS), etc.*
- The UNE-Ps that can be migrated are listed in the **UNE-P USOC** section.
- UNE-Ps can be migrated to the UNE-Ls listed in the **UNE-L USOC** section. These UNE-L types must be in the CLEC's Interconnection Agreement.
- Bulk Requests that require a change in existing loop facilities to a type of facility that is not available, *resulting in a Pending Facility (PF) status on Due Date –7 days, must be cancelled by the CLEC and* removed from the Bulk Request.
- All Existing Account Telephone Numbers (EATNs) on the Bulk Request must use the existing Regional Street Address Guide (RSAG) valid end-user address.
- All EATNs must be served from the same BellSouth Serving Wire Center (SWC).
- *All UNE-Ps on a Bulk Request must be migrated to a single UNE-L type.*
- No end-user moves or changes of address will be allowed on the Bulk Request.
- Non-Recurring rates for the specific loop type being requested will be charged.
- Service order charges for mechanized orders (SOMEC) will be charged based on the current rules for individual Local Service Requests (LSRs) created per EATN of a Bulk Request.
- A BellSouth Customer Care Project Manager (CCPM) will project manage the Bulk Request.
- CLEC must submit a **BellSouth UNE-P to UNE-L Bulk Migration Project Notification,** herein known as **Project Notification,** to the BellSouth CCPM prior to the CLEC's placing the mechanized Bulk Request.
- CLEC may specify Desired Due Dates (DDD) for each EATN. The BellSouth CCPM will negotiate due *dates with Network Operations. Every effort will be made to accommodate the CLEC DDDs where* force and load permits and minimum intervals are met.
- A minimum of two (2) EATNs and up to a maximum of ninety-nine (99) EATNs can be placed on a single Bulk Request.
- A maximum of twenty-five (25) end-user telephone numbers per EATN can be placed on a Bulk Request.
- No additional EATNs or end-user telephone numbers may be added to the ***BellSouth UNE-P to UNE-L Bulk Migration Project Notification*** form once it has been submitted to the BellSouth CCPM.

UNE-P to UNE-L Bulk Migration

Requirements (continued)

- Order Coordination-Time Specific option is not applicable for a Bulk Request.
- UNE-Ls that require a Service Inquiry and/or Unbundled Loop Modification are excluded from the Bulk Request process.
- A Reservation Identification (RESID) (also referred to as a Facility Reservation Number (FRN)) is required on the Bulk Request for Unbundled ADSL Compatible Loops, HDSL Compatible Loops and Unbundled Copper Loop - Designed (UCL-D). Refer to the **Unbundled ADSL and Unbundled HDSL Compatible Loop, UCL-Designed CLEC Information Packages** and **Loop Make-Up CLEC Information Package** for RESID/FRN requirements.
- When a Mechanized Loop Make Up with Facility Reservation Number (FRN) is requested, the CLEC must submit the Bulk Request with the FRN to BellSouth within 24 hours of receiving FRN.
- Firm Order Confirmation (FOC) will be sent on individual LSRs generated from the Bulk Request.
- Upon receipt of a Reject, CLEC must re-submit a corrected Bulk Request or submit a cancellation of the Bulk Request.

5. Bulk Migration Options

5.1 Order Coordination (Coordinated Hot Cut)

- Order Coordination (OC) is available in situations where there is a reuse of existing facilities for the UNE-L.
- OC is included with the UVL-SL2, 2 Wire ADSL and 2/4 Wire HDSL Loops at no additional charge.
- OC is available as a chargeable option for conversions to UVL-SL1, UCL-Non Designed and UCL-Designed Loops. OC must be requested at the EATN level on the Project Notification form. An OC charge will be applied to each loop on the EATN for which OC has been requested.

UNE-P to UNE-L Bulk Migration

Bulk Migration Options (continued)

5.2 After Hours/Weekend Migrations

- Migrations will typically be completed during normal working hours of 8 a.m. – 5 p.m. However, for CLECs that have customers who need cutovers completed outside of normal business hours, after hours/weekend migrations are available at the CLECs request.
- The Project Notification Form includes a column titled "Special Handling". The CLEC provides its desired "Day" and "After Hours/Weekend" time window for the selected accounts at the EATN level in the Special Handling column according to the table below:

Days	After-hours Time-Windows	Minimum Lines	Maximum Lines	Special Considerations	Add'l charges
Mon – Fri [1]	7 a.m. – 8 a.m.	10	25	NA	Per CLEC's IA[3]
Mon – Fri [1]	5 p.m. – 7 p.m.	10	50	NA	Per CLEC's IA[3]
Saturday [1]	8 a.m. – 5 p.m.	50	100	UVL-SL1 Non-Coordinated only	Per CLEC's IA[3]
Mon-Fri [2]	7 p.m. – 12 midnight 6 a.m. – 7 a.m.	Individual Case Basis	Individual Case Basis	CO work only – no outside dispatches	Yes Overtime

[1] Extended Basic Hours
[2] Extended Overtime Hours
[3] Interconnection Agreement

5.3 Two (2) hour Go Ahead Notification *(for Non-Coordinated Bulk Migrations)*

- For ***non-coordinated*** non-designed migrations, the CLEC will be notified within a maximum of two (2) hours of the cutover.
- A Go Ahead Notification will be sent to the CLEC by facsimile* or email for UVL-SL1 and UCL-ND non-coordinated migrations.
- Once the CLEC is notified of the cutover completion, the CLEC can then complete the necessary number porting activities.

***Note**: To change from fax to email notification, the CLEC should contact its BellSouth Local Contract Manager (LCM) and provide its Alternate Exchange Carrier Number (AECN) and email address.

UNE-P to UNE-L Bulk Migration

Bulk Migration Options (continued)

5.4 Time Windows for Coordinated Conversions

Time Windows for Coordinated Conversions are available for bulk migration orders at the CLEC's request as follows:

- There are two (2) time window options:
  - *8 a.m. – 12 p.m.*
  - *1 p.m. – 5 p.m.*
- CLEC will submit the Project Notification form and indicate the time window desired, at the EATN level, in the Special Handling column.
- Prior to the due date, the BellSouth CCPM will coordinate with Customer Wholesale Interconnection Network Services (CWINS) to ensure that CWINS and Network forces are scheduled and loaded to perform the migration in the designated 4-hour time window.
- On the due date, the coordinated cutover will take place using current provisioning processes.

5.5 Pre and Post Order Completion Restoral Process (or Throwback Process)

- The restoral process (also referred to as a throwback process) is available at the CLEC's request due to out-of-service issues and when the CLEC requires a restoral/throwback back to the UNE-P service.
- ***The restoral/throwback process can only occur within a twenty-four (24) hour window of the UNE-L order Due Date.***
- The CLEC will use follow the requirements in 5.5.1 or 5.5.2 or 5.5.3 below depending on whether the order is (1)coordinated/non-coordinated *completed* UNE-L order; (2)coordinated *not* completed UNE-L order; (3)non-coordinated *not* completed order:

UNE-P to UNE-L Bulk Migration

Bulk Migration Options (continued)

5.5.1 Coordinated or Non-Coordinated '*Completed*' UNE-L order

- CLEC submits Expedited LSR to the Local Carrier Service Center (LCSC) using one of the following fax numbers:
  - Birmingham Fax Server – 888-792-6271
  - Atlanta Fax Server – 888-581-6038
- The LSR Package requesting a throwback to UNE-P must contain the following information:

LSR Fields	Field information
LSR Remarks	Restoral UNE-L to UNE-P
REQTYP	M
Local Service Request Page	ACT = V MI = C, D
Port Service Page	LNA = V, G FA=N UNE-P Telephone Number
Port Service Page - ECCKT Field	UNE-L associated Loop Circuit ID
Directory Listing	Fill out as any other ACT=V migration request
EXP	Y

- The CLEC must advise the BellSouth CCPM of the restoral/throwback request.
- UNE-P Non-Recurring, Recurring and Expedite rates will be charged if applicable.

5.5.2 Coordinated '*Not Completed*' UNE-L Order

- CLEC calls the CWINS Provisioning Group to request restoral/throwback to the UNE-P and if the number porting has been completed, the CLEC requests port-back activity.
- Refer to the **CWINS Location and Hours** web site for CWINs telephone numbers.
- Orders will be placed in Missed Appointment (MA) status.
- CLEC submits supplemental (sup) order to cancel or reschedule conversion request.
- After receipt of the sup order FOC, the CLEC will create a new Subscription Version (SV).
- The CLEC must advise the BellSouth CCPM of the restoral/throwback request.

UNE-P to UNE-L Bulk Migration

Bulk Migration Options (continued)

5.5.3 Non-Coordinated *'Not Completed'* UNE-L order

- CLEC emails CWINS Enhanced Delivery (EnDI) Group to request restoral/throwback.
- CWINS EnDI email address is cwins.lnp@bellsouth.com
- Orders will be placed in MA status.
- If the number porting has been completed, the CLEC will call the Fleming Island LCSC Call Center at 800-872-3116 to request port-back activity before the CLECs submits a sup order.
- LCSC will advise the CLEC of port-back process.
- CLEC submits sup order to cancel or reschedule conversion request.
- After receipt of the sup order FOC, the CLEC will create a new Subscription Version (SV).
- The CLEC must advise the BellSouth CCPM of the restoral/throwback request.

5.6 Same-day End-user Account Migrations

Same day End-user Account Migrations are available upon CLEC request. Same day end-user account migration means that all lines associated with an end-user from the same Serving Wire Center will be assigned the same due date.

- CLEC will group the same end-user accounts together on the Project Notification form.
- CLEC will submit the Project Notification form and indicate the same Due Date desired, at the EATN level, in the Special Handling column.
- The BellSouth CCPM will coordinate with the appropriate internal groups to ensure that all end-user account migration activity is performed on the same due date.

5.7 CLEC to CLEC Migration of UNE-P to UNE-L

This process is available with the Bulk Migration process as follows:

- CLEC (CLEC A) to CLEC (CLEC B) Migration of UNE-P to UNE-L is defined as a facility based CLEC (CLEC B) that is migrating the UNE-Ps, previously held by another CLEC (CLEC A), to UNE-Ls.
- CLEC B will prepare the Project Notification form using the same Bulk Migration requirements as specified within this document.
- The Project Notification form must contain all the necessary UNE-P and UNE-L information according to the requirements of the form.
- CLEC B must have an end-user letter of authorization (LOA) on file (it must be available if requested).

UNE-P to UNE-L Bulk Migration

6. Bulk Migration Submission/Flow Process

The Bulk Request Submission Process will consist of two main work activities. The CLEC will first submit a Project Notification. Once the Project Notification has been processed and returned to the CLEC, the CLEC will then prepare and input the mechanized Bulk Request. The Bulk Request must be submitted according to the guidelines contained in the **Local Ordering Handbook**. Below are the steps in the process :

Step #	Action
1	BellSouth CCPM receives Project Notification form from CLEC and negotiates/assigns Bulk Order Package Identifier (BOPI) and validates information (i.e., USOCs, Same Wire Center, etc.).
2	If pertinent information is missing on the Project Notification package, the form is returned to CLEC along with a reason(s) for return. BellSouth CCPM receives corrected Project Notification from the CLEC and continues the negotiation process.
3	BellSouth CCPM contacts BellSouth's Network organization and negotiates Due Date (DD) for all related Purchase Order Numbers (PONs) in the Bulk package and returns Bulk Notification Form including negotiated DD to the CLEC.
4	Upon receipt of the Bulk Notification Form that includes negotiated DD from BellSouth CCPM, CLEC submits Bulk Request package with negotiated dates for each EATN/PON via electronic ordering interface.
5	If the CLEC wants to supplement (SUP) (01,02,03) an individual PON, the request must be sent through the same electronic ordering system as the original Bulk Request.
6	At this point, the Bulk Request package will be processed for 1st level validation and any rejects will be mechanically generated to the CLEC.
7	The electronic ordering systems will accept the Bulk Request package, break the individual PONs into separate LSRs and populate the remaining required LSR fields from Operation Support System (OSS) systems prior to sending the individual LSRs downstream to the Local Number Portability (LNP) Gateway.
8	The LNP Gateway will perform 2nd level validations and provide any fallouts, per "business as usual" processes. The Local Carrier Service Center (LCSC) will handle all fallouts as normal. Any of the individual PONs that must be clarified will be sent back to the CLEC, business as usual.
9	After LNP Gateway issues the service orders, the LCSC will handle all manual service order fallouts as normal. The BellSouth Service Representative will send any PF and Missed Appointments (MA) to the CLEC via a jeopardy notice.
10	LNP Gateway will send an FOC on each individual PON associated with the Bulk Request package, to the CLEC.
11	The Project Manager will monitor PON, Service Order and Porting Statuses associated with the Bulk Request package. BellSouth's Service Representative and Project Manager will monitor the LNP gateway for the "Number Ported" messages and the Service Representative will handle manual port out order processing if required.

UNE-P to UNE-L Bulk Migration

7. BellSouth UNE-P to UNE-L Bulk Migration Project Notification Process

Following is the Project Notification process:

- Complete the **BellSouth UNE-P to UNE-L Bulk Migration Project Notification** form according to the instructions.
- Electronically submit the ***Project Notification*** to the email address of the CLEC's assigned BellSouth Customer Care Project Manager (CCPM). For help with identifying a BellSouth CCPM , the CLEC should contact its BellSouth Customer Support Manager.
- The BellSouth CCPM will review the information submitted by the CLEC and will assign a Bulk Order Package Identifier (BOPI) that the CLEC will later use on the electronic Bulk Request.
- The BellSouth CCPM will coordinate with BellSouth's field forces to schedule the migration Due Dates.
- Once the review with the field forces is complete, the BellSouth CCPM will include the Due Dates on the ***Project Notification*** and return it to the CLEC.
- No additional EATNs or end-user telephone numbers may be added to the ***Project Notification*** form once it has been submitted to the BellSouth CCPM.

UNE-P to UNE-L Bulk Migration

8. UNE-P USOCs

The UNE-P Services that can be migrated to UNE-L are represented by the Port USOCs listed in the table below:

Port USOC	Unbundled Port/Loop Combination Element	Description of Combinations using an Unbundled Exchange Port (UEP):
UEPBX	UEPLX	UEP, Business, 2 Wire Analog Business Line Port, UNE=P Basic Class of Service
UEPRX	UEPLX	UEP, Residence, 2 Wire Analog Residence Line Port, UNE-P Basic Class of Service
UEPCO	UEPLX	UEP, Coin Basic Class of Service UNE-P
UEPBV	UEPLX	UEP, Remote Call Forwarding, Business Basic Class of Service
UEPVR	UEPLX	UEP, Remote Call Forwarding, Residence Basic Class of Service

9. UNE-L USOCs

Below are the UNE-L types and associated USOCs to which the UNE-Ps can be migrated:

Loop USOC	Description
UEAL2	2 Wire Unbundled Voice Loop – SL1
UEAL2, UEAR2	2 Wire Unbundled Voice Loop – SL2
UCLPW	2 Wire Unbundled Copper Loop/Short– Designed without manual Service Inquiry
UCL2W	2 Wire Unbundled Copper Loop/Long - Designed without manual Service Inquiry
UCL4W	4 Wire Unbundled Copper Loop/Short – Designed without manual Service Inquiry
UCL4O	4 wire Unbundled Copper Loop/Long – Designed without manual Service Inquiry
UEQ2X	2 Wire Unbundled Copper Loop – Non-Designed
UAL2W	2 Wire Unbundled ADSL Loop without manual Service Inquiry
UHL2W	2 Wire Unbundled HDSL Loop without manual Service Inquiry
UHL4W	4 Wire Unbundled HDSL Loop without manual Service Inquiry

UNE-P to UNE-L Bulk Migration

10 Intervals

10.1 Bulk Migration Project Notification Interval

- The "CC*PM Targeted Response Interval*" column in the table below represents the targeted number of business days in which the BellSouth CCPM will respond back to the CLEC.
- CLEC must submit the **Project Notification** in advance of the earliest CLEC's requested Desired Due Date (DDD) according to the "*Minimum # of days in advance to submit Project Notification*" column in the table below. This column represents the number of days that the Project Notification must be submitted in advance of the earliest DDD.
- "*Minimum # of days*" includes the interval for the BellSouth Customer Care Project Manager to negotiate the Due Dates. It also allows three (3) days for the CLEC to correct, process and submit mechanized Bulk Request and it includes 14 days in order to meet the 14-business day submission requirement for the Bulk Request.
- The BellSouth CCPM will attempt, where possible, to assign the work such that migrations occur on the requested DDD.

# of end-user Tel. Numbers	CCPM Targeted Response Interval	CLEC days after receipt from Proj Mgr	Bulk Request Submission Requirement	Minimum # of days in advance to submit Project Notification
Maximum of 99	4 business days	3 business days	14 business days	21 business days
100-200	6 business days	3 business days	14 business days	23 business days
201 +	To be determined	3 business days	14 business days	Contact CCPM

10.2 Bulk Request Service Order Intervals

- The BellSouth CCPM will negotiate the Bulk Request due dates with BellSouth's provisioning personnel and will communicate the due date to the CLEC.
- The CLEC must submit the Bulk Request and it must be accepted by the mechanized system at least 14 business days in advance of the earliest Due Date for any end-user telephone number to be migrated.

10.3 Example of Intervals

An example of Intervals follows:

- March 1, 2004 - CLEC submits Project Notification with 87 end-user telephone numbers to the BellSouth CCPM
- March 5, 2004 (4 business days) – the BellSouth CCPM sends the Project Notification with firm Due Dates to the CLEC
- March 8 – March 10 (3 business days) – CLEC will prepare and submit mechanized Bulk Request via the electronic interface.
    - March 30, 2004 (14 business days) – the earliest assigned Due Date on the Project Notification returned to the CLEC.

UNE-P to UNE-L Bulk Migration

11. Acronyms

AECN	Alternate Exchange Carrier Number
ADSL	Asymmetrical Digital Subscriber Line
BOPI	Bulk Order Package Identifier
CCPM	Customer Care Project Manager
CHC	Coordinated Hot Cut
CLEC	Competitive Local Exchange Carrier
CWINS	*Customer Wholesale Interconnection Network Services*
DDD	Desired Due Date
EATN	Existing Account Telephone Number
EnDI	Enhanced Delivery
FOC	Firm Order Confirmation
FRN	Facility Reservation Number
HDSL	High-Bit-Rate Digital Subscriber Line
LCSC	Local Carrier Service Center
LNP	Local Number Portability
LSR	Local Service Request
MDF	Main Distribution Frame
OC	Order Coordination
OSS	Operation Support System
PON	Purchase Order Number
RESID	Reservation Identification
RSAG	Regional Street Address Guide
SUP	Supplemental
SWC	Serving Wire Center
UCL-D	Unbundled Copper Loop – Designed
UCL-ND	Unbundled Copper Loop – Non-Designed
UNE-P	Unbundled Network Element-Port/Loop Combination
UNE-L	UNE Loop

Batch Due Date Scheduler

"Currently Under Development"

- ***Implementation October 2004***
- ***Replaces current spreadsheet process***
- ***Properties***
  - ***Allows CLECs the ability to select Batch migration due dates from a WEB-based application***
  - ***Provides CLEC with BOPI (Bulk Order Project ID)***
  - ***Maximum of 200 loops per day per central office***
    - ***Maximum of 125 loops per day per central office per CLEC***
    - ***Multiple CLECs can schedule in the same central office not to exceed the 200 loop limit***
  - ***Allows migration selections for dispatched and non-dispatched***
  - ***Allows special handling request for after hour scheduling***
  - ***Allows special handling for AM and PM windows on coordinated migrations***

Please refer to the Direct Testimony of Ken Ainsworth at pages 3-9 for descriptions of coordinated, coordinated time-specific and non-coordinated hot cuts.

Non-coordinated Notification Web Tool

"*Under Development*"

- **Provides list of non-coordinated pending orders by due date**
- **Provides list of "go ahead" notifications with time stamp**
- **Provides CLEC no dial tone notification with time stamp**
- **Attached are draft screen prints of information to be contained in system**

BELLSOUTH

(CLEC NAME)
CLEC LIST OF PENDING ORDERS
Due Date 02/22/2004
7:00AM

SVCREQID	REUSESVCORD	PON	PROJNUM	*OUTSIDE DISP* OSP REQ	*INSIDE DISP* CO REQ	CIRCUIT ID
NR111111	CQREUxxxxxx	PON123456	ABC12345	Y		80.TYNU.xxxxxx..SB
NR222222	CQREUxxxxxx	PON123457		Y		80.TYNU.xxxxxx..SB
NR333333	CQREUxxxxxx	PON123458		N	Y	80.TYNU.xxxxxx..SB
NR444444	CQREUxxxxxx	PON123459		Y		80.TYNU.xxxxxx..SB
NR555555	CQREUxxxxxx	PON123460		N	Y	80.TYNU.xxxxxx..SB
NR666666	CQREUxxxxxx	PON123461	123ABC	N	Y	80.TYNU.xxxxxx..SB

GRAND TOTAL **6**

BELLSOUTH

GO-AHEAD NOTIFICATION
January 22, 2004

CLEC: (CLEC OCN)

BellSouth SVC ORD Number	Due Date	Wire Center	Circuit Identification	Purchase Order Number	Project Number	Notification Date/Time
NR111111	1/22/04	954761	80.TYNU.xxxxxx..SB	PON123456	ABC123 45	1/22/04 10:32 am
NR222222	1/22/04	954761	80.TYNU.xxxxxx..SB	PON123457		1/22/04 10:42 am
NR333333	1/22/04	954761	80.TYNU.xxxxxx..SB	PON123458		1/22/04 10:52 am
NR444444	1/22/04	954761	80.TYNU.xxxxxx..SB	PON123459		1/22/04 10:53 am

WEB Report Updated 1/22/04 @ 11:15a

PRIVATE/PROPRIETARY/LOCK
CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION.
MAY NOT BE USED OR DISCLOSED OUTSIDE THE BELLSOUTH COMPANIES
EXCEPT PURSUANT TO A WRITTEN AGREEMENT.
MUST BE STORED IN LOCKED FILES WHEN NOT IN USE.

BELLSOUTH

Currently Under Development

"CLEC No Dial Tone Notification"
January 22, 2004

CLEC: (CLEC OCN)

The following order/circuit (s) have been have been placed into CLEC – No Dial Tone status.

BellSouth SVC ORD #	Due Date	Circuit Identification	Purchase Order Number	Project Number	Placed on CLEC – No Dial Tone Status
NR777777	1/23/04	80.TYNU.667xxxSB	PON123456		1/22/04 10:30 am
NR555555	1/22/04	80.TYNU.xxxxxxSB	PON123460		1/21/04 09:00 am

WEB Report Updated 1/22/04 @ 11:15a

PRIVATE/PROPRIETARY/LOCK
CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION.
MAY NOT BE USED OR DISCLOSED OUTSIDE THE BELLSOUTH COMPANIES
EXCEPT PURSUANT TO A WRITTEN AGREEMENT.
MUST BE STORED IN LOCKED FILES WHEN NOT IN USE.

DOCUMENT	PAGE and/or LINE	CHANGE DESCRIPTION
Direct testimony	Page 8, Line 1	Add "or" after "(8 a.m.-5 p.m.)"
Direct testimony	Page 14, Line 20	Add "COORDINATED" after THE
Direct testimony	Page 22, Line 12	Change "7" to "4"
Direct testimony	Page 22, Line 13	Change "10" to "7"
Direct testimony	Page 23, Line 10	After "dates," insert "time frames, after hour scheduling, account coordination,"
Direct testimony	Page 23, line 21	After "The batch hot cut" delete "process"
Direct testimony	Page 23, Line 21	Add "wire work" after "provisioning"
Direct testimony	Exhibit KLA-3	In the "March 2006" block, change "2.22M" to "2.56M"
Direct testimony	Exhibit KLA-3	In the "October 2006" block, change "1.11M" to "1.28M"
Rebuttal testimony	Page 29, Line 24	Change "are" to "could be"
Rebuttal testimony	Page 29, Line 24-25	Add "." After "switch" and delete "at the time of the hot cut."
Surrebuttal testimony	Page 3, Line 6	After "days" add "(scheduled for OSS relief)"

EXHIBIT NO. 17A

DOCKET NO.: 030851-TP

WITNESSES: Terry J. Alleman

PARTY: Sprint

DESCRIPTION:

1. February 13, 2004, Deposition Transcript, page 1.
2. Late Filed Exhibit 1, page 25 – **CONFIDENTIAL.**
3. Late Filed Exhibit 2, page 26.
4. Late Filed Exhibit 3, page 88.

PROFFERING PARTY: STAFF

I.D. # TJA-D

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 17
COMPANY/ FPSC Staff / Sprint
WITNESS: TJA-D
DATE: 02/24-27/04

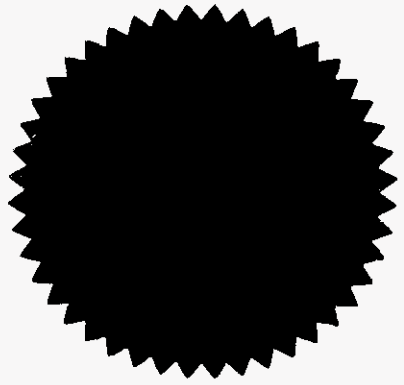
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO.030851-TP

In the Matter of

IMPLEMENTATION OF REQUIREMENTS ARISING FROM FEDERAL COMMUNICATIONS COMMISSION'S TRIENNIAL UNE REVIEW: LOCAL CIRCUIT SWITCHING FOR MASS MARKET CUSTOMERS.

_____/



TELEPHONE DEPOSITION OF:	TERRY J. ALLEMAN
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
DATE:	February 13th, 2004
TIME:	Commenced at 9:35 a.m. Concluded at 10:03 a.m.
LOCATION:	Gerald L. Gunter Building Room 362 2540 Shumard Oak Boulevard Tallahassee, Florida
REPORTED BY:	NANCY P. VETTERICK, RPR Notary Public, State of Florida at Large

ACCURATE STENOTYPE REPORTERS, INC.
2894-A REMINGTON GREEN LANE
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APPEARANCES:

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DE O'ROARK, ESQUIRE, MCI WorldCom Communications Inc. (GA), Six Concourse Parkway, Suite 600, Atlanta, Georgia 30328, appearing on behalf of MCI WorldCom Communications, Inc. (GA)

FELICIA BANKS, ESQUIRE, FPSC General Counsel's Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf of the Commission Staff

ALSO PRESENT:

LINDA BENNETT
JOHN FELD

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EXHIBIT INDEX

NUMBER	DESCRIPTION	PAGE
1	(Late-Filed) Written internal procedures documenting Sprint's hot cut procedures	12
2	(Late-Filed) Document defining project management	20
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S T I P U L A T I O N S

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that objections, except as the form of the question, are reserved until hearing in this case; 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.

P R O C E E D I N G S

MS. BANKS: We're now going on the record, so let's go ahead and take appearances. We'll begin with the folks on the phone and then with those who are in the room.

MS. MASTERTON: This is Susan Masterton representing Sprint.

MR. O'ROARK: De O'Roark representing MCI.

MS. BANKS: Anyone else?

(No response.)

MS. BANKS: Here in the room you have me, Felicia Banks, and accompanying me today is Lisa Harvey and John Duffy and our court reporter, of course. The notary, if you would go ahead and swear in the witness.

Thereupon,

TERRY J. ALLEMAN

was called as a witness, having been first duly sworn by Susan Skahan, was examined and testified as follows:

DIRECT EXAMINATION

BY MS. BANKS:

Q We'll go ahead and get started. Ms. Alleman, if you could please state your name for the record.

A Terry L. Alleman.

Q By whom are you employed?

A Sprint.

Q In what capacity?

A I am a senior analyst in the regulatory policy department.

Q And how long have you been in that position?

A I've been in this position just over two years.

Q Did you file testimony in Docket Number 030851-TP?

A Yes, I did.

Q What testimony was that?

A I filed direct testimony.

Q Okay. I guess I'll say that a majority of the questions and issues of clarification that I have this morning is regarding the batch hot cut process --

A Okay.

Q -- which I'm sure you have some familiarity with. I want to begin by saying is it your opinion that the Commission does not need to establish a batch hot cut process in the operating territory of Sprint-Florida?

A Yes.

Q And can you basically or give me some reference of where that opinion is coming from? Is it a TRO order or --

A Yes. Sprint is not challenging impairment in our territory in Florida at this time.

Q Okay.

A We have a very good hot cut process in place right now, and we don't see any need to change that process.

Q Are you making that opinion based on any specific provision that's in the TRO order?

A The TRO did state that it gave state commissions, you know, the right to either establish a batch hot cut process or to, you know, say that the current process was not a cause of impairment.

Q To the best of your knowledge, are there any other parties in this proceeding challenging your opinion?

A No.

Q And giving your decision not to challenge the national finding in this proceeding, Sprint will continue to offer mass market unbundled local circuit switching until an affirmative finding of non-impairment is made?

A That's correct.

Q Sprint currently has both a time coordinated and a non-timed coordinated hot cut process; is that correct?

A That's correct.

Q Can you just explain to me from the CLEC's perspective the difference between these two hot cuts?

A Yes. The timed coordinated hot cut would be when there's a specific time that it will be done, and the CLEC is actually on the phone with Sprint at the time the hot cut is done. For the non-timed hot cut, things are done ahead of time so that the CLEC doesn't have to be on the phone, and it will be done, you know, on a certain day between eight and five.

Then Sprint will call the CLEC, as soon as it's done, so they can go ahead and proceed with what they need to do.

Q Is there a cost difference to the CLEC for these two different processes?

A Yes.

Q Does Sprint offer a non-coordinated hot cut process similar to that offered by BellSouth?

A No. These are the only two processes we have.

Q On a non-timed coordinated hot cut, what is the average time between when the central office technician completes the hot cut and when NCPC notifies the CLEC that the conversion is complete?

A It would be immediate.

Q It would be immediate?

A Yes.

Q Ms. Alleman, is that for a non-timed coordinated hot cut?

A Yes. For the non-timed, it would be immediate that we would call the CLEC. For the timed, they're on the phone, so they would know immediately then, also.

Q So how long is it then?

A Well, our NCPC is on the phone with the central office technician, so they are aware, you know, right then when the cut is done. So it's just a matter of them, you know, picking up the phone and calling the CLEC.

Q You say that's immediate?

A Yes.

Q In reference to a timed coordinated hot cut, I just want to be clear I'm understanding your testimony on page 5. I'm assuming you have it in front of you.

A Yes.

Q If you go ahead and reference page 5, and I'm at line 25 on the bottom of that page.

A Okay.

Q If you could just read that sentence that begins on the conversion date.

A On the conversion date, at the specified times, the NCPC associate initiates the conference call

to all involved Sprint-Florida personnel and the CLEC to begin the conversion process.

Q Just to clarify, who from Sprint is on the call?

A On the timed coordinated, it would be the NCPC representative and the central office technician and the CLEC.

Q So this does include the central office technician making the actual cut?

A Yes.

Q So the notification time for completion of the cut for time specific is instantaneous, correct?

A Correct.

Q All timed coordinated hot cuts are handled via a conference all on the date of the cut?

A Correct.

Q Does Sprint ever use E-mail to notify CLECs of completion for timed coordinated hot cuts?

A No. Not to my knowledge.

Q What is the standard due date interval offered to CLECs for completion of a non-designed loop for a timed coordinated hot cut?

A I'm sorry. I missed part of the question.

Q What is the standard due date interval offered to CLECs for completion of a non-designed loop for a

time coordinated hot cut?

A The standard interval in Florida today would be four days or our average time to do it is four days.

Q And on a non-timed coordinated hot cut?

A It would be the same.

Q It would be the same?

A Yes.

Q Do written internal procedures exist documenting Sprint's hot cut processes?

A Yes.

Q Would it be possible to provide us with documentation of this as a late-filed exhibit?

A Sure. We can do that.

(Late-filed Exhibit Number 1 was marked for identification.)

BY MS. BANKS:

Q Do written procedures exist for CLECs that documents the necessary steps and provide them with information regarding the timed coordinated and non-timed coordinated hot cut process?

A We have an on-line web base order entry system, and there's a user guide on-line that explains everything in detail. I don't believe we have anything written. I don't have a hard copy of that.

Q Would it be possible to provide that procedure

that CLECs used to us as a late-filed, also?

A Can we provide the web site for you, or do you need something hard copy?

Q Well, I'm assuming you can print -- we need a hard copy.

A It's very large.

Q How voluminous is it?

A I don't know how it would come out in print. I know its extremely large because I considered printing it myself and decided not to.

MS. MASTERTON: Can we look into that and then, you know, get back to you, and to the extent that it might be too voluminous, we would just provide the web site, and to the extent that it could be printed, we would do that?

BY MS. BANKS:

Q And so there would be no way we could determine that while we're on the phone how voluminous it is?

A I don't think so.

Q We're going to need a hard copy; so I guess we can try to figure out how large it is and maybe the specific information we might need.

MS. MASTERTON: Okay. Let's just say we'll go back and look at what's there and then follow

up and work that out with you-all.

MS. BANKS: I guess this is a follow-up. Is training needed to use the web site, or is it pretty user friendly?

MS. MASTERTON: I think it's fairly user friendly. There's an on-line tutorial that goes along with it.

MS. BANKS: Okay. Well, we'll see. I'll just note it for now, and we'll see what we can do at the end of the call, but we are going to need something to be provided in hard copy form, but you're going to come up with something to see if it can be provided?

MS. MASTERTON: Yeah. I mean, I guess what I'm offering, Felicia, is that we will provide a hard copy, and we'll, you know, get back to you to make sure we only -- you know, we give you what you need and not anymore than that.

MS. BANKS: Okay. That sounds fine.

BY MS. BANKS:

Q Does Sprint currently have a batch type ordering process for conversion of loops from UNE-P to UNE-L?

A We would work those as projects.

Q So are you saying no?

A Well, Sprint is not quite sure how to define a batch process, so, you know, all I can tell you is that we would work them as a project.

Q Can you just explain the project?

A Yes.

Q How you work it as a project.

A The way we work it as a project is that the CLEC would contact their field service manager and/or their representative and work out the details. There would be a spreadsheet, and they would list all the lines that needed to be moved.

Then we would negotiate the due date and how many we were going to do, you know, on each day, and just organize all the aspects of it that way.

Q Okay. I know you just referenced that you really haven't defined, I guess, a batch process, but I want to, I guess, get some indication that Sprint intends to develop some type of, quote/unquote, batch-type process, ordering process similar to the one that BellSouth has proposed in this proceeding.

A Sprint has no plans to do that. We don't really see a need for it.

Q But couldn't you have CLEC send you a spreadsheet similar to what BellSouth does?

A I'm sorry. Do you mean on a project?

Q Yes.

A Yes. We would do that on a project. We would have a spreadsheet. Yes.

Q And on that spreadsheet, do you create the LSRs, or does the CLEC create the LSRs?

A Under our current processes, Sprint creates the LSRs.

Q Taking into consideration your opinion that a hot batch cut is unnecessary, are there any voluntary enhancements that Sprint-Florida intends to make to its current hot cut processes as a result of the TRO and these proceedings?

A No. We believe our process is a very good process as it is.

Q Ms. Alleman, I'm going to be referring to the Sprint's responses to staff's third set of interrogatories.

A Okay.

Q I'm looking at interrogatory Number 39 response which is, I believe, on page 26.

A Okay.

Q Sprint states that temporary contractors may be used to meet workload demands if there is an increase in loop migration requests. How will Sprint ensure that the temporary workers have proper training to process

LSRs through the various phases of preordering, ordering, the lift and lay, and the completion activities?

A We would put them through training and make sure they were qualifying.

Q Would these contract employees be familiar with the floor layout, the NDFs, and collocation situations at the various central offices where they might be needed?

A Yes. We would make sure they were.

Q Going on and looking at Sprint's response to interrogatory Number 40, which appears on page 27 --

A Yes.

Q -- could you please read aloud the answer?

A Sprint Florida considered the projection of 132 hot cuts per day statewide and a projection that the daily hot cut average for the ten largest wire centers would be 13, 8, 8, 5, 5, 5, 4, 4, 4 and 4 respectively. Sprint-Florida, also, considered the time required to perform a hot cut, the fact that most UNE-P to UNE-L line migrations would be handled on a on a project basis; thus allowing time to plan the conversions and past experience managing changing workload.

Q Now I guess directing your attention to pages 5 and 6 of your direct testimony, you discuss

Sprint's current hot cut process.

A Yes.

Q Can you please address your statement regarding handling migrations, quote/unquote, on a project basis with your description in your direct testimony?

A I'm not sure I understand the question.

Q I'm just trying to get here, Ms. Alleman, I guess a better understanding of what you mean by on a project basis.

A Okay. On a project basis, that would be where we negotiate all the times, and we have a spreadsheet of the lines to be moved over and negotiate the times. You know, we could, also, negotiate if they wanted the timed coordinated hot cut or if they wanted the non-timed coordinated. All that would, you know, be worked out on a negotiated basis.

Does that answer the question?

Q I guess I was just under the impression that, on a project basis, it was a little different than the other two processes that you had previously described. Is there any distinction?

A Well, the difference would be instead of the CLEC entering into our web base system into IRES for the LSR, you know, they would do the project, so they would

fill out the spreadsheet, and then when they do the web base system, the due dates are assigned, you know, according to the scheduler that's in the system.

On a project basis, they would be negotiated, so it would be similar, but I guess it's slightly different.

Q So Sprint does have a hot cut process that's managed on a project basis?

A Yes.

Q And I guess you probably have, I guess, gone into some aspect of describing the project management process. Is there anything further that would help us get a better understanding of the process itself?

Maybe it might help to just more definitively define or clarify what Sprint references as a project. What is a project, or what is considered to be a project by Sprint?

A A project would be anything that's 20 lines or more, and as far as the process -- because it's just negotiated, all the aspects. We work with the CLEC to, you know, accommodate their needs; so the process isn't quite as well defined as the timed and non-timed are because we're actually working with them to meet their needs.

Q Would it be possible for you to give us a

late-filed exhibit regarding a documentation relating to the definition of a project management?

A Yes. I can file something defining the project.

(Late-filed Exhibit Number 2 was marked for identification.)

BY MS. BANKS:

Q Are you familiar with Verizon's WPTS system?

A No. I'm not.

Q Will Sprint propose a CLEC-to-CLEC migration process?

A Our CLEC-to-CLEC process would be the same.

Q Referring to your direct testimony on page 9 --

A Okay.

Q -- and I'm at lines 12 through 14.

A Yes.

Q If you could read aloud those lines for me, please.

A What are Sprint-Florida's hours of operation for its central offices? Sprint-Florida central office's hours of operation are Monday through Friday, 8 a.m. to 5 p.m.

Q Does Sprint offer hot cuts on weekends?

A Currently, in Florida, we do not.

Q Does Sprint have any plans to offer after-hours or weekend hot cuts availability?

A Not at this time. I don't think we've had any requests for that.

Q If Sprint were to offer after-hours or weekend hot cuts, do you think there would be an extra cost associated with this?

A I'm sorry. I don't know.

Q You don't know?

A No.

Q Can you give me one moment, Ms. Alleman?

A Yes.

MS. BANKS: Thank you, Ms. Alleman. That's all that staff has.

THE WITNESS: Thank you.

MS. BANKS: I don't know if there's anyone on the call that needs to do redirect.

MR. O'ROARK: MCI has no questions.

MS. MASTERTON: This is Susan Masterton. I don't have any redirect.

MS. BANKS: So there's no one that has any questions for Ms. Alleman?

(No response.)

MS. MASTERTON: Felicia, I don't know if we want to do this off the record or not, but I want

to go back over the late-filed exhibits.

MS. BANKS: Yes. I was intending to do that at the end. We can go do that on the record. That's fine. I was just trying to handle that as a last preliminary matter.

MS. MASTERTON: Okay. That's fine.

MS. BANKS: I guess if no one has any questions, I guess we can just go back, Susan, as you just mentioned, with the things that staff has asked to be filed as late-filed exhibits. The first one is a description of Sprint's internal hot cut procedures.

MS. MASTERTON: Right.

MS. BANKS: Then Number 2 was Sprint's CLEC procedures, and this was the one that, I think, Ms. Alleman referenced that was on the web site that we thought might be voluminous.

MS. MASTERTON: We're going to look and see and then get back with you-all.

MS. BANKS: Okay. And then the last is the documentation relating to the definition of project management.

MS. MASTERTON: Okay.

MS. BANKS: That was all I had.

(The deposition concluded at 10:03 a.m.)

ERRATA SHEET

PAGE	LINE	CORRECTION

Date of deposition

Reporter

CERTIFICATE OF REPORTER

STATE OF FLORIDA)

COUNTY OF ALACHUA)

I, NANCY P. VETTERICK, Registered Professional Reporter, certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 22 are a true and correct record of the aforesaid proceedings.

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 15th day of February, 2004.

NANCY P. VETTERICK, RPR, CCR
Notary Public
1-800-934-9090
850-878-2221

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 17A
COMPANY: FPSC Staff/Sprint
WITNESS: ISA-D-Late filed Exhibit 25
DATE: 02/24 - 27/04

Sprint
Docket No. 030851-TP
Late Filed Exhibit 1
Of
Terry L. Alleman's Deposition

PROPRIETARY

Internal Loop Conversion Process

25

Sprint
Docket No. 030851-TP
Late Filed Exhibit 2
Of
Terry L. Alleman's Deposition

Sprint/CLEC

Operations Plan

Sprint.

Sprint/CLEC

Operations Plan

Revision 10/01/03

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05

1. Introduction

1.1 Implementation Meetings

Implementation Team

This Document sets forth the overall standards of performance for services, processes, and systems capabilities that Sprint and the Competitive Local Exchange Company (CLEC), herein after referred to as the Companies, will provide to each other, and the intervals at which those services, processes and capabilities will be provided. The Companies have executed an Interconnection Agreement and Collocation Agreement, if applicable. The Interconnection Agreement and Collocation Agreement govern the general terms and conditions for services. The Companies understand that the arrangements and provision of services described in this Document shall require technical and operational coordination between the Companies. Accordingly, the Companies agree to form a team (the "Implementation Team") that shall develop and identify those processes, guidelines, specifications and standards necessary to successful implementation. The Implementation Team will meet as needed to review the provisions contained within this document.

Implementation Plan

The Implementation Plan shall address the following matters, and may include any other matters agreed upon by the Implementation Team:

- Disaster recovery and escalation provisions;
- Escalation procedures for ordering, provisioning, billing, and maintenance;
- Single points of contact for ordering, provisioning, billing, and maintenance;
- Service ordering and provisioning procedures, including provision of the trunks and facilities;
- Provisioning and maintenance support;
- Conditioning and provisioning of collocation space and maintenance of virtually collocated equipment;
- Procedures and processes for directories and directory listings;
- Billing processes and procedures;
- Network planning components including time intervals;
- Joint systems readiness and operational readiness plans;
- Appropriate testing of services, equipment, facilities and network elements;
- Monitoring of inter-company operational processes;
- Procedures for coordination of local Preferred Interexchange Carrier (PIC) changes and processing;
- Physical and network security concerns;
- Call routing options for each exchange selected by CLEC; and
- Such other matters specifically referenced in this document that are to be agreed upon by the Implementation Team and/or contained in the Implementation Plan.

1.2 Ordering of Services

Ordering

The following table represents the elements and services a CLEC would order from Sprint's various ordering centers. Such elements and services must be in the Interconnection Agreement prior to submission of an order.

Typically, company-to-company services would be ordered from Sprint's National Access Service Center (NASC) with an Access Service Request (ASR). Company-to-end-user services would be ordered from Sprint's National Exchange Access Center (NEAC) or National Vendor Access Center (NVAC) with a Local Service Request (LSR).

Additional sections of this plan detail NASC, NEAC and NVAC responsibilities and contacts.

TYPE OF SERVICE REQUESTED	NEAC/NVAC & LSR	NASC & ASR
Calling Features	✓	
Common and dedicated transport		✓
Dark Fiber – Loops	✓	
Dark Fiber – Transport		✓
Directory Listings	✓	
E911 trunks		✓
Enhanced Extended Loop (EEL)	✓	✓
Inside Wire maintenance requests	✓	
Interconnection facility		✓
Internet traffic trunks		✓
Line-shared UNE Loop	✓	
Local and Interim Number Portability	✓	
Local Switching Port		✓
NIDs	✓	
Operator/DA trunks		✓
Preorders (CSRs)	✓	
Pre-qualifications	✓	
Resellable end-user services	✓	
Optical Services (Sonet, OptiPoint)		✓
Sub-loop	✓	
Telephone Number Reservation	✓	
Temporary service suspension/restoration	✓	
UNE Loops	✓	
UNE Transport		✓
UNE-P	✓	
Voicemail services	✓	

Continued on next page

1.2 Ordering of Services, Continued

BFR Ordering and Timetables

A BFR is a Bona Fide Request for an Unbundled Network Element (UNE) received by Sprint from a CLEC or Commercial Mobile Radio Service (CMRS) provider. BFRs are used in the following situations:

- If the service requested exceeds the spectrum compatibility of the transmission path, and/or
- For UNEs not covered in the interconnection agreement but will be used in providing Telecommunications Services.

A BFR form can be requested through your Account Manager. Upon completion, it should be returned to your Account Manager for processing.

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1.3 Contact List

Contact List	The Sprint Local Account Manager and CLEC will jointly complete the Contact List (Attachment A) with the appropriate contact information for both companies. A completed Contact List should be distributed during the scheduled Implementation Meeting. The Attachment A template within this document outlines the areas of information that the Companies will complete and share. Contact references contained within this document will be provided in the Contact List.

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2. End-User Services

2.1 Loops and Ports

Remote Concentration Devices	If Sprint uses Integrated Digital Loop Carriers (IDLCs) or other similar remote concentration devices, Sprint will make alternative arrangements at CLEC's request and expense to provide an unbundled local loop via a BFR.

2.2 Provisioning

Ordering Guidelines

Local Service Request (LSR) for all end-user services shall be ordered via the NEAC/NVAC.

Ordering Options

While the Integrated Response Entry System (IRES) is Sprint's preferred method of processing end-user LSRs, there are additional options available. LSRs may also be processed by fax or paper mail.

IRES is an internet-based ordering media and additional detail is available upon request.

Establishing Major Account

The CLEC must complete the required forms and submit them to the their assigned Account Manager. Except for resale service, all interconnection facilities must be in place prior to submitting LSRs for end-user services.

NEAC/NVAC Contacts

The National Exchange Access Center (NEAC) and National Vendor Access Center (NVAC) are designated as the point of contact for processing all LSRs. LSRs will be submitted to the Sprint NEAC/NVAC center via IRES, fax or paper mail. (Refer to Contact List for contact information.)

NEAC/NVAC:	
Hours of Operation	Monday through Friday – 8:00 a.m. to 8:00 p.m., EST

Rejected Orders

Sprint shall reject and return any LSR that cannot be processed due to technical reasons, missing information or inaccurate information. When an order is rejected, the rejection notification shall describe the reason(s) for rejection.

Order Due Dates

Companies shall use reasonable efforts to complete the service request activity by the requested due date within intervals returned from Appointment Control Module (ACM). .

Continued on next page

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2.2 Provisioning, Continued

Firm Order Confirmation (FOC)

Sprint will provide the FOC within twenty-four (24) hours after receipt of a valid order. The FOC provided will be a "blind" FOC. The FOC shall contain the appropriate data elements as defined by Ordering and Billing Forum (OBF) standards, including the date the service was requested. For designed services an "intelligent" FOC will be returned within 36 hours.

Coordinated Orders

For unbundled loop orders, CLEC may request a desired due date and time as a coordinated order. (If Local Number Portability (LNP) is involved in a coordinated order, 10-digit trigger will not be applied to the Sprint disconnect order.) Sprint National CLEC Provisioning Center (NCPC) will coordinate complex orders and LNP where required. Please refer to the Contact List for the NCPC phone number. Sprint offers two types of coordination:

- Any time: Order to be worked anytime during the day on the due date, but Sprint will call CLEC when completing.
- Specific Time: Order is to be worked at a specific time on the due date and coordinated between Sprint and CLEC. With this type of coordination the CLEC will be billed depending on the number of lines involved.

If coordination is requested, CLEC will be required to call the NCPC forty-eight (48) hours prior to the requested Coordination date and time. This call is to confirm or reschedule the date and/or time. Sprint reserves the right to change the date and time if other demands require. Every attempt will be made to commit to the requested date and/or time. Prior to the 48-Hour Coordination Call, Sprint will confirm with the various work groups involved as to their ability to complete the work on the desired date and/or time. **If no call is received from CLEC, it will be assumed that CLEC is not ready and the order will not be completed on the requested due date and time.** The NEAC/NVAC will be notified to reschedule the order. The rescheduled date would reflect the normal intervals provided.

Sprint will proceed with the conversion based on the agreement at the 48-Hour Confirmation Call. Policy for late notification of changes in due date and/or coordination time is as follows:

- If Sprint has already dispatched a technician, CLEC is required to reimburse Sprint for the costs incurred.
- Should CLEC incur a problem at the time of conversion that would delay the conversion and Sprint has already dispatched, Sprint will wait a reasonable time (30 minutes or less).

Otherwise the conversion will be rescheduled on a different date and time based on intervals provided. CLEC would still be responsible to reimburse Sprint for the time expended.

Continued on next page

2.2 Provisioning, Continued

After Hour Conversions

Requests for conversions outside normal working hours will be honored when possible. With such coordination, CLEC will be responsible for reimbursement of the additional costs incurred by Sprint.

10-Digit Trigger

The purpose of 10 Digit Trigger is to require an LNP database query (dip) on every call before completion to determine the correct routing. This will be used for individual lines during the time that the order to port the number is being worked. The trigger is designed to minimize the problems of coordination of service order completion between the old service provider and new service provider. As a result, calls will be ported immediately upon service order completion of the new provider's notification to the Number Portability Administration Center (NPAC). In normal processing without 10 Digit Trigger, call completion is attempted prior to a query being performed. Industry standard dictates the Provider porting out the number will keep the number working the entire day of the due date when 10 Digit Trigger is applied. This will include the physical connection as well as in the software of the switch. Orders without 10 Digit Trigger will require coordination.

CLEC must request a 10-Digit Trigger for LNP orders if coordination is not required. There may be network switch restrictions and, if the 10-Digit Trigger is not available, Sprint will contact CLEC to notify them that coordination may be necessary. In such cases, coordination should be requested to avoid service outages. Any changes in due date when 10-Digit Trigger has been applied will require notification to the NEAC/NVAC. Notification should be received prior to 5:00 p.m. EST on the due date. CLEC will also have to notify the NPAC of the revised due date.

Continued on next page

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2.2 Provisioning, Continued

Block and Pin Information

Block and pin information must be included on the LSR.

In order to uniquely identify CLEC facilities used as a transport path between Sprint facilities and CLEC facilities, Sprint encourages the following Block and Pin format be used and documented on every LSR including unbundled loop or port requests. The Point of Interconnection (POI) will be labeled as such.

Syntax: AA-NN-NNNNNNN
AA - A maximum 2-digit alpha field designating the horizontal placement of the block on Sprint's MDF (i.e., AA or G)
NN - A maximum 2-digit numeric field designating the vertical place of the block on Sprint's MDF (i.e., 01 or 28)
NNNNNNN - A maximum 7-digit numeric field designating the Pin number on the terminating block. This entry should NOT include preceding zeros.

If the order is faxed a dash ('-') must separate each portion of the Block and Pin identity. *Example:* A-23-52
This example indicates Horizontal A, Vertical 23, Pin 52.

Continued on next page

2.2 Provisioning, Continued

Changes in Block and Pin

Changes to the block and pin will require a service order. The LSR should be sent from CLEC to the NEAC/NVAC. At the time of installation, if dial tone is not present on the block and pin, a call will be made to CLEC. If the block and/or pin assignment must be changed, the NCPC will make the change on the service order and note the change in remarks. The order will be referred to the NEAC to match to a supplemental order from CLEC with the new assignment.

Note: If the new assignment can not be obtained in a timely manner (five (5) minutes or less), the order must be revised to a new due date. Pair changes as a result of maintenance issues can be completed at the time of repair with a follow-up order to correct records. There will be no charge for changes as a result of maintenance problems. Planned rearrangements may incur a charge.

To avoid last minute problems and potential delays at conversion and/or service outages, the block and pin should be active with dial tone the day before the order is due. This allows for preliminary jumper testing.

Facility Notification by NEAC/NVAC

The NEAC/NVAC will make every attempt to notify CLEC as soon as a facility problem is known. In situations where a decision is required from CLEC before proceeding, the CLECs response is required a minimum of one (1) day prior to the due date of the request.

Completed Service Orders

Notification of completed service orders will be sent via IRES or by fax if the CLEC is not utilizing IRES. It is recommended that the fax line should be dedicated for Sprint only as busy signals could result in no notification.

Continued on next page

2.2 Provisioning, Continued

Loop Voltage Requirements

In support of industry standards the CLEC is required to provision sufficient voltages at the CLEC block and pin located on the main distribution frame in Sprint's central office. The requirements at the main distribution frame to ensure adequate service quality of the loop are between 48 to 52 DC volts or 50 to 55 milliamperes. These requirements will support Telcordia's "Notes on the Network SR-2275 section 7 subsection 7.15" which specifies the need of a minimum loop current of 20 milliamperes at the Network Interface Device, (NID) at the customer premise.

At the time of installation or repair Sprint will check the voltage at the MDF Block and Pin. If the voltage at the MDF meets the standards specified above, normal procedures for installation or repair will be followed. If the voltage at the MDF is does not meet the standards specified above, the order/repair ticket will be closed and referred to the CLEC with the notation of "insufficient frame voltage".

Completion Testing

In order to complete the necessary service order and trouble completion testing, the CLEC will provide Sprint with the test tone numbers as follows:

- 1000 Cycle
- 2800 Cycle
- Quiet Line
- All in one

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2.3 Local Number Portability (LNP)

CLEC LNP Testing

Before LNP CLEC testing can begin the CLEC must contact their Account Manager and fill out the CLEC Testing Questionnaire. Once the CLEC Testing Questionnaire is completed by the CLEC and received by the Account Manager, two-way testing can be scheduled.

2.4 Repair and Maintenance

Point of Contact

The National CLEC Repair Center is the point of contact for CLEC to report trouble experienced on unbundled loop elements and resale voice grade services. The National CLEC Repair Center is managed by the National Business Operations Center (NBOC) and is staffed twenty-four (24) hours a day, seven (7) days a week. (Refer to Contact List for contact information.)

Reporting Trouble

The National CLEC Repair Center will receive all reports from CLEC for specific problems related to resale and unbundled loops, generate internal trouble tickets and forward for processing. The National CLEC Repair Center will not be responsible for reports of terminal equipment problems at the end-user premises.

End-user is responsible for reporting:
Terminal equipment problems to their vendor of choice.

CLEC is responsible for reporting:
Loop repairs (provide Sprint with assigned circuit ID),
Number porting repairs (provide Sprint with end-user phone number), and
Resold services repair (provide Sprint with end-user phone number).

Number Porting Repairs

Trouble reports on the date of the port are to be given to the new service provider. If it is determined by the new provider to be a problem with the old provider, the report will be referred to the old provider. If the report is referred to Sprint, the report will be made on a miscellaneous ticket, which is not part of parity reporting.

Continued on next page

2.4 Repair and Maintenance, Continued

Reporting Requirements

Trouble reported to the National CLEC Repair Center by CLEC or internally generated from Sprint as a result of an alarm condition will be referred to the appropriate organization for resolution.

Trouble Reporting Requirements include:

- Telephone number
- Serial circuit number ID of an unbundled loop with block and pin information
- Contact name and number
- Status of a dispatch request (if required or necessary)
- Type of trouble
- Any pre-reported test results
- Service affected end-user name, number and any required access hours
- Date and Time commitment given to the end-user.

Note: The commitment made to the end-user should be based on the repair intervals provided by Sprint. Updates to repair intervals will be faxed to CLEC as appropriate. Sprint will honor commitments made by CLEC to the end-user if reported to Sprint within 45 minutes of the commit time quoted to the end-user. In these cases Sprint will adjust the commit time on the report. If the commit time has a difference greater than 45 minutes (committed earlier), CLEC will be provided the commit time according to the system at the time of the report.

Previously Reported Trouble

The National CLEC Repair Center will be the contact for questions concerning previously reported trouble not yet closed. CLEC should not inquire on reports when the commitment date and time has not passed.

Planned & Unplanned Events

The National CLEC Repair Center is made aware of both planned and unplanned events that have affected or have the potential of affecting the Sprint public switched network.

Trouble Reporting Limits

In an effort to expedite trouble reporting, the National CLEC Repair Center allows trouble reports for up to three different end-users per phone call.

Continued on next page

2.4 Repair and Maintenance, Continued

Repair Completion

Notification of repair completion will be faxed to the number supplied by CLEC. The fax line should be dedicated to Sprint as busy signals could result in no notification. Information included in the fax will be:

Information	Description
Summary Section	
• TRN	Sprint's Trouble Reference Number
• TN	Telephone/Circuit Number
• LN	Listing Name for the CLEC major account
Report Type	This will be the numeric code and definition, i.e., 33 Noisy
Received Date & Time	Date and Time reported to Sprint's Receive Repair Bureau (RRB)
Commitment Date & Time	D&T Sprint committed to repair
Cleared Date & Time	Time the trouble was actually fixed
Clearing Information	
• Worked on type	Numeric code with English descriptions (when appropriate)
• Worked on code	Numeric code with English descriptions (when appropriate)
• Worked on sub code	Numeric code with English descriptions (when appropriate)
• Cause code	Numeric code with English descriptions (when appropriate)
• Found code	Numeric code with English descriptions (when appropriate)
• Resolution code	Numeric code with English descriptions (when appropriate)
• Flag code	Numeric code with English descriptions (when appropriate)

Annoyance Calls

RESALE

Sprint's Annoyance Call Bureau (ACB)/Security Department will be the point of contact for all annoyance call and law enforcement inquiries for resale customers only.

FACILITY-BASED

The CLEC's National Operations Center will be the point of contact for all annoyance calls and law enforcement inquiries regarding the CLEC end-users. In the event an inquiry is made in regard to the company's customer, the caller will be referred to the appropriate company's point of contact.

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3. Interconnection

3.1 Trunk Orders

NASC Contacts

For the purpose of ordering service via an Access Service Request (ASR) one of two National Access Service Centers (NASC) will be assigned to CLEC. Contact information will be provided when the NASC has been assigned. (Refer to Contact List for contact information)

NASC:	
Hours of Operation	Monday through Friday – 8:00 - 5:00 in all time zones

Date Intervals

Parties shall supply each other with due date intervals to be used to determine service activation dates

Rejected ASRs

Companies shall reject and return any ASR that cannot be processed due to technical reasons, missing information, or inaccurate information. When an order is rejected, the rejection notification shall describe the reason(s) for rejection.

ASR Due Dates

Parties shall use diligent efforts to complete ASRs by the requested due date within agreed upon intervals.

Firm Order Confirmations

Companies shall provide a Firm Order Confirmation (FOC) for each order within five (5) days after receipt of such valid order. The FOC shall contain the appropriate data elements as defined by Ordering and Billing Forum (OBF) standards, including the date which the service requested on the order is to be initiated. A blind FOC shall be provided.

Trunk Type

Between CLEC's offices and the Sprint switch, there will be two-way trunk groups ordered and provisioned to carry local traffic. **Initially, trunks will be one-way in direction; changed to two-way trunks when recording and billing issues are resolved and both Companies agree to changes in accordance with the contract.**

Continued on next page

3.1 Trunk Orders, Continued

Local Switching Ports Initial Joint Planning

In the initial joint planning meetings, CLEC shall identify the call routing options it selects for each exchange for the following call types:

- 0+/0- calls
- 911 calls
- 411/DA calls
- 800/888 calls, prior to database query

Sprint shall provision all CLEC subscribers in each exchange with the call routing options selected by CLEC using line class codes or other switch-specific switching methods, subject to the technically feasible capacity limitations of the Sprint switch.

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3.1 Trunk Orders, Continued

Local Switching Ports Ordering	Orders for unbundled local switching shall be communicated on an ASR. CLEC shall provide on the ASR the class of service requested by CLEC for its subscriber.
Local Switching Ports Call Routing Options	CLEC shall identify on the ASR the following subscriber specific call routing options it selects for the following call types: • InterLATA calls specific to PIC or regardless of PIC (e.g.: 10xxx), as applicable; • IntraLATA calls specific to PIC or regardless of PIC (e.g.: 10xxx), as applicable; • Call forwarding of any type supported on the switch, to a line or a trunk; • Any other customized routing that may be supported by the Sprint switch. Sprint shall provision the order with the call routing options selected by CLEC using line class codes or other switch-specific switching methods, subject to the technically feasible capacity limitations of the Sprint switch.
SS7 Signaling	Where available the trunks will utilize SS7 signaling except for 911, operator service and directory assistance trunks. This desired signaling needs to be identified on the ASR during the provisioning process.
Local Interconnection Trunk Groups	Companies will jointly manage the capacity of the local interconnection trunk groups. Either Company may send a Trunk Group Service Request (TGSR) to the other Company to request changes to existing trunk groups based on one Company's capacity assessment of the other Company's traffic. To begin the provisioning process, the Company that receives the TGSR will issue an ASR to the initiating Company (if in agreement with the initiating Company's assessment) or as a result of Company's own capacity management assessment.
Trunk Group Provisioning	Company will initiate an ASR to the other Company for provisioning trunk groups based on initiating Company's capacity assessment of initiating Company's traffic to the other Company.
TCIC	CLEC will control and assign Trunk Circuit Identification Codes (TCICs).

Continued on next page

3.1 Trunk Orders, Continued

TGN

Companies will control and assign Trunk Group Numbers (TGNs) and Two Six Codes (TSCs) for their respective switches.

Dedicated Transport Trunk Establishment

Trunking can be established to tandems or end-offices or a combination of both. Trunking will be at the required switch interface level. The preferred network configuration is the originating end-office being directly trunked to the terminating end-office.

Dedicated Transport Trunk Type

Trunks will be built Two-Way, but directionalized One-Way until recording and billing issues are resolved and both Companies agree to permit Two-Way trunking.

Dedicated Transport Call Origination/ Termination

The Companies shall initially reciprocally terminate Local Traffic and IntraLATA/InterLATA toll calls originating on each others' networks as follows:

Trunk Type	Traffic Use
Two-way trunks	The Companies shall make available to each other two-way trunks for the reciprocal exchange of combined Local Traffic, and non-equal access IntraLATA toll traffic.
Separate two-way trunks	Separate two-way trunks will be made available for the exchange of equal-access InterLATA or IntraLATA Interexchange traffic that transits Sprint's network.
Separate trunks	Separate trunks will be utilized for connecting CLEC's switch to each 911/E911 tandem.
Separate trunk groups	Separate trunk groups will be utilized for connecting CLEC's switch to Sprint's Operator Service center for operator-assisted busy line interrupt/verify.
Separate trunk group	Separate trunk group will be utilized for connecting CLEC's switch to Sprint's Directory Assistance center in instances where CLEC is purchasing Sprint's unbundled Directory Assistance service.
Separate dedicated trunk group	Inward operator-assisted busy line interrupt/verify traffic may be routed between the two Companies via the common local trunk group(s) or via a separate dedicated trunk group.

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3.1 Trunk Orders, Continued

Dedicated Transport Shared Trunks	Once shared trunks are handed off to Sprint at the point of interconnection, the trunks will traverse the same interoffice network as existing Sprint trunk groups and will have the same level of survivability.
Dedicated Transport Blocking Standard	A blocking standard of P.010 (1%) shall be maintained during the average busy hour, as defined by both Sprint and CLEC standards, for final trunk groups between the CLEC switching center and a Sprint access tandem carrying meet point traffic. All other final trunk groups and direct, end-office trunk groups are to be engineered with a blocking standard of P.010 (1%).
Dedicated Transport SS7	Trunks will utilize SS7 signaling and will pass the Calling Party Number (CPN) in the SS7 Initial Address Message. A Signaling Transfer Point (STP) interconnection between Sprint and CLEC is required.
Dedicated Transport SS7 Configuration	Where technically available, trunk groups will be configured for SS7 signaling using Extended Super Frame (ESF) 64kb clear-channel service for the links. The signaling shall be mutually agreed upon during the joint planning meetings with CLEC. The desired signaling must be identified on the ASR.
Dedicated Transport Telcordia Standards	Telcordia industry standards will be used for engineering and network trunking arrangements. Test and acceptance of the trunking and point of interconnection will be conducted in accordance with generally accepted industry standards.
SS7 Ordering	Orders for interconnection to Sprint's SS7 network shall be communicated on an ASR.

Continued on next page

3.1 Trunk Orders, Continued

SS7 Signaling Link	When signaling link transport is ordered, CLEC shall identify whether it requires an A-link, which is a connection between a switch or Service Control Point (SCP) and a home STP Switch pair, or a B-link (Sprint) or D-link (CLEC), which is a connection between two STP pairs in different company networks.
SS7 STPs	When interconnection to an STP is ordered, CLEC shall identify whether it requires an A-link interface from CLEC's local switching systems, or a B- or D-link which interfaces CLEC's STPs to Sprint's.

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3.2 Network Inter-Company Trunk Forecasting

Inter-Company Forecast

Sprint and CLEC will provide a non-binding two-year intercompany forecast for traffic utilization over trunk groups. These forecasts shall be updated semi-annually or at other standard intervals as mutually agreed to by both Companies. CLEC will submit forecasts to their Account Manager.

Forecast Requirements

The forecast shall include the following information for each trunk group:

- Common Language Location Identifier (CLLI-MSG) codes for tandem and end-office locations;
- Two/Six Codes (TSC) for each trunk group;
- Quantity of trunks in service;
- Share usage and share overflow information. This information will be derived by taking the highest usage of a twenty (20) day period (generally a four (4) week period, not to include weekends or holidays) from the previous twelve (12) months, or other intervals as local conditions warrant and mutually agreed to by both Companies;
- Semi-annual forecasted trunk quantities which include:
  - Baseline data that reflects actual Tandem and end-office Local Interconnection;
  - Meet point trunks;
  - Tandem-subtending Local Interconnection end-office equivalent trunk requirements for no more than two years (current plus one year);
- Major network projects that affect the other Company. Major network projects include but are not limited to trunking or network rearrangements, shifts in anticipated traffic patterns, or other activities by either Companies that are reflected by a significant increase or decrease in trunking demand for the two-year forecast window.

Reconciliation

Reconciliation of the inter-company trunk forecasts will take place at the joint plan meetings.

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3.2 Network Inter-Company Trunk Forecasting, Continued

Additional Facilities	Sprint will provide additional facilities as necessary based upon the agreed-to forecast of trunk requirements. Construction of these facilities shall be within the normal construction cycle that Sprint would provision additional facilities for itself and shall be negotiated with CLEC. Orders for trunks that exceed forecast quantities for forecast locations will be accommodated as facilities and equipment are available. The Companies shall make all reasonable efforts and cooperate in good faith to develop alternative solutions to accommodate orders when facilities are not available.

3.3 Network Utilization and Augmentation

Sizing/Traffic Studies	Sizing and traffic studies of trunk groups will be performed by both Sprint and CLEC. Local interconnection trunk groups that exceed the blocking standard as defined in the Dedicated Transport Trunking section of this plan will be augmented via the issuance of an ASR or TGSR.
TGSR	Either Company may issue a TGSR to the other party when it requests changes to local interconnection trunk groups based upon its capacity assessments. The receiving Company will respond within 7 calendar days upon receipt of the TGSR.
3rd Party Transport Provisioning	If CLEC elects to utilize a third party to provision transport facilities between Sprint and CLEC, Sprint will provision the facilities upon the receipt of an ASR from both CLEC and the third party, or Sprint may provision the facilities upon receipt of an ASR from one party and a letter of authorization permitting that party to act on behalf of the third party.

3.4 Operator/DA Services

Operator/DA Services	Operator/DA call handling services are available where technically feasible to CLECs under a separate contract
Operator/DA Call Handling	Sprint shall, where technically feasible and at CLEC's request and expense, provide such services.
Operator/DA Call Branding	Sprint shall provide branded services for the central offices requested by CLEC and where technically feasible.
Operator/DA Announcement Requirement	CLEC shall submit an Operator Services/Directory Assistance questionnaire and initial announcement requirements to National Operator Services. The questionnaire can be requested through your Account Manager.

3.5 Repair and Maintenance

Escalation List	To facilitate dialogue and passage of necessary information regarding transport, message network reliability, and integrity, it will be necessary to provide escalation contact lists as well as disaster recovery contact lists for each company. (Refer to Contact List)
Joint Maintenance Responsibilities	For joint maintenance responsibilities, CLEC and Sprint will need the following Network Operations Center (NOC) and Special Services Operations (SSO) data: • Center name and location • Point of contact name and phone number – on a 24-hour x 7 day a week basis. • List of escalation contacts, network interaction requirements, etc. For instance, SS7, E911, OS, Tech Support or External to CLEC contact requirements (Refer to Contact List).
NOC and SSO Product Responsibility	The NOC and SSO has overall control responsibilities for all High Capacity services and all services ordered through an ASR and accessible through remote access.
Surveillance and SPOC	The NOC and SSO will be responsible for responding to all Sprint facility alarms or trouble tickets identified manually or through the appropriate Sprint Operational Support Systems (OSS). The center performs trouble analysis of alarm conditions. Detection and resolution of alarm conditions within Sprint's network will be closed by the NOC. Alarm conditions on CLEC facilities will be coordinated and closed through joint cooperation as appropriate. SSO will be responsible for the maintenance for special services circuits both access and non-access not handled by Surveillance.
Repair Control	The NOC and SSO will be responsible for control and contact of all network work groups (including CLEC) when trouble encountered requires assistance from that respective work group. The NOC or SSO will refer trouble to the appropriate field operations group(s) and will coordinate restoration or trouble resolution of transport with CLEC.

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3.5 Repair and Maintenance, Continued

Outage Request

If the CLEC wishes to revise the list of network outage received they must contact their Account Manager to obtain a new Network Outage Notification form. The form must be completed and returned to their Account Manager. The revised form must include all network outages the CLEC wishes to receive.

If the CLEC decides to not receive outage notifications, a Waiver of Outage Notifications form must be submitted to your Account Manager.

Both forms can be requested through your Account Manager.

Notification of Outages

The appropriate Sprint notification will occur to CLEC as soon as a major failure is recognized. Events or failure conditions may be identified on various network elements or transport facilities. A major failure is defined as follows:

- Any cable or electronics outage that affects 50% or more of the in-service lines of a central office or 1000 access lines, whichever is less, with a duration of two (2) minutes or more.
- Toll or EAS isolation of an entire exchange with a duration of two (2) minutes or more.
- Any digital cross connect or fiber optic complete system failure lasting two (2) minutes or more.

Updates pertaining to outage conditions can be obtained by contacting the Outage Administrators

Network Restoration

Depending on test results, transport design and trouble reported, the NOC or SSO will coordinate and control restoration and testing through the Sprint network and/or with CLEC. Depending on severity and technical requirements of restoration, the NOC or SSO shall contact the appropriate organization to obtain assistance as required.

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3.5 Repair and Maintenance, Continued

CLEC Scheduled Work Activity	CLEC will coordinate any scheduled work with Sprint. Prior to the execution of any pre-planned known service-affecting work activity, or work to be completed after hours, CLEC will provide Sprint a completed Request for Event Scheduling (RES) document which details the test plan, expected network impact, expected activity timeframes, and appropriate contact numbers. This work includes work within the central office or work on any interconnection facilities. After hours is defined as after 5:00 p.m. local time, weekends and holidays. However, any work, which is known to be service effecting, should be completed between the hours of 12 am and 6 am local time, this is also known as the maintenance window. To schedule any work activity please call 888-230-4404 option 5 for assistance and necessary forms This plan will be filed with the Sprint NOC or SSO Scheduling and Administration group for approval pending the non-existence of any higher priority scheduled activity. Once the CLEC receives NOC or SSO approval, upon arrival at the work location they must first call the respective NOC or SSO upon entry into Sprint's building and again when leaving. The CLEC will call 888-230-4404 option 5 for coordination and notifications.
Network Disasters	In planning sessions and in actual network disasters, the Sprint NOC, SSO and CLEC's Network Management Center (NMC) will find who is responsible for restoration, manage the "network event", hand off to the "owner", and maintain contact with the appropriate organizations (as identified on the Contact List).
Switch Message Network Precautions	It is expected that CLEC and Sprint will exercise the same or similar switched message network precautions and controls. These will include but not be limited to: • Determine time frames for event monitoring • Monitor up to and through the event • Provide post notification following event • Release any exercised controls
Restoration Priority	The Sprint NOC or SSO will establish priority of restorations jointly with CLEC to maximize call carrying capacity of the public switched network. • If a major service, switch, or system failure is identified to be in the Sprint switched network, the NOC or SSO will provide online emergency restoration guidance of network elements regarding who, why, what gets restored and the associated timeframe. • Major service-affecting events occurring in CLEC switched network will be referred to and coordinated by CLEC.

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3.6 Sprint Intelligent Network Operations (INO)

INO Responsibility	Sprint Intelligent Network Operations (INO) is responsible for SS7 network traffic management, signaling network control, operations information control, and provisioning and maintenance of the Sprint E911, Toll Free, Line Information Data Base (LIDB), and Calling Name (CNAM) databases.
Disaster Recovery Plan	The INO addresses SS7 network disaster recovery planning for both the state and national levels. This includes functional exercises to audit Sprint's proficiency at managing the unique communications needs associated with catastrophic disasters. Sprint and CLEC shall convene a special task force to review the joint procedures in full detail for avoiding and/or responding to SS7 network disaster recovery processes and actions.
SS7 Service Trouble	The INO is responsible for clearing all SS7 signaling and database-related troubles reported in Sprint's local service area.
Network Identified Trouble	An SS7 network identified trouble will be referred directly to the INO Signaling Network Control Center (SNCC). The SNCC operates 24 hours a day, 7 days a week. Escalation requests on all issues should be referred to the SNCC.
Joint Network Control Center Responsibilities	To monitor, manage and maintain maximum call completion capacity, it is imperative to coordinate joint Network Control Center responsibilities For joint maintenance responsibilities, Sprint needs the following Network Operations Center data including: • Center name and location • Single point of contact name and phone number on a 24 hour x 7day a week basis.
SS7 & Network Events	INO manages SS7 network "events" and will coordinate various controls and reported message service troubles with CLEC.
Call Gap & Traffic Control	INO exercises call gap and controls traffic from a public switch connected end-office and tandem. These controls may be provisioned manually, upon prior notice, or automatically via Signaling Control Point (SCP) database controlled thresholds.

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3.6 Sprint Intelligent Network Operations (INO), Continued

Planned Event Notification	INO coordinates and notifies CLEC of any planned service-affecting events originating from the Sprint-LTD SS7 network. CLEC coordinates and notifies Sprint of any network affecting events originating from CLEC utilizing the RES form.
Event Pre-Planning/ Mass Calling	Where available, Companies will share pre-planning information regarding cross-network call-ins expected to generate large or focused temporary increases in call volumes. The purpose of sharing the pre-planning information is to prevent or lessen the impact of these events on the public switched network. Mass calling numbers are not and cannot be used in conjunction with Interim Number Portability (INP). Pre-planning information should include the following (as applicable): • Terminating mass calling number(s) • Trunk group(s) affected • Call gapping level and interval (i.e., *x*-number of attempts passed to a particular NPA/NXX or full directory number per each *x*-number of seconds or minutes) • Code block level (i.e., *x*% of attempts passed to a particular NPA/NXX or full directory number) • Call treatment (e.g.: intercept, busy tone, etc.) to be applied on attempts blocked due to network traffic - management controls • Date and time that the controls are to be enabled • Date and time that the controls are to be disabled
Unplanned Events or Unscheduled Outages	Companies' network management responsibilities associated with unplanned events or unscheduled outages includes, but is not limited to, SS7 link failure, duplex failures, fiber cuts, interoffice transport degradation, EOI trunk group failure, translations, etc.
Reciprocating Network Controls	Companies agree to exercise reciprocating network controls to call gap, provide for broadcast notification, and coordinate mutual network service-affecting events.

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3.6 Sprint Intelligent Network Operations (INO), Continued

Major Facility Repair	In the event of a major facility failure, the INO SNCC will establish a conference bridge to coordinate restoration efforts. The conference bridge will be for the use of personnel with Sprint and CLEC directly involved in the service restoration effort. The INO SNCC will keep the respective business unit personnel informed of status. Per current Sprint reporting standards, Sprint's INO SNCC will provide CLEC with event information that resulted in an adverse, or momentary, impact on the Sprint Network that might have impacted the interconnecting trunk call completion between Sprint and CLEC switches.
Restoration Priority	The INO will establish priority of restorations for SS7 circuits jointly with CLEC to maximize call-carrying capacity of the public switched network.

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4. Collocation, Rights of Way and Pole Attachments

4.1 Collocation Provisioning, Maintenance and Repair

Collocation Ordering and Provisioning

A Collocation Agreement must be executed prior to the hand-off of collocated space.
If collocation is desired, CLEC shall complete a Collocation Application/ Order Form and submit the application and appropriate fee to your Account Manager.

Collocation Provisioning Timeline

Sprint will provide a space availability response and collocation price quote in accordance with the following timelines. Sprint will complete the build-out or provisioning of a collocation request for conditioned space in accordance with the following timelines. States, which currently have mandated collocation timelines, are; Nevada, North Carolina, Indiana and Florida. Requests in all other states will be provisioned per the timelines listed for All Other.

State	Request Type	Timeline
Florida	Space availability response and price quote	15 calendar days from receipt of valid application
Florida	Build-out of physical collocation requests	90 calendar days from receipt of Firm Order
Florida	Build-out of virtual collocation request	60 calendar days from receipt of Firm Order
Florida	Completion of augment requests	45 days from receipt of Firm Order
Indiana, Nevada, North Carolina	Space availability response and price quote	10 calendar days from receipt of valid application
Indiana, Nevada, North Carolina	Build-out of physical and virtual collocation requests	90 calendar days from receipt of Firm Order
Indiana, Nevada, North Carolina	Completion of augment requests	90 days from receipt of Firm Order
All Other	Space availability response	10 calendar days from receipt of valid application
All Other	Price quote response	30 calendar days from receipt of valid application
All Other	Build-out of physical collocation requests	90 calendar days from receipt of Firm Order
All Other	Build-out of virtual collocation request	90 calendar days from receipt of Firm Order
All Other	Completion of augment requests	90 calendar days from receipt of Firm Order

Continued on next page

4.1 Collocation Provisioning, Maintenance and Repair, Continued

Sprint Scheduled Outages	Sprint shall provide CLEC with written notice three (3) business days prior to performing any known service-affecting work activity that may affect CLEC equipment.
CLEC Scheduled Outages	CLEC shall provide Sprint with written notice three (3) business days prior to those instances where CLEC is performing known service-affecting activity that may affect Sprint's equipment. CLEC shall notify Sprint via the RES form.
Telephone Service	The CLEC should order telephone service if they need dial tone services at their collocated space. Sprint will provide a demarcation for this service on the type of jack required for the service type. These lines are billed at rates from Sprint's local exchange tariff. This service is ordered via the local service ordering procedures.
CLEC Safety Requirements	When CLEC's employees enter Sprint premises, CLEC's employees shall comply at all times with Sprints security and safety procedures and requirements. Safety and Security procedures are available electronically or in paper form from your account manager.
Use of Portable Phone	Use of cellular phones, PCS phones or hand held radios with self-contained antennas may not be used while technicians are in Sprint central offices.
Access Requests	The CLEC must submit Security ID Access Request forms for each individual needing access to collocated space. This submission must include a photograph for preparation of the photo ID badge. These forms may be requested from and submitted to your Account Manager.

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4.1 Collocation Provisioning, Maintenance and Repair, Continued

Collocation Access	CLEC must adhere to the following when on Sprint property. • Sprint photo ID badges must be worn and prominently displayed at all times while on Sprint property. Each CLEC employee must also display a CLEC provided photo ID badge while on Sprint property. • Failure to wear proper ID may be considered cause for denial of access or removal from premises. • In central offices where hard key access is required, Sprint will issue a maximum of five keys per central office to CLEC. CLEC will be responsible for the collection and reassignment of key(s) from their employees and vendors upon termination of employment. Duplication of key(s) is prohibited.
After Hours Entrance	When CLEC needs entrance to Sprint facilities outside of normal working hours, (normal business hours mean from 8:00 a.m. 5:00 p.m., local time, Monday through Friday), CLEC must notify Sprint NOC before entering and upon exiting designated facilities.
Repair and Maintenance	For collocation repair and maintenance information please refer to Repair and Maintenance (Section 3.5).

4.2 Rights-of-Way, Attachment and Conduit Requests

ROW Requests	A Pole and Conduit Agreement and proof of insurance document must be on file prior to any attachment requests being submitted. See the Contact List for point of contact for agreements and request forms.

4.3 Safety and Environmental

CLEC Health & Safety Disclosure	Sprint may require CLEC to complete a CLEC Work Location Environmental, Health and Safety Disclosure specific to a collocation or right-of-way request. This form can be obtained from your Account Manager. CLEC shall provide the completed disclosure statement within ten (10) business days of the request.
Material Safety Data Sheet (MSDS)	Before any environmental hazard (hazardous chemical or material) is brought onto, or is used, or applied, stored temporarily or permanently on Sprint property, CLEC shall provide to the Account Manager a MSDS or manufacturer's specifications for each hazardous chemical or material. A hazardous chemical is broadly defined as any substance "containing any chemical element, chemical compound, or mixture of elements and/or compounds." CLEC shall provide to Sprint the quantity and/or amount, by item, of all hazardous chemicals or hazardous materials to be used, applied, or temporarily or permanently stored on Sprint property. CLEC shall also provide and maintain adequate spill response supplies, equipment and procedures to handle any release of any hazardous chemicals or material. Sprint reserves the right to refuse the use and/or storage of any hazardous chemical or material on Sprint property.
Accident/ Injuries	CLEC shall report all personal injuries, vehicle accidents, spills of hazardous chemicals or materials, or property damage that occurs on Sprint's property, immediately to the local Sprint manager.
CLEC Environmental Health & Safety Agreement	CLEC will be required to sign a CLEC Environmental, Health and Safety Agreement, which outlines the requirements of CLEC and its employees in relation to such policies. This agreement can be obtained from the Account Management team. Should a CLEC employee or contractor be found in violation of such agreement, they will be asked to immediately cease the activity. If the CLEC employee or contractor continues the activity, they will be escorted from Sprint property and the incident shall be reported to CLEC.
Sprint Indemnification	CLEC shall indemnify Sprint for all damages, penalties, and/or fines, which may be incurred due to the actions of a CLEC employee or contractor including the use, storage, disturbance, or release of any hazardous chemical or material on or from Sprint property.

Continued on next page

4.3 Safety and Environmental, Continued

Governmental Regulations	CLEC, its contractors or representatives, shall comply with all federal, state and local environmental, health, and safety regulations.
Fire Detection System Modifications	CLEC shall reimburse Sprint for all costs associated with modifications that may be required to any fire detection system(s) and shall hold Sprint harmless for any damage to their equipment in the event of a detection failure.
Required Hazardous Documentation	CLEC shall provide Sprint with copies of all documents (bill of laden, manifest, CLEC company programs [i.e. Hazardous Communications, Spill Prevention, etc], telephone conversation notes, regulatory correspondence, regulatory permits, etc.) associated with the use, storage, and/or proper disposal of any and all hazardous chemicals or materials.
Power Interruptions and Fire Damage	CLEC shall hold Sprint harmless for power interruptions or fire damage from outside CLEC space unless caused by Sprint's negligence.
Hazardous Material Inventory	CLEC shall provide Sprint with an inventory of all hazardous materials, including typical quantity on hand by item, which require a MSDS. CLEC shall also provide Sprint with a copy of their storage procedures and means of storage for such material.
Flammable Material Storage	CLEC shall not store any flammable or combustible material in the facility overnight except as acceptable to Local Sprint Management.
Sprint Hazardous Material Identification	Sprint shall identify any hazardous materials (i.e., asbestos transit duct) present in areas where CLEC's employees and/or contractors will be and provide CLEC with a MSDS of same.
Governmental Agency Correspondence	CLEC shall provide Sprint with copies of any correspondence, inventories or other data provided to or from any State Emergency Response Commissions, Local Emergency Planning Committees or any other governmental agencies concerning hazardous materials used, present or stored on Sprint property.

Continued on next page

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4.3 Safety and Environmental, Continued

Premises Limitations

CLEC shall not, without the prior written consent of Sprint: (i) install or operate any lead-acid or other type of batteries, refrigeration, heating or air conditioning apparatus or carry on any mechanical operations in the Premises; (ii) use the Premises for housing, lodging or sleeping purposes; (iii) permit preparation or warming of food, presence of cooking or vending equipment, sale of food or smoking in the Premises; or (iv) permit the presence of any animals except those used by the visually impaired.

Acceptability of Building Condition

CLEC is aware the building in which the Premises is located may contain or have contained asbestos, or Asbestos Containing Building Materials (ACM), or lead-based paint and CLEC hereby releases and agrees to hold Sprint harmless from any and all liability to CLEC or any of its employees, agents or invitees as a result thereof. CLEC acknowledges that it has inspected the Premises and found the Premises to be in a condition satisfactory to CLEC for its intended use.

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4.4 Fire Protection System

Additional Fire Protection	CLEC shall, with the prior written consent of Sprint, have the right to provide additional fire protection systems within the Premises; provided, however, that Licensee may not install or use sprinklers or carbon dioxide fire suppression systems within the building or the Premises.
CLEC Modifications	CLEC shall reimburse Sprint for the cost of any modifications, changes or alterations required by any governmental bureau, department or organization or Sprint's insurance carrier. CLEC shall not cut or drill into, drive nails or screws into, install conduit or wires, or in any way deface any part of the Premises or the building without the prior written consent of Sprint
Alarm Monitoring	If CLEC desires signal, communications, alarm or other utility or services connections installed or changed, the same shall be made by and at the expense of CLEC. Sprint shall have the right of prior approval of such utility or service connections, and shall direct where and how all connections and wiring for such service shall be introduced and run. In all cases, in order to maintain the integrity of the Halon space for proper Halon concentration, and to ensure compliance with Sprint's fireproofing policy, any penetrations by CLEC shall be sealed as quickly as possibly with Sprint-approved fire barrier sealant or by Sprint at CLEC's expense.
Fire Stopping	In all cases, in order to maintain the integrity of any fire subdivision, any penetrations through fire walls by a CLEC shall be firestopped by the CLEC at the end of the work shift and at the end of the project by a Factory Mutual approved vendor with Sprint approved fire barrier sealant and UL/FM approved method at the CLEC's expense.
"Hot Work" Permit	CLEC shall develop a "hot work" permit practice to be followed if any cutting, welding, brazing or other heat/spark-producing activities are required. Sprint's insurance carrier shall approve the hot work permit practice.

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5. Billing

5.1 Billing and Rating

Compliance

Sprint will comply with various industry, OBF and other standards for display of billed charges. Each bill will be labeled for the type of service billed. See below for billing labels currently established:

Switched Access	Usage charges
Facility	Facility and/or collocation charges
Resale Services	All resale charges
Local Products and Services	Miscellaneous local charges
Interim Number Portability	Remote call forwarding charges
Local Number Portability	

One Bill

CLEC will receive one bill for each type of service (as defined by OBF) for each Sprint Company/State/LATA combination.

Bill Date

The bill date will be present on each bill and must be a valid calendar date. A Billing Account Number (BAN) will be provided consistently each month. The BAN will be 13 alpha/numeric characters. Only one invoice is to be produced for each BAN each month on the same bill date each month.

Billing Charges

All billing charges will adhere to the following format:

Charges	Format
Flat rated	Will be billed based on the period beginning with the current bill date and extending to the day prior to the next bill date.
Usage sensitive	Will be billed based on the period beginning with the last bill date and extending to the day prior to the current bill date.
Prior period usage or flat rated charges	Will be labeled on the bill based on the usage or service date.

Continued on next page

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5.1 Billing and Rating, Continued

Usage Identification	All usage, when technically feasible, will be identified, displayed and labeled as the actual jurisdiction (e.g.: Local, Intrastate/IntraLATA, Interstate, Intrastate/InterLATA, etc.). When identification of the actual jurisdiction is not feasible, Percent Interstate Usage (PIU) and Percent Local Usage (PLU) factors will be utilized to identify the factored jurisdiction, and will be applied on the statistics page of the bill.

Continued on next page

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5.1 Billing and Rating, Continued

Reciprocal Compensation	All reciprocal compensation invoices should be mailed to the following address: Sprint Attn: LTD Access Verification MS: KSOPHL0412 6500 Sprint Parkway Overland Park, KS 66251 Sprint prefers to receive a Billing Output Specifications (BOS) type invoice via a paper media format.
Non-Access Traffic	For non-access traffic transiting a Sprint tandem, Sprint will bill the originator for tandem switching and a portion of transport for each call.
INP/LNP	Interim Number Portability (INP) is available in all Sprint service areas where LNP is not available. Once LNP is available, all INP arrangements will be converted to LNP. Where INP is provided and a toll call is completed through Sprint's INP arrangement (e.g., remote call forwarding) to CLEC's subscriber, CLEC shall be entitled to applicable access charges in accordance with the FCC and Commission Rules and Regulations. If a national standard billing method has not been developed for a CLEC to directly bill a carrier access for a toll call that has been completed using interim number portability, then the INP Rate specific to Access Settlements in the Attachment of the contract will be used. The ported Company shall charge the porting Company on a per line basis using the INP Rate specific to Access Settlements in lieu of any other compensation charges for terminating such traffic. The traffic that is not identified as INP will be compensated as local interconnection as set forth in the contract.
Billing Enhancements	Sprint will notify CLEC of billing system enhancement details 90 days prior to enhancement implementation. Testing data for billing system enhancements will be made available upon request from CLEC. This information will be provided 30 days prior to the implementation date of the new enhancements. Sprint will work with CLEC until a successful receipt is accomplished.

Continued on next page

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5.1 Billing and Rating, Continued

Billing Media For Receipt

Sprint offers the following media for receipt of billing data. CLEC must choose a preferred media. Any additional bill copies requested will be charged for accordingly.

- NDM/Connect Direct via Dedicated Circuit
- NDM/Connect Direct via Internet-PC connection
- CD-ROM, in one of two formats: 1) Bill Image and 2) BDT (BOS standard format)
- Paper – invoice processed on paper.

If CLEC's chosen form of media is CONNECT DIRECT, a 'link' must be established between the two companies for transmission of data. CLEC is responsible for any costs associated with the software necessary to establish the link. A technical support Point of Contact will need to be supplied for both companies. CLEC must identify their media type on the CLEC Implementation Checklist. Changes to media selection may be requested via notification to the Account Manager and must include an updated CLEC Implementation Checklist.

Additional requirements (as set forth by industry standards or OBF) will be followed for size and format of records and of Connect Direct transmissions or 3490 Cartridge.

See the UNE Guide or Resale Guide for additional information about bill media options.

5.2 Usage Measurement

Calling Party Number	Calling Party Number (CPN) will be passed in SS7 signaling to ensure identification of the actual jurisdiction of the call. In a LNP environment, the originating network will signal the originating switch Local Routing Number (LRN) to the terminating network in the SS7 JIP format. In the event CPN/LRN is not available or not passed, the usage will be factored using a PIU (Percent Interstate Usage) and/or a PLU (Percent Local Usage) to determine the appropriate billing jurisdiction, or as provided for in the Interconnection Agreement. These factors will be provided to Sprint prior to receipt of the initial ASR installing interconnection trunks. The PLU should be provided on the CLEC's Implementation Checklist.
Interconnection Charges	Measurement of usage-based interconnection charges will be in actual conversation seconds per chargeable traffic type per end-office, totaled for the entire monthly billing cycle and then rounded to the nearest minute.
Tandem To Tandem Traffic	In the case of tandem to tandem traffic, separate trunks will be used for "Third-Party" transit traffic. This is for usage measurement and billing purposes.
Shared Route Facility	Record exchange for a shared route facility will be based on industry standard Multiple Exchange Carrier Access Billing (MECAB) guidelines (i.e., EMI records, 1101XX. Meet point billing identifies processes for billing Interexchange traffic where multiple Local Exchange Company (LEC) networks are used to originate or terminate traffic. The tandem owner will provide 11-01-XX records for the terminating Interexchange Carrier (IXC) traffic to the end-office owner (initial billing company). In return, the end-office owner may be responsible for providing the originating IXC 11-01-XX records back to the tandem owner (subsequent billing company).
Interexchange Carrier Traffic	Companies will adhere to MECAB guidelines on Interexchange carrier traffic that originates or terminates through a Sprint tandem from/to the CLEC switch. Each Company will be entitled to their portion of the route provided. Each Company will be responsible for their portion of meet point billing under the Multiple Bill/Multiple Tariff option of the MECAB document. Each Company will bill in compliance with Interstate and State access tariffs.

Continued on next page

5.2 Usage Measurement, Continued

Resale

For resale only, end-user usage records-- category 01 (rated) or category 10 (unrated) -- can be provided to CLEC for the purposes of billing the end-user. Charges per record and per tape are applicable.

Record Exchange Media

Sprint offers the following media for record exchange. CLEC must choose a preferred media.

Media Option	Exchange Type
Meet Point and Transit Media	3490 Cartridge
	Connect Direct/NDM
	CD-ROM
Resale and UNE-P Media Options	3490 Cartridge
	Connect Direct/NDM
	CD-ROM

IXC Meetpoint Billing

Sprint also requests the receipt of originating and terminating 11-01-XX records for IXC meet point billing. Sprint's accepted form of media for this test data is:

- 3490 Cartridge
- Monthly Frequency

Tapes should be mailed to the following address:

Sprint
Attn: MPS
MS: KSOPKD0107
6860 W. 115th Street
Overland Park, KS 66211

Continued on next page

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Sample Test Records

Sprint will provide a sample of test records for resale, category 01 (rated) or category 10 (unrated), or for IXC meet point billing records, 11-01-XX, at the request of the CLEC. Sprint offers the following media for receipt of test data:

- CONNECT DIRECT (dependent on the customer establishing or having an existing connection.)
- 3490 Cartridge

Sprint also requests the receipt of originating and terminating 11-01-XX records for IXC meet point billing for testing purposes. Sprint's accepted form of media for this test data is:

- 3490 Cartridge

Tapes should be mailed to the following address:

Sprint
Attn: MPS
MS: KSOPKD0107
6860 W. 115th Street
Overland Park, KS 66211

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6. Directory

6.1 Publishing Company

Background	R.H. Donnelley Publishing & Advertising publishes directories for most of Sprint's local telephone markets.
Standards	R.H. Donnelley Publishing & Advertising utilizes a standard Directory Services Agreement (DSA) that defines obligations of the publisher and carrier and describes directory processes in detail. Examples of issues addressed in the DSA are the provision of listing information, the directory proofing process, information pages, and directory delivery.
Point of Contact	Refer to Contact List for contact information.

6.2 White Page Listings

Overview	All business and residential end-users receive a white page listing in their primary directory free of charge. Non-advertising tariffed white page items such as additional or foreign listings, informational extra lines, and non-published listings are available at the end-user's request; these items are billable to CLEC by the Sprint local telephone company.
White Page Advertising	The directory publisher sells and bills CLEC end-users for white page advertising such as bold listings, white page logos, yellow highlights, and advertising extra lines.

6.3 Yellow Page Listings

Overview

The publishers' policy is to provide business customers within the directory coverage area courtesy yellow page listings at each customer's main line of business heading. Listing content is the responsibility of CLEC through the issuance of a Directory Service Request (DSR) to Sprint's NEAC/NVAC. Listings may appear in one or more directories based upon the geographic location of the business.

6.4 Advertising

Advertising Inquiries

The publisher is responsible for selling all white and yellow page advertising items to business customers. CLEC may refer its end users to R.H. Donnelley Publishing & Advertising customer care at 1-800-251-7056 for advertising inquiries.

Publisher's policies are subject to change at publisher's discretion.

6.5 Directory Distribution Policy

Policy

Business and residential customers receive their primary and any neighborhood directories during initial distribution. CLEC end users who "new connect" or "move" during the course of the year receive directories though the secondary distribution process. Distribution information recorded on the DSR assists the publisher in providing CLEC end-users with their directories.

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6.6 Completion of Directory Service Request (DSR) Form

Required Forms

To provide directory services for CLEC end users in the same manner as that provided to Sprint end users, it is imperative for CLEC to accurately complete the required forms and submit them to the NEAC/NVAC. The DSR is the administrative form that includes sections for billing, key contact, advertising, service address, and delivery information. The Directory Listing (DL) form contains the detailed directory listing information. For caption arrangement requests, CLEC must also submit a Directory Service Caption Request (DSCR).

Form Development

A subcommittee consisting of members of the Ordering and Billing Forum (OBF) developed these forms. The OBF is a committee sponsored by the Alliance for Telecommunication Industry Solutions (ATIS) to resolve operational issues and develop standard guidelines for the telecommunications industry. Specific instructions for the completion of the forms are available through the publishers.

7. Changes

7.1 Changes

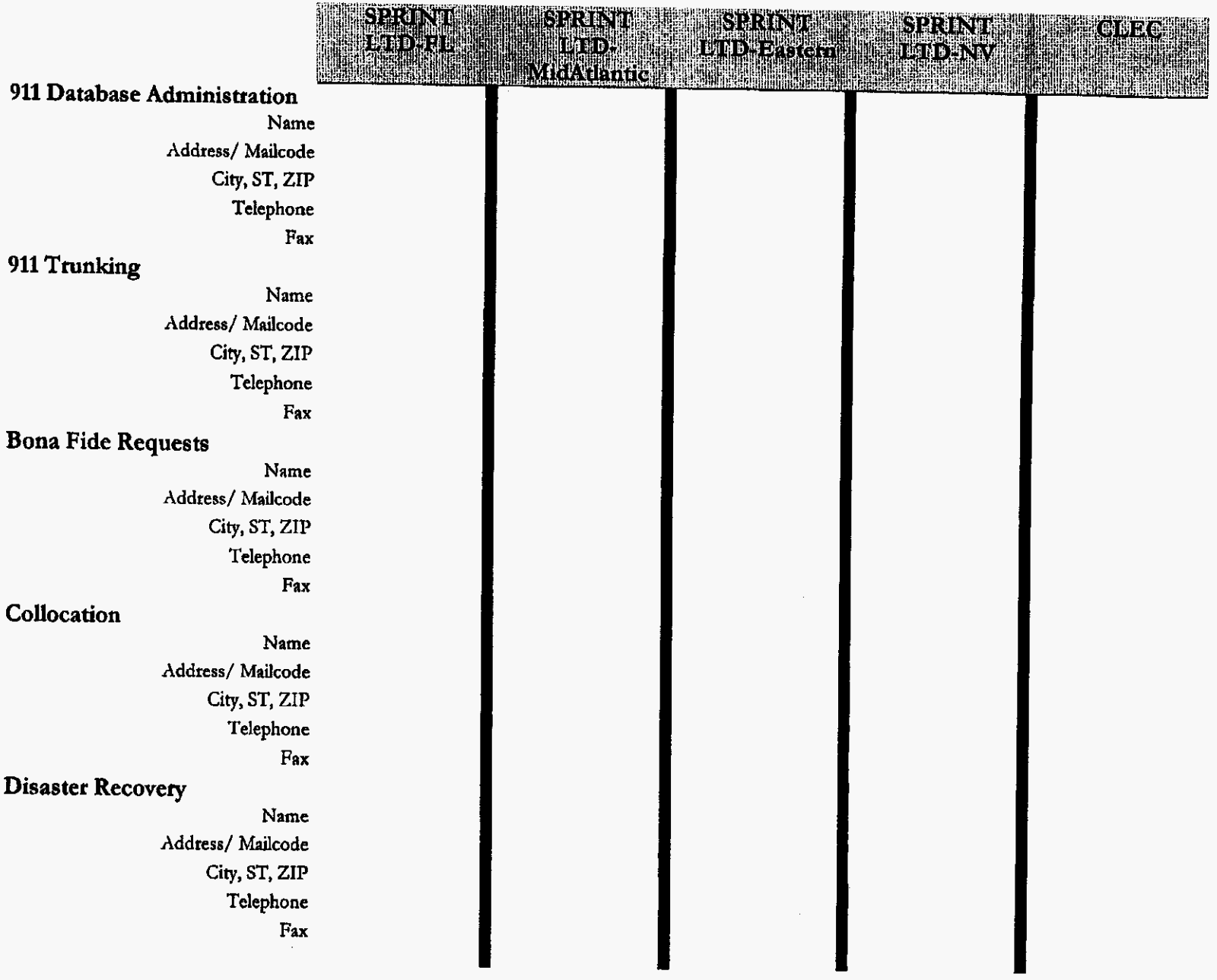
Operating Procedures	Companies reserve the right to change any of their operating procedures discussed herein, generally by mutual agreement or notification.

7.2 Changes to the Operations Plan

List of changes The following table provides a summary of the changes made to the Operations Plan. Only changes from the past twelve months will be included in the table below.

Date	Change	Sections
06/03	Added reference to the NVAC.	1.2, 2.2 and 6.3
06/03	Updated the NEAC and NVAC hours of operation.	2.2
06/03	Added reference to the NBOC	2.4
06/03	Added NBOC contact information.	Attachment A
06/03	Updated the address for reciprocal compensation bills.	5.1
06/03	Updated shared route facility information.	5.1
06/03	Updated the categories for rated and unrated resale records.	5.2
06/03	Added CDROM as a media selection to the record exchange media section.	5.2
06/03	Added IXC meet-point billing information.	5.2
06/03	Updated the categories for sample test records.	5.2
06/03	Updated the address for sample test records.	5.2
06/03	Deleted references to Sprint Publishing and Advertising and added references to R.H. Donnelley.	6.1, 6.4 and Attachment A
06/03	Added the phone number for scheduling activity and the number the CLEC should call upon entering a building to perform scheduled activity.	3.5
06/03	Added the following sentence to the FOC section, "For designed services an "intelligent" FOC will be returned within 36 hours."	2.2

Attachment A: Contact Lists for Sprint and CLEC



	SPRINT LTD-FL	SPRINT LTD-MidAtlantic	SPRINT LTD-Eastern	SPRINT LTD-NV	CLEC
Intelligent Network Operations (INO)					
Name					
City, ST, ZIP					
Telephone					
Fax					
Joint Planning Meetings					
Name					
Address/ Mailcode					
City, ST, ZIP					
Telephone					
Fax					
LERG Administration					
Name					
Address/ Mailcode					
City, ST, ZIP					
Telephone					
Fax					
Orders - Access Service Requests - Access/ Interconnection Services					
Name	Sprint NASC				
Address/ Mailcode					
City, ST, ZIP					
Telephone					
Fax					
Orders - Local Service Requests NCPC	Sprint NCPC				
City, ST, ZIP	Fayettville, NC 28301				
Telephone	910-433-6270				
Fax	910-485-8074				

	SPRINT LTD-FL	SPRINT LTD-MidAtlantic	SPRINT LTD-Eastern	SPRINT LTD-NV	CLEC
Orders - Local Service Requests – End-user services (loops, resale)					
Name	Sprint NVAC				
City, ST, ZIP	Leesburg, Florida, 34748				
Telephone	877.398.2036				
Fax	352.326.1703				
NEAC/NVAC					
City, ST, ZIP	Leesburg, Florida, 34748				
Telephone	877.398.2036				
Fax	352.326.1703				
Network Inter-Company Trunk Forecasting					
Name					
Address/ Mailcode					
City, ST, ZIP					
Telephone					
Fax					
Network Operations Center (NOC)	Sprint NOC Surveillance				
City, ST, ZIP	East - Greenville, NC 27834 West New Century, KS 66031				
Telephone	888-230-4404 Opt. 2				
Fax	East - 252-757-9089 West - 913-791-7417				
R.H. Donnelley Publishing & Advertising					
Name	Jeannie Edwards				
Address/ Mailcode					
City, ST, ZIP					

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	SPRINT LTD-FL	SPRINT LTD-MidAtlantic	SPRINT LTD-Eastern	SPRINT LTD-NV	CLEC
Telephone					
Fax					
R.H. Donnelley Publishing & Advertising Customer Care					
Name	RHD Customer Care				
City, ST, ZIP					
Telephone	800-251-7056				
Repair Services - Access/ Interconnection/ Circuits Repair					
Name	Sprint NOC				
City, ST, ZIP	East - Greenville, NC 27834 West New Century, KS 66031				
Telephone	888-230-4404 Opt. 2				
Fax	East - 252-757-9089 West - 913-791-7417				
Repair Services - End-user Repair					
Name	NBOC				
City, ST, ZIP	Leesburg, Florida 34748				
Telephone	877.398.2036				
Fax	352.326.1703				
Right-of-Way, Pole Attachments, Conduit work activity					
Name					
Address/ Mailcode					
City, ST, ZIP					
Telephone					
Fax					

	SPRINT LTD-FL	SPRINT LTD-MidAtlantic	SPRINT LTD-Eastern	SPRINT LTD-NV	CLEC
Safety and Environmental					
Name					
Address/ Mailcode					
City, ST, ZIP					
Telephone					
Fax					
Security Access Issues					
Name					
Address/ Mailcode					
City, ST, ZIP					
Telephone					
Fax					
Security/Annoyance Calls					
Name					
City, ST, ZIP					
Telephone					
Fax					
Signaling Network Control Center (SNCC)					
Name	INO				
City, ST, ZIP	Johnson City, TN 37601				
Telephone	888-230-4404 Opt. 7				
Fax	423-854-8043				
Unbundled Network Elements					
Name					
Address/ Mailcode					
City, ST, ZIP					
Telephone					
Fax					

Sprint
Docket No. 030851-TP
Late Filed Exhibit 3
of
Terry L. Alleman's Deposition

Projects Defined

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Projects – If a CLEC has a conversion consisting of 20 or more lines, the conversion will be handled as a project. The CLEC will contact their Field Account Manager and the details of the project will be negotiated to meet the CLEC's needs. For the mass market, a project will be used primarily to transition a large number of UNE-P lines or resale lines to UNE-L. For the project, the CLEC completes a spreadsheet with the conversion information. Under Sprint's current process, Sprint enters the information to create the Local Service Requests (LSRs).

EXHIBIT NO. 18-A

DOCKET NO.: 030851-TP

WITNESS: Debra J. Aron

PARTY: BellSouth

DESCRIPTION:

1. February 10, 2004, Deposition Transcript, page 1.
2. Late Filed Deposition Exhibit 1- page 55.
3. Late Filed Deposition Exhibit 2 - page 57.

PROFFERING PARTY: STAFF

I.D. # DJA-D

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 18
COMPANY/ FPSC Staff/BellSouth
WITNESS: DJA-D
DATE: 08/24-27/04

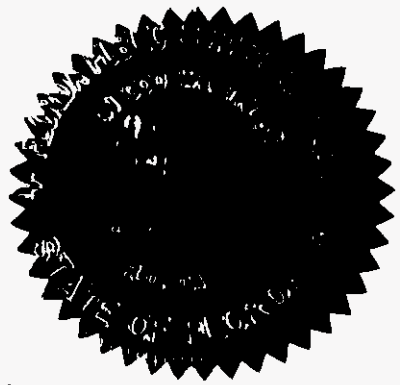
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030851-TP

In the Matter of

IMPLEMENTATION OF REQUIREMENTS ARISING FROM FEDERAL COMMUNICATIONS COMMISSION'S TRIENNIAL UNE REVIEW: LOCAL CIRCUIT SWITCHING FOR MASS MARKET CUSTOMERS.

_____/



DEPOSITION OF:	DEBRA J. ARON
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
DATE:	Tuesday, February 10, 2004
TIME:	Commenced at 9:38 a.m. Concluded at 12:19 a.m.
LOCATION:	Gerald L. Gunter Building Room 309 2540 Shumard Oak Boulevard Tallahassee, Florida
REPORTED BY:	MARY ALLEN NEEL, RPR Notary Public, State of Florida at Large

ACCURATE STENOTYPE REPORTERS, INC.
2894-A REMINGTON GREEN LANE
TALLAHASSEE, FLORIDA 32308
(850) 878-2221

APPEARANCES:

DAN RUSSELL, ESQUIRE, AT&T Communications of the Southern States, LLC, 1200 Peachtree Street, N.E., Suite 8100, Atlanta, Georgia 30309-3579, appearing on behalf of AT&T Communications of the Southern States, LLC.

ANDREW D. SHORE, ESQUIRE, BellSouth Telecommunications, Inc., c/o Nancy H. Sims, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301-1566, appearing on behalf of BellSouth Telecommunications, Inc.

DONNA C. MCNULTY, ESQUIRE, MCI WorldCom Communications, Inc. 1203 Governors Square Boulevard, Suite 201, Tallahassee, Florida 32301-2960, appearing on behalf of MCI WorldCom Communications, Inc.

SUSAN MASTERTON, ESQUIRE, Sprint-Florida/Sprint Communications Company, P.O. Box 2214, Tallahassee, Florida 32316-2214, appearing on behalf of Sprint-Florida/Sprint Communications Company.

BRIAN CHAIKEN, ESQUIRE, Supra Telecom, 2620 S.W. 27th Avenue, Miami, Florida 33133-3005, appearing on behalf of Supra Telecom.

LEIGH HYER, ESQUIRE, Verizon Florida Inc., P.O. Box 110, FLTC0007, Tampa, Florida 33601-0110, appearing on behalf of Verizon Florida Inc.

APPEARANCES CONTINUED:

JEREMY SUSAC, ESQUIRE, FPSC General Counsel's Office, 240 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf of the Commission Staff.

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S T I P U L A T I O N S

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that objections, except as to the form of the question, are reserved until hearing in this case; 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

MR. SUSAC: All right. This is the Commission, and we're going to proceed with the deposition of Dr. Aaron.

Let's see here. First I think we should take appearances for the record. We're going to start in Tallahassee. This is Jeremy Susac with the Commission staff, and David Dowds and Kit Kennedy.

MS. MASTERTON: Susan Masterton representing Sprint. And can I ask, John Felz, are you on the call?

MR. FELZ: Yes, I am.

MS. MASTERTON: Okay. John Felz, who is our Director of State Regulatory. He's not a witness in this proceeding and is listening in for Sprint.

MS. MCNULTY: I'm Donna McNulty with MCI.

MR. SHORE: Andrew Shore, BellSouth.

MR. CHAIKEN: Steve Chaiken, Supra Telecom.

MR. RUSSELL: Dan Russell, AT&T.

MS. HYER: Leigh Hyer from Verizon.

MR. SUSAC: Did we lose someone, or did someone join?

All right. I take it that's all the appearances. Next I would like to move to the stipulations. Does everyone privy to this

deposition agree to the usual stipulations?

MR. SHORE: Yes.

MR. SUSAC: AT&T, Verizon?

MS. HYER: That's fine for Verizon.

MR. RUSSELL: That's fine for AT&T.

MR. SUSAC: All right. I guess now we'll proceed with swearing --

MR. CHAIKEN: Supra has no objection.

MR. SUSAC: Thank you. We'll swear in the witness.

Thereupon,

DEBRA J. ARON

was called as a witness and, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. SUSAC:

Q Good morning. My name is Jeremy Susac. I'm an attorney with the Commission. I'm going to be taking your deposition today in Docket 030851-TP, the mass market section of the TRO.

I just want to let you know that if you need me to restate a question or clear up a question due to vagueness or any objection from your attorney, I will do so. Just please ask me.

Will you please state your full name and

occupation?

A Debra J. Aron, A-r-o-n. I'm an economist.

Q And are you employed by BellSouth?

A No. I'm employed by LECG, which is an economic consulting firm.

Q And will you please give a brief description of your educational background?

A I have a bachelor's degree in economics from UCLA and a Ph.D. in economics from the University of Chicago.

Q Okay. And do you have the revised Exhibit DJA-2 in front of you?

A Did you say the revised exhibit?

Q Yes.

A I do.

Q At the top of the page, the title "Additional Unimpaired Markets in Florida," are these the markets that BellSouth claims there is no impairment, based on a potential deployment analysis?

A That's correct.

Q Does your revised exhibit list nine such markets?

A Yes, it does.

Q Am I correct that your original exhibit listed 10 such markets?

A Right.
Q Do you have copies of both exhibits in front of you?
A Yes, I do.
Q Your original exhibit contained in Zone 3 Fort Pierce-Port St. Lucie. This market was omitted in your revised exhibit; is that correct?
A Right.
Q Why is this?
A When the model was rerun after some revisions were made, it no longer passed the NPV test for unimpairment in a mass market.
Q Okay. What revisions were made?
A That's a question that is best answered by Mr. Stegeman, but briefly, the revisions pertained to some modifications and corrections to the list of wire centers and some modifications to the definition of LATAs.
Q To your knowledge -- and I know you said Mr. Stegeman might be best to answer this, but were additional wire centers included in these revisions that weren't included prior?
A I believe additional CILIs were added. I don't know that they were wire centers.
Q Okay. So would it be accurate to state that

Mr. Stegeman would best be able to answer why there was this deletion of Zone 3 from the exhibit?

A Well, Mr. Stegeman would be best able to answer what changes to the model occurred between Exhibit DJA-02 and the revised Exhibit DJA-02 that caused the difference in the markets that came out to be unimpaired.

Q Were these corrections?

A I believe that the change in the CILI list would be characterized as corrections. I don't know if he would characterize the change to the LATAs as corrections or as a change in the way he was looking at the LATAs. You would have to ask him that question.

Q Okay. Going back to Zone 3 in Pensacola, Florida, in your original exhibit -- just tell me if you're with me.

A I'm with you.

Q That particular zone does not appear on your revised exhibit; is that correct?

A That's correct.

Q And why is this?

A For the same reason that we just talked about for Fort Pierce and Port St. Lucie, which is that in the rerun after the changes were made to the model, it did not appear as an unimpaired market with a positive NPV

for the mass market.

Q Now, your revised exhibit includes a new market; is that correct? In particular, I could say Zone 3, Jacksonville, Florida; is that correct?

A Zone 3, Jacksonville, Florida, is now listed as an additional unimpaired market that was not listed before. It's an additional unimpaired market.

Q And why is this?

A I believe this is because this was originally classified as a market that was unimpaired due to the triggers test, and upon review of her analysis, Ms. Tipton determined that that wasn't appropriate. But it is a market that passes the unimpaired test according to the BACE model, and so now I have added it to my list, because the top list on this table titled "Additional Unimpaired Markets" are all the markets that passed the unimpaired test according to BACE, but that are not on Ms. Tipton's list of the markets that passed due to the triggers.

Q Okay. Does that mean it originally passed the trigger analysis, but that it also passes the potential deployment analysis, or that it do not pass the trigger analysis, and now it does pass the potential deployment analysis? In other words, are we double-counting it?

MR. SHORE: I don't want to interrupt and

object. What you're asking -- I want to make sure I understand the question. What you're asking is did that particular market pass the first time the model was run before it was modified, in addition to passing the second time?

MR. SUSAC: Yes.

MR. SHORE: Okay. Do you understand the question?

THE WITNESS: That's what I thought the question was. So I think the question is, in the first run of the model, or in the model run reflected on the original DJA-02, did Zone 3 in Jacksonville, Florida, pass, but was not listed because it passed the triggers test at that time? I believe the answer to that is yes, but I would have to go back and check. I don't have that record here.

MR. SUSAC: Okay. Could we get that as a late-filed exhibit then?

MR. SHORE: Sure.

MR. SUSAC: Let's come up with a title for it. "Zone 3 Jacksonville Passed Original Deployment Test," if that's okay with you.

MR. SHORE: Sure.

(Late-Filed Deposition Exhibit 1 identified.)

BY MR. SUSAC:

Q Back to your exhibit. Now, the values shown in the column labeled "Net Present Value," do they represent the net present value from serving both mass market and enterprise customers?

A That's correct.

Q And the numbers in the last column labeled "NPV for Mass Market" consists of NPV from serving only mass markets; is that correct?

A That's not quite correct, if I understand the way you said it. It's the NPV associated with serving the mass market for the modeled CLEC that is also serving the enterprise market. It's the NPV associated only with the mass market service of that CLEC.

Q All right. Referring to the first entry, Zone 1, Daytona Beach, Florida, am I correct that the NPV for the mass market shown is somewhat less than half of the total net present value?

A Yes.

Q Would I be correct in inferring in this case that the likely rationale for entering this market would primarily be in order to serve enterprise customers?

A You can't look at these numbers and determine what the NPV would be if you entered and only served enterprise customers, because the NP -- for a number of

reasons, one of which is that the NPV for the mass market bears a cost loading of a share of overheads that would be borne if the CLEC were serving only the enterprise market and would be attributed to the enterprise market in such a case. So I can't say by looking at these numbers what the NPV would be for the CLECs serving only the enterprise market in Zone 1 of Daytona Beach.

Q Just for my understanding, could you elaborate on the cost loading of a share of overhead?

A When the model determines the NPV for the mass market, the cost that is attributed to the mass market is not only the direct cost of serving mass market customers, but also a share of all of the overhead and common costs, such as SG&A, but also, for example, a share of the OSS costs that are fixed costs independent of how many customers are served, enterprise or mass market.

So a share of those costs are attributed to and borne by the mass market in the NPV calculation, and those would still -- many of those costs would still exist if you were serving only the enterprise market, and therefore the enterprise market would bear all of them if that's all you were serving.

Q Okay. I know you referred to the BACE model.

The values shown in the columns labeled "Net Present Value" and "NPV for Mass Market," do they come from the BACE model? If not, where?

A They do come from the BACE model.

Q Are there specific reports from the BACE model that show the values that appear on this exhibit?

A Yes.

Q Could you tell me what those are?

A Are you asking me for the name of the report?

Q Yes, if you could just identify the reports and -- yes, let's first start off with that.

A It's the output of the BACE model. I don't think I know a name of a report. Mr. Stegeman could probably tell you that.

Q All right. Would all the reports that support the values shown on your exhibit be in the filing you made for the BACE model, or do you know that?

A I believe that we filed the actual output report that contains these numbers, but I would have to check in the materials that we filed.

Q Is there a certain exhibit in your testimony or another witness of BellSouth's testimony that shows those numbers?

A This is the exhibit that takes the numbers right from the report and formats them into this table.

Q Then I'll ask the question, where is the report? I mean, if these are lifted straight from the report, where is the report, or what is the report?

A I believe that we would have turned over the actual printout report to you.

MR. SHORE: You mean in discovery?

THE WITNESS: In discovery.

MR. SHORE: The printed version. Of course, the file version was filed as part of our direct case.

BY MR. SUSAC:

Q Now, the markets on your exhibit labeled "Other Unimpaired Market in Florida," are these markets in which BellSouth contends the switching triggers have been met?

A Yes.

Q Was the source for the first two columns on this part of your exhibit?

A The first two columns meaning the UNE zone and the CEA?

Q Yes.

A The output of the BACE model lists the UNE zone and CEA of each market that has a positive NPV. We then divided it up into the two categories, those being those that pass the triggers and those that don't, so this is

part of the output of the model.

Q Okay. Assume that this Commission disagrees with BellSouth that the triggers are satisfied in those markets. Will BellSouth then assert in this proceeding that there is no impairment in these markets because of the potential of deployment?

A I don't know what BellSouth would assert, but I would assert that.

Q You would assert that? And that would, of course, be justified by the BACE model?

A Yes, it is.

Q Dr. Aron, could you please turn to page 14 of your testimony, in particular, lines 4 through 12?

A My direct?

Q Yes. I'm sorry.

A Page 14, lines 4 through 12?

Q Yes.

A I'm there.

Q Okay. Beginning at line 10, I'll read that. "That assessment would have to take into account that some costs would be shared with or borne entirely by the enterprise part of the business and/or other geographic markets." My question is, within the BACE model, which costs are treated as shared between serving enterprise and mass market customers?

A I can give you examples. I think Mr. Stegeman could give you a fuller list. And we talked about this a little bit earlier. One cost that is shared across all of the customers is the OSS costs. The model assumes a fixed amount of OSS costs, and those are allocated among all of the customers.

Collocation costs would be shared across all customers that are served out of a given wire center in which there's collocation.

As I indicated, G&A costs would be shared. And it may be that there are switching costs and transport costs that are shared, but Mr. Stegeman would have to address that.

Q And how are these costs allocated between enterprise customers and mass market customers?

A At a high level, I can tell you they're allocated on a cost-causative basis, so the way that they're allocated depends for each cost element on the nature of the cost causation. For example, G&A is related to revenues, and so G&A is allocated according to revenues. That's the cost-causative basis.

I believe that costs like collocation are driven by capacity in some way, and so are allocated on the basis of some capacity measure. How Mr. Stegeman specifically models that, though, you would have to

discuss with him.

Q And I don't know if you answered this or not, but which are borne solely by enterprise customers and which are borne by other geographic markets?

A Are those two separate questions?

Q Two separate questions. Why don't I just start with which costs are born solely by enterprise customers?

A The costs that are borne solely by enterprise customers are those that are attributable directly to enterprise customers. For example, the cost of an unbundled loop for serving an enterprise customer would be borne entirely by enterprise customers. So any costs that are directly attributable to a customer class would be borne by that customer class.

Q And within the BACE model, for each market, which costs are borne by other geographic markets?

A The one example that comes to my mind again is the OSS system costs. Those are shared across the entire footprint of the CLEC. And there may be others to which Mr. Stegeman could speak.

Q Could you now please turn to page 20 of your direct testimony? The specific lines my question is directed at start at 16 and finish at 13. I'm sorry, 6 and 13.

A Oh, okay.

Q At lines 10 through 13, you indicate that there may be instances where it is appropriate to allocate fixed costs solely to the enterprise market rather than in part to the mass market. Are any costs assigned solely to enterprise customers in the BACE model?

A As I indicated earlier, costs that are assigned only to the enterprise market are those that are directly attributable to the enterprise market, such as the costs of an unbundled loop for serving an enterprise customer.

What I'm talking about here is that the model is really overly conservative in the way it treats costs, because from an economic perspective, if it's economic to serve the enterprise market on a stand-alone basis, then the way a real CLEC would rationally assess the desirability of serving the mass market is only on the basis of the incremental costs and the incremental revenues. But we adopt a more rigorous test by assigning some of the shared costs, some of the entirely common costs like the OSS to the mass market, and that makes it a harder test to pass. So that's what I'm addressing here, is that it's overly rigorous from an economic perspective.

Q Okay. Beginning at line 18 of this same page,

you state that you provided a number of inputs used in the BACE model. Am I correct you did not provide all of the model's required inputs?

A That's correct, I did not.

Q Do you know which BellSouth witness sponsors or witnesses sponsor all of the other required inputs that you don't know, or that you did not include?

A Well, I did not sponsor the cost of capital. That's Dr. Billingsley. And there are a host of assumptions and inputs pertaining to the cost side of the model that the cost witnesses would be responsible for, with the exception of certain cost items that I did sponsor, which are sales costs, general and administrative costs, and bad debt. And there may be another, but those are the ones that I'm thinking of. Otherwise, on the network side of the model, I did not sponsor any of those inputs.

Q Okay. And who did?

A I don't know the answer to that.

Q Okay. And aside from Billingsley, who are the other cost witnesses for BellSouth?

A Well, there's a list of witnesses on that side of the model. I don't think I can tell you who sponsored what part of the model inputs.

MR. SUSAC: All right. Andrew, may we have a

late-filed exhibit, "Other Cost Witnesses"?

MR. SHORE: Sure.

(Late-Filed Deposition Exhibit 2 identified.)

BY MR. SUSAC:

Q Dr. Aron, could you please now turn to page 22 of your direct, in particular, lines 6 through 9. I am a little unclear about the statement where you indicated that customers from each customer segment are allocated to each geographic market. If you know the spending profiles separately by residential and business at a wire center level, why is there a need to allocate customers?

A Would you mind asking the question again now that I've read the passage?

Q Basically, you indicate that customers from each customer segment are allocated to each geographic market. If you know the spending profiles separately by residential and business at a wire center level, why is there a need to allocate customers?

A Let me explain what I'm talking about here. The way the model works is, all of the customers in the state are divided up into five spend levels, which we're calling quintiles. And then we calculate essentially the average spend, if you can think of it, for each quintile. It's a way of creating granularity in the

model that captures the differences in spending patterns among customers. We then take that quintilization and go back to each wire center, and we look at each customer in the wire center and count up how many customers are in the quintiles that we have defined as I just indicated.

So perhaps it's misleading or confusing you that I've used the word "allocated." What's really going on here is, we look at each wire center and just count up how many customers in that wire center fit into each quintile. And if you look at the BACE model, one of the tables is called the exchange demographics table. What's in that table is this count by quintile of the number of customers in each wire center, so that it gives a profile of the kind of customers in each geographic market.

Q So would it be accurate to change the word "allocated" and put in its place "classified"? I guess why is there a need to classify customers?

A You could say -- another way to word this sentence would be to say, "In each geographic market, that is, UNE zones subdivided by CEAs as discussed in Dr. Pleatsikas's testimony, the appropriate number of customers from each segment is counted."

Q Okay. On page 23 of your direct at lines 2

through 8, you discuss how prices and quantities were determined; is that correct?

A Here I'm talking on lines 2 through 8, that's right, about prices and quantities for a la carte and bundled services.

Q Okay. The price and quantities for a la carte services developed in the -- I'm sorry. Excuse me. I'm sorry, Doctor.

Am I correct that you state that the prices and quantities for the a la carte services were developed in a pre-processing program?

A Yes.

Q Can you define what you mean by a la carte services?

A In the BACE model, customers can buy bundled services, and we define three different types of bundles. We can come back to that if you would like and talk about the bundles. But customers could also choose not to buy services in a bundle and buy them separately, and that's what I mean by a la carte.

Now, in the model, most customers on the residential side and the SOHO side are purchasing services in a bundle, but we do have some customers buying services a la carte, and those prices, as it says here, are the ones that are determined in the

pre-processing program.

Q Isn't the output of this pre-processing program more akin to a weighted average price of the local-like services provided to customers as opposed to discrete prices for the various local offerings themselves?

A What comes out of the pre-processing program for a la carte services for residential customers is a different price for each quintile for local services, a different price for four different flavors, you might say, of long distance service, interLATA, intraLATA, international, and calling card, prices for access minutes, and some other services like DSL and voice mail. Those come out of the pre-processing program.

Q Do the prices vary by wire center?

A The input data varies by customer. The prices that are determined for each quintile are a price for each service as I've just defined them, for each quintile. And then, as I indicated, each wire center has a different profile of customers by quintile, depending upon the characteristics of the customers that are actually in that wire center.

Q How does the pre-processing program account for the fact that BellSouth's access line rates vary by rate group?

A That's captured in the fact that some customers

pay more than other customers through the process of identifying the quintiles. So each customer's actual spend is captured in the input data, and where we have wire centers in which customers are paying more because they pay a higher price for the line, those customers, all else equal, are going to be assigned to a higher quintile or will be identified with a higher quintile, and so that wire center will exhibit a profile in which there are a disproportionate number of customers paying higher prices.

Q Are there only five outputs for local service?

A For the price of local service you mean?

Q The five quintiles. Are there only five quintiles?

A There are only five quintiles for residential customers. Is that what you're asking?

Q Yes, that's what I was asking. Thank you, Dr. Aron.

Over on page 24 of your direct, lines 7 through 16, you discuss your recommended rates of climb for the residential and business markets and the efficient CLEC's ultimate market share at the end of the 10-year analysis; is that correct?

A Right.

Q Am I correct that it's not possible for the

BACE model to perform an analysis over a period other than 10 years?

A Well, I wouldn't quite agree with the way you've characterized it, because the BACE model doesn't assess a business plan for 10 years. It assesses a business plan over essentially an infinite life or an undefined life, the entire life, therefore, of the potential CLEC, the modeled CLEC. Ten years of that life are explicitly modeled, and the subsequent life, the value of that is captured in the terminal value. And that's the standard way that one performs a business case analysis.

Q In your opinion, do the financial markets still share the exuberant optimism as the prospects of CLECs that were expressed in the few years after the passage of the Act, the 1996 Act?

A I think that the markets have become much more sophisticated in distinguishing between sound business plans and speculative or unsound business plans. And to the extent that the capital markets were, and I think they were, somewhat undisciplined in their ability to distinguish between sound and unsound business plans, I think the market has gotten past that and is more disciplined in its understanding of the CLEC world and its assessment of good business models.

Q As I understand it, by assuming a p-value of .5 for the residential markets, this means that your efficient CLEC will achieve 50% of the difference between its initial market share and its ultimate market share. Am I correct?

A In each year?

Q In each year. Would I be correct for each year?

A I believe that's right.

Q So does this mean that it is assumed that the efficient CLEC will achieve a residential market share of 7.5% by the end of the first year in operation?

A The way the BACE model works is that it adopts a midyear convention for booking costs and revenues. So the p-value does imply what you just said, but the implied revenue from that is as if the company actually only had half of that in the first year, because the midyear convention essentially takes the average of the beginning and the end of the year, so it's as if they only have a 3-1/4% share.

Q So is that a yes then?

A No. It's what I just explained.

Q Okay. And to the extent you can answer yes or no, please do so, and then elaborate. But your p-value of .25 translates into 3.75% business market share; is

that correct?

A In the first year?

Q In the first year.

A I would say -- if I have to say yes or no, I would say no because of the caveat that I just explained.

Q And what about in subsequent years after the first year?

A The way the model applies the p-value is -- let's talk about the second year now.

Q Okay.

A By the end of the first year, in the business segment, the p-value would indicate the share at 3.25%, as you just said, although the revenue would not be at 3.25%, for the reasons I just explained. The model would then ask, going from 3.25 to 15%, what is 25% of that, and add that to 3.25%, and that would be the ending market share according to the p-value in the second year. From the perspective of costs and revenues, the model would then once again apply a midyear convention between the beginning and the ending market share to assess the revenues as halfway in between. And it applies the same methodology on the mass market side.

Q Okay. To your knowledge, after the passage of

the Act, was any CLEC able to achieve a 3.75% market share one year after it began operations?

A Well, I believe that, as I talk about in my testimony, AT&T has achieved something like 15% in a total of three years in New York. A number of cable telephony providers have achieved a 20 to 30% share in a period of four or five years, sometimes less.

So while I don't know what share they achieved at each intervening stopping point over those three years for the case of AT&T, or those five years in the case of a variety of cable companies, I don't think that the numbers I'm talking about are at all unrealistic or unconnected to what real carriers have achieved.

Q And I don't think you know the answer to this question, so if we can have it for a late-filed exhibit, I would appreciate it. We could phrase it as, "Was any CLEC able to achieve a 3.75 market share before starting the second year of its operations?"

MR. SHORE: I'm just a little confused. Do you want her to tell you what she knows, or do you want her to go out and conduct research?

MR. SUSAC: If she knows.

It sounded like you didn't know the intervals for each year. You knew after three years that AT&T had gotten 15%; however, you couldn't specify the

intervals. If you can specify the intervals, for example, was any CLEC able to achieve a 3.75% market share after its first year, but before it started its second year of operations, to the extent you can answer that here today? And if not, we can have a late-filed exhibit. And we'll limit it to AT&T so that will narrow the scope of your research if you don't know.

THE WITNESS: So are you asking me to conduct that research? Because I don't think we have data that would demonstrate that one way or another today.

MR. SUSAC: Okay. We'll just withdraw that then.

BY MR. SUSAC:

Q Dr. Aron, could you please turn to page 30 of your direct testimony? I just have a few questions relating to churn.

On this page you define churn as the frequency with which customers disconnect or change providers; is that correct?

A Yes.

Q And you recommend the use of a 4% churn rate for residential customers?

A Right.

Q And you recommend this 4% churn be applied to all residential customers; is that correct?

A Right.

Q Does the use of a 4% churn translate into the assumption that on average, a residential customer will change local providers every 25 months?

A That sounds about right.

Q So all things equal, would one expect that the greater the number of competitors in a market, the greater the likelihood that customers would change providers?

A I would say that's true when you go from one to two providers. But beyond that, I don't think you can draw that generalization. It depends on the way the competitors choose to compete and manage their churn.

Q Well, would you think -- so is it speculative? You couldn't tell me one way or the other whether churn would increase or decrease?

A As the number of competitors increases?

Q Yes.

A My research would indicate that carriers that are engaging in competition actively with many competitors are actively managing their churn and show some of the lowest churn. So I don't think one could draw a generalization along the lines that you indicated

based on the research I've seen.

Q How do the firms manage churn?

A They manager it in a number of ways. One way is by encouraging the use of bundles. Bundles have been shown through a variety of studies to decrease churn typically, on average.

In addition, in other industries, carriers have managed churn by encouraging customers to sign term contracts and get a discount along with that willingness to commit to a term, and that's certainly an opportunity in the CLEC business as well. As that industry develops, I would not be surprised to see developments in that direction.

And, of course, churn is managed by providing good service and keeping your customers happy, knowing what they want, trying to put them into plans that fit their needs, and continuing to provide them good service after you get them.

Q Am I correct that the churn rates you recommend for use in the BACE model are constant over the 10-year study period?

A Yes.

Q So this means that on average, over 10 years, churn will average 4% for residential customers?

A Per month.

Q Would it then be reasonable for me to assume that churn might be higher in one year and lower in another?

A Based on all the data I've seen, churn is a number that varies from month to month in actuality, but I wouldn't say that it varies in a predictable way. It varies across carriers, and it varies across time. I don't think there's a way one could handle that in any better way in a model than putting in a reasonable average rate for each month.

Q Because we're conducting an NPV analysis, wouldn't it be significant in which years churn is high versus when it was low?

A If one could predict that and had reason to have confidence in a pattern, a predictable pattern, one could incorporate that into a model.

I think that I have recommended quite a generous churn rate, meaning a high churn rate. It is roughly equivalent to the churn rate that Z-Tel is reported to have. It's substantially higher than the churn rate that ILECs have. So I don't think there's any reason to deviate from the assumptions that I've made based on what I've seen.

Q Okay. And just for my clarification, how did you come up with the 4% churn rate?

A I looked at hundreds of analysts' reports, industry reports, and all the analyses and statements I could find to see what was being said about churn rates in the industry. I was able to identify churn rates on the residential side for a couple of carriers as well as ILECs. I benchmarked against wireless, which has substantially lower churn, and I adjusted for that. I accounted for that. And incorporating all of the research and information I did, I chose what I think is a very supportable and conservative assumption based on what's actually being experienced in the market.

And that applies as well to the business side, but the business -- experience in the business market is different, and so I arrived at different numbers.

Q Okay. Turning now to page 36 of your direct, is it correct that you recommend the use of a value of $95 per subscriber for residential customer acquisition?

A Yes.

Q And does this $95 value apply to all residential customers, whether their average spending is high or low?

A Yes. I had no data or indication from any carrier that would justify any other assumption.

Q Okay. Now, let's that talk briefly about the general and administrative costs. You recommend that

the G&A be modeled as a percent of revenues; is that correct?

A Right.

Q Specifically, I believe you recommend that G&A be calculated as 15% of long distance revenues and 28.4% of all other revenues; is that right?

A That's right.

Q Now, G&A costs pertain to the overall management of a firm and consists of such costs for executive, legal, human resources, accounting, and the like; is that correct?

A Right.

Q Isn't it true that G&A costs tend to vary based on the size of a firm?

A Yes, that's what we capture in the relationship to revenues.

Q So as a firm grows, it may need to expand their accounting department, therefore expanding its G&A costs?

A Right. In fact, we've found that overall revenues are a very, very good predictor of total G&A, and that would capture exactly the effect that you just described.

Q On page 40 of your direct testimony, Dr. Aron, you state that you performed statistical analysis using

ARMIS data for the period of 1992 to 2002 to arrive at your 28.4% figure. Doesn't ARMIS contain IELC data?

A Yes, of a variety of sizes of ILECs, large and small.

Q Does it contain data for CLECs?

A Only if the CLEC reports, so I believe that the sample would be consisting primarily of ILECs.

Q Are the companies that report for ARMIS purposes established firms?

A Meaning -- what do you mean by established?

Q One second, please.

Okay. When I use the word "established," I mean that the business has been in business for in excess of probably 10 years, a decade. And if you would like me to repeat the question, I can.

A No, I heard the question.

I don't know if each firm in the ARMIS database has been in business for more than 10 years.

Q What about five years?

A I would have to go back and look. That would be my expectation, though.

Q Okay.

A I would say just as many CLECs have been in business for many years and are large, established companies.

Q But we're trying to estimate G&A costs for a startup CLEC; is that correct?

A An efficient startup CLEC.

Q Okay. Let's assume that our hypothetical efficient CLEC generates about 50% of its revenues from long distance and 50% from other local and revenue sources. My question is, does this mean that this firm's G&A costs equate to 21.7% of aggregate revenues?

A I'm looking for my calculator.

Q Okay, sure.

A What was your number?

Q A 50-50 split. Assume our hypothetical efficient CLEC generates 50% of its revenues from long distance and 50% from other local and revenue sources. Does this mean that the firm's G&A costs equate to 21.7% of aggregate revenues?

A 21.7?

Q Yes.

A I get 21.3.

Q And how did you arrive at 21.3?

A I took the average of the two numbers, the two G&A numbers. I could have typed them in wrong.

Q That's all right.

A Oh, 21.7. Is that what you got?

Q Yes.

A That's what I got now.

Q On page 40 of your direct at lines 16 through 18, you state that you believe a CLEC operating as an IXC reseller would have lower G&A costs than a facilities-based operation. My question is, what is the basis for your opinion?

A Well, there are a number of bases for that opinion. As I think I explained in my testimony, first of all, I did an extensive review of empirical literature on G&A expenses, and it became clear in that literature that what one would expect intuitively is supported, which is the complexity of an operation drives to some extent the G&A costs. So to the extent that a -- what I'm saying here is an efficient resale long distance business is a business that doesn't have a network that it is supporting with engineers and technicians, outside plant people, maintenance people, and so forth, that a whole area of support would also not be necessary.

So that both intuitive and research-supported view is partly what is the basis for this opinion, but the 15% came from a statistical analysis similar to the statistical analysis that determined the 28.4%.

Q Okay. What layer of support is not necessary?

A The layer of support for all of the personnel

that I just described, for one thing.

Q Okay. Following on with that, are you assuming that a CLEC has two distinct G&A operations, one as a reseller and one as a facilities-based CLEC?

A No.

Q Which G&A costs do you believe would be lower for an IXC reseller than a facilities-based CLEC?

A Are you asking me -- when you say an IXC reseller, are you talking about the IXC who has a network and is reselling it, or a company who is providing long distance service by reselling a facilities-based long distance company's network?

Q I believe the latter, the latter one.

A Okay. Now, what the question again?

Q The question was, which G&A costs do you believe would be lower for an IXC reseller, the latter, than a facilities-based CLEC?

A And did you say which G&A costs?

Q Yes.

A Okay. Well, as I said earlier, I think the support that's associated with the network operations would not essentially be necessary in a resale operation. A facilities-based company is in the business of building and running a network. They have technicians, engineers, outside plant, maintenance

people, central office people. They have training and supervision of all of those people. They have an HR function for the purpose of hiring, supervising, training, and managing all of those people. They have an accounting function for the purpose of managing all of those people and functionality associated with the business of building and running a network. And those functions would not be necessary in a nonfacilities-based operation.

MR. SUSAC: Okay. That concludes my questions. I thank you very much for your time and for appearing in person. Thank you, Counselor.

I think it's appropriate now to take a five- to ten-minute break for the witness and the court reporter. If everybody would just resume on the line, we'll start back up -- I have 10 to 11:00. Why don't we just start back up at 11:00. Is that okay with everyone on the phone?

(Short recess.)

MR. SUSAC: I know the appearances have not changed inside this room. Could everyone just please for the record state your appearances, those of you on the phone, starting with AT&T?

MR. RUSSELL: Dan Russell for AT&T.

MR. CHAIKEN: Steve Chaiken for Supra Telecom.

MR. SUSAC: Are there any other parties besides AT&T and Supra?

MR. FELZ: This is John Felz with Sprint.

MR. SUSAC: All right. We're back on the record. I'll just remind the witness she is under oath, and with that, Susan Masterton with Sprint will start.

CROSS-EXAMINATION

BY MS. MASTERTON:

Q Good morning, Doctor.

A Good morning.

Q First I'm going to ask you a few questions about market share. Can you identify an individual CLEC in Florida with a market share of 15% of the mass market? And for the purposes of this question, just define mass market as BellSouth has defined it in this proceeding.

A No. I provided an exhibit, I believe, in discovery that shows a list of many wire centers in Florida in which collectively CLECs have far in excess of 15%, but I don't think I analyzed it to identify individual market shares.

Q Okay. Thank you. So basically you're saying that you're not aware of a CLEC in Florida that has a 15% market share individually?

A In the mass market.

Q And do you recommend the same market share for an efficient CLEC in your Georgia testimony as you do in your Florida testimony?

A The same ultimate market share?

Q Yes.

A Yes.

Q That's 15%; correct?

A That's right.

Q So you would expect no difference in market share for an efficient CLEC in Georgia than an efficient CLEC in Florida; is that correct?

A Right. I think market share is driven by a variety of structural factors in a market, including the degree of economies of scale, as I discussed in my surrebuttal testimony. And for a market in which a CLEC is unimpaired and chooses to operate, I think that it's conservative and reasonable to assume the same 15% ultimate share in both of those circumstances.

Q So you're agreeing that the market share you've recommended in Florida is not a Florida-specific market share?

A It's appropriate to Florida, but it's not unique to Florida.

Q Okay. Thank you. Now I'll move to customer

density. Do you agree that customer density impacts the costs that a company incurs to serve a customer?

A That's my general understanding. That's reflected in the BACE model to the extent it's true.

Q So your answer is yes?

A My answer is that's my general understanding.

Q Which is yes? I mean, I think --

MR. SHORE: Well, she has answered it. She's not a network person. She's an economist. She said that's her understanding. You can ask it again, and she can answer it.

MS. MASTERTON: Well, I just thought a yes or no answer with an explanation. I'm not sure --

MR. SUSAC: Could you repeat the question for my understanding?

BY MS. MASTERTON:

Q I was asking do you agree that customer density impacts the cost to serve a customer.

A That's the general wisdom in the telecom world. I am not a network cost expert, and I have not specifically studied that question, so I can't testify to the specific relationship between costs and density.

Q Okay. Do you agree that the cost to serve a customer affects the company's ability to serve that customer?

A I believe it affects the company's willingness to serve the customer.

Q Okay. And have you done any research to look at the customer densities in New York or in Florida?

A In the context of other proceedings, I have looked at customer densities, yes.

Q So have you specifically looked in New York, for instance?

A I've looked in every state.

Q And do you have any documents that would memorialize that research, I guess is what I would --

A Not with me.

MS. MASTERTON: Could I perhaps ask for that as a late-filed exhibit?

MR. SHORE: No. I mean, yes, you can ask. We'll certainly reserve our right to object. What she has testified to is that she has looked at it in the context of other proceedings, but she has not looked at that in any way in this case. And I don't see based on what I've heard so far how that would be relevant for discovery purposes in any way, not to mention the fact you certainly had her testimony, and the time for discovery requests has run and we're two weeks away from the hearing.

MS. MASTERTON: As far as relevancy, she has

used some data from New York relating to market share, used it to base her market share in Florida, so I think it is relevant. And this is a discovery proceeding, so I think it's legitimate to ask --

MR. SHORE: To the extent she has used that, it has been in her direct testimony for over two months now. Discovery has run. We've responded to scores and scores of discovery, and depositions are not the time to request documents from parties. It occasionally is the course that during a staff deposition, staff will request something, or even a party, if that wasn't available or the party wasn't able to request it. But to be engaging essentially in additional discovery at this very late juncture is --

MR. SUSAC: Can we go off the record here for a second? Does everybody agree to go off the record?

MS. MASTERTON: That's fine.

MR. SHORE: Well, I've stated my position. We can restate it off the record. That's fine.

(Discussion off the record.)

MR. SUSAC: We're back on the record.

BY MS. MASTERTON:

Q In the context of the research that you have previously done for other proceedings, can you give me

some kind an idea of whether you could give an opinion on a comparative customer density in New York as opposed to Florida?

A No. The densities I looked at are specific to the RBOC footprint, and I would have to look at the numbers to see how they compare. They don't follow an intuitive pattern. And they are not relevant to my testimony here, so I didn't look at them for purposes of my testimony here.

Q But you agreed, didn't you, that customer density -- at least it's the general understanding in the industry and your understanding that customer density impacts the cost to serve a customer?

MR. SHORE: Objection. That has been asked and answered. You can answer it again.

MS. MASTERTON: She said it wasn't relevant to her testimony, so --

MR. SHORE: No, that's not what she said. The record will speak for itself.

MS. MASTERTON: Okay. Then go ahead and answer. Please answer.

A Customer density, to the extent it's relevant, is relevant for the network provider. AT&T was not the network provider in New York.

Q You're saying -- doesn't your testimony -- and

I'll go to the page. Don't you use AT&T's 15% market share in New York as a basis for your recommendation for a 15% market share in Florida?

A Yes. AT&T is providing service in New York over a UNE-P platform, so AT&T is not the underlying network provider in that situation.

Q So your 15% of market share for AT&T in New York is based on the provision of service through UNE-P; is that correct?

A That's right. And I explain in my surrebuttal testimony at length why that's relevant to the inquiry here.

Q Okay. I have no more questions on that.

I want to go back to that exhibit, I guess revised DJA-02.

A Yes.

Q Just explain the part of the chart that's labeled "Other Impaired Markets in Florida."

A It's labeled "Other Unimpaired Markets in Florida."

Q Unimpaired. I'm sorry. You got me.

Tell me what that represents.

A This table, if you look at both pieces together, reflects all of the markets in Florida that the BACE model indicates are unimpaired for the mass

market. The table divides them into two sets. The bottom set are those that, according to Ms. Tipton's analysis, are unimpaired according to the FCC's triggers test. The ones in the top panel are those that are unimpaired according to the BACE model, but don't pass the triggers test according to Ms. Tipton's analysis.

Q Okay. I wanted to go to page 23 of your direct testimony, and specifically lines 16 through I guess 24, if you include the chart. There you say that the BACE model calculates the total number of customers won by an efficient CLEC by market; is that correct? In each year up through 10, I guess I should add.

A Yes.

Q Okay. I guess I wanted to know if you can tell me then, looking at this DJA-2 and the other unimpaired markets in Florida, in the Jacksonville Zone 1 market, how many customers the efficient CLEC would win in that market in year 1.

A I don't know the answer to that. It's not something one can determine at all from this exhibit, so I don't know.

Q But is that something -- from your testimony, is it true that that's something that was calculated by the BACE model and therefore should be available via the BACE model, or did you review that aspect of the BACE

model in writing the testimony?

MR. SHORE: Object to the form. You can answer.

BY MS. MASTERTON:

Q In your testimony, you say the BACE model computes the total number of customers won. Did you review that in preparing your testimony?

A That is what the BACE model does. I know that is what the BACE model does. That's an internal calculation to the model. The model doesn't report that out in any standard report. I presume that one could get that out of the model in some way, but it's not a report of the model. It's an internal calculation.

Q Okay. So you're saying, though, that that's not available through the model itself or through -- through the model itself?

A No, I'm not saying it's not available. I'm saying it's an internal calculation, and to my knowledge, it's not reported in any of the standard reports of the model.

Q Okay. Thank you. Let me just ask, is that something that maybe Mr. Stegeman could better address?

A He may be able to, yes.

Q Thank you. And I want to go back to that chart, DJA-02, and look at that last column where you

have the NPV for the mass market.

A Yes.

Q In your response to the staff's questions, you indicated that it really represents the NPV for the mass market for a CLEC that serves both the enterprise market and the mass market; is that correct?

A It's the NPV of serving the mass market for a CLEC that is serving both the mass market and the enterprise market. But just to be clear, the NPV in this last column is only the NPV associated with the mass market service.

Q Okay. So do you have the NPV for the mass market for a CLEC that serves only the mass market?

A No.

Q Could the BACE model provide that information?

A I think that would be a question better asked of Mr. Stegeman.

MS. MASTERTON: Okay. That's all the questions I have. And I just want to clarify, I guess we've left the pending request for a late-filed exhibit --

MR. SUSAC: Subject to the objection.

MS. MASTERTON: Subject to the objection. Okay.

MR. SUSAC: Okay. MCI has no questions. Let's go in alphabetical order. AT&T, do you have any

questions for Dr. Aron?

MR. RUSSELL: Not at this time, no.

MR. SUSAC: Supra, do you have any questions for Dr. Aron?

MR. CHAIKEN: No, we don't.

MR. SUSAC: Am I correct that no other parties on the line have any questions for Dr. Aron?

All right. It looks like it's a done deal. Thank you, everybody, for calling in, and see you tomorrow.

(Deposition concluded at 11:19 a.m.)

CERTIFICATE OF OATH

STATE OF FLORIDA)
COUNTY OF LEON)

I, MARY ALLEN NEEL, Notary Public in and for the State of Florida at Large:

DO HEREBY CERTIFY that on the date and place indicated on the title page of the foregoing transcript, an oath was duly administered by me to the designated witness before testimony was taken.

WITNESS my hand and official seal this 12th day of February, 2004.

Mary Allen Neel

MARY ALLEN NEEL, RPR
2894-A Remington Green Lane
Tallahassee, Florida 32308

Mary Allen Neel
MY COMMISSION # DD154437
EXPIRES: October 10, 2006
Bonded Thru Troy Fain insurance

CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, MARY ALLEN NEEL, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter transcribed under my supervision; and that the foregoing pages numbered 1 through 52 are a true and correct transcription of my stenographic notes.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, or relative or employee of such attorney or counsel, or financially interested in the action.

DATED THIS 12th day of January, 2004.

MARY ALLEN NEEL, RPR
2894-A Remington Green Lane
Tallahassee, Florida 32308
(850) 878-2221

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 030851
Late Filed Deposition Exhibit 1
Zone 3 Jacksonville Passed Original
Deployment Test

REQUEST: Please explain why Zone 3, Jacksonville, Florida is included on revised Exhibit DJA-02, filed with Dr. Aron's surrebuttal testimony.

RESPONSE: Zone 3, Jacksonville was originally identified as a trigger market by Pamela A. Tipton in her direct testimony. While not separately identified on DJA-02 (because it was a trigger market), Zone 3 Jacksonville passed the potential deployment test as an unimpaired market. Please see the attached DJA Late Filed Deposition Exhibit 1 for the NPV results from the original model run. Ms. Tipton later excluded this market from her triggers analysis.

In the surrebuttal testimony and Revised Exhibit DJA-02 filed by Dr. Aron, both the triggers markets (all of which pass the BACE NPV test) and the "Additional" markets that pass the potential deployment test are identified on separate panels. As Zone 3 Jacksonville is no longer identified by Ms. Tipton in her surrebuttal testimony as a triggers market, but it continues to pass the potential deployment test, it now appears as an "Additional" market on Revised Exhibit DJA-02 as filed in Dr. Aron's surrebuttal testimony.

55

DJA Late-Filed Deposition Exhibit 1

Jacksonville Zone 3: Originally Filed Potential Deployment Test

NPV Total	NPV for the Mass Market

PUBLIC DISCLOSURE
DOCUMENT

LECG, LLC Work Product

56

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 030851
Late Filed Deposition Exhibit 2
Other Cost Witnesses

REQUEST: Who sponsors the cost inputs included in the BACE model?

RESPONSE: See BellSouth's response to Staff's Interrogatory No. 117. Additional information is also provided in the attached spreadsheet and verification.

BACE Cost Area	BACE Cost Center	BACE Cost Element	Cost Input Provided By	Notes
Cageless Collo	ALL	ALL	Bernard Shell	GA & FL rates
ColloEquipment	DSLAM	ALL	Eric Fogle	Based on Mitr
ColloEquipment	MDF	ALL	Jim Lowry	
ColloEquipment	CFA	ALL	Andrea Hopkins	Used old cros
ColloEquipment	POTBAY	ALL	Andrea Hopkins	
ColloEquipment	DSXPanel	ALL	Dee Gonzalez	
ColloEquipment	DLCEquipment	ALL	Arlene Johnson	
ColloEquipment	Multiplexer	ALL	Dee Gonzalez	
CPE	Modem	DSLModem	Chet White	
CPE	Modem	DSLModemInstallationKit	Chet White	
CPE	Modem	BusinessModem	Bob McKnight	From BSTLM
CPE	ChannelBankEquip	ALL	Dee Gonzalez	
Data	ATMSwitch	ALL	Chet White/Eric Fogle reviewed	
Data	BroadbandServicesNode	ALL	Eric Fogle	
Data	CatalystSwitch	ALL	Doug Cole/Eric Fogle reviewed	
Data	IntAggregateExchangeRouter	ALL	Doug Cole/Eric Fogle reviewed	
Data	SubscriberManagementSystem	ALL	Eric Fogle	
Data	BackboneExtensionRouter	ALL	Doug Cole/Eric Fogle reviewed	
	DataTransport	IPTransitBackhaul	Eric Fogle	
Data	IPOP	AggregateExchangeRouter (ALL)	Doug Cole/Eric Fogle reviewed	
Data	IPOP	PeeringExchangeRouter (ALL)	Doug Cole/Eric Fogle reviewed	
Data	PXRToGSP	ALL	Eric Fogle	SpA rates
Data	Data	GSP Access	Eric Fogle	
Data	MultiServiceRouter	ALL	Eric Fogle	Vendor Quote
Data	MSRToGSP	ALL	Eric Fogle	SpA rates
EELs	ALL	ALL	Pam Tipton	UNEs or SpA
G&A	G&A	CapitalRelatedtoG&A	Dr. Debra Aron	ARMIS analys
Interconnection	TandemTransitTraffic	ALL	Pam Tipton	UNES
Interconnection	RecipComp	ALL	Keith Milner	traffic assume
Loop	ALL	ALL	Pam Tipton	UNEs
OSS	ALL	ALL	Dr. Debra Aron	ARMIS analys
Region	Features	CNAM (ALL)	Pam Tipton	UNE Rates
Region	Features	TollFreeQuery	George Grier	FCC Tariff #1
Region	Features	LNPQuery	George Grier	FCC Tariff #1.
Region	Features	LIDB related items	George Grier	FCC Tariff #1,
Region	Signaling	ISUP	George Grier	Access Rates
Region	Signaling	TCAP	George Grier	Access Rates
Region	Signaling	SignalPointCode	George Grier	Access Rates
Region	Signaling	AlinkMonthly	George Grier	Access Rates

Region	Signaling	AlinkNRC	George Grier	Access Rates
Region	Signaling	STPPortTerm	George Grier	Access Rates
Region	DAServices	DACall	Allen Martin	Competitive A
Region	OAServices	OpCall	Allen Martin	Competitive A
Region	DAServices	ALL Announcement related elements	Allen Martin	UNE Rates
Region	DAServices	Listing related services	Allen Martin	DADS GSST.
Region	OAServices	ALL Announcement related elements	Allen Martin	UNE Rates
SpecialAccess	ALL	ALL	Ken Enman	Discount struc
SpecialAccessDA	ALL	ALL	Ken Enman/Keith Milner	SpA rates; 1 [
SpecialAccessE911	ALL	ALL	Ken Enman/Keith Milner	SpA rates; 6 [
SpecialAccessOA	ALL	ALL	Ken Enman/Keith Milner	SpA rates; 1 [
SwitchedAccess	SWACommonTransport	ALL	Ed Matejick/Pam Tipton	FCC#1 Sectio
SwitchedAccess	TandemSwitching	ALL	Ed Matejick/Pam Tipton	FCC#1 Sectio
SwitchedAccess	ALL	ALL	Ed Matejick/Pam Tipton	Access Charg
SwitchingCenter	LocalSwitching	ALL	Jim Lowry	SCIS Model n
SwitchingCenter	LocalSwitching	FeatureFunctionality		HAI Model
SwitchingCenter	DSXPanel	ALL	Dee Gonzalez	BellSouth DS:
SwitchingCenter	DLCEquipment	ALL	Arlene Johnson	BellSouth DLC
SwitchingCenter	Multiplexer	ALL	Dee Gonzalez	BellSouth Mul
UNEDedTransport	ALL	ALL	Pam Tipton	UNEs
Voice Mail	ALL	ALL	Mike Zier/Kent Davis	Vendor Quote
Wholesale	LD costs	ALL	Bill Blake	Based on BST

BACE Assumptions/Inputs

Line to trunk ratios		Keith Milner	
Call and Feature Usage	Used for many weightings within BACE	Gerry Gardner; John Patterson	
Access Line data	Used for many weightings within BACE	Gerry Gardner	
Loop related weightings	SL1, SL2 wieghtings	Pam Tipton	Inward activity
Loop Conditioning weighting	Loop conditioning weightings	Mike Zier	Obtained infor
Costing Component Inputs	General guidance	Daonne Caldwell	Supervision o
InPlant, Loading and Plant Specific factors	BellSouth factors	Fletcher Horton	
DemandYearForBuild Inputs		Keith Milner	

s are pending
ıer testimony in KY (Cinergy)

s connect study

(based on user input); UNEs based on September 2003 version of standard UNE agreement
sis; tied to revenue

ed to be in balance (weight = 0)

sis;

, page 6-178.1
, page 6-178.2
, page 19-7 (state rates identical)
; (E6.8 for all states) & FCC#1
; (E6.8 for all states) & FCC#1
; (E6.8 for all states) & FCC#1
; (E6.8 for all states) & FCC#1

; (E6.8 for all states) & FCC#1
; (E6.8 for all states) & FCC#1
nalysis
nalysis

A38.1

cture approved by K. Enman
DS1 per switch (Milner)
DS1s per switch (Milner)
DS1 per switch (Milner)
n 6.8
n 6.8
es from BACE Price table
uns

X Panel Investment (03_DS1_CALC.xls)
C Investments (DlcMaster00/Case Model)
tiplexer investment (03_DS1_CALC.xls), apply conc ratio of 4:1

T wholesale agreement with LD providers

and MAREVS
rmation from Lianne Griffin(?)
f some components; assistance on capacity analysis

BELLSOUTH TELECOMMUNICATIONS, INC.
FLORIDA DOCKET NO. 030851-TP
DIRECT TESTIMONY OF DR. DEBRA J. ARON
ERRATA

Page 1 Line 5-6	Evanston Office of ~~LECG, LLC~~,
Page 1 Line 9	LECG~~, LLC~~.
Page 22 Line 6-9	further subdivided into three "terciles" by spend. In each geographic market, we then count up the number of customers that are in each segment and spend level in that geographic market. This creates a profile of the spend characteristics of that market. ~~Each geographic market (that is, UNE zones subdivided by CEAs as discussed in Dr. Pleatsikas's testimony) is then allocated the appropriate number of customers from each segment to reflect the actual economic profile of that market.~~
Page 24 Line 7	I recommend the use of a rate of climb
Page 34 Line 15	Kaufman Brothers, L.P., April 30, 2003, p. ~~1~~.3)

Exhibit DJA-06

~~CUSTOMER ACQUISITION ("SALES") COSTS OF AT&T AND OF CLECS THAT MARKET TO MASS-MARKET CUSTOMERS~~		
	~~Source~~	
~~Z-Tel (Management target)~~	~~(1)~~	~~$50~~
~~Z-Tel (Actual)~~	~~(1)~~	~~$60 - $70~~
~~Talk America (Estimate of actual experience)~~	~~(2)~~	~~$80~~
~~AT&T (Estimate of actual experience)~~	~~(3)~~	~~$125~~

~~Sources:~~
~~(1) James J. Linnehan, "Z-Tel Technologies, Inc.: Still Chugging Along," Thomas Weisel Partners Merchant Banking, November 8, 2001, p. 3. (This figure excludes television advertising.)~~
~~(2) Vik Grover, "Raising Numbers Again," Kaufman Bros. Equity Research (KBRO Kaufman Bros. L.P.), April 30, 2003, p. 1. See, also, Josephine Shea, "Talk America Holdings, Inc." Morgan Joseph High Yield Research, May 27, 2003, p. 1.~~
~~(3) David W. Barden, "AT&T Corporation: A Case for Consumer Services," Banc of America Securities United States Equity Research, April 30, 2003, p. 20.~~

CUSTOMER ACQUISITION ("SALES") COSTS OF AT&T AND OF CLPS THAT MARKET TO MASS-MARKET CUSTOMERS		
	Source	
Z-Tel (Management target)	(1) (2)	$50
Z-Tel (Actual 2001 Q2)	(2)	$60 - $70
Z-Tel (Actual 2001 Q3)	(1)	$100 $120
Z-Tel (Actual 2001 Q4)	(3)	$60
Talk America (Estimate of actual experience)	(4)	$80
AT&T (Estimate of actual experience)	(5)	$125

Sources:
(1) James J. Linnehan, "Z-Tel Technologies, Inc – Market Perform.; Still Chugging Along," Thomas Weisel Partners Merchant Banking, November 8, 2001, p. 3. (This figure excludes television advertising.)
(2) James J. Linnehan, "Z-Tel Technologies, Inc. – Market Perform," Thomas Weisel Partners Merchant Banking, August 13, 2001 p. 3.
(3) Gregory Smith, CEO and Chairman of Z-Tel, Transcript of Z-Tel Fourth Quarter 2001 Earnings Results conference call by Fair Disclosure Financial Network, February 28, 2002.
(4) Vik Grover, "Raising Numbers Again," Kaufman Bros. Equity Research (KBRO Kaufman Bros. L.P.), April 30, 2003, p. 1. See, also, Josephine Shea, "Talk America Holdings, Inc." Morgan Joseph High Yield Research, May 27, 2003, p. 1.
(5) David W. Barden, "AT&T Corporation: A Case for Consumer Services," Banc of America Securities—United States Equity Research, April 30, 2003, p. 20.

Page 41, Line 7 Aron Exhibit No. DJA-2 lists the ~~ten~~ nine geographic markets in Florida in which the

Page 41, Line 19 provide access to unbundled local switching in those ~~ten~~nine geographic markets. To

(Please note that in a previous errata we had noted this on page 41, line 13.)

Errata for Debra J. Aron Direct Testimony filed 12/4/2003
Docket No. 030851-TP

1. On page 6, line 6, change "13" to "12."
2. On page 6, line 7, change "13" to "9."
3. On page 6, line 8, change "10" to "9."
4. On page 6 line 9, change "10" to "9."
5. On page 41, line 13, change "ten" to "nine."
6. Replace Revised Exhibit DJA-02 with Second Revised Exhibit DJA-02.
7. Replace Exhibit DJA-08 with Revised Exhibit DJA-08.

BELLSOUTH TELECOMMUNICATIONS, INC.
FLORIDA DOCKET NO. 030851-TP
REBUTTAL TESTIMONY OF DR. DEBRA J. ARON
ERRATA

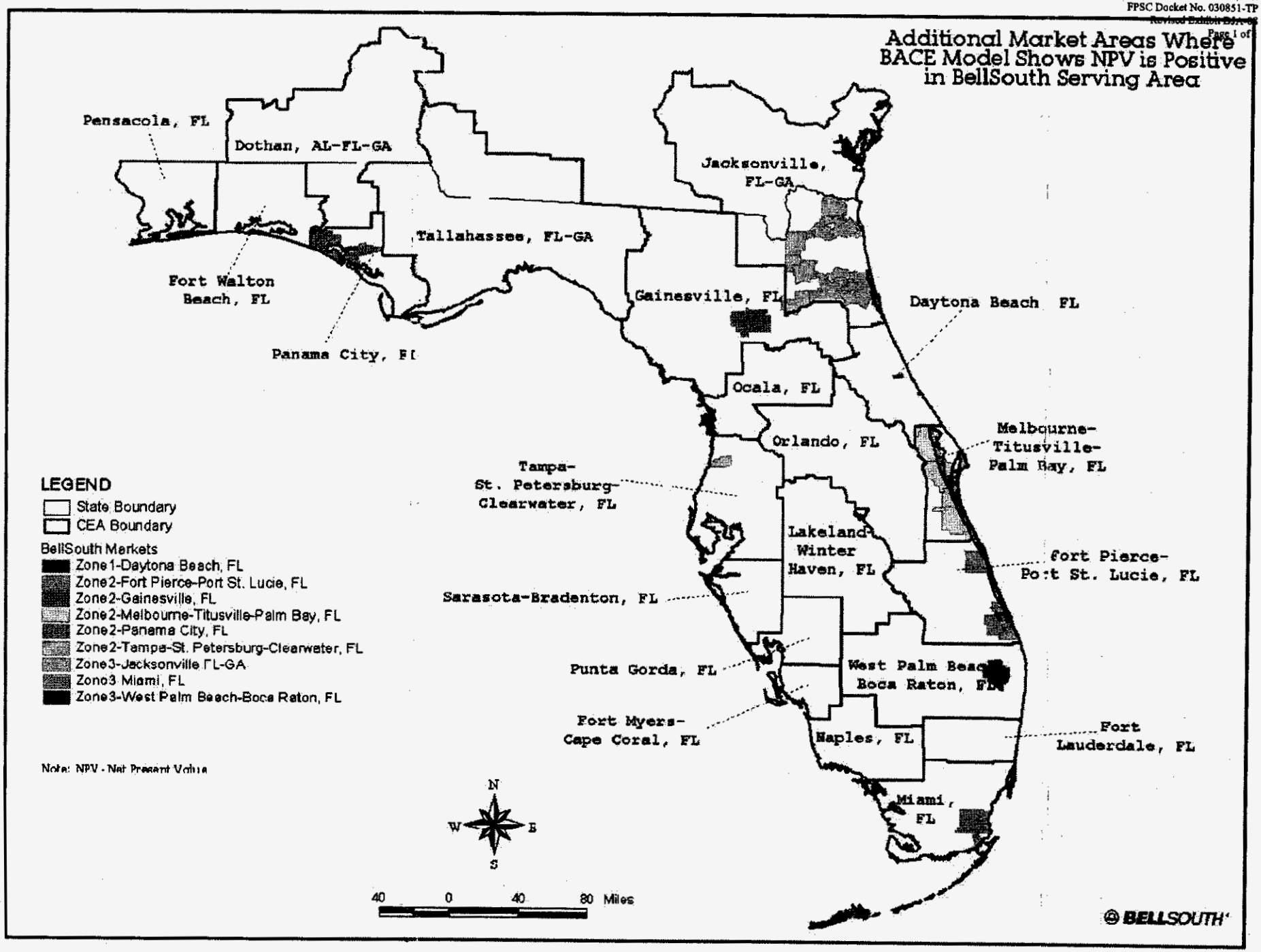
Page 4, line 13-14	the Act contains a 'statutory mandate of equal treatment ~~of~~ for all three options.'"
Page 9, line 4	Q. WHAT DO YOU MEAN WHEN YOU SAY THAT DR. BRYANT'S
Page 7, line 22	Thus, ~~finding~~ a finding of no
Page 11, line 17	(TRO fn. 15865)).
Page 11, line 20	switch to serve only the ~~enterprise~~ consumer and small business
Page 20, line 13	am unable to account for the discrepancy between ~~the~~ Mr. Bryant's testimony and
Page 23, line 22-23	From ~~73~~ 74 observations of CLECs and ILECs, I determined that the median ratio of bad debt to revenues was about ~~2.8~~ 2.9 percent.
Page 31, line 13	is rejected as ~~"~~unreasonable~~"~~

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP
SURREBUTTAL TESTIMONY OF DR. DEBRA J. ARON
ERRATA

Page, line	Errata
25, 5	into the BACE model. Certainly, having undergone bankruptcy (and its ~~affect~~ effect on
34, 14	players, I believe a typical urban market would support a much smaller number~~.~~ of UNE-L players.
37, 21	*switch providers*, or that cable telephony is an inappropriate ~~inapt~~ indicator of the
38, 14	here. Moreover, the fact that a cable company has an ongoing relationship with its
39, 18	Yes. Neither Dr. Staihr nor Mr. Wood disputes that cable telephony is equivalent
40, 17	percent share of the market. This is not true. An efficient CLEC maybe able to *win*
63, 19	that NPVs are "signficicantly reduced" if a 5.1 percent annual price decrease is applied
69, 18	~~I noted in my direct testimony, a~~ An investment analyst estimates that AT&T's own
77, 9	would also note that general brand advertising including brand advertising ~~o~~n
87, 5	"U.S. Residential DSL Market Continues to Grow," October 2001, p. 2) ~~It also~~
87, 6	~~indicates that~~ CLECs have the potential to compete for cable modem customers,

ADDITIONAL UNIMPAIRED MARKETS IN FLORIDA			
UNE Zone	CEA	Net Present Value	NPV for Mass Market
Zone1	Daytona Beach FL	172,663	77,291
Zone2	Fort Pierce-Port St. Lucie FL	9,791,929	7,353,619
Zone2	Gainesville FL	5,400,071	4,115,540
Zone2	Melbourne-Titusville-Palm Bay FL	15,728,118	12,156,733
Zone2	Panama City FL	1,366,048	609,118
Zone2	Tampa-St. Petersburg-Clearwater FL	296,865	184,112
Zone3	Jacksonville FL-GA	1,683,878	1,048,956
Zone3	Miami FL	297,509	235,529
Zone3	West Palm Beach-Boca Raton FL	2,479,252	2,022,494
	TOTAL:	**37,216,332**	**27,803,392**
OTHER UNIMPAIRED MARKETS IN FLORIDA			
Zone1	Fort Lauderdale FL	36,562,152	26,486,506
Zone1	Jacksonville FL-GA	9,092,693	4,789,399
Zone1	Miami FL	71,907,502	48,132,182
Zone1	Orlando FL	5,452,096	2,589,020
Zone1	West Palm Beach-Boca Raton FL	15,818,731	9,965,760
Zone2	Daytona Beach FL	9,511,422	7,041,500
Zone2	Fort Lauderdale FL	55,494,105	45,088,643
Zone2	Jacksonville FL-GA	27,621,437	21,673,602
Zone2	Miami FL	58,165,658	47,799,313
Zone2	Orlando FL	34,584,848	26,363,512
Zone2	Pensacola FL	8,900,014	6,610,235
Zone2	West Palm Beach-Boca Raton FL	43,168,256	33,804,013
	TOTAL:	**376,278,915**	**280,343,686**

Additional Market Areas Where BACE Model Shows NPV is Positive in BellSouth Serving Area



ATTACHMENT B

BellSouth Telecommunications, Inc.
FPSC Docket No. 030851-TP
Request for Confidential Classification

2/17/04

REQUEST FOR CONFIDENTIAL CLASSIFICATION OF BELLSOUTH'S SURREBUTTAL TESTIMONY OF ALPHONSO J. VARNER, W. KEITH MILNER AND EXHIBIT WKM-5, KENNETH L. AINSWORTH, PAMELA A. TIPTON AND DR. DEBRA J. ARON FILED JANUARY 28, 2004, IN FLORIDA DOCKET NO. 030851-TP

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BELLSOUTH TELECOMMUNICATIONS, INC.

SURREBUTTAL TESTIMONY OF DR. DEBRA J. ARON

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030851-TP

January 28, 2003

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME.

A. My name is Debra J. Aron.

Q. ARE YOU THE SAME DEBRA J. ARON WHO FILED DIRECT AND REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. My surrebuttal testimony rebuts the economic arguments made by Mr. Wood (AT&T), Mr. Nilson (Supra), Dr. Staihr (Sprint), Dr. Bryant (MCI), Mr. Dickerson (Sprint), and Mr. Bradbury (AT&T) on a number of topics.

Q. PLEASE SUMMARIZE YOUR SURREBUTTAL TESTIMONY.

A. The arguments that I respond to typically are based on one of several themes. The first reflects a desire to re-write the TRO more to the witnesses' liking, or re-argue some of the positions that were considered and rejected by the FCC in its determination of its rules. For example, Dr. Bryant and Mr. Wood counsel this Commission to simply ignore the FCC's requirement to examine a "potential deployment" analysis. Mr. Wood argues that if potential deployment indicates "no impairment" in markets that do not pass the triggers tests, the results must be wrong, because we do not observe facilities deployment sufficient to pass the triggers tests, and because we have observed failure in the past. Besides being contrary to the directions provided by the FCC, and totally irrelevant to the task at hand, such arguments fail to consider the economic fact that CLECs select their method of competitive entry, such as UNE-P or UNE-L, *not* solely on the basis of unimpairment, which is the topic of this proceeding, but also on the basis of what is most profitable to the CLEC given the options available. It is therefore unreasonable from an economic perspective (as well as contrary to the plain language of the TRO) to rely solely on actual deployment as a basis for determining unimpairment.

A second set of criticisms involves the structure of the BACE model. For example, there are subjective declarations by one witness that the model is overly sensitive, and by another witness that it is not sensitive enough. Such subjective criticisms are, of course, without merit. In other instances, I believe that the basis of the criticisms is a result of a misinterpretation by the witness of the model structure or how one goes about implementing an assumption change, or some

combination of these. Later in my testimony, I will clarify instances where parties have misunderstood or misinterpreted the model. With regard to the various re-runs of the BACE model, I have not been entirely successful in replicating all of the results that have been described in the rebuttal testimonies. I have asked for (but have not yet received) witnesses' workpapers so that Mr. Stegeman and I can determine, respond to, and possibly correct, what has been done. However, nothing that I have seen, replicated, or attempted to replicate changes any of my conclusions regarding the markets in which we have found that CLECs are "unimpaired" without unbundled local switching.

The third general area of complaint pertains to the parameter estimates that I provided to the BACE model. In determining these estimates, I recognized that the FCC is very clear that the potential deployment analysis should be based on an efficient CLEC using the "most efficient network architecture available" and executing the "most efficient business model." (TRO 517.) The FCC also notes that it is appropriate to "weigh[ ] advantages and disadvantages" (TRO 517) that may be available to the efficient CLEC.

While these requirements provide substantial discretion, my approach is very conservative. We model a generic, new CLEC that seeks to enter the market without any customers or any real-world advantages such as a brand name. My parameter estimates, such as those regarding customer acquisition costs, General and Administrative ("G&A") expenses, and churn are developed from existing ILEC, CLEC, or industry data, which means that these estimates may be more

conservative than what an efficient CLEC could attain. Moreover, I typically base my estimates on averages and midpoints rather than on best-of-class (or better-than-existing) ILEC, CLEC, or industry figures, even though these best-in-class figures might arguably better represent the prospects of an efficient CLEC executing the most efficient business model.

The criticisms of my parameter value estimates either point to actual CLEC performance, or they seek to perversely handicap the hypothetical CLEC, depending on whichever contributes toward a finding of "impairment." For example, several of the witnesses claim that the assumed market penetration in the first year for residential customers is too high. Notwithstanding the fact that they misinterpret how the BACE model uses this data (it essentially cuts the market penetration in half when computing revenues for the year), even a casual glance at reality would demonstrate that real-world firms already have an existing base of UNE-P customers and that they do not start from a base of zero, as the modeled CLEC does. Consistent with the FCC's directions, we could have modeled a CLEC that begins with some level of UNE-P-based customers (and revenues). Instead, we adopted the conservative approach that the CLEC starts with no customers at all. Witnesses such as Mr. Wood and Dr. Staihr essentially argue that this is not conservative enough for them. As another example, there are criticisms of my recommended residential customer acquisition costs. These costs were developed from *actual CLEC expenses* as reported to investment analysts. Dr. Bryant recommends that customer acquisition costs be developed on the basis of what *wireless* companies incur, even though these costs may include

the cost of the handset. This is unreasonable. In addition, as I describe later in my testimony, the use of actual CLEC data to determine customer acquisition costs is conservative because UNE-P-based CLECs can have the incentive to spend inefficiently high amounts to acquire customers.

There are also criticisms of the prices that I recommend for use in the BACE model. The FCC foresaw that price would be a contentious issue, and instructed us to base the modeled prices on existing prices. I therefore developed prices on the basis of existing CLEC bundle prices and discounts from BellSouth's prices for *a la carte* services. Consistent with the FCC's directions, we kept prices constant over the entire time horizon of the model. Although not required by the TRO, to be consistent, we kept costs constant as well, and did not adjust them downward for any gains in productivity that an efficient CLEC might arguably attain. In another example of trying to re-write the TRO, several of the witnesses recommend that we put prices on a downward trend based on speculation about the future (though none noted or complained about our declining to impose a productivity factor on costs over time).

In sum, the model that we present takes a cautious, conservative approach to switch-based CLEC entry. The services that the CLEC is assumed to offer are services that CLECs offer today, and the prices are based on prevailing prices. The costs associated with customer acquisition, G&A, and the like also are based on industry data. Our approach implements the FCC's requirement to consider an efficient CLEC, but it does not come close to testing the limits of that

requirement. Our results therefore should provide the Commission with a reasonable indication of the prospects for successful economic entry by a switch-based CLEC in the BellSouth territory in Florida.

Q. HOW IS YOUR SURREBUTTAL TESTIMONY ORGANIZED?

A. In section II, I respond to interpretations that other witnesses seek to ascribe to the FCC's Triennial Review Order ("TRO"). In section III, I respond to issues related to competition. In section IV, I respond to criticisms and misrepresentations of the operations of the BACE model. In section V, I respond to testimony regarding the implementation of the "efficient CLEC" requirement of the TRO. Finally, in section VI, I respond to criticisms of the various parameter values that I provided in the BACE model.

II. REBUTTAL OF ISSUES RELATED TO THE INTERPRETATION OF THE TRIENNIAL REVIEW ORDER

Q. DR. ARON, PLEASE GENERALLY DESCRIBE THE CONTENTS OF THIS SECTION OF YOUR TESTIMONY.

A. Several of the witnesses offer recommendations that amount to re-writing the requirements of the TRO. I will discuss why these recommendations are in error and should be rejected.

Q. MR. WOOD ARGUES THAT THE "POTENTIAL DEPLOYMENT" ANALYSIS CAN IDENTIFY CAUSES OF IMPAIRMENT, BUT THAT IT MAY NOT BE VALID TO DETERMINE WHETHER THERE IS ANY IMPAIRMENT. (WOOD REBUTTAL 15-16) PLEASE COMMENT.

A. Mr. Wood's argument is directly contrary to the express language of the FCC's rules and the intent of its TRO. Mr. Wood repeats a similar erroneous argument that Mr. Gillan made in his direct testimony. (Gillan Direct 17-18.) The erroneous argument is that if there is insufficient actual deployment to satisfy the triggers test, any potential deployment analysis that indicates "no impairment" must, in some way, be flawed. As a result, the business case approach can only be used to identify possible reasons for impairment, and not impairment itself. (Wood Rebuttal 6-7, 15-16.) This is nonsense.

A plain reading of the FCC's rule (51.319(d)(2)(iii)(B)) and paragraphs 515 to 520 of the TRO (which describe the factors that the state commission should consider in its potential deployment analysis) shows that there is no support for Mr. Wood's argument. It is clear from those paragraphs and from the rules themselves that the purpose of the potential deployment test is to help the Commission identify markets where CLECs are not impaired without access to the switching UNE precisely in situations where the triggers are not met.

There is a valid economic reason that the FCC provided for such a test. A CLEC's decision about switching deployment depends not only on what is

feasible, but also on what is most profitable under the relevant market conditions. The rational CLEC selects the most profitable method of entry from the set of feasible methods. Thus, while the existence of actual CLEC self-deployment (or wholesaling) of switching clearly demonstrates that there is no impairment in that geographic market, *an observed lack of deployment sufficient to satisfy the triggers test cannot by itself indicate that there is impairment* for two reasons. First, as I explained in my rebuttal testimony, failure to satisfy the triggers test does not mean that there is no facilities-based competition. For example, a market may have two, robust switch-based CLECs serving the mass market and others serving the enterprise market. Such a situation would fail the triggers test. The FCC noted that the existence of such competition is nevertheless relevant to the analysis of impairment. Second, a rational CLEC may select UNE-P, and the use of the ILEC's network, *even if there is no impairment associated with self-provisioning.*

For example, suppose a CLEC could generate a net present value (discounted profits) of $100 using its own infrastructure to enter a market, but that it can generate $200 of value using the incumbent's infrastructure. The positive NPV from self-provisioning means, by definition, that the CLEC is unimpaired without access to unbundled switching. Nevertheless, a rational firm would select the second alternative because it is more profitable.

Q. MR. WOOD CLAIMS THAT ACTUAL DEPLOYMENT (OR LACK THEREOF) SHOULD BE A REALITY CHECK TO A POTENTIAL

DEPLOYMENT ANALYSIS BECAUSE CLECS WILL DEPLOY THEIR OWN SWITCHES WHENEVER IT IS FEASIBLE. (WOOD REBUTTAL 8) PLEASE COMMENT.

A. Mr. Wood's argument is profoundly mistaken. As I discussed, economics demonstrate that a CLEC rationally will select its entry method based not only on feasibility but also on relative profitability.

Q. DOES THE POTENTIAL DEPLOYMENT ANALYSIS ASK THE COMMISSION TO IDENTIFY AN "AS-YET HIDDEN FORMULA FOR *POTENTIAL* SUCCESS" AS CLAIMED BY MR. WOOD? (WOOD REBUTTAL 16)

A. No. The purpose of the analysis is to identify situations where it is economic for an efficient CLEC to serve mass-market customers without access to the switching UNE. As I explained, in situations where actual deployment is feasible, CLECs may nevertheless use UNE-P if UNE-P is more profitable. That is why a simple review of actual deployment is insufficient for determining impairment.

Moreover, the existence of UNE-P in markets where there is no genuine impairment can harm switch-based firms, and reduce their survival prospects. One reason (among others) is described in a paper by Hazlett and Havenner, which I described in my direct testimony. UNE-P-based firms that operate in areas where there is no genuine impairment have the incentive to spend

inefficiently high amounts of money on customer acquisition. In areas where there is no genuine impairment, UNE-P provides CLECs with the ability to maintain flexibility and lack of commitment to a market because the CLEC need not invest in its own switching. UNE-P-based CLECs have the incentive to dissipate this value by competing against the ILEC and against one another on the only dimension that they fully control, which is marketing and customer acquisition. This inefficiently high spending harms switch-based CLECs that seek to operate in the same market but who do not have the windfall that is available to UNE-P-based CLECs. Accordingly, the market is distorted away from UNE-L-based firms. As a result, the Commission cannot rely on whether switch-based CLECs have exited the market or have become UNE-P firms. It is not a matter of finding any hidden formulas, but rather of accounting for the distortions that exist in markets where UNE-P is offered but where there is no genuine impairment.

Q. DR. BRYANT ARGUES THAT BECAUSE OF UNCERTAINTY REGARDING THE PARAMETER ESTIMATES, THE COMMISSION SHOULD NOT DRAW ANY CONCLUSIONS ABOUT IMPAIRMENT IN ANY MARKET IN FLORIDA ON THE BASIS OF THE POTENTIAL DEPLOYMENT ANALYSIS. (BRYANT REBUTTAL 42) PLEASE COMMENT.

A. This is another example of an attempt to re-write the TRO. The potential deployment analysis necessarily requires judgment in making the estimates of the

parameters required for a business case analysis. However, any experienced observer should recognize that this is no different from many other decisions in the real world, including actual investment decisions, which are always based on projections and estimates of an uncertain future. Investors and businesses routinely must make substantial commitments under uncertainty, given the information available. Dr. Bryant's contention that the Commission should ignore the FCC's rules because the business case approach can produce different results if different inputs and assumptions are used is to presume that the FCC failed to understand that business cases are sensitive to their input assumptions. There is ample evidence in the TRO, however, that the FCC fully recognized this fact (*TRO 483-485, fn 1600*), but it ordered state commissions to consider such analyses nevertheless.

Q. MR. WOOD ARGUES THAT THE COST OF A SWITCH AND THE NEED TO BACKHAUL TRAFFIC CREATE AN ENTRY BARRIER. (WOOD REBUTTAL 13-14) PLEASE COMMENT.

A. Mr. Wood improperly presumes the outcome of this case. Moreover, Mr. Wood's argument is actually nothing more than a reprise of the invalid impairment framework sponsored by Mr. Turner, to which I responded in my rebuttal testimony. (Turner Direct 5-7.) Mr. Wood essentially seeks to define an entry barrier as being a cost disadvantage relative to the ILEC. (Wood Rebuttal 13-14.) As I explained in my rebuttal testimony, the FCC examined and rejected this interpretation of impairment. (Aron Rebuttal 31-33, TRO 84 and 112.) The

economic rationale for the FCC's rejection of this argument is that, despite any cost disadvantage, an efficient CLEC may nevertheless find entry to be profitable without access to the unbundled element. The FCC correctly recognized that the entire issue of whether CLECs suffer cost disadvantages relative to the ILEC is a sideshow that does not address the central economic issue of impairment.

Q. MR. WOOD ARGUES THAT ANOTHER RISK FACING THE EFFICIENT CLEC IS THAT IT STARTS WITH NO CUSTOMERS AT ALL, WHEREAS THE ILEC ALREADY HAS CUSTOMERS. (WOOD REBUTTAL 13) PLEASE COMMENT.

A. This is not precisely correct. Out of an abundance of conservatism, we have *elected* to model the competitive entry of a CLEC that starts without any customers. We took this approach to demonstrate that *even if* an efficient CLEC were to start without customers, it nevertheless could profitably enter particular markets. The obvious reality is that CLECs such as AT&T, MCI, and others already have mass-market customers that they are serving using UNE-P. According to the TRO, one legitimately could have modeled the efficient CLEC as starting with some level of penetration via UNE-P and then migrating those customers while gaining new ones. The Commission should keep this additional source of conservatism in mind as we discuss the other parameter estimates later in my testimony.

Q. IS IT CONSISTENT WITH THE TRO TO DETERMINE IMPAIRMENT ON THE BASIS OF WHETHER "ALL" CUSTOMERS THAT CAN BE SERVED BY UNE-P ALSO CAN BE SERVED BY UNE-L OR SOME OTHER FORM OF COMPETITIVE ENTRY, AS CLAIMED BY DR. BRYANT? (BRYANT REBUTTAL 14)

A. The CLEC that we model in BACE offers service to *every* customer in each market (and in each wire center in that market) in which it operates. The model takes customers from every spend category and from every wire center. In this way, the BACE model would seem to address Mr. Bryant's concern. However, I will add that Mr. Bryant's proposal to make such an investigation is interjecting an additional layer of analysis that is not required by the TRO. The TRO specifically requires consideration of the *most efficient business model*, and not of a particular model, such as UNE-P. Moreover, the TRO does not suggest that switch-based CLECs must serve precisely the same set of customers as are served under UNE-P. Indeed, this would seem to be an impossible standard to implement because it would require a separate, granular analysis of which customers could be economically served via UNE-P. Such an additional layer of analysis is neither appropriate, nor called for in the TRO, and would further burden an already challenging proceeding.

Q. DR. ARON, PLEASE COMMENT ON DR. STAIHR'S TESTIMONY REGARDING THE IMPLICATIONS OF NEW TECHNOLOGIES SUCH AS VOICE OVER INTERNET PROTOCOL ("VOIP") AND WIRELESS

SERVICES FOR THE POTENTIAL DEPLOYMENT ANALYSIS UNDER THE TRO. (STAIHR REBUTTAL 35)

A. Dr. Staihr briefly discusses the possible growth of, and competition from, VOIP and wireless providers over the 10-year horizon of the BACE model. He concludes that as these technologies become more successful they may put additional downward pressure on local exchange service prices over the forecast horizon, and that, as a result, our price projections should be trended downward. As I will discuss later, Dr. Staihr, in his rebuttal, takes great pains to lecture us on the need to use a "structured process" to estimate variables, but in this case he ignores his own advice and presents an analysis that is woefully incomplete.

Dr. Staihr advocates that the Commission speculate about the possible effects that new technologies and increased wireless competition might have on prices. However, if one were to fully adopt Dr. Staihr's speculative exercise, one would also have to consider the effect that these new entry technologies might have on *costs*, and, possibly, on CLEC market shares—indeed, on the entire concept of impairment.

The greater the extent to which other technologies impinge on and even begin to render the traditional circuit switched wireline network obsolete, the less relevant unbundled circuit switching becomes to the market and the less relevant is unbundled circuit switching, and the less policy justification there is for any unbundling of switching because competition would have passed it by using other

technologies. Therefore, to be conservative, and in compliance with the TRO, we steer clear of Dr. Staihr's speculative path, and our potential deployment model considers *existing* marketplace prices and costs that are based on *existing*, standard landline technologies, and on competitive entry by a circuit-switch-based CLEC that uses the ILEC's loops. Not only is this approach consistent with the requirements of the TRO regarding prevailing prices, (TRO 520 fn 1588), but it is also more coherent than the scattershot and self-serving considerations that Dr. Staihr suggests.

III. RESPONSES TO ISSUES REGARDING COMPETITION THEORY

Q. MR. WOOD SAYS THAT BELLSOUTH'S ABILITY TO REDUCE PRICES TO WIN BACK CUSTOMERS WOULD DISCOURAGE A PRUDENT CLEC FROM MAKING INVESTMENTS IN THE FIRST PLACE AND WOULD THEREFORE DISCOURAGE ENTRY. (WOOD REBUTTAL 15) PLEASE RESPOND.

A. While competition may cause some prices to decrease in the market, such price decreases should be applauded by the Commission, and not treated as a reason to discourage competition. I believe it would be perverse public policy indeed if the Commission were to decline to relieve the incumbent of a UNE obligation on the grounds that doing so might unleash additional price competition. While I understand that Mr. Wood is attempting to paint a scenario in which CLEC entry

would not occur despite a lack of impairment, I am aware of no evidence, and Mr. Wood provides none, that this is a realistic concern. Certainly, if the FCC believed this to be a realistic concern it would not have established the impairment rules it did. Under the FCC's rules established in the TRO, the incumbent's ability and desire to win back customers is not identified as a barrier to entry, except perhaps insofar as it is a component of a CLEC's churn. The BACE model reflects reasonable churn assumptions, and therefore explicitly accounts for this concern.

Q. PLEASE COMMENT ON MR. NILSON'S DISCUSSION OF "MEANINGFUL COMPETITION." (NILSON REBUTTAL 10)

A. Mr. Nilson argues that a finding of non-impairment must be predicated upon a finding of "meaningful competition," which he defines as "ubiquitous" service. He claims that anything else is "token" competition. (Nilson Rebuttal 10.) Let me first say that meaningful competition does not require ubiquitous retail service by all of the providers—Mr. Nilson is simply wrong about that. But, second, and more important, this proceeding is not about retail competition, it is about CLEC impairment. In its TRO, the FCC specifically rejected an impairment standard based on the level of retail competition. (TRO 114) As the FCC notes, "the [Act] requires [the FCC] to ask whether requesting carriers are 'impaired,' not whether certain thresholds of retail competition have been met." (TRO 114.) Mr. Nilson's arguments on this matter therefore are irrelevant for this proceeding.

IV. RESPONSE TO ISSUES REGARDING THE BACE MODEL

Q. PLEASE DESCRIBE THE CONTENTS OF THIS SECTION.

A. In this section, I respond to comments and criticisms regarding the way the BACE model implements the business case analysis that is required under the TRO.

A. RESPONSE TO ISSUES REGARDING THE STRUCTURE OF THE BACE MODEL

Q. DR. STAIHR CLAIMS THAT THE OPTIMIZATION ROUTINES OF THE BACE MODEL ARE CONTRARY TO THE TRO BECAUSE THEY PERMIT THE MARKET ENTRANT TO IGNORE UNPROFITABLE WIRE CENTERS WITHIN A UNE RATE ZONE/CEA MARKET. (STAIHR REBUTTAL 17-18) IS THIS TRUE?

A. No, it is not true. The optimization routine of the BACE model treats all of the wire centers within each UNE Rate Zone/CEA market area as a unit. That is, the BACE model determines whether the efficient CLEC would be NPV positive in that geographic market by serving *all* of the wire centers in the market. It does not apply the wire center-by-wire center approach described by Dr. Staihr.

Q. SO, IN PERFORMING THE OPTIMIZATION ROUTINE, DOES THE BACE MODEL "OFFSET" THE MASS MARKET WITH THE ENTERPRISE MARKET? (BRYANT REBUTTAL 33-34)

A. Absolutely not. The NPV for the mass market is determined only from the revenues derived from, and costs attributed to, the mass market customers. A market passes the unimpairment test only if the NPV *for the mass market* is positive. The markets that are listed in Exhibit DJA-02, in my direct testimony, were all found to have positive mass market NPV. The NPV derived from the overall combination of customers (i.e., mass market + enterprise) was not the criterion for impairment. Hence, there is no possible subsidy from the enterprise market to the mass market. Moreover, in determining which markets are NPV positive, the BACE model computes mass market NPV in a very conservative manner by including a portion of joint and common costs in the cost structure for serving the mass market. For example, a CLEC rationally would elect to serve both enterprise and mass-market customers even if the mass market covered only its incremental costs (including a normal return to the incremental investments), and no shared or common costs if the enterprise market generated positive NPV on a stand-alone basis. The BACE model nevertheless assigns a portion of shared and common costs to the mass market in the NPV computation. While this is an unnecessarily conservative assumption, this was done to help ensure that there is an additional measure of confidence in our results and recommendations.

Q. PLEASE COMMENT ON MR. WOOD'S CLAIM THAT THE MODEL STRUCTURE "LOCKS" THE TIME HORIZON ASSUMPTION AT 10 YEARS. (WOOD REBUTTAL 5)

A. Mr. Wood's comments on this topic represent a total lack of comprehension of what a business case is and how the BACE model implements the business case. The BACE model is a discounted cash flow model that *explicitly* accounts for a 10-year horizon, but it also accounts for the value of the firm that is generated *beyond* 10 years. It is important to understand that the NPV of a properly constructed business case is completely unaffected by the number of years that are explicitly modeled. That is, the NPV results of a particular business case that uses a 5-year explicit forecast and a terminal value (for the years 6, 7, 8, 9, . . .) will be (or should be) identical to the results of a 10-year explicit forecast and a terminal value (for the years 11, 12, 13, ...). This is because the terminal value represents the NPV of the remaining (unmodeled) years out to, potentially, an infinite horizon. This can be summarized as:

NPV = NPV of Explicitly Modeled Years + Terminal Value

A business case has this structure because the firm's value (i.e., NPV) is (or should be) determined on the basis of economic fundamentals of demand, revenues, and costs over the entire potential horizon of the project, not on the basis of the number of years one explicitly models. In any business case analysis, one cannot appropriately create or destroy value simply by changing the number

of years that are explicitly modeled. The number of years that are explicitly displayed should be sufficient to demonstrate that the firm is beyond its start-up phase. Mr. Wood is welcome to use a shorter explicit time horizon if he wishes, but he must adjust the terminal value appropriately. Further, as Mr. Stegeman discusses, even AT&T's own cost model in this proceeding has a fixed 10-year life.

Q. MR. DICKERSON ALSO DISCUSSES THE ISSUE OF "TERMINAL VALUE." WOULD YOU PLEASE CORRECT MR. DICKERSON'S DISCUSSION? (DICKERSON REBUTTAL 22-24)

A. I don't know that I can fully untangle Mr. Dickerson's discussion, but I will point out where it is fatally flawed. Mr. Dickerson argues (erroneously) that the BACE model assumes that the terminal value represents the liquidation of the firm. He argues (incorrectly) that because this portion of value is not from the firm's continuing operations, it should not be included in the impairment analysis. (Dickerson Rebuttal 23.)

As I explained, terminal value in a business case represents the value of the firm for the period of time that is not explicitly modeled. The base-case assumption that we make in the BACE model is that if, at the end of year 10, investors have $100 of undepreciated investment in the business, they will get, on a discounted basis for all of the years after year 10, $100 of net revenue out of the business. In other words, investors will earn exactly their risk-adjusted cost of capital, or

(same thing) they will earn a return commensurate with risk or (same thing) the economic profits in the years after year 10 will be zero. This is a conservative assumption. We could reasonably have modeled the terminal value as some continuing amount of economic profit, or perhaps an amount of economic profit that tapers down over time, but we did not. Instead, we modeled the terminal value as zero economic profit. In sum, our analysis presumes a going concern, and that the firm will generate income (cash inflows) commensurate with cost (cash outflows) on a present value basis so that the enterprise has *accounting* profits, but its *economic* profits are zero. However, this is not the same thing as liquidation value (i.e., the value associated with "go[ing] out of business"). (Dickerson Rebuttal 23.)

While our assumption is reasonable, Mr. Dickerson's proposed adjustment is not. Not only does Mr. Dickerson improperly characterize the terminal value as a bankruptcy sale, he proposes zeroing it out because, he argues, this value is determined by the sale of assets and not by ongoing operations. He has it completely backward. The terminal value of the firm in the model reflects the value of its assets at that point as an ongoing concern, not in liquidation. It is the explicit modeling of cash flows that terminates, not the firm itself. As a result, it is Mr. Dickerson's ill-conceived "fix" that implies that the firm operates for 10 years and that, at the close of business on December 31 of the 10th year, everyone puts down his or her tools and walks away from the business. If the terminal value were zero, this would imply that the business is abandoned and is neither sold for scrap nor anything else. In other words, under Mr. Dickerson's proposal,

all of the accumulated goodwill and all of the tangible assets invested (some of which are invested in year 9, for example) are abandoned and no economic value is derived at all from them. This is an unreasonable and untenable method of estimating terminal value. Standard texts on business case valuation note that an estimate of terminal value is essential to a business case valuation for a going concern. (See, e.g., Tom Copeland, Tim Koller, Jack Murrin, *Valuation: Measuring and Managing the Value of Companies* (2nd ed.), (1994) (New York: John Wiley & Sons), Chapter 9.) Accordingly, the Commission should reject Mr. Dickerson's proposal.

Q. DOES YOUR TERMINAL VALUE ASSUMPTION MEAN THAT THE CLEC NEVER INVESTS IN ANY MORE EQUIPMENT?

A. No. It simply means that any investment after year 10, of, say $50, will provide (on a discounted basis) exactly $50 in expected return. In this way, expected economic profit after year 10 will be zero (on any incremental investment).

B. RESPONSE TO ISSUES REGARDING MODEL SENSITIVITY

Q. WHAT ARE THE ISSUES REGARDING MODEL SENSITIVITY?

A. Several of the witnesses claim to have re-run the BACE model using their own input assumptions. (Dickerson Exhibit KWD-6; Bryant Exhibits MTB-10, 11, 12; Wood at 29.) Based on the description of their runs, I have attempted to replicate

each of the modifications that they have discussed. In several instances I simply could not replicate the results of their runs, while in others I have been able to approximate the total NPV results that they claim but they did not provide any information relevant to the list of unimpaired markets against which to compare my results. I have requested the input files from these witnesses so that Mr. Stegeman and I can review them and determine what was done, but have yet to receive a response. In any event, based on the runs that I have made to date, it seems that the differences in the parties' positions are primarily the result of different input assumptions, rather than a quarrel over the validity of the model itself. However, I have not seen anything that would change my recommendations on "unimpaired" markets that I described in my direct testimony and updated in this testimony.

Q. PLEASE DISCUSS THE INCONSISTENCY OF THE VARIOUS WITNESSES' ASSESSMENTS OF THE SENSITIVITY OF THE BACE MODEL RESULTS TO CHANGES IN THE PARAMETER VALUES. (BRYANT REBUTTAL 29, WOOD REBUTTAL 18)

A. Dr. Bryant expressed "surprise" that varying parameter values did "little" to change the NPV. (Bryant Rebuttal 29.) In contrast, Mr. Wood claimed that "even slight changes" to parameter assumptions cause the analysis to indicate that there is impairment. (Wood Rebuttal 18.) These are, of course, mere subjective conclusions. No one has provided a standard or index of the "appropriate" degree

of sensitivity. Accordingly, these remarks provide no probative criticism of the model.

V. RESPONSE TO ISSUES REGARDING THE "EFFICIENT CLEC" REQUIREMENT

Q. PLEASE DESCRIBE THE ISSUES THAT YOU ADDRESS IN THIS SECTION.

A. The TRO requires that the potential deployment analysis investigate the business model of an efficient CLEC. (TRO 517, fn. 1579.) "No impairment" is determined on the economic success of the most efficient business model for entry, not on the basis of a particular CLEC or a particular business plan. (TRO 517.) This section addresses issues related to interpreting these directions.

Q. MR. WOOD CLAIMS THAT THE BACE MODEL'S TREATMENT OF CLEC PRODUCT OFFERINGS IS OVERLY BROAD, AND THE RELEVANT ISSUE IS WHETHER A CLEC WILL SELF-PROVISION LOCAL SWITCHING ON A STAND-ALONE BASIS IN ORDER TO PROVIDE SERVICES TO MASS-MARKET CUSTOMERS IN A MARKET. (WOOD REBUTTAL 46-47) PLEASE COMMENT.

A. Consistent with the FCC's requirements, we did not design the business case analysis to determine whether a particular CLEC or a particular business plan is

profitable. (TRO 517.) Instead, consistent with the TRO, we designed the business case to determine whether the CLEC with an efficient business model economically could serve mass-market customers in a market without access to the local switching UNE. (TRO 517.) The BACE model assumes that the CLEC will offer a variety of communications services, including vertical features, long distance, voice mail, and broadband internet access, in addition to basic local service (inside wire maintenance is excluded, although an efficient CLEC might offer this as well). Mr. Wood may believe that some CLECs might want to offer a narrower range of services or specialize in some way, but that is irrelevant to the directions provided by the FCC. If such a CLEC can do better by specializing than the BACE CLEC, the model is conservative. If such a CLEC would do worse, it has not adopted the most efficient business plan and need not be considered. Moreover, it is specifically contrary to the FCC's direction to consider *all* revenues reasonably available to an efficient CLEC. (TRO 519.)

Q. DOES THE FACT THAT MANY CLECS HAVE GONE OUT OF BUSINESS MEAN THAT THE REMAINING CLECS ARE EFFICIENT (WOOD REBUTTAL 48) OR, IF ANYTHING, THAT THESE CLECS HAVE REDUCED THEIR COSTS BELOW WHAT MIGHT BE OPTIMAL FROM A LONG-RUN PERSPECTIVE? (BRYANT REBUTTAL 35-36)

A. Not at all. A CLEC that has wiped debt off its books via the bankruptcy process may indeed have a lower overall cost structure (in the sense of having less fixed financing costs to recover) than a competitor that did not do so. To the extent this

is a countervailing advantage of some existing CLECs, we did not incorporate it into the BACE model. Certainly, having undergone bankruptcy (and its affect on the company's balance sheet) does not imply that the CLEC has emerged with efficient customer acquisition practices, churn rates, overhead costs, or business practices, nor that carriers who have avoided bankruptcy are efficient in any of these respects. Moreover, as I described in my direct testimony, UNE-P-based CLECs that offer service in markets that are not truly impaired have the incentive to inefficiently increase their customer acquisition costs, for the reasons I discussed earlier. This is an incentive for inefficient behavior that applies to all UNE-P-based CLECs that operate in "unimpaired" markets, and it has not been resolved by the spate of bankruptcies of other CLECs.

Q. MR. WOOD CLAIMS THAT DR. BILLINGSLEY'S DISCUSSION ABOUT BANKRUPTCIES CONFLICTS WITH YOUR OWN. (WOOD REBUTTAL 48, 52-53) PLEASE COMMENT.

A. There is no conflict. Mr. Wood points to a quotation in Dr. Billingsley's direct testimony from a study by New Paradigm, a research group. The study contends that many CLECs took on too much debt and invested in too much infrastructure relative to demand, and succumbed to their debt loads when the expected demand did not materialize. Mr. Wood then cites to a passage in my direct testimony that says that CLECs have gone bankrupt, and my conclusion that , on average, existing CLECs do not have optimally efficient operations.

My comments are in complete concert with the passage from the New Paradigm report cited by Mr. Wood. Overinvestment in anticipation of demand that does not materialize can itself be a form of inefficiency. However, excessive investment is not the only inefficiency exhibited by CLECs. Other inefficiencies that have been noted by researchers include having unstable business processes, incomplete databases, incomplete inventories of circuits, overly informal business practices, and inadequate accounting systems. (See, Larry F. Darby, Jeffrey A. Eisenach, and Joseph S. Kraemer, "The CLEC Experiment: Anatomy of a Meltdown," Progress on Point (The Progress & Freedom Foundation), Release 9.23 September 2002, pp. 16-17.) These are the very reasons that would render it untenable to rely on such CLECs for inputs such as customer acquisition costs or overhead costs as being representative of an efficient CLEC. There also was, of course, substantial fraud by some CLECs that led to bankruptcy. I understand that Dr. Billingsley also responds to Mr. Wood's argument, from the perspective of finance considerations.

Q. MR. WOOD ARGUES THAT "THERE IS NO SUPPORT FOR DR. ARON'S ASSUMPTION THAT CURRENT [ACTUAL] CLEC COSTS NEED TO BE ADJUSTED IN ORDER TO REFLECT EFFICIENT CLEC OPERATIONS." (WOOD REBUTTAL 48) PLEASE COMMENT.

A. This is a disingenuous response. In requests to AT&T, BellSouth sought AT&T's business cases that analyze UNE-P and self-provisioned switching. (BellSouth First Set of Interrogatories No. 15.) AT&T objected to providing that

information, arguing that the TRO required an examination of the most efficient business model, and not, specifically, AT&T's business models. Yet, here Mr. Wood essentially claims that actual CLEC costs should be taken as representative of an efficient CLEC. Moreover, in addition to taking an opportunistic position, I am not sure that there is any real meaning to Mr. Wood's claim that I made "adjustments." For example, if I base my estimate on the midpoint of several actual CLEC figures, that is not an "adjustment." My customer acquisition cost estimate of $95 for residential customers is higher than the estimated actual expense for Talk America, and it is substantially higher than the $50 goal that Z-Tel management seeks. This is not an "adjustment" in the sense implied by Mr. Wood—if anything, it would be an *upward* adjustment. I would characterize my estimate as a conservative selection of a point estimate within the range of observed values after reviewing the evidence. Mr. Wood's accusations to the contrary are unsupported.

VI. RESPONSE TO ALLEGATIONS MADE ABOUT SPECIFIC PARAMETER ESTIMATES

Q. PLEASE DESCRIBE THE CONTENTS OF THIS SECTION.

A. In this section, I respond to various arguments made about the parameter estimates that I supplied to the BACE model.

A. MARKET SHARE (OR MARKET PENETRATION)

Q. DR. STAIHR CLAMS THAT HIS "STRUCTURED PROCESS" IS NEEDED TO PRODUCE A MARKET SHARE ESTIMATE. (STAIHR 20-21) PLEASE COMMENT ON THIS PROPOSED PROCESS.

A. I concur that any analysis should be structured and rational, and that the research should assemble relevant information and analyze it in a clear logical framework that takes account of theory and past experience. My approach satisfies this criterion. However, Dr. Staihr's approach is unnecessarily complex and does not appear to be designed in a way that reliably would produce a reasonable result.

Dr. Staihr's proposed research agenda posits that CLEC market share is a function of at least (by rough count) 13 variables. Moreover, these 13 variables may themselves be complex functions, or related to other variables. (For example, Dr. Staihr says that one factor is product bundling differentiation, and this can be a function of multiple product characteristics.) Other variables are notoriously difficult to estimate (for example, the existence, and amount, of pent-up demand). Dr. Staihr's argument is that formal estimates of all of these variables are needed to produce an estimate of market share. I therefore do not believe that one can reasonably or reliably apply this process.

Q. DR. STAIHR CLAIMS THAT YOU DO NOT RELY ON A STRUCTURED PROCESS TO ESTIMATE MARKET SHARE. (STAIHR REBUTTAL 22) IS THIS TRUE?

A. No, it is not. The process that I used is structured and, moreover, is appropriate given the state of knowledge about market penetration and the data that are actually available.

Q. PLEASE DESCRIBE THE PROCESS THAT YOU USED TO DETERMINE THE MARKET PENETRATION RATE. (STAIHR REBUTTAL 22)

A. The approach that I used had four main parts. The first was a review of the academic literature that I undertook to determine whether there were any relevant general principles that I should account for in an estimate of an efficient CLEC. I concluded that research generally demonstrated that successful firms increased rapidly toward their "maximum" market share in early years, and that growth tapered off as the firm approached its maximum share. I incorporated this general finding into my analysis.

My second step was to review the success that firms have had in the BellSouth region. As I explained in my earlier testimony, I reviewed hundreds of examples of CLEC entry into BellSouth wire centers and determined that it was not unreasonable to use the general "shape" suggested by the academic literature. I

also examined the total number of lines (and share of lines) of CLECs in Florida and elsewhere in the BellSouth region to determine CLEC successes to date. This analysis provided me with an indication of customer willingness to change providers, "take rates" (i.e., the ability to gain share) of CLECs individually and collectively.

Also, I examined the successes that CLECs have had in other parts of the country, including where competition has been attempted by cable telephony providers. I believe that the experience elsewhere in the country generally is an indicator of customers' willingness to change their service provider. Moreover, such analysis provides an indication of the potential opportunities for an efficient CLEC because it demonstrates what has happened in different market environments, not just what has occurred specifically in Florida. It also demonstrates the potential for penetration in light of different competitive responses by other CLECs and ILECs. In other words, examining performances in other parts of the country helps ensure that there is robustness to my own estimate. In contrast, I believe that Dr. Staihr's proposed methodology is overly narrow on this point. What Dr. Staihr claims is a "market-specific process" (Staihr Rebuttal 29) and is, in my view, a misguided and insular approach that would ignore potentially important information that can be gleaned from other local telephone markets. For example, as I mentioned, cable telephony providers have had success in different areas around the country. This indicates to me that customers generally are willing to change their provider and that this willingness is not unique to any particular market or region. I examined the pricing packages offered on the web sites of

some of these firms and confirmed that the telephony services and features were reasonably available to an efficient CLEC.

I did not limit myself to primary research, as Dr. Staihr's "structured process" seems to recommend. Instead, I also consulted secondary research such as investment analyst reports and other analytical and forecasting reports on the industry's prospects. In formulating my proposal, I also consulted with knowledgeable industry and former CLEC experts on the general factors and issues relevant to CLEC market share, and to the market share proposal itself. I presented my findings and responded to their insights, criticisms, and recommendations.

Thus, while my approach to market share estimation differs from Dr. Staihr's, I believe that my approach (in contrast to his) is designed to actually produce a reasonable, robust, conservative estimate. My approach (conservatively) assumes that the market does not grow. In other words, I presume that any share that the efficient CLEC obtains is a result of success with respect to the ILEC's existing base of customers or from other CLECs, or from acquisitions or mergers with other CLECs, and not from additions to the market size itself. Nor does my market analysis incorporate wireless or other services that Dr. Staihr recognizes have influenced, or could influence, the landline telephone market in the future. (See, e.g., Staihr Rebuttal 35.) I do not presume that the CLEC wins any converts from, e.g., wireless customers.

Second, my analysis is conservative in that it does not incorporate any revenue-enhancing effects that could result from "changes to product characteristics," (Staihr Rebuttal 21) and innovations that a switch-based CLEC might implement.

I will agree with Dr. Staihr on several other points, however. My research process was complex, it was time-consuming, and it was research intensive. It entailed reviewing a substantial amount of existing research and primary data in the BellSouth region and throughout the country. However, unlike Dr. Staihr's ivory tower approach, my own was designed to produce a reasonable estimate of an efficient CLEC's market share, not to set up an impossible set of tasks that might not produce a reasonable result. I believe that the breadth of my research agenda, and its depth, in the sense of including both primary and secondary research, and both qualitative and quantitative research, provides a sound, robust basis for my recommendation.

Q. DR. BRYANT CLAIMS THAT "THE ULTIMATE MARKET SHARE THAT AN INDIVIDUAL CLEC MAY ACHIEVE IS UNKNOWN AND UNKNOWABLE." (BRYANT REBUTTAL 37) PLEASE COMMENT.

A. I agree that the future is unknowable with certainty. However, I disagree with the inferences that Dr. Bryant draws from this unexceptional fact. As I noted earlier, Dr. Bryant recommends that, due to this uncertainty, the Commission draw no conclusion about impairment from the potential deployment analysis. (Bryant Rebuttal 42.) The FCC directed the commissions to assess potential deployment

despite the inherent uncertainty of the future, and I believe it is the Commission's responsibility to do so. Dr. Bryant's advice amounts to an attempt to re-write the rules and it should be ignored.

Dr. Bryant also recommends that because of uncertainty with respect to parameter estimates such as churn, the Commission should perform sensitivities using different parameter values. I have no general objection to the prudent use of sensitivity analyses. However, such an analysis is no substitute for a reasonable initial point estimate. Many of Dr. Bryant's estimates, such as his 5 percent market share estimate, are simply unreasonable for the reasons that I discussed in my rebuttal testimony. It is pointless to perform a sensitivity analysis on unreasonable point estimates to determine whether there is impairment.

Q. DR. STAIHR AND DR. BRYANT CLAIM THAT AN EXAMINATION OF AGGREGATE CLEC MARKET SHARE IN FLORIDA DOES NOT IMPLY THAT EACH CLEC, OR THAT ONE CLEC, COULD ATTAIN THE SAME MARKET PENETRATION. (STAIHR REBUTTAL 22-23, BRYANT REBUTTAL 36-37) PLEASE COMMENT.

A. Drs. Staihr and Bryant are confounding two separate (though related) issues. One is the willingness of customers to leave the ILEC and obtain telephone service from an alternative provider; and the second is the structure of the market (e.g., the number and relative size of competitors). Both factors contribute to the market share of any particular firm. My analysis of aggregate CLEC successes in

Florida (and elsewhere in the BellSouth region) provides information regarding the willingness of customers to change their service provider. We observe today a number of wire centers in Florida (and throughout the BellSouth region) where CLECs in the aggregate already serve 15 percent or more of the lines. This is tangible information about the *willingness of customers* to switch to alternative providers and, in the alternative, the degree of customer loyalty to or lock-in to the incumbent carrier. Whether one, two, or three switch-based CLECs will each obtain 15 percent of the market is the topic of market structure.

Q. DR. ARON, WHAT IS YOUR VIEW OF THE LIKELY MARKET STRUCTURE THAT WOULD PREVAIL IN MARKETS IN WHICH UNBUNDLED LOCAL SWITCHING IS NOT OFFERED AND WHICH YOU HAVE REFLECTED IN YOUR RECOMMENDED MARKET SHARE ASSUMPTIONS?

A. The current market structure, which is highly fragmented with many very small participants, is not likely to prevail in a market with only facilities-based providers. Availability of UNE-P promotes a highly fragmented market, because UNE-P-based carriers need make very little investment in (or commitment to) the market. Because a much greater share of UNE-P CLECs' costs are incremental to the customer, they have much less economies of scale than do facilities-based carriers. While a given local area might support a large number of UNE-P players, I believe a typical urban market would support a much smaller number.

My framework for viewing market structure implies that the market will undergo significant consolidation in the coming years. I believe that in fact this is inevitable if public policy advances the viability of efficient facilities-based competition. Indeed, we are now seeing consolidation in the wireless industry, also a capital-intensive, facilities-based industry. One should not mechanically extrapolate from today's UNE-P market structure to project the market structure – or market shares – that would obtain in a facilities-based market. Doing so would ignore the fundamental efficiencies in cost structures that drive market structure. Facilities-based firms with significant scale economies would, in equilibrium, have non-trivial market shares. My approach begins with the understanding that I have articulated regarding market structure, and applies to it the evidence we have about consumers' willingness to switch carriers.

Q. PLEASE GIVE US AN EXAMPLE OF HOW MARKET STRUCTURE CAN AFFECT THE SHARE ESTIMATES OF DRS. BRYANT AND STAIHR.

A. Dr. Staihr recommends an assumed CLEC market share of 10 percent, based on two analyses. The first considers the long-distance experience. Based on this experience, Dr. Staihr concludes that CLECs will take 65 percent of the total market, but that this will be divided among 7 firms (producing about 9 percent each). Dr. Staihr also considers a situation where competitors take 65 percent of the total market, but that a cable telephony firm takes 23 percent, and the remaining 6 CLECs get 7 percent each. (Staihr Rebuttal 26-29). Dr. Bryant

argues that the aggregate share of the CLECs will be 15 percent, but that it will be shared equally by three CLECs. (Bryant Rebuttal 36-37.) Thus, these witnesses argue that aggregate CLEC share may be on the order of 15 to 65 percent and that it may be divided among 3 to 7 firms. I do not believe that a market structure with numerous firms, especially with small penetration rates, is likely as a long-run equilibrium in light of the scale economy issues I just discussed. I also do not think it likely that a given geographic market typically will support 6 or 7 small CLECs. As I explained, within a given geographic market, I expect market structure to be more consolidated, reflecting the scale economies available to CLECs. Hence I believe my penetration estimate is most consistent with a realistic view of ultimate market structure, but note that Dr. Staihr's expectations of total CLEC share are far more aggressive than my own.

Q. DR. STAIHR CLAIMS THAT IT IS UNCLEAR WHETHER YOUR ANALYSIS OF BELLSOUTH WIRE CENTERS IS LIMITED TO MASS-MARKET CUSTOMERS, AND THAT THIS IMPLIES THAT MASS-MARKET PENETRATION IS "WELL BELOW 15%." (STAIHR REBUTTAL 23-24) PLEASE EXPLAIN.

A. To clarify, I examined mass-market customers. The computations of market penetration include only basic lines (no high-capacity lines, or channelized hi-cap lines), so I believe that the lines largely (if not solely) represent residential and small business lines. I did not have the information to differentiate between business and residential lines (as this is not required for an analysis of the mass

market). I compared the number of these "mass market" lines served by CLECs to the total (CLEC+ILEC) mass-market lines. Dr. Staihr argues that the majority of CLEC lines in Florida serve large business customers. This may be so, but it is irrelevant to the data that I present in my analysis, because I exclude high-capacity lines. Thus, Dr. Staihr claim that my data "suggest a mass-market penetration well below 15%" is incorrect. (Staihr Rebuttal 24.)

Q. PLEASE RESPOND TO THE CLAIM THAT CABLE TELEPHONY IS NOT AN APPROPRIATE INDICATOR OF THE MARKET SHARE THAT CLECS MIGHT ATTAIN. (WOOD REBUTTAL 40, STAIHR REBUTTAL 24-25)

A. Mr. Wood argues that information about cable telephony penetration is not representative of the market share a CLEC might reasonably attain because cable providers do not rely on BellSouth's loops. (Wood Rebuttal 40.) Dr. Staihr argues that the cable telephony penetration is not representative of the share that a CLEC could obtain because, according to the FCC, cable television providers have a "first mover" advantage and economies of scope in offering telephony along with television services.

Both Dr. Staihr and Mr. Wood err in their conclusion because they confuse supply with demand. Mr. Wood rejects the use of cable television because cable telephony providers do not routinely use ILEC loops to provide service. What Mr. Wood really is talking about is the hot cut issue, which is a supply-side

concern having nothing to do with an investigation into customers' willingness to change service providers (except through the supply-side issue of customer dissatisfaction with the changeover process).

Mr. Wood cites to paragraph 446 of the TRO where the FCC is discussing the fact that cable telephony offers competition from a provider that uses both its own switching and its own loop. The FCC does not say (and is wise not to say) that cable telephony is an inappropriate indicator of the *willingness of customers to switch providers,* or that cable telephony is an inappropriate inapt indicator of the market share that a traditional UNE-L-based CLEC might attain in the future.

Dr. Staihr's testimony is similarly confused. In a complete about-face, after his lecture about what a demand-side market share analysis should entail, Dr. Staihr relies only on an FCC discussion about economies of scope (which pertain to the costs of provisioning, and hence the supply of the service) as a reason to view the cable telephony successes with caution. The fact that cable companies may enjoy economies of scope with regard to the provisioning of telephone service does not obviate the inference one can draw regarding the willingness of customers to change their telephone provider (the demand side).

Dr. Staihr also notes that according to the TRO, cable television companies have "unique economic circumstances of first-mover advantages and scope economies, [and therefore] have access to the customer that other competitive carriers lack." (TRO 310.) The FCC says that this "first-mover" advantage stems from

exclusive franchises and a captive market. Both exclusive franchise and captive market, however, pertain to cable *television*, not *telephony*, and so do not apply here. Moreover, the fact that cable company has an ongoing relationship with its existing base of customers is not unique, either. Long-distance service providers such as Sprint have relationships with their customers, too. Long-distance carriers also may be able to use their existing relationships to sell local voice and data (DSL) services to their customers. Thus, neither Dr. Staihr nor Mr. Wood advance any supported argument that would exclude the cable telephony experience as a relevant indicator of the customer willingness to switch service providers.

Q. DOES THE FACT THAT YOU GIVE WEIGHT TO INFORMATION ABOUT CUSTOMER WILLINGNESS-TO-SWITCH GLEANED FROM CABLE TELEPHONY PROVIDERS IMPLY THAT THE BACE MODEL SHOULD HAVE MODELED A CABLE TELEVISION PROVIDER? (STAIHR REBUTTAL 24)

A. No, it does not. The purpose of the BACE model is to investigate whether a particular entry method (e.g., a landline CLEC using its own switching and the ILEC's loops) is economic in a market without access to unbundled local switching. To be conservative, the BACE approach models a CLEC that is entering the market using its own circuit switching and the ILEC's loops. However, this does not invalidate using the relevant knowledge that we gain from the cable industry regarding customers' willingness to switch service providers.

Our approach is a perfectly consistent and reliable way of applying a business case analysis.

Q. DO YOU HAVE ANY OTHER OBSERVATIONS ABOUT THE TESTIMONY PROVIDED BY DR. STAIHR OR MR. WOOD ON CABLE TELEPHONY?

A. Yes. Neither Dr. Staihr nor Mr. Wood dispute that cable telephony is equivalent to traditional local exchange service in overall quality. Neither disputes the fact that cable companies have gained substantial numbers of customers and substantial share where they have offered telephone service. Neither Dr. Staihr nor Mr. Wood disputes the fact that cable companies such as Cox have gained 20 to 30 percent share in those areas where they have offered service, and that Cox itself has gained 19 percent share overall where it offers service and 53 percent of its existing cable TV subscribers. These figures indicate that *customers are willing to shift* in large numbers from the ILEC (or other CLECs) to alternative service providers, in this case a cable telephony provider. Such data indicate that it is possible for CLECs to overcome any brand name or other potential goodwill advantage that the ILEC might have and change their providers in substantial numbers. The cable example is especially apt because the traditional structure of cable TV networks is designed to serve homes (rather than large, enterprise businesses) and so cable telephony's successes are good evidence that customers' willingness to change service providers exists in the mass market.

Q. BUT, IF CABLE COMPANIES HAVE HAD GREAT SUCCESS ATTRACTING CUSTOMERS, DOES THIS NOT "WORK AGAINST" YOU, AS DR. STAIHR ALLEGES, BY LEAVING FEWER CUSTOMERS "LEFT OVER" FOR NON-CABLE BASED PROVIDERS? (STAIHR REBUTTAL 24)

A. No. Dr. Staihr's argument implies that the cable company is guaranteed a 26.2 percent of the market. This is not true. An efficient CLEC may be able to *win customers from the cable company as well as from the ILEC* in markets where cable telephony is being offered. In a market with an efficient, UNE-L-based CLEC, the cable company might obtain substantially less than the current national average of 26.2 percent of the market. In any event, the more successful are the alternative bypass technologies (such as cable and wireless, or alternative switch technologies such as VOIP), the less justified is any unbundled switching policy, as I discussed earlier.

Q. GIVEN YOUR DISCUSSION OF CABLE TELEPHONY, WOULD YOU ALSO SAY THAT THE SUCCESS OF UNE-P-BASED CLECS IN OBTAINING CUSTOMERS LIKEWISE INDICATES CUSTOMER WILLINGNESS TO SWITCH? (WOOD REBUTTAL 39-40)

A. Yes. Again, one should not confuse demand fundamentals (which relate to the customers' willingness to switch providers) with supply fundamentals (which, among other things, relate to the hot cut issue and economies of scope), as Mr.

Wood and Dr. Staihr do. There is no reason, given the evidence on customer willingness to change providers, that switch-based CLECs would not be able to make the kinds of gains that we have seen in UNE-P. For this reason, the ability of CLECs to attain market share in the BellSouth region and elsewhere is useful information, regardless of the (supply-side) provisioning method used by the CLECs.

Q. MR. WOOD ARGUES THAT CLEC SUCCESSES ACROSS THE BELLSOUTH REGION ARE NOT REPRESENTATIVE OF HOW WELL CLECS MIGHT PERFORM IN SPECIFIC MARKETS AND WITH SPECIFIC PRODUCTS. (WOOD REBUTTAL 39-40) PLEASE EXPLAIN WHY YOU BELIEVE THE BELLSOUTH REGION-SPECIFIC DATA ARE SUFFICIENTLY GRANULAR TO INDICATE HOW WELL AN EFFICIENT CLEC MIGHT DO WITH RESPECT TO MARKET PENETRATION.

A. It is reasonable to conclude that an efficient CLEC could learn from what is observed in the marketplace, whether that market is in Florida or elsewhere in the United States.

With regard to Mr. Wood's "specific products" argument, the range of services that we model in BACE is well representative of the range of services that an efficient CLEC would offer. This might not perfectly match the specific business models of particular CLECs, but doing that would be attempting to model specific

CLECs' business plans, contrary to the direction provided by the TRO, as I explained earlier. (TRO 519.)

Q. DOES THIS MEAN THAT AT&T'S 15 PERCENT MARKET SHARE IN NEW YORK IS RELEVANT? (STAIHR REBUTTAL 25)

A. It certainly does.

Q. BUT, DOESN'T AT&T HAVE A "UNIQUE" POSITION IN TELECOMMUNICATIONS AS A RESULT OF ITS BRAND NAME? (STAIHR REBUTTAL 25)

A. AT&T is certainly a well-known firm, but it seems unlikely to me that its brand name is so "unique" that its successes do not provide meaningful evidence of what an efficient CLEC reasonably might accomplish. First, Dr. Staihr's data are out of date. He notes that a decade after the 1984 divestiture, many customers (erroneously) identified AT&T as their local service provider. (Staihr Rebuttal 25.) Of course, it is now *two decades* after divestiture, so it is not clear that Dr. Staihr's data mean anything. A generation of consumers has grown up without ever experiencing Ma Bell or without being able to select their long-distance provider.

Moreover, AT&T's brand name does not appear to have provided substantial advantages in other endeavors. For example, a recent New York Times article

noted that AT&T Wireless's rate of customer additions was below the industry average in the fourth quarter of 2003 and AT&T is seeking to sell that business (Matt Richtel, "AT&T Wireless Says it Wants a Suitor," New York Times January 23, 2004, C1+), so AT&T's brand name has not provided an obvious advantage in the wireless industry. In light of AT&T's struggles in other areas, I think it reasonable to accept that its success in New York is not attributable uniquely to an all-powerful brand name, and that other carriers with attractive offerings could replicate its success. In any event, the FCC specifically instructed us to consider "countervailing advantages" (TRO 84) and the most efficient business model. (TRO 517.) A strong brand name would seem to be one of these advantages (although we did not specifically model AT&T, nor did we seek to model a firm with special name recognition). As a result, Dr. Staihr's attempt to rule out AT&T as a legitimate example of CLEC success of 15 percent market share should be dismissed as simply self-serving.

Q. DR. STAIHR POINTS OUT THAT EVEN THOUGH AT&T ACCOUNTS FOR 15 PERCENT MARKET SHARE IN NEW YORK, 25 OTHER CLECS ACCOUNT FOR ANOTHER 13 PERCENT. HE ARGUES THAT THIS DEMONSTRATES THAT OTHER CLECS WILL BE UNABLE TO ATTAIN 15 PERCENT MARKET SHARE. (STAIHR REBUTTAL 25) PLEASE COMMENT.

A. Dr. Staihr once again confuses the issue of market structure with the issue of market penetration. Dr. Staihr's figures demonstrate only that a substantial

portion—at least 28 percent—of customers have already shown a willingness to change their service provider. It does not demonstrate that there cannot be two switch-based CLECs, each with approximately 15 percent market share, and an ILEC, that compete with one another on a facilities basis.

Q. WHY IS THE ACADEMIC LITERATURE ON MARKET ENTRY RELEVANT TO THE ISSUE OF MARKET PENETRATION, CONTRARY TO THE CLAIMS OF MR. WOOD? (WOOD REBUTTAL 39)

A. The purpose of scientific research is to identify and test generalized principles (which mean principles that may apply beyond the specific data set investigated). Principles that have withstood empirical challenge can provide guidance to researchers and policy makers. Sometimes, as in this instance, the guidance is of a qualitative nature in that it helps establish a general pattern of competitive entry, as I will discuss.

As I explained in my direct testimony, the academic literature provided me with guidance as to a reasonable "shape" of the market penetration path. For example, one might suppose that a firm gained market share in an "S-shaped" curve. That certainly was one of the ideas that I considered early in the process. However, my research indicates that successful firms tended to grow more quickly upon entry than unsuccessful firms when they are young and small, and that the growth rates of these firms tend to decrease as they become older and larger. The growth of

successful firms was more of like the top half of a "C," with fast immediate growth slowing toward an asymptotic level of market share. There is nothing in the telecommunications industry or local exchange industry that suggests to me that an efficient CLEC would not also follow this pattern.

As I noted in my direct testimony (though Mr. Wood failed to note this in his discussion on pages 39 and 40 of his rebuttal testimony), I analyzed data on every wire center in the BellSouth territory and I examined several hundred examples of entry by different CLECs over time. I found that the pattern of entry into wire centers varied, but that generally, entry followed the pattern found by academic researchers in their more formal studies; that is, entry starts with a bang, and then grows at a decreasing rate as the firm matures toward its ultimate market share. This provided me with some assurance that the (qualitative) generalized principle of market entry applied to the local telecommunications industry as well.

I believe that this type of thorough research, which considers the established, researched wisdom of market entry, reviews literally hundreds of pages of actual evidence on this entry in the BellSouth region, considers the implications of entry by telecommunications services providers that is observed in other parts of the country, and derives a conclusion based on this analysis, illustrates that my proposal is reasoned and reasonable.

Q. WILL BELLSOUTH'S "WINBACK" EFFORTS REDUCE THE ESTIMATE OF THE EFFICIENT CLEC'S ULTIMATE MARKET SHARE? (BRYANT REBUTTAL 37)

A. No, it will not reduce it from the 15 percent estimate that I recommend, because this is already accounted for in my estimate. My proposal is based on what we can observe in the marketplace today, such as AT&T in New York and cable television companies where they choose to offer telephone service. It is rational for the ILEC in those areas to offer winback programs and these CLECs still have been successful in gaining substantial share. In other words, absent ILEC winback programs in these areas, I would expect these CLECs would have higher market penetration rates than they already do. Thus, making a downward adjustment to my proposed market share because BellSouth offers winback programs would effectively twice-consider the effect of these programs.

Q. DR. ARON, IS YOUR 15 PERCENT MARKET SHARE RECOMMENDATION CONSERVATIVE IN ANY OTHER WAY? (WOOD REBUTTAL 39)

A. Yes, it is. I assume that the overall market for the services offered by the CLEC does not grow (or shrink) over time. This has an important implication for my 15 percent market share recommendation. A market share of 15 percent 10-years out in a market that does not grow represents approximately the same level of demand (all else the same) as a 12 percent share in a market that grows by just 2 percent

per year. (Indeed, a market that grows at 4 percent per year would produce approximately the same level of CLEC-served demand at a 10 percent share as does the 15 percent share with no overall market growth.)

It is reasonable to believe that the overall demand for voice telecommunications services will increase in the future. (Viktor Shvets, RBOCs: Initiating Coverage, Deutsche Bank Securities Equity Research, November 22, 2002.) Accordingly, my assumption of zero market growth is conservative.

In sum, to be conservative, I have presented a consistent set of assumptions based on a conservative product definition (i.e., I exclude wireless services, and consider only ILEC and CLEC lines and revenues), prices, and penetration rates that assume no growth in the either the number of total customer locations, or in the definition of the market (as CLEC + ILEC lines).

Q. MR. WOOD CLAIMS THAT THE BACE MODEL ASSUMES THAT THE TOTAL MARKET FOR WIRELINE TELECOMMUNICATIONS SERVICES WILL GROW OVER THE TIME HORIZON OF ITS ANALYSIS. (WOOD REBUTTAL 38) IS THIS TRUE?

A. No, as I just described.

B. P-VALUE

Q. DR. ARON, WOULD YOU PLEASE SUMMARIZE THE ISSUE WITH RESPECT TO THE "P-VALUE"?

A. Yes. One of the inputs in the BACE model is the trajectory that is assumed for the CLEC's market share. We assume that the CLEC begins with no customers, and adds them over time and ultimately approaches a "maximum" market share. The "p-value" relates to the speed with which the efficient CLEC is able to gain market share and move toward its "maximum." For residential customers, I recommend a p-value of 0.50, which means that the CLEC gains half of its ultimate share (or 7.5 percent, because we assume a maximum share of 15 percent) by the end of the first year, three-quarters by the end of the second year, and so on. Various parties submit that the p-value of 0.50 for residential customers is overly aggressive. I believe that it is conservative, as it is used in the BACE model.

Q. WHY IS A P-VALUE OF 0.50 FOR RESIDENTIAL CUSTOMERS CONSERVATIVE? (WOOD REBUTTAL 39, STAIHR REBUTTAL 32)

A. First, the BACE approach models a *de novo* CLEC—that is, a CLEC that enters the market without any customers. However, the FCC's requirement that the Commission consider all the CLECs' various advantages would permit us to model a CLEC (such as AT&T or MCI) that already has a substantial number of revenue-generating UNE-P lines and that, over time, these will be migrated to UNE-L lines in those areas where an efficient CLEC is not impaired without

access to the local switching UNE. We opted not to model an efficient CLEC with a base of existing customers, but certainly this illustrates the conservatism of the p-value assumption.

Second, as implemented in BACE, a p-value of 0.50 means that the CLEC obtains half of its ultimate market share at the *end* of the first year. The *average* penetration during the year is 3.75 percent. (Mr. Wood and Dr. Staihr completely misunderstand how the BACE model uses the p-value, and as a result, their arguments are wrong.) The revenue assumption for the first year reflects a 3.75 percent penetration rate, not 7.5 percent. We provided a description of this to AT&T and Sprint in response to discovery. (AT&T's 3rd Set of Requests for Production of Documents No. 47, Sprint's 1st Request for Production of Documents No. 2.)

Finally, it is worth noting that Dr. Bryant's approach uses a p-value of 1.00. In other words, he models a CLEC that obtains its full measure of market share (five percent, in Dr. Bryant's case) on the first day of operations. His average penetration for the first year is 5 percent, which exceeds our assumed average penetration of 3.75 percent.

Q. YOU EARLIER REFERRED TO YOUR REVIEW OF THE ACADEMIC LITERATURE ON MARKET PENETRATION. DR. STAIHR CLAIMS THAT BY ADHERING TO THE APPROACH DESCRIBED IN THE LITERATURE, YOU "STACKED THE DECK" SO THAT CLEC

PENETRATION, AS EXPRESSED BY THE P-VALUE, INCREASES THE LIKELIHOOD OF SUCCESS. (STAIHR REBUTTAL 31) HAVE YOU STACKED THE DECK?

A. No, I have not. Dr. Staihr does not dispute the findings that I described from my review of the academic literature. Dr. Staihr's complaint seems to be that such a pattern contributes to the chances of success for the efficient CLEC that is modeled in the BACE model. This may be so, but simply because the research is instructive does not mean that we should ignore it. The FCC instructed us to consider an efficient firm. I take that to mean (and Dr. Staihr does not seem to dispute my conclusion) that we should model the penetration patterns of successful, rather than unsuccessful firms. It would be foolish to use an entry pattern of unsuccessful firms to model the entry patterns of an efficient CLEC.

Dr. Staihr also argues that market penetration is something "over which the company has little control." (Staihr Rebuttal 31-32.) This is another incorrect statement. If penetration were outside the control of the firm, there would be no reason for the firm to spend money on marketing and customer acquisition. I wonder if Sprint's sales personnel share Dr. Staihr's view of the exogeneity of demand for CLEC services. I believe that the p-value that I have selected is consistent with the customer acquisition cost estimate that I have selected, and that a reduction in one would require a reduction in the other.

Q. PLEASE COMMENT ON DR. STAIHR'S USE OF FCC DATA TO DEMONSTRATE THE PATTERN OF CLEC MASS MARKET PENETRATION OVER TIME. (STAIHR REBUTTAL 32)

A. Dr. Staihr misuses FCC data to suggest that the rate of share gain of an efficient CLEC will be lower than the p-value of 0.50. His analysis is incorrect because it implicitly and erroneously assumes that there is a single national market in local exchange service. Instead, there are multiple local exchange markets and initial entry by CLECs can occur at different times in each market. This will influence the aggregate statistic and can lead to erroneous conclusions about CLEC successes.

An example may clarify how the FCC's data can be subject to the kind of misinterpretation seen in Dr. Staihr's analysis. Suppose there are four markets of equal size and that competitors enter them in succession. In the first year the CLEC obtains 8 percent share in market *A*. In the following year, the CLEC obtains 12 percent in market *A* and 8 percent in market *B*. In the third year, the CLEC obtains 16 percent in market *A*, 12 percent in market *B* and 8 percent in market *C*. Penetration in market *D* remains zero throughout.

Calculating aggregate penetration by treating all four markets as one (analogous to the FCC's methodology) the CLEC's first year share would seem to be 2 percent (8/4), its second year share would seem to be 5 percent ((8+12)/4), and its third year share would seem to be 9 percent ((8+12+16)/4). These aggregated

penetrations do not illuminate what is happening in local markets and demonstrate why the FCC asked the states to conduct a more granular impairment investigation. Thus, an undisciplined interpretation of the FCC's national data presents an incorrect and biased rendering of what is happening in individual local exchange markets.

C. PRICE LEVELS

Q. DR. ARON, PLEASE SUMMARIZE THE ISSUES THAT YOU ADDRESS IN THIS SECTION.

A. In this and the following section, I address criticisms leveled by various CLEC witnesses regarding the prices that I recommended for use in the BACE model. This section discusses criticisms of the prices themselves. The following section discuses issues related to trends in the prices over time. (Consistent with the TRO, my estimates for prices, and costs, are not trended.) The BACE model incorporates prices for service bundles (e.g., aggregations of services consisting of local voice service, vertical features, and long-distance and/or DSL services) and for what I call "*a la carte*" services.

In both cases, the main complaint seems to be that I relied on the use of existing CLEC service prices for bundles and on actual BellSouth billing data for the *a la carte* services. Various theories are advanced for the use of other data and for adjusting these data over time. My main response is that the FCC clearly foresaw

that prices would be a contentious issue. It reasonably determined that rather than bogging down the impairment analysis process in controversy, it would require that the potential deployment analysis use existing prices. Many of these criticisms simply seek to rewrite or ignore the TRO's direction and use prices that are not reflective of prices that are effective in the market today.

Q. MR. WOOD CLAIMS THAT YOU DID NOT SUFFICIENTLY DISAGGREGATE BELLSOUTH'S CURRENT *A LA CARTE* PRICES AND, AS A RESULT, CLEC REVENUES CANNOT BE ESTIMATED WITH ANY DEGREE OF ACCURACY. (WOOD REBUTTAL 25) PLEASE COMMENT.

A. By any objective standard, the BACE model is a highly granular model. It is, in fact, the most granular business case analysis I have ever seen. I believe that Mr. Wood resorts to the (unfounded) criticism that the BACE data lack granularity whenever his imagination flags. In any event, Mr. Wood has absolutely no basis for this claim. In determining the revenues reasonably available to the CLEC for its *a la carte* services sold to mass-market customers, we processed millions of individual BellSouth customer billing records. For residential customers, we consolidated those billing records into five "spend" groups at the wire center level (for businesses, we grouped the records into four business segments that varied by the number of lines served and three spending groups for each business segment). In so doing, we provided abundant granularity on the numbers of lines, the services, and the spending levels that reasonably would be available to an

efficient CLEC. Our methodology produces different, granular average revenue estimates for each product, customer segment, and spend group by state. These estimates are based on the specific mix of customers in each wire center. Each wire center has a different profile of customers delineated by spend categories. Therefore each wire center has a different effective average revenue per residence and each of the four business customers segments. This process addresses the point that Mr. Wood makes without the additional (and pointless) complexity that Mr. Wood seeks.

Q. MR. WOOD CLAIMS THAT YOUR PROCESS OF AGGREGATING CUSTOMERS FAILS TO SEPARATE HIGHER SPENDING THAT RESULTS FROM BEING IN A HIGHER-PRICED RATE GROUP FROM HIGHER SPENDING THAT RESULTS FROM BUYING MORE SERVICES. (WOOD REBUTTAL 30-32) PLEASE COMMENT.

A. Mr. Wood expresses a concern that because Florida has several retail price groups, the BACE model's treatment of customer segmentation is "incorrect" and "biases" the results toward a showing on no impairment. (Wood Rebuttal, p. 32.) Mr. Wood's testimony is unclear and somewhat confused on this point, but his conclusion appears to be without merit.

Mr. Wood's concern seems to pertain to his observation that some customers spend a lot on telecommunications because they buy a lot of services at relatively low prices, while others spend a lot despite buying fewer services because they

pay higher prices. While in principle this is a true statement, it does not lead to any realistic concern with the results of the BACE model. First, as a practical matter, regardless of whether there were any merit to his concern in theory, the fact is that the only BellSouth prices that vary by rate group in Florida are the basic local access line rates. Based on the design of the rate groups, only a relatively few residential customers will pay prices that differ by as much as $3.50 from the highest to the lowest rate group. Instead, most residential customers will face local access line rates that are within $1 of one another. In the context of total spend levels, this difference would have minimal effect on the model and so Mr. Wood's convoluted discussion is actually much ado about nothing.

Further, while Mr. Wood asserts that his observation about the different reasons that customers might be in a high spend category would lead to some bias or systematic inaccuracy in the model, he does not explain what the mechanism leading to such inaccuracy would be, and he certainly does not demonstrate any bias. *Any* model will aggregate and summarize different individual observations into averages or groups in some way, and this will always obscure some individual differences and characteristics. Short of modeling competition for each individual customer, an unreasonable and unrealistic standard, some individual-specific factors will not be accounted for.

Nevertheless, the fact is that in the BACE model, the costs of serving a given customer profile in a wire center are specific to the characteristics of that wire center, and the numbers of customers in each spend quintile are specific to each

wire center. I believe that the level of granularity of the model is extremely high, and any attempt to discredit it or level unsupported claims of purported bias for failure to model still greater granularity should be rejected.

Q. MR. WOOD CLAIMS THAT THE PRICES FOR SERVICE BUNDLES WERE NOT DESCRIBED IN YOUR TESTIMONY. (WOOD REBUTTAL 26-27) PLEASE COMMENT.

A. These prices were provided in response to Sprint's First Request for Production of Documents No. 1, and Staff's 5th Request for Production of documents No. 31 and Interrogatory 82.

Q. DR. STAIHR CLAIMS THAT CLECS MUST COMPETE WITH THE BELLSOUTH WINBACK BUNDLE PRICES, AND THAT THE WINBACK PRICES THEREFORE SHOULD FORM THE BASIS OF THE CLEC'S BUNDLE PRICES. (STAIHR REBUTTAL 33-34) PLEASE COMMENT.

A. This is incorrect. While it is true that BellSouth's winback bundle prices are available in the market today, they are not the relevant price for an efficient CLEC. Rather, *bundle prices offered by the CLECs themselves* in the face of those winback prices are more relevant, because they are offered to customers at large.

Q. PLEASE RESPOND TO DR. STAIHR'S DISCUSSION ABOUT HOW THE 10 PERCENT DISCOUNT FOR *A LA CARTE* SERVICE PRICES IS APPLIED IN THE BACE MODEL. (STAIHR REBUTTAL 34)

A. Dr. Staihr's description on this point is muddled (and incorrect). Let me first describe how the BACE model computes revenues, and it will become clearer how the 10 percent discount applies. The model assigns certain customers to bundles and these customers pay the bundled prices that I developed from actual CLEC service offerings. The rest of the customers buy services *a la carte*, and they pay the BellSouth prevailing prices minus a 10 percent discount on local service, including local usage and vertical features. (The installation charge is also waived.) Therefore, the bundle prices reflect the prevailing observed CLEC prices and the *a la carte* prices are discounted from the prevailing ILEC prices, providing a pricing incentive for a customer to switch.

Q. DOES DR. BRYANT CRITICIZE YOUR REVENUE ESTIMATE FOR RESIDENTIAL CUSTOMERS? (BRYANT REBUTTAL 40-41)

A. No, not directly. Instead he re-runs the BACE model using a monthly revenue estimate of $47.25 for residential customers. He does not comment directly on my revenue estimates.

Q. PLEASE COMMENT ON DR. BRYANT'S USE OF THE $47.25 FOR RESIDENTIAL CUSTOMERS.

A. Although he claims in his testimony that he assumes average revenues of $47.25, Dr. Bryant actually uses $46.50 in his model. In any event, Dr. Bryant's figure is unreasonably low because it does not appear to include the possible revenue that the CLEC, executing the most efficient business plan, can attract from serving customers who will purchase DSL services as well as local and long-distance services. For example, in discovery, MCI claimed that its end-user average (qualifying) revenues were between ***[redacted]*** (MCI Response to BellSouth Interrogatory No. 26, p. MCI-000074). Because any results from the BACE model that use the $47.25 do not reflect the most efficient business plan, they cannot be relied upon for making a determination about impairment.

D. PRICE TRENDS

Q. MR. WOOD CLAIMS THAT PRICES WILL CHANGE IN THE FUTURE BECAUSE AREAS WHERE PRICES ARE HIGH AND COSTS ARE LOW ARE LIKELY TO ATTRACT COMPETITIVE ENTRY. (WOOD REBUTTAL 24, STAIHR 35-36) PLEASE COMMENT.

A. As I mentioned, the FCC directs us to use prices that are based on those currently in the market because there would be no end to the disputes about future price trends. Our approach, which keeps both prices *and costs* constant over the forecast period, is more reasonable, and more consistent with the TRO, than is engaging in insoluble debates about price and cost trends.

Q. BUT, ISN'T IT TRUE THAT PRICES THAT ARE ABOVE COST (AS COMPUTED BY THE FCC'S HCPM MODEL) WILL ATTRACT COMPETITION AND SERVE TO REDUCE PRICES IN THE FUTURE? (STAIHR REBUTTAL 35-36)

A. This is another instance where Dr. Staihr attempts to use the conservatism of the BACE modeling approach against itself. Mr. Nilson makes a somewhat similar claim, arguing that a "basic tenet of economics" is that prices decrease. (Nilson Rebuttal 11.) In so doing, both witnesses inadequately describe the nature of the competitive process. I concur that one outcome of competition can be lower prices when prices are substantially above cost. However, if prices already are below the competitive level, competition will not cause them to decrease further. In fact, competition will undermine any existing cross-subsidies and cause below-cost prices to rise to an economically rational level. Moreover, there is a countervailing factor that these arguments completely overlook, and that is the effect, in a competitive market, of product innovation that entices customers to spend more on existing and new products than had been the case before.

One possible effect of product innovation on the part of the efficient CLEC and general technological progress, were we to incorporate it in the model, would be to contribute toward increased revenue per customer over time. This, in turn, would contribute to an increased net present value of the business case, and possibly more "unimpaired" areas. Out of conservatism, the BACE model does not assume that the efficient CLEC will create innovative new products or that it

will derive increased revenues per customer from newly developed products (except through the upward penetration of DSL in the initial years). Instead, we draw from a fixed portfolio of existing products that are available today to customers.

Dr. Staihr's proposal to trend prices downward over time is unreasonable because it addresses only one effect that can occur as competition increases, and it ignores the countervailing effect that innovation can have in increasing customer spending. However, because there is no way, in my mind, to resolve the issue of whether customers of the efficient CLEC will in the future spend more or less on telecommunications services as a result of product innovation and price competition, I conclude that there is no reason to diverge from the FCC's requirement that we base prices on existing prices and not adjust them (or adjust spending per customer) upward or downward in an attempt to reflect the various factors that influence customer spending. It is more principled to determine spending based on existing prices rather than try to project which factors will dominate among the countervailing influences on spending per customer.

In any event, I will also note that no firm conclusions can be drawn from Dr. Staihr's use of the FCC's High Cost Proxy Model ("HCPM"). The HCPM is a forward-looking incremental cost model developed by the FCC to identify high cost areas for purposes of universal service fundings. The model is designed to identify areas that are *relatively* high cost, not to identify all of the costs themselves. Accordingly, the FCC has stated that the HCPM should not be used

for determining or evaluating prices. (See, e.g. Memorandum and Order CC Docket No. 00-217, January 19, 2001, p. 41.)

Q. PLEASE COMMENT ON DR. STAIHR'S RECOMMENDATION THAT PRICES SHOULD BE REDUCED BY 1.5 PERCENT PER YEAR TO REFLECT GAINS IN PRODUCTIVITY. (STAIHR REBUTTAL 37)

A. This is yet another example where Dr. Staihr fails to follow his own advice of using a "structured" analysis. Dr. Staihr claims that such a reduction is consistent with productivity that "normally [would] be passed through to end-users in a competitive market." (Staihr Rebuttal 37.) However, these same productivity gains will also reduce costs. (Indeed, productivity enhancements would only lead to price decreases *if* they reduce costs.) Dr. Staihr's recommendation therefore is biased: he would have us reduce prices to reflect productivity; he says nothing about reducing costs to reflect that same productivity. Rather than engage in fruitless debates about future productivity rates for the efficient CLEC, our approach is to follow the TRO and use prices that are based on currently prevailing prices. Our cost analysis likewise is based on existing, standard technologies and is not trended.

Q. MR. WOOD CLAIMS THAT IT IS "NONSENSICAL" TO COMBINE CONSTANT PRICES WITH A 10-YEAR MODEL. HE CLAIMS THAT CONSTANT PRICES IMPLIES A SHORT-TERM TIME HORIZON FOR THE ANALYSIS. (WOOD REBUTTAL 27) PLEASE COMMENT.

A. This is nonsense. First, as I indicated, there really is no "short term" modeling approach for a going-concern business. Mr. Wood fails to understand what a business case entails. A going concern generates a residual, or terminal value, which represents the discounted net value of the firm for the years beyond the explicitly modeled period. The firm's total value is the sum of the explicitly-modeled part and this terminal value. A shorter explicitly-modeled time horizon does not increase the certainty of the estimates; it simply pushes the uncertainty into the terminal value estimate. Any reduction in the number of years that are explicitly modeled requires an offsetting adjustment on the terminal value for the simple reason that value is neither created nor destroyed simply by the number of years that one chooses to explicitly model.

Second, there is no economic reason (and Mr. Wood has provided no such reason) that a constant price assumption implies that a shorter-term explicit model should be used. As I indicated, the total value of the firm should not change simply because the number of explicitly-modeled years is reduced.

The fact that Mr. Wood failed to express his views on the interaction of explicitly-modeled years and the terminal value leads me to conclude that, possibly, he is uninformed of the role that the terminal value plays in a business case analysis. There is no credible economic theory or process that would change the NPV of a project or going concern simply by lopping off some of the years where value is created.

Q. MR. WOOD CLAIMS THAT INTERSTATE TOLL PRICES HAVE DECREASED BY 5.1 PERCENT PER YEAR DURING THE 10-YEAR PERIOD FOLLOWING DIVESTITURE. (WOOD REBUTTAL 27) IS THIS USEFUL INFORMATION FOR THE POSSIBLE PATH OF LOCAL SERVICE PRICES?

A. Absolutely not. Dr. Staihr makes this same, incorrect argument as well. (Staihr Rebuttal 37-38.) Many will recall that over the past decades, access charge reform changed the way common line costs were recovered, and that this reduced toll costs and prices. Access reform entailed the movement from a per-minute-of-use charge levied on long-distance carriers to a monthly recurring end user common line charge ("EUCL") directly paid by local service end users (as well as a flat-rate charge charged to the carriers). Access charge reform was a regulatory exercise that removed cost recovery from long-distance service variable costs. According to the FCC, from 1984 to 1994, interstate switched access charges decreased by nearly 9 percent per year. Access charges account for a substantial portion of long-distance costs (by one estimate about 40 percent of AT&T's consumer long-distance division's costs), so the access charge decreases made a substantial contribution to overall cost and price decreases. Neither Dr. Staihr nor Mr. Wood appear to consider access reform, and so their claims about long-distance pricing are inapplicable indicators of what might occur for local exchange services.

In sum, there is no probative value to the quantitative historical trend of long-distance prices, as presented by Mr. Wood, relative to the future price path of local exchange services at issue in this proceeding. The fact that Mr. Wood finds that NPVs are "significantly reduced" if a 5.1 percent price decrease is applied over the 10-year horizon of the BACE model should come as no surprise. (Wood Rebuttal 29.) However, Mr. Wood's number is based on an inapplicable comparison and has not been shown to apply to local exchange service. Moreover, while Mr. Wood seeks to reduce prices, he does not make any corresponding adjustment for costs that reasonably might decrease over the 10-year time horizon.

Q. DO THE DECREASES IN WIRELESS PRICES PROVIDE A USEFUL BENCHMARK AS TO WHAT MIGHT OCCUR WITH LANDLINE TELEPHONE PRICES IN THE FUTURE? (STAIHR REBUTTAL 37-38)

A. No. Unlike landline residential service prices, wireless prices were not regulated during the 1994 to 2002 period that Dr. Staihr investigates. There is no reason why the price trends of services that started at an unregulated, potentially supra-competitive level and fall over time should tell us anything meaningful about price trends of services that have been highly regulated for many years, and which, in some instances, may be below the competitive level. Moreover, fundamental changes in wireless technology occurred during that time (particularly, the transition from analog to digital service) that affected the cost of

providing wireless services, and we have not modeled any such changes in wireline technology in the BACE model.

E. SERVICES OFFERED

Q. MR. WOOD ARGUES THAT THE RANGE OF SERVICES CONSIDERED IN THE BACE MODEL SHOULD BE WHAT THE CLEC SEEKS TO OFFER, NOT WHAT BELLSOUTH THINKS CLECS SHOULD OFFER. (WOOD REBUTTAL 10, 46-47) PLEASE COMMENT.

A. At pages 46 and 47 of his rebuttal testimony, Mr. Wood claims that it is inappropriate to consider "*non-switched services*" (or donuts) that might be used "in order to help pay for the switch." I take it that Mr. Wood is referring to DSL service, which is a non-switched service that can be provided over the same loop that provides switched voice services. The TRO itself provides clear guidance as to what services, including data, should be considered potential revenues in a potential deployment analysis. "The state must also consider the revenues a competitor is likely to obtain from using its facilities for providing *data* and long distance services and from serving business customers." (TRO 519, emphasis added.)

In any event, a simple example will show the error of Mr. Wood's argument. Exhibit DJA-09 illustrates that a CLEC may find it uneconomic to offer either voice service or DSL service alone, but may find that it is economic (i.e., the

CLEC can earn zero economic profits) if it offers both. The reason is that there may be *economies of scope* in offering switched and unswitched services. As shown in my example, these economies are the result of the common use of the local loop.

The example shows that the profitability of both services benefits from the existence of, and the CLEC's recognition of, scope economies. An efficient CLEC will recognize instances where economies of scope exist, and it will take advantage of them. There is no reason to artificially crimp the potential deployment analysis by failing to recognize the scale and scope economies and any other advantage available to an efficient CLEC. Mr. Wood pejoratively scoffs at the notion that the CLEC should engage in a fundraiser by selling donuts on a street corner to help pay its switching costs. Of course, this absurd example illustrates an instance where there are no economies of scope (one presumes) between providing telecommunications services and providing donuts.

Mr. Wood plays lightly with the Commission's time by creating a misleading example and by failing to address the genuine issue of economies of scope that should be considered when evaluating the profit opportunities open to an efficient CLEC. My simple example demonstrates the power that such economies can have. Economies of scope can provide a way of changing the results of a business case from one that appears to have no promise in *either* voice or DSL service, to one that appears to offer an economic return if *both* are offered. This is the issue

that this Commission should consider, and not examples that treat this proceeding as a farce.

F. CHURN

Q. PLEASE COMMENT ON DR. BRYANT'S CLAIM THAT ANY INPUT TO THE CLEC MODEL (REGARDING CHURN) THAT RELIES EXCLUSIVELY ON THE ACTUAL EXPERIENCE OF UNE-P FIRMS WILL BE UNDERSTATED. (BRYANT REBUTTAL 38)

A. Dr. Bryant claims that churn based on the experience of UNE-P-based carriers will be understated for the same reasons that he provided in his discussion of market share. These reasons were (1) BellSouth winback programs; (2) CLEC service prices; (3) CLEC service quality; (4) the availability of hot cuts; (5) the ability of the CLEC to bring new services to market; (6) the costs of those new services; and (7) the ability or inability of the CLEC to offer broadband using the ILEC's new infrastructure capabilities. (Bryant Rebuttal 37.) However, Dr. Bryant actually engages in mere hand waving because he does not discuss these factors at all as they relate to churn, and he certainly does not explain why *all* of these factors would lead to an understatement of churn that is based on the experience of UNE-P providers. A closer examination shows that this claim has no basis.

For example, there is no reason to believe that ILECs' winback offers affect a switch-based CLEC any differently than it affects a UNE-P-based CLEC (and Dr. Bryant fails to explain why it would). Indeed, this would conflict with Dr. Bryant's argument in his direct testimony that a switch-based CLEC would have the incentive to reduce its price below that of a UNE-P-based CLEC in order to retain customers. (Bryant Direct 81-82.) The theory is flatly inconsistent with his discussion on churn.

It also appears that a number of the other factors cited by Dr. Bryant may be associated with *lower*, not *higher*, churn for a switched-based CLEC than might be observed with UNE-P providers. For example, a switch-based CLEC has more control of its own service quality than does UNE-P CLEC simply because it has a reduced reliance on the ILEC network. The switch-based CLEC also has the incentive and ability to manage its switching resources so as to reduce costs, perhaps by investing in a newer generation of technology. (Although the BACE model considers a CLEC that uses traditional circuit switching technology, a real-world CLEC may elect to use more advanced packet switches, if these are less costly.) Finally, a switch-based CLEC can implement new products without working through a third party (i.e., the ILEC) to do so. In sum, a switch-based CLEC has more control of quality, better ability to manage costs, and an enhanced ability to offer new services than does the UNE-P-based CLEC, which reasonably would suggest lower, not higher churn.

Q. MR. WOOD ARGUES THAT YOUR USE OF AN "INDUSTRY-WIDE CHURN RATE" REFLECTS THE EXPERIENCE OF ILECS (AS WELL AS CLECS) AND IS THEREFORE BIASED LOW BECAUSE THE ILEC BASE OF CUSTOMERS IS UNLIKELY TO CHANGE PROVIDERS. (WOOD REBUTTAL 44) PLEASE COMMENT.

A. Mr. Wood's argument is misleading because he fails to tell the whole story. Mr. Wood cites to page 34 of my direct testimony as using an "industry-wide churn rate." A casual reading of that paragraph shows that I am discussing the results of a Morgan Stanley survey of *business customers*. Thus, Mr. Wood's (unsupported) conclusion that my proposed churn rates are understated because of "the presence of a base of [ILEC-served] customers who are unlikely to change providers in response to competitive alternatives," (Wood Rebuttal 44.) fails to note that these are *business customers* that he is talking about.

This is an important omission because business customers are unlikely to have an irrational bias against changing providers. Businesses can be expected to make a rational evaluation of a CLEC's service offering, and it is safe to assume that they generally are among the more savvy telecommunications services end-users. Businesses have the incentive, especially in this economy, to aggressively manage their costs and resource use. Any churn rate related to business customers is not biased either way by including the ILEC experience with its business customers. Moreover, the *efficient* CLEC should be able to reduce its churn rate to that of the

ILEC for business customers through, e.g., term contracts, superior service, and the like.

Q. DO YOU HAVE ANY COMMENTS REGARDING MR. WOOD'S DISCUSSION OF YOUR ESTIMATE FOR "CHURN"?

A. Yes. My recommended churn rate for residential customers is 4 percent, which is the same rate that Z-Tel experienced, according to investment analysts, and it is also the same rate that Z-Tel told the FCC that it experienced. (TRO 471.) Moreover, according to the FCC, Z-Tel claims that "carriers in a competitive market cannot expect to keep any particular customer for more than 18-24 months," (TRO 471) which implies a monthly churn rate of 2.9 to 3.9 percent. As I noted in my direct testimony, an investment analyst estimates that AT&T's own local experience is on the order of 4.6 percent. It is entirely disingenuous to suggest that an efficient CLEC cannot attain a 4 percent churn rate for its residential customers.

Q. MR. WOOD CLAIMS THAT RELIANCE ON WIRELESS CHURN RATES IS "MISPLACED" BECAUSE THE WIRELESS INDUSTRY HAS (TO THIS POINT) HAD NO NUMBER PORTABILITY AND BECAUSE IT USES TERM CONTRACTS. (WOOD REBUTTAL 44) PLEASE COMMENT.

A. I specifically examined the issue of number portability in my direct testimony (although Mr. Wood does not acknowledge this in his rebuttal testimony). On page 31 of my direct testimony, I explained that analysts at Banc of America Securities held the view (with which I agree) that wireless churn was indicative of local churn; though local churn may be higher due to number portability. Wireless churn is on the order of 2.6 percent. I recommend a residential churn rate of 4 percent, or some 54 percent higher than the wireless churn rate. This is in line with the 4.6 churn rate that Banc of America estimates for AT&T's own local services (which may not be an efficient CLEC). It is also in line with the estimate of a Morgan Stanley investment analyst report that I noted on that same page (page 31) of my direct testimony. Finally, I noted in my testimony that at least one analyst estimates that wireless number portability will increase wireless churn rates by about 50 percent, which will put them at about 4 percent, or, in other words, about the same as my estimate for an efficient CLEC serving its residential customers.

The efficient CLEC can reduce churn by introducing attractive, useful new services, pricing plans, billing options, and the like that the ILEC does not offer. Thus, churn is at least in part a management issue—it is a cost that a carrier actively must try to manage. I find it very disingenuous, and smacking of a defeatist self-pitying attitude to argue, as Mr. Wood does, that the ILECs "effectively dictate CLEC churn rates" going forward. (Wood Rebuttal 44.)

G. SALES COSTS

Q. MR. WOOD CLAIMS THAT THERE IS A MISMATCH BETWEEN CUSTOMER ACQUISITION COSTS, WHICH APPLY TO A NARROW RANGE OF SERVICES, AND THE BROAD RANGE OF CUSTOMER SERVICES THAT THE MODELED CLEC IS SAID TO OFFER. (WOOD REBUTTAL 49) PLEASE COMMENT.

A. I disagree. First, this argument cannot apply to business customers, because my recommendation for customer acquisition costs is expressed as a multiple of first-month's revenues. Thus, the broader or more expensive the services, the higher is the implied customer acquisition cost. For residential customers, however, I propose a flat $95 per customer location. My recommendation of residential acquisition costs of $95 is sufficient to accommodate the entire portfolio of services. First, my parameter value is based on the experience of existing UNE-P-based firms such as Z-Tel (which has a target of $50) and Talk America (whose actual costs are estimated to be $80). My parameter value of $95 is substantially higher than either. Moreover, as I explained in my direct testimony, Hazlett and Havenner describe why existing UNE-P-based firms that operate in areas that legitimately are unimpaired have the incentive to inefficiently increase their customer acquisition costs. Therefore it may be the case that Talk America's customer acquisition costs are inefficiently high.

Moreover, I can demonstrate that my proposal is sufficient to accommodate customers who order DSL as well as voice services. Consider the example that I show in Exhibit DJA-10. This exhibit shows that customer acquisition costs, based on the Z-Tel and Talk America figures, are on the order of $50 to $80. I compute an incremental customer acquisition cost associated with DSL from data provided by Dr. Bryant. For those customers who obtain *both* voice and DSL service from the efficient CLEC, customer acquisition costs should be on the order of $150 to $180. In the BACE model, this represents approximately 15 percent of a CLEC's customers. The other 85 percent obtain voice services only. Thus, the weighted average customer acquisition cost for the portfolio of services should be on the order of $64 to $95 for the average customer, yet the BACE model applies $95 to *every* customer.

Q. PLEASE RESPOND TO DR. BRYANT'S ADDITIONAL CRITICISMS OF YOUR CUSTOMER ACQUISITION COSTS. (BRYANT REBUTTAL 38-39)

A. Dr. Bryant makes several claims. He says that my customer acquisition costs are based on the Z-Tel experience. (Bryant Rebuttal 38.) This is only partly true. I considered customer acquisition costs for Z-Tel, Talk America, and AT&T as shown in Exhibit DJA-06, all of which are wireline, local exchange providers. (Moreover, this applies only to residential acquisition costs.)

Dr. Bryant then claims that his sources range from $80 to $400. He says that these are from the "same types of sources" that I used. (Bryant Rebuttal 39.) That is not true. According to Dr. Bryant, the $400 estimate is for a *wireless provider*. I did not consult wireless providers to create my estimate because the differences between the wireline and wireless industries on this particular dimension invalidate any simplistic comparison of customer acquisition costs. As should be well known, wireless providers often underwrite the cost of the handset. Neither Dr. Bryant nor Dr. Gabel appears to make any adjustment for that. This invalidates any simple, direct use of wireless providers as indicators of customer acquisition costs for an efficient wireline CLEC. Moreover, as I indicated, wireless churn is on the order of 2.6 percent per month, which is substantially less than the 4 percent for residential customers that the BACE model uses. Accordingly, wireless providers reasonably can afford to spend more on customer acquisition, since their average customer stays with them half-again as long as does the efficient CLEC's customer (i.e., 27 months versus 17 months).

The one item of Dr. Bryant's that corresponds to some of my data is the claim that Z-Tel's customer acquisition costs are on the order of $80. This is reasonably consistent with the estimate that I obtained for Z-Tel of $60-70, with a management goal of $50. (See Exhibit DJA-06) I will note that this is about the same as the Talk America experience, and it is about 15 percent less than my recommendation. But, Dr. Bryant is recommending $130. *None* of the CLEC data that Dr. Bryant considers (Dr. Gabel's or my own) provides him with any legitimate support for his $130 customer acquisition cost. It is only by

misapplying the wireless experience that he is able to "justify" his recommendation.

Q. DR. BRYANT CLAIMS THAT CUSTOMER ACQUISITION COSTS ARE "UNKNOWABLE" IN A POST UNE-P MARKET. (BRYANT REBUTTAL 39) PLEASE RESPOND.

A. As I noted earlier in this testimony, complete and absolute certainty is not required to make a reasoned and reasonable estimate of customer acquisition cost, or any other variable required for the potential deployment analysis. Dr. Bryant returns to this argument to advocate running "scenarios" where the customer acquisition costs in a post-UNE-P market substantially exceed those for UNE-P-based firms. (Bryant Rebuttal 39.) In making this argument Dr. Bryant does not try to rebut, nor does he even mention, the Hazlett and Havenner discussion. Because he does not address this, he cannot legitimately claim that customer acquisition costs for a switch-based CLEC will "substantially exceed" those of UNE-P-based firms.

Moreover, the CLECs themselves do not appear to support Dr. Bryant's claim. MCI submitted to the FCC an *ex parte* study that purported to compare the incremental cost of the change from serving residences via UNE-P to UNE-L. The study excluded marketing and customer service costs, which indicates that the modelers did not see fit to change them (i.e., increase them for a UNE-L provider).

Q. PLEASE COMMENT ON MR. DICKERSON'S CLAIM THAT THERE SHOULD BE MORE GRANULARITY IN THE SALES EXPENSE THAT YOU UTILIZE. (DICKERSON REBUTTAL 19-22)

A. Certainly Mr. Dickerson cannot be referring to the sales expense that I propose for business customers. Business customer sales expense is computed as a percent of customer location revenues. As a result, our analysis provides sales expenses at the same granularity as revenues.

I disagree that there needs to be any additional granularity for residential customers. Dr. Bryant's approach does not consider any additional granularity in customer acquisition costs, for example. Moreover, my recommendation is at the same level of granularity that is used by investment analysts who seek to make recommendations about potential investments. The BACE model is likewise designed to determine the value of switch-based entry in a market and determine whether investors would be disposed to providing the capital needed for such entry. Because of the similarities in the issues that are being addressed in the BACE model and by investment analysts, it is reasonable to use the same level of granularity in BACE as is used by these analysts in their valuation models.

Moreover, Mr. Dickerson's own analysis illustrates precisely why granularity for its own sake does not guarantee reasonableness. Mr. Dickerson claims to have performed a detailed analysis of Sprint's "customer sales costs." He concludes

that these costs are on the order of ***[redacted]***, or some ***[redacted]*** the *existing* customer acquisition costs of firms such as Z-Tel and Talk America. They are nearly ***[redacted]*** the amount recommended by Dr. Bryant, and nearly ***[redacted]*** that noted by analysts as pertaining to AT&T. Mr. Dickerson does not even attempt to reconcile his results with any of these figures, perhaps erroneously concluding that because they were developed on a "granular" basis that this alone verifies their merit. Nor does Mr. Dickerson indicate how these extreme results can be reconciled with the requirement that we model an efficient CLEC executing the *most efficient* business model. Mr. Dickerson's figures are of no value.

Q. MR. DICKERSON LISTS A NUMBER OF ITEMS SUCH AS ORDER MANAGEMENT, THIRD-PARTY VERIFICATION, AND ORDER PROCESSING THAT HE CLAIMS SHOULD BE INCLUDED AS CUSTOMER ACQUISITION COSTS. (DICKERSON REBUTTAL 21-22) DOES YOUR PROPOSED ESTIMATE INCLUDE THESE?

A. My recommendation is sufficiently conservative that all of the costs associated with customer acquisition (and for G&A expenses) for an efficient CLEC are adequately accounted for in the NPV business case. I have already described the derivation of my customer acquisition cost figure and described why it is conservative. I will address G&A expenses in the following section. The main point is that Mr. Dickerson has demonstrated that the "bottom up" approach is no guarantee for a reasonable estimate of customer acquisition cost, and that my own

is very much a mainstream, if not a conservative estimate. I will demonstrate that the costs that I have included for G&A likewise are generous.

Q. MR. DICKERSON SAYS THAT YOUR CUSTOMER ACQUISITION COST ESTIMATE EXCLUDES TELEVISION ADVERTISING. (DICKERSON REBUTTAL 21) PLEASE RESPOND.

A. Mr. Dickerson is being disingenuous. As I noted in a footnote of my exhibit, one of the figures (related to Z-Tel's management target of customer acquisition costs of $50) may exclude television advertising. However, the other estimates are not qualified in any way. For example, analysts estimated Talk America's customer acquisition costs at $80, and this is made without any qualification. My own estimate is $95, which is 90 percent greater than the Z-Tel management goal and about 20 to 35 percent greater than the Talk America amounts, which, as I mentioned, are not qualified regarding television (or any other) advertising. I would also note that general brand advertising, including brand advertising or television, is included in my G&A category. To the extent the analysts or carriers are including television advertising in their estimates of customer acquisition costs, I may be double-counting them.

H. G&A

Q. DR. ARON, YOU RECOMMEND THAT G&A EXPENSES BE MODELED AS A PERCENTAGE OF REVENUE, AS DETERMINED FROM AN

ANALYSIS OF ILEC DATA. PLEASE DESCRIBE WHY SUCH AN ANALYSIS SHOULD APPLY TO THE G&A COSTS OF AN EFFICIENT CLEC. (WOOD REBUTTAL 49-50)

A. There are two important countervailing advantages that suggest that the G&A expenses associated with an efficient CLEC can reasonably be equal to or even less than those of ILECs. First, as I have noted, the CLEC that we have elected to model is a new entrant into the market. This provides us with a very conservative starting point because, in reality, CLECs are not new entrants, they have an existing base of operations and some, such as AT&T and MCI, are substantial firms in their own right. These firms have the ability to serve multiple markets and to adjust their G&A resources accordingly. It is reasonable that they should be able to at least meet the traditional cost structure of the ILEC. Thus, an evaluation of an estimate of G&A expenses should keep in mind the reality that the efficient CLEC reasonably could be modeled as part of a much larger firm, such as AT&T or MCI, and that these larger firms should be able to efficiently adjust the resources that they devote to G&A in the various markets that they serve. I would also note that my analyses included large and small ILECs, not only the four major ILECs.

From an entirely different perspective, there are countervailing advantages that are open to a smaller CLEC. A smaller, efficient CLEC that does not bear the regulatory burdens of an ILEC may be able to implement a more streamlined organization than the ILECs traditionally have had. Thus, providing the efficient

CLEC with G&A expenses that have the same percent of revenue as the ILEC's is reasonable.

In addition to these countervailing advantages, I will also add that the method of analysis that I used to determine the appropriate ratio for the efficient CLEC was based on the accounts from the ILEC data that CLECs normally include in their own G&A expenses. In this way, I ensured that there was comparability between the type of G&A expenses that were being measured and their applicability for the efficient CLEC.

Mr. Dickerson claims that my estimate is wanting because it does not assume non-scalability (i.e., economies of scale). (Dickerson Rebuttal 15.) However, I noted that the academic literature did not support the notion of scale economies in G&A, so, rather than make an unsupported claim (as Mr. Dickerson does), I tested whether G&A expenses exhibited scale economies using statistical techniques on data from both large and smaller ILECs. My empirical analysis did not indicate a statistically significant, positive intercept on the regression of revenues and G&A expenses (an indicator of scale economies). As a result, in my view, it is unreasonable to model an "efficient" CLEC by assuming, against both theory and hard evidence, that the CLEC will have higher overheads than will the incumbents.

Q. MR. DICKERSON CLAIMS THAT YOU OFFER A "MEAGER DISCUSSION" IN SUPPORT OF YOUR G&A RECOMMENDATION. (DICKERSON REBUTTAL 13-14) PLEASE RESPOND.

A. I provided a lengthy and detailed discussion of my results in response to Sprint's interrogatories. The academic literature was provided to Mr. Dickerson in response to Sprint 1st Request for Production of Documents No. 25. My analysis of empirical research was described and provided to Mr. Dickerson in the response to Sprint 1st Request for Production of Documents Nos. 17, 18, 19, and 25. All in all, I produced scores of pages of supporting and explanatory documents on this issue.

I. CREAM SKIMMING

Q. PLEASE RESPOND TO MR. WOOD'S DISCUSSION ON CREAM SKIMMING. (WOOD REBUTTAL 33-35)

A. Mr. Wood devotes considerable attention to the issue of cream skimming. Remarkably, he claims that CLECs do not engage in cream skimming. He tries to draw a meaningless distinction between what he would call cream skimming (which he says refers to the results of, e.g., marketing programs to draw the most profitable customers) and customer self-selection, which, as I will describe, is simply another way of implementing cream skimming. In any event, in a separate docket in Texas, one of AT&T's witnesses, Phillip L. Gaddy, admitted the

obvious, that cream skimming (or what Mr. Gaddy referred to as "cherry picking") is "simple business common sense." (Gaddy Rebuttal Testimony before the Public Utility Commission of Texas, Docket No. 28600, January 5, 2004, p. 20.)

On page 34 of his rebuttal testimony, Mr. Wood presents a discussion of marketing activity that he claims is not cream skimming. He argues that a disproportionate number of the more profitable long-distance customers "self-selected" themselves and left AT&T, because they could obtain greater savings elsewhere. (Wood Rebuttal 34.) This admission succinctly describes the use of pricing plans to skim the cream. Pricing plans are a very common, powerful, and efficient way to cream skim. Indeed, if Mr. Wood had more carefully read my direct testimony he would have seen that in discussing the issue of "countervailing advantages" that are available to CLECs, I described precisely the situation that Mr. Wood observed in the long-distance businesses:

> The ability to target attractive customers selectively is one such advantage that CLECs have exploited in reality and is highlighted in the TRO (. . .). For example, suppose a CLEC determines that it is only profitable to sell to customers who spend at least $60 on local service, features, and long-distance service. The CLEC would then enter the market with a $60 service bundle so that, by self-selection, most of the customers acquired would be profitable. (Aron Direct 20.)

These price plans skim the cream because they are meant to discourage customers that spend substantially less than $60 on local service, features, and long-distance services from subscribing with the CLEC. In other words, the CLEC in my example did not seek to "identify" customers in the normally-understood sense of that term (e.g., actively calling them or looking for them), nor did it create a "marketing plan" in the sense of hailing high-spending customers. The CLEC simply designed its prices to attract high-profit customers (those that spend at least $60) and discourage low-profit customers (those that spend far less than $60) and let the customers skim themselves. This is cream skimming, and Mr. Wood admits to this strategy. Mr. Wood apparently seeks to draw some type of distinction between marketing to higher-spending customers and customers "self-selecting," based on the design of the offer's price, as if there were some type of meaningful difference between the two. For purposes of the BACE model, there is not.

Q. DO ANY OF THE OTHER WITNESSES CONFIRM THAT AN EFFICIENT CLEC CAN TARGET CUSTOMERS?

A. Yes. Dr. Staihr claims that CLECs "can and do tailor their product offerings," and that they do so in such a way as to "attempt to attract the more profitable customers throughout the entire market." (Staihr Rebuttal 18.) And, as I noted, AT&T has hardly been a model of consistency on this topic, admitting it in one proceeding and denying it in another.

Q. HOW CAN MR. WOOD ARGUE THAT CLECS THAT SELF-PROVISION SWITCHES DO NOT HAVE AN INCENTIVE TO CREAM SKIM? (WOOD REBUTTAL 35-36)

A. The argument is incorrect. Mr. Wood argues that a CLEC has the incentive to "obtain all customers served by [a] wire center." (Wood Rebuttal 35.) Mr. Wood also claims that a CLEC will seek to serve as many customers as it can as quickly as possible. Both of these reasons are nonsense.

Quite plainly, a CLEC has absolutely no incentive to serve customers that do not provide the CLEC with a positive contribution over their expected lifetime of service. Moreover, the prices of packages that I observed marketed on web sites indicates that the CLECs offered bundles on the order of $50 rather than bare-bones local service. The higher-priced bundled packages may be offered to everyone, but the packages are *specifically designed to dissuade* those who only wish to purchase bare-bones local service, and instead they are specifically designed to appeal to those who spend substantially more. (They may also attract those who, on average, currently may spend somewhat less than the offered price, but want the assurance and safety of a flat rate, or value the additional services more than their incremental price.)

Q. BUT, IS IT NOT TRUE, AS MR. WOOD ARGUES, THAT A LOW-SPENDING CUSTOMER IS BETTER THAN NO CUSTOMER AT ALL? (WOOD REBUTTAL 37.)

A. Not necessarily. If it costs $50 to acquire a new customer, but that customer contributes only $40 in margin (i.e., revenues less variable costs) over his or her tenure with the CLEC, then it is more costly to the CLEC to obtain that customer than to have no customer at all. Such a customer does not help the CLEC contribute to the recovery of large fixed costs; instead, that customer becomes a cash drain on the firm and contributes negative value (or NPV).

J. BAD DEBT

Q. PLEASE COMMENT ON MR. DICKERSON'S BAD DEBT ASSUMPTION. (DICKERSON REBUTTAL 24)

A. Mr. Dickerson simply claims that his bad debt assumptions represent the experiences of Sprint's Mass Market CLEC ventures to date. (Dickerson Rebuttal 24) That may be so, but he presents absolutely no evidence that the huge bad debt rates that he recommends are efficient or that this would reasonably represent the rate for an efficient CLEC.

Managing bad debt is important because failure to receive payment for service exerts a double whammy: it is both a loss of revenues that falls to the bottom line,

and it implies that the CLEC incurred costs to provide service that was never paid for. Thus, it is very important for firms to manage bad debt, and it is unreasonable to consider as part of an "impairment" analysis the fact that a CLEC might fail to properly manage this very important cost with reasonable efficiency.

I arrived at my recommendation (of 2.75 percent of revenues) by examining the bad debt experience of the ILECs, including BellSouth, and several of the CLECs. I found that ILEC bad debt is substantially lower than that of the actual CLECs. I believe that actual CLEC performance in the recent economy does not reflect what an *efficient* CLEC would be capable of in a normal economy.

To determine a reasonable bad debt-to-revenue ratio, I examined the performance of ILECs over time and across the industry. ILECs may be representative because they serve a broad category of customers. I obtained revenue and bad debt data for the ILECs from the ARMIS 43-01 database for the periods 1990 through 2002. I computed uncollectible rates (i.e., uncollectibles divided by operating revenue) for total operations and for both the interstate and intrastate segments that comprise the total by company study area. I observed that the RBOC uncollectibles varied during this 13-year period, and, in particular, uncollectibles (relative to revenue) increased in 2001 and 2002 for each RBOC. I reviewed the SEC Form 10-K discussions on bad debt and found that the increase was said to be due to CLEC bankruptcies (and in particular, the WorldCom bankruptcy) and also to the slower economy. One might reasonably expect bad debt to be counter-cyclical (i.e., bad debt increases as a proportion of revenue as the economy

weakens), but it is unreasonable to assume that the slow economy of 2000-2002 will endure throughout the next 10 years. Moreover, it is likewise inappropriate to develop a bad debt parameter estimate on the basis of the effects from the massive WorldCom bankruptcy. The relevant bad debt pertains to the retail market, not the ILECs' wholesale markets.

Additionally, the CLECs that I examined had uncollectible percentages that ranged from 2 to 5 percent over the last 6 years. The CLECs also showed much more volatility than the ILECs did. To account for this volatility, I add a premium to the ILEC uncollectible base rate, and determine that a reasonable long-term rate would be 2.75 percent.

K. DSL CROSS-PENETRATION

Q. MR. BRADBURY CLAIMS THAT YOUR PENETRATION RATES FOR DSL FOR RESIDENCES AND FOR SMALL ("SOHO") BUSINESSES ARE TOO HIGH. (BRADBURY REBUTTAL 27.) PLEASE COMMENT.

A. My assumption of a 15 percent residential penetration rate for DSL and 25 percent penetration for SOHO customers for the efficient CLEC is well within the mainstream expectations for broadband penetration. First, the 15 percent residential penetration (and the 25 percent SOHO penetration) is an "input" to the BACE process. The model computes the 15 percent (or 25 percent) penetration *only on DSL compliant loops*. Thus, actual, effective penetration is less than 15

(or 25) percent. In other words, if only 75 percent of the residential loops in a wire center can support DSL, the actual (or "output") penetration rate for residential DSL would be about 11 percent (i.e., 75 percent x 15 percent).

Moreover, Mr. Bradbury's only evidence supports his claim that my estimates are too high is his observation that BellSouth's "current penetration rate" for its retail FastAcces Service is approximately 6 percent. Even Mr. Bradbury's data appear too low. Mr. Bradbury does not state when that particular penetration rate was computed, but I will note that it is some 25 percent lower than the 8 percent penetration rate for DSL that the Florida Commission's Office of Market Monitoring and Strategic Analysis reports for BellSouth. ("Annual Report on Competition: Telecommunications Markets in Florida as of June 30, 2003," Florida Public Service Commission—Office of Market Monitoring and Strategic Analysis, p. 41.)

The Commission's study also provides data that show a compound average growth rate for DSL of approximately 120 percent per year between December 2000 and December 2002 (Annual Report 39.) and that DSL accounted for only 40 percent, in round numbers, of total broadband connections (cable and other accounted for the balance) (Annual Report 39.) Such growth strongly indicates that the use of current penetration figures is not a reasonable way to estimate future DSL penetration. Indeed, a study by Cahners In-Stat suggests that DSL revenues will increase by 54 percent per year through 2005. (Cahners In-Stat, "U.S. Residential DSL Market Continues to Grow," October 2001, p. 2.) It also

indicates that CLECs have the potential to compete for cable modem customers, where the serviceable properties overlap.

The growth potential applies to small businesses as well. As long ago as 1999, firms with 1-4 telephone lines, 47.8 percent had access to the Internet through dial up or high-speed means. (U.S. Small Business DSL Services Market Assessment and Forecast, 1998-2003, International Data Corporation, October 1, 1999, p. 12) This represents an opportunity for CLECs to market broadband services. BellSouth proprietary data regarding DSL penetration for its smaller business customers, which I reviewed, showed that as of August 2003, there was penetration ***[redacted]***.

Finally, Mr. Bradbury ignores the fact that the efficient CLEC, executing the most efficient business model, can target customers who are more likely to want broadband along with their voice service. This permits the efficient CLEC to increase the proportion of *its* customers who have DSL even beyond the overall market penetration rate. Such targeting appears to be occurring with real-world CLECs. According to computations that I made based on DSL penetration data from Cahners In-Stat and overall line penetration data (for approximately the same period of 2001) from the FCC, CLECs (including IXCs) served about 15 percent of DSL lines, while according to the FCC, CLECs accounted for about 9 percent of total lines. This indicates an above-average propensity for CLEC voice

customers to subscribe to DSL. Thus, the penetration rates that I recommend for residences and SOHO (which do not increase above 15 percent for residences, or above 25 percent for SOHO customers) are conservative and consistent with these observations.

L. CLEC PURCHASING POWER

Q. MR. DICKERSON CLAIMS THAT A CLEC MAY NOT HAVE THE SAME PURCHASING POWER AS BELLSOUTH, AND SO WOULD PAY $1.25 FOR EVERY $1.00 THAT BELLSOUTH WOULD PAY FOR EQUIPMENT. (DICKERSON REBUTTAL 18) PLEASE COMMENT.

A. Mr. Dickerson's adjustment is bogus because Mr. Dickerson does not account for any countervailing advantages that might be available to an efficient CLEC. For example, the efficient CLEC may be part of a much larger organization, such as an AT&T, MCI, or Sprint. Certainly, Mr. Dickerson provides no evidence, other than his personal claims, that a CLEC (including, presumably, CLECs as large as Sprint or AT&T) would pay 25 percent more to its vendors than does BellSouth. In addition, CLECs may be able to use newer, lower cost technologies. The FCC requires that the CLEC use the *most efficient* network architecture available. I will let others discuss the nature of new technologies that are currently available to CLECs, but I will note that to be conservative, we did not model new technologies. Nevertheless, a real-world CLEC may have these technologies and this would argue for a lower cost multiplier. Finally, the fact is that ILECs have

vastly cut back their equipment purchases. Vendors are hurting from this drop in demand for their products and would suggest that they would be particularly eager, in this environment, to compete for new sources of demand. The new sources of demand would be the CLECs. All of these represent countervailing advantages that Mr. Dickerson totally ignores. I believe it most reasonable to simply acknowledge that there are challenges and countervailing advantages to being a CLEC, rather than artificially inflating the efficient CLEC's costs through the purchasing multiplier.

Q. DOES THIS COMPLETE YOUR SURREBUTTAL TESTIMONY?

A. Yes.

Example of Economies of Scope				
		Voice Only	DSL Only	Both Provided Together
	Loop Cost	$20	$20	$20
+	Switching Cost	$10	$0	$10
+	Other Costs	$0	$10	$10
=	Total Costs	$30	$30	$40
	Revenue	$20	$20	$40
=	Profit	($10)	($10)	$0

Residential Customer Acquisition Costs				
	Notes	Voice & DSL	Voice Only	Total
Voice service	(1)	$50-80	$50-80	
Incremental cost for DSL	(2)	$100	$0	
Total Cust. Acq. Cost		$150-180	$50-80	
Pct. Of CLEC's Customers	(3)	15%	85%	
Weighted Cust. Acq Cost		$22-$27	$42-68	$64-95

(1) Source is Exhibit DJA-06, based on Z-Tel and Talk America.
(2) Source is Bryant (Voice + DSL = $225, voice only is $123.55, so incremental cost of DSL is $101).
(3) Source is Exhibit DJA-05.

EXHIBIT NO. 19

DOCKET NO.: 030851-TP

WITNESS: Jay Bradbury

PARTY: AT&T

DESCRIPTION:

1. February 18, 2004, Deposition Transcript, page 1
2. Late Filed Exhibit – 1 – Page 123
3. Late Filed Exhibit – 2 – Page 127

PROFFERING PARTY: STAFF

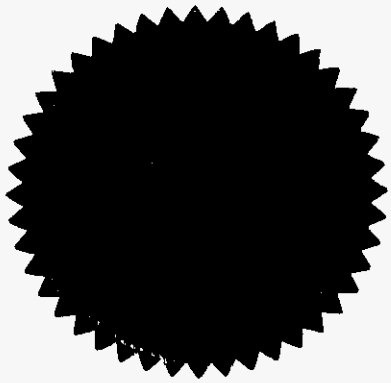
I.D. # JB-D

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 19
COMPANY/ FPSC Staff/AT+T
WITNESS. JB-D
DATE: 2/24-27/04

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Implementation of requirements arising from Federal Communications Commission's triennial UNE review: Local Circuit Switching for Mass Market Customers.
_____/

DOCKET NO. 030851-TP



TELEPHONIC DEPOSITION OF:	JAY M. BRADBURY
TAKEN AT THE INSTANCE OF:	The Florida Public Service Commission
DATE:	February 18, 2004
TIME:	Commenced at 9:35 a.m. Concluded at 12:20 p.m.
LOCATION:	2540 Shumard Oak Boulevard Tallahassee, Florida
REPORTED BY:	ANITA M. PEKEROL, CRR, CP, CM. Notary Public in and for the State of Florida at Large.

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- - -

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that objections, except as to the form of the question, are reserved until hearing in this case; 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.

- - -

MR. SUSAC: Let's start with introductions.

THE WITNESS: Jay Bradbury.

MS. PATTON: Lori Patton, with AT&T.

MR. ELLENBERG: This is William Ellenberg, with BellSouth.

MR. O'ROARK: De O'Roark, with MCI.

MS. MASTERTON: This is Susan Masterton, representing Sprint.

MR. WALLEN: This is Jeff Wallen, representing Sprint.

MR. SUSAC: Okay.

MS. HYER: I'm sorry, Leigh Hyer with Verizon.

MR. SUSAC: This deposition was called for both the 851 and the 852 docket. What I recommend is that we're going to proceed with 851 questions first. When we finish with the 851, we're going to take a break so that we can expedite, we can have that as a separate transcript and expedite that for the hearing. We'll pick up after the break with 852 questions.

Also, I would like as a preliminary matter, does everyone stipulate or agree to the usual stipulations?

MS. PATTON: Lori Patton with AT&T, yes.

MR. ELLENBERG: BellSouth does.

MS. MASTERTON: Sprint does.

MS. HYER: Verizon does.

MR. O'ROARK: As does MCI.

MR. SUSAC: Okay. Well, have we sworn in the witness? Let's swear in the witness.

NOTARY PUBLIC: I'm Margaret Plasman, Notary Public for the State of Georgia, and I'm administering this oath to Jay Bradbury, who is personally known to me.

Mr. Bradbury, do you swear or attest that you are the witness to be deposed by the Staff of the Florida Public Service Commission via telephone today, February 18, 2004, and that you will respond truthfully in this matter?

MR. BRADBURY: I do.

Thereupon,

JAY M. BRADBURY

was called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. SUSAC:

Q. Mr. Bradbury, will you state your full name for the record, please?

A. Jay M. Bradbury.

Q. Mr. Bradbury, my name is Jeremy Susac, I'm an attorney with the Commission. I will be asking you questions throughout the deposition. To the extent you can you answer the question with a yes or no, please do so. If you feel the need to elaborate, do so as well. If you do not understand the question, please ask me to rephrase it or repeat the question and I will be happy to do so. Is that clear?

A. Yes, sir. Thank you.

Q. Mr. Bradbury, have you filed testimony in docket 030851?

A. Yes, I have.

Q. Okay. And by whom are you employed?

A. AT&T.

Q. And could you give us a brief synopsis of your educational background?

A. I graduated with a degree in history. I spent four years in the Air Force doing classification work for photographic radar and signals imaging and analysis systems. I have been employed with BellSouth and AT&T since 1970. Generally network management --

Q. Wait a minute, you cut out when someone buzzed in.

A. Management, engineering and administration functions, up through the late '80s and into the early '90s. And then was involved with independent company relations, external affairs and government relations since then.

Q. All right. I'm just going to hop right into the questions now, Mr. Bradbury.

To your knowledge, are there any intermodal providers serving analog voice grade

customers in Florida?

A. Yes. I think you classified Comcast in that category.

Q. Okay. Is that the only provider that you're aware of providing service in Florida?

A. I haven't done an analysis to determine if there are any others.

Q. Okay. These questions are more directed at AT&T. Does AT&T currently market voice service to residential customers in Florida?

A. Yes, we do. We started that late last year. We're marketing that using the UNE-P platform.

Q. And whereabouts in Florida do you do that, sir?

A. To my knowledge, I think it's only restricted in zone 3 in BellSouth, and maybe one of the lower zones in Verizon. Basically, it's a statewide offering.

Q. Okay. Are your residential offers designed to appeal to all revenue segments?

A. I don't know that I can answer that question. I'm not an expert on how the offer was put together. I know that if someone asks us about it we'll tell you what our services are, and if they

fit your needs you'll hopefully buy them.

Q. Okay. Does AT&T currently market voice service to small business customers?

A. Yes, we do. Again, we're using the UNE-P platform in Florida to provide that service to small business customers.

Q. When you say "small business customers," could you give me your definition of a small business customer?

A. I think I would refer you there to the FCC's definition, which includes a lot of characteristics about what a small business customer is. It can only basically economically be served using DS0 analog lines. It doesn't need a large data capacity. Expects to be able to get service quickly. Does not expect to have a contract and things of that nature.

Q. Where do you currently market voice services to these small business customers.

A. Again, that's a -- marketing is done on a statewide effort. You know, there's not a restriction in the marketing. It's when you call in we'll discuss where you are and the services you want and whether or not we have the capability to provide you that service.

Q. Okay. So is it fair to say you're currently marketing to the whole, to the entire State of Florida?

A. Yes, sir.

Q. Okay. I think to a certain extent you answered this; but do you serve very small business customers with 12 or fewer lines?

A. Yes.

Q. And how about same question as applies to three or fewer lines?

A. I'm certain we have small business customers with three or fewer business lines, yes.

Q. And to your knowledge would AT&T like to retain these residential and small business customers?

A. Certainly.

Q. To your knowledge, has AT&T filed a notice to terminate service in any market in which they are currently serving?

A. Not to my knowledge, no, sir.

Q. To your knowledge, does AT&T own switches serving customers in Florida?

A. Yes, we do.

Q. And approximately, to your knowledge, where are those switches located?

Is there more than one switch, and if so, where are they located?

A. Okay. Yes, there is more than one switch. And I will have to get my testimony to get you the right list.

Q. Okay.

A. Yes, I provided a list in my rebuttal testimony on page 3.

Q. Okay.

A. We operate a total of eight local switches, two of which are used exclusively by Comcast and then AT&T Local Network Service operates six switches, and those are located in Jacksonville, three in Miami, one in Orlando and one in Tampa.

Q. Are you familiar with the markets deemed not impaired by BellSouth or Verizon?

A. I've read their testimony. I don't know that I have exactly memorized which markets they are. Generally they're the high density markets or high density areas of the state.

Q. Does AT&T currently provide voice service to residential customers at any location using UNE-L in any of those markets, to your knowledge?

A. No, we do not.

Q. And that answer was responsive to the high density areas, is that what you said?

A. We don't provide residential service using any UNE-L anywhere.

Q. When you say you don't use UNE-L for anywhere, do you mean residential and business customers?

A. We have never used our switches to provide residential service using UNE-L. We had a business plan in the past where we served small businesses using UNE-L. That business plan was operational from around 1999 through some point in 2001. But we have not, and do not today, provision new small businesses using UNE-L.

Q. Okay. When you say "small businesses" you mean with 12 or fewer lines, or three or fewer lines?

A. I don't really set a line limit there. These are people that we would serve using DS0s, we put them on our UNE-P platform. And if a customer is needing a DS1 loop he would be an enterprise customer.

Q. Do you think it's feasible -- and this question will probably need to be restated. Do you think it's feasible for AT&T to use these switches

for UNE-L in the State of Florida?

In other words, I understand you currently do not provide UNE-L using your switches, but could you provide UNE-L using these switches?

A. I understand your question. There's no technological reason that prevents the use of these six switches as a UNE-L platform in the State of Florida.

Q. So would you be more concerned with the economic feasibility of doing so?

A. That is the rationale behind why AT&T does not do that today. We determined from our past experience that it's not economically rational to try to serve small businesses and residential customers using UNE-L from our switches. There were both economic considerations and operational considerations that led to that decision.

Q. And when you said you previously used UNE-L in the past to serve business customers, for what length of time did you do that, sir?

A. Again, it was during calendar years 1999 to 2000 and 2001.

Q. Okay.

A. For small business customers.

Q. Does AT&T have an enterprise switch or

switches that have been modified to provide voice service, but are currently not being used to provide voice service?

A. Let me see if I follow that one.

Q. Okay.

A. The six switches that I have today are predominantly serving enterprise customers. Now, the service that they receive, of course, is voice service. It's just that the level of the loop that they receive it on is a DS1 or higher loop.

Q. Okay. And that's for all six of your switches you said, right?

A. That's correct.

Q. Getting back to when AT&T decided to abandon the UNE-L for small business customers in the State of Florida, were there particular changes in the market that factored into that decision, and if so what were those changes in the market?

A. Are you talking about changes in the makeup of the customers that we're trying to address?

Q. No, sir.

A. Again, we had at that point approximately two years, two and a half years of experience with UNE-L, and experienced a number of

dissatisfied customer situations, and were not making, in my understanding, a profit doing it, so it wasn't a business we wanted to continue.

The regulatory environment did change and UNE-P did become available as a viable option, despite the fact that it had been an illegal option for about five years prior.

Q. Thank you. Getting back on track when we were talking about your six switches. What is the total excess switching capacity of all of your switches serving each market deemed not impaired by BellSouth or Verizon?

A. I remember that question from one of your --

Q. Interrogatories?

A. Yes. I don't think I brought that piece of data down with me. I had just drafted the response to that in the last couple of days.

MS. PATTON: Jeremy, this is Lori Patton, for my benefit would you mind repeating that question?

MR. SUSAC: Sure.

BY MR. SUSAC:

Q. The question was: What is the total excess switching capacity of all of your switches

serving each market deemed not impaired by BellSouth and/or Verizon?

MS. PATTON: Thank you.

THE WITNESS: Again, I don't think I brought that piece down with me. Basically, that's the same question you had in one of your very recent, that I responded to, and I built a table on that and I don't remember the data.

It is significantly less than what BellSouth reported to you when they responded to the similar question, because what BellSouth actually reported was the capacity being utilized in our switches.

I have that analysis upstairs. I didn't bring it down with me.

MR. SUSAC: Hold on one second.

THE WITNESS: You will have that coming to you in a discovery response we're filing, or might have filed yesterday, I'm not certain.

BY MR. SUSAC:

Q. For precautionary methods, could we just get a late filed exhibit for that?

A. Sure.

(Late filed Exhibit 1 to be marked for identification when received.)

BY MR. SUSAC:

Q. We'll title it switching capacity of all of your switches in BellSouth and Verizon territory.

A. I think you'll find that in a recent discovery response, but I'll reproduce it for you.

Q. Thank you very much, sir.

A. I remember one of the switches was as low as eight percent, and I think some of them ran maybe 30 percent, but no numbers like what you've got in the BellSouth response.

Q. Okay. Mr. Bradbury, do you agree that a customer is defined as either a mass market customer or an enterprise customer based on the loop type and capacity?

A. That's the definition that I used in preparing my testimony. The data in my rebuttal testimony.

Q. So is that a yes?

A. I used the simple, that a customer served using only DS0s was a mass market customer; a customer using a DS1 loop or higher was an enterprise customer.

Q. So that would be a yes; am I accurate?

A. Yes.

Q. Is a trigger candidate required to serve residential customers?

A. I believe so. The definition of mass market in the TRO says residential and small business. Actually, it says and very small business.

And then the TRO also talks about serving the average mass market customer. If you're not serving the residential customers you're not serving the average customer.

Q. Just for clarification --

A. And you --

Q. I'm sorry, Mr. Bradbury, you can finish.

A. You would have a skewed definition if you were not serving residents.

Q. And just for my clarification, how do you define a residential customer?

A. That would be a customer who has informed the industry that they are not running a business from the residential living unit that they own or lease.

Q. But I thought we agreed that it was just based on the loop type just a moment ago?

A. That's for the division between a mass market customer and an enterprise customer. Now, you're asking me to define a residential customer within the mass market.

Q. Okay.

A. It's someone who owns or leases a living unit and has informed me or someone else in the industry that they don't operate a business out of that living unit.

Q. Okay. Is the technology different in serving these customer types?

A. Well, the mass market there's no difference in the technology, no.

Q. Okay. Is the cost to a CLEC different in serving these types of customers?

A. What do you mean by "these types of customers"? I'm not sure which differentiation you wanted me to make.

Q. Let's do them all. Let's do residential, business and mass market.

A. Okay. Residential and small business, of course, are both within the mass market and within the mass market all of them who serve those customers, their expectations are very closely aligned, and there is a difference in cost for CLEC

to serve those customers.

To move up-scale from there and enter the enterprise market there is a definite difference.

Q. And what is the difference again?

A. The difference in serving the mass market customer you're going to have a heavier demand for services, not just plain old telephone service.

Q. Mr. Bradbury, is the only difference between these two groups the revenue generated from each?

A. Again, which two groups, sir?

Q. The residential and the small businesses.

A. I'm not sure I could even say that there's a difference in revenue. That would be very -- I don't think I can answer your question.

Q. You can't answer the question because there's no difference?

A. I have no data. I can conceive of a residence customer generating as much revenue as a small business customer. I don't have any data to be able to answer your question.

Q. All right. In your opinion, is the

market -- strike that.

In your opinion, what is required for an enterprise switch to serve mass market?

A. I am pausing because we need to talk a little bit about what you're defining as an enterprise switch needing to serve the mass market. And I'll just go ahead and talk, whether I should or not.

MS. PATTON: Do you need Jeremy to clarify?

MR. SUSAC: Do you want me to restate it?

MS. PATTON: If you could, Jeremy, just to make sure that Jay gives you the response that you're looking for, if you could just restate or clarify that.

BY MR. SUSAC:

Q. Sure. I think the best way to do it is if we can take a step back. And, Jay, if you could tell me what your definition of an enterprise switch is?

A. I would actually have two definitions for an enterprise switch.

Q. Okay.

A. AT&T operates the switches that serve

only enterprise customers and cannot serve mass market customers. And the product line there is known as the ADL product line, and I discussed this in my testimony. The switches involved are switches in our toll network, and they cannot be modified to provide mass market voice service.

The second class are switches like the six local switches that I discussed in my rebuttal testimony, which are class 5 local switches. And those switches are capable of serving both enterprise and mass market customers.

Q. And the latter one that you defined, what is required for that switch to serve the mass market?

A. At the switch itself?

Q. Yes.

A. Nothing. The technology in the switches themselves will serve both enterprise, DS1 loops and mass market loops, if you can jump over the hurdle of getting the mass market loop backhauled from the ILEC wire center that originates to you. That's the impairment problem, is arranging the ability to efficiently and effectively utilize the customer's DS loop that terminates at the ILEC wire center.

Q. Mr. Bradbury, you just referred to your

rebuttal testimony, do you still have that in front of you?

A. Yes, sir.

Q. Could you turn to page 7, please.

A. Yes.

Q. In the chart shown there, could you please describe what is being described in the column shown as percent enterprise?

A. Okay. That's a mathematical calculation of the number of voice carry equivalents on the switch that are associated with DS1 loops or higher. The two columns there that I show are voice grade lines, the number of DSO lines, that's, those are the type of loop that is associated with a mass market customers. All of the other terminations on the switch are associated with enterprise type customers.

Q. Okay. And could you also please now turn to page 3 of your rebuttal testimony, sir?

A. Yes, sir.

Q. What percent of the two switches indicated as Comcast serve the enterprise market?

A. I'm going to have to tell you that I can't answer that question, because that information would be -- if there is any there, that would be

Comsouth, I mean Comcast CPNI information and I don't have access to it.

Q. Okay.

MR. SUSAC: Hold on one second, sir.

(Brief pause.)

BY MR. SUSAC:

Q. Mr. Bradbury, do the three switches referred to as Miami serve the same geographic footprint?

A. No, they don't. If you turn over a couple of pages, page 11 there's another table.

Q. Give me one second, please. All right, I'm there.

A. And let me do the cross-reference for you. Starting from the top of the table on page 11, the two markets, Ft. Lauderdale zone 1 and Ft. Lauderdale zone 2 are associated with the Miami two switch, which, of course, has the Ft. Lauderdale CLLI on it.

At the bottom of the page, on page 11, Boca Raton market zone 1 and zone 2 are also associated with that Miami 2 Ft. Lauderdale switch.

Q. Okay.

A. In the middle of page 11 the Miami zone 1 and Miami zone 2 are associated with the Miami 1

switch.

Q. Okay.

A. The Miami 3 switch, you know, just does not serve any mass market customers.

Q. Sticking with your surrebuttal, I'm sorry, sticking with your rebuttal testimony, page 9, lines 14 through 17. And just holler when you get there.

A. I am there.

Q. From 2001 to 2003 were these customers transferred from UNE-L to UNE-P?

A. No. These are customers that we gained back when the UNE-L business plan was an active plan --

Q. You broke off.

A. -- when the UNE-L business plan was active. They are connected to one of the six switches. We have simply left them there as an embedded base to attrit over time as customers initiate an action, either they close their business, they move to a new location or things of that nature. So this is a constantly declining base of customers, because we're not actively provisioning any new customers on UNE-L. We're just simply -- we're letting it, if you will, die on the

vine.

We're not going to subject these customers to an additional move from UNE-L to UNE-P for two reasons. It would cost us more money to do that. And then secondly, it would subject them to a reverse hot cut, a minimum of which would mean they would have to reprogram all of their switch base features. So we are simply leaving them as they are.

Q. Mr. Bradbury, is there any way you can move the phone closer to you or the microphone. Whenever a call buzzes in we kind of lose a word or two.

A. Okay.

Q. I apologize for that.

Getting back to the questions. Could you please refer to your rebuttal testimony, page 25, lines 14 through 16.

A. Yes, sir.

Q. In this portion of your rebuttal testimony you state that, to your knowledge no combination of CLECs would result in 100 percent coverage of BellSouth's wire centers using UNE-L. You are referring to the entire BellSouth territory; is that correct?

A. That's correct.

Q. Okay.

A. I think my statement would also be true though even within the markets in which BellSouth says there is no impairment.

Q. That was my next question. In the markets deemed not impaired -- how about for the markets deemed not impaired by Verizon?

A. I don't believe that in Verizon's territory there is the same level of UNE-P penetration across the entire territory. I really don't have the same level of data available from Verizon that I did for BellSouth.

Q. Let's just stick with BellSouth then. What do you base your opinion on that no combination of CLEC would result in a hundred percent coverage?

A. Looking through BellSouth's response to our interrogatory 125, just doing an analysis there of the wire centers served by UNE-L in the various markets and comparing that to the wire centers total in the market. As I do that in each market, I see wire centers where there is no UNE-L present.

Q. Finishing up here. Could you please refer to your surrebuttal testimony, page 6, lines 4 through 6.

A. All right.

Q. My question in regards to this portion of your surrebuttal testimony is: Why is the DSO -- I'm sorry, strike that. Why is the use of DSO EELs to serve mass market customers operationally and financially infeasible?

A. Okay. Let me start with financially first.

Q. Okay.

A. That's where the real killer is. Let me find my notes.

Q. Okay.

A. This is data that actually I obtained through Mr. Turner. So your question on the economics is probably better addressed to him.

But just in general, if I try to serve a customer with a DSO EEL, there are a number of additional charges that I'm going to have to pay over and beyond the regular loop, and the backhaul that I still have to incur when I get this EEL to my other collocations.

There's $1.55 more for the loop itself; there's a $6.12 monthly charge for muxing; there's mileage; there's a charge for the DS1 of about $3.69 cents a month. So it looks somewhere in the range

of 15 to 20 dollars a month of additional fees and then upfront there's about a $78 non-recurring fee that's additional, over and above the standard DSO loop.

Those numbers just simply make it uneconomic to use a DSO EEL and that's the reason why you only find that there are six in captivity in Florida. It's just not an economical option.

Q. Okay. Did you want to address the operation?

A. Operationally you still have all of the same hot cut problems, in that at the wire center where the EEL originates at the hot cut, the existing loop from the switch to the EEL arrangement, and then put it on the EEL, which is a BellSouth provided transport, and bring it to your distant collocation and handle it again at that collocation to put it on to a backhaul facility switch, so there are more breakage points in the whole loop.

Q. Let me review my notes. But I think that's it.

(Brief pause.)

MR. SUSAC: All right. Well, that concludes Staff's questions for

Mr. Bradbury. Thank you very much.

Would counsel like to redirect on anything there?

MR. ELLENBERG: BellSouth has some questions.

MR. SUSAC: AT&T, do you want to redirect?

MS. PATTON: No, I do not. I'll go ahead and let Mr. Ellenberg proceed with his questions.

MR. SUSAC: Okay.

MR. ELLENBERG: I'm sorry, I didn't mean to step on anyone. If there are other parties that have questions, they are free to go ahead.

MR. SUSAC: Let's just say, are there any CLECs on the line that have questions for Mr. Bradbury?

If not, then I think BellSouth should proceed. And just keep in mind this only pertains to 851, this part of the transcript.

MR. ELLENBERG: I will keep that in mind.

MR. SUSAC: Okay.

REDIRECT EXAMINATION

BY MR. ELLENBERG:

Q. Mr. Bradbury, good morning, I'm William Ellenberg, we met on more than one occasion.

A. Yes, sir.

Q. I have one caveat I would like for us to try to agree on if we can. I have crafted my questions hopefully to avoid you having to give me any confidential information in response. If I am wrong and you feel the need to provide a confidential response, would you let me know and maybe I can restate my question to avoid that, and maybe we can keep the deposition open?

A. Okay.

Q. Now, we're talking about your testimony in the mass market switching case in Florida; is that correct?

A. That's correct.

Q. And you filed direct, rebuttal and surrebuttal?

A. I did.

Q. And you have referred to copies of them, so I take it you have copies of all three of those available?

A. I do, sir.

Q. Do you have any changes to any of that prefiled testimony, corrections or additions?

A. Not of any substance. I will be issuing an errata sheet before the hearing. They're not things that I think would change any of your questions.

Q. I'm not worried about them changing my questions, I'm more concerned that they will change your answers, Mr. Bradbury.

A. No, they're my answers.

Q. All right, thank you. And you have exhibits to your testimony. Are there any changes or additions or corrections to any of the exhibits that are substantive?

A. Not that I'm aware of, no.

Q. In preparation for your deposition today for the hearing have you read the depositions of other parties in this proceeding, Mr. Bradbury?

A. No, I have not had the time to do so.

Q. I can understand that.

You have read the FCC's triennial review order?

A. I have spent some time there, yes, sir.

Q. And if I can refer to that as the TRO, you'll know what I'm talking about?

A. Right.

Q. And you have a copy of that available to you?

A. I do.

Q. Are you generally familiar with the entire order?

A. I would say that I have focussed more on the switching and loop and transport section than the entire order. I probably turned every page, but I wouldn't say I read every word.

Q. What do you mean when you say the loop and transport section?

A. And switching.

Q. And switching section, excuse me. What do you mean?

A. The paragraphs associated with that.

Q. Okay. Would you look at your direct testimony page 7, line 5.

A. All right.

Q. Are you there?

A. Yes.

Q. When I ask you to look at your testimony, I will give you a moment to turn there, but if you would tell me when you reach the point, I appreciate it.

A. I will.

Q. Do you see a sentence beginning on line 5 that, "The FCC relied on evidence of the CLECs cost of backhauling the voice circuit to their switch."

A. Yes.

Q. You would agree with me that the FCC did not make an actual finding of impairment with regard to the cost of backhauling, wouldn't you?

Do you understand my question?

A. I understand your question. I'm not sure that I have a good answer for you.

In my reading of this, particularly this paragraph, they were concerned about the cost of backhauling as a source of impairment.

Q. Let me ask the question differently. Were you finished?

A. Yes.

Q. Let me ask the question differently. The FCC did not say words to the effect, we believe that the cost associated with backhaul justify an actual finding of impairment, correct?

A. No, they did not say those words.

Q. Didn't the FCC say that there was insufficient evidence of either impairment or

non-impairment?

A. My memory is that the FCC had a number of studies before it from the ILECs and the CLECs and found both sets lacking in some ways and that's why they have charged the states to conduct proceedings such as we're doing now.

Q. I don't believe you began your answer with a yes or no. Maybe I'm wrong.

A. I'm sorry.

Q. Let me ask it again just to make sure. The FCC said that there was insufficient evidence of either impairment or non-impairment with respect to factors other than hot cut; isn't that correct?

A. I believe that's correct, yes.

Q. And you alluded to the studies that have been submitted in the proceeding. AT&T submitted cost studies to the FCC in the TRO proceeding to support its position that there was a cost disadvantage associated with backhaul; is that correct?

A. That's correct.

Q. I think you also alluded to the fact that the FCC declined to rely on those studies, the studies offered by AT&T; is that correct?

A. And the studies offered by the ILECs,

that's correct.

Q. And the reason that the FCC gave with respect to AT&T's studies is that they failed to consider all revenue opportunities associated with entry, correct?

A. I believe I remember reading that, correct.

Q. Are you familiar with the studies that AT&T provided to the FCC in the TRO proceeding?

A. I have scanned a couple of them.

Q. When was that? At what timeframe did you scan those?

A. Actually, I recently read one of them that's more germane to the transport case. Most of my work with the material that was provided to the FCC was probably --

THE COURT REPORTER: I'm sorry. You said "Most of my work -- "

THE WITNESS: Most of my reading of the material that was provided to the FCC probably occurred a year or so ago

BY MR. ELLENBERG:

Q. Is that true of the study that you say you reviewed that's more related to loop and transport?

A. That one I have read in the last three or four weeks.

Q. And did that study attempt to quantify the cost disadvantage, if there is one, associated with backhaul infrastructure?

A. It does have data on that in it, yes.

Q. Now, in this proceeding AT&T has also offered a study of the cost of backhaul infrastructure that it maintains CLECs must incur; correct?

A. That's correct, in Mr. Turner's testimony.

Q. Did you work with Mr. Turner in the preparation of that study?

A. No, I did not.

Q. Was it you who told Mr. Turner what AT&T wanted him to do in the way of the study?

A. I did not work with Mr. Turner on that testimony.

Q. All right. Have you reviewed his study?

A. I have scanned his testimony. I have not reviewed his study.

Q. Can you describe to me, based on your scanning of his testimony and your review --

MR. SUSAC: You cut out.

(The partial pending question was read back by the court reporter.)

BY MR. ELLENBERG:

Q. -- of the study that was filed with the FCC in the TRO proceeding, the areas in which his study is different?

A. No, I cannot.

Q. Would you agree with me that Mr. Turner's study filed in this proceeding, looks only at the cost associated with the so-called backhaul infrastructure?

A. Yes.

Q. Mr. Turner's study does not account for revenues at all, does it?

A. It does not.

Q. Now, if you would look at your direct testimony, page 10, beginning at line 16.

Are you there?

A. Yes.

Q. If I understand your testimony there, you began to discuss what you refer to as the key components of a structural disadvantage confronting CLECs, correct?

A. I referred to it that way, as he did the FCC, yes.

Q. And it's your position that this disadvantage is comprised of operational and economic barriers that make it both impractical and uneconomic for CLECs to compete with ILECs to serve mass market customers using a UNE-L architecture, correct?

A. Correct.

Q. I want to talk to you a bit about how this structural disadvantage comes into play in this proceeding, if at all. Are you familiar with the triggers test enunciated in the TRO and set out in the FCC's rules?

A. Yes.

Q. One trigger depends in this proceeding on the Florida Commission finding that three or more unaffiliated competing providers, including intermodal providers, each serving mass market customers in a particular market using their own circuit switches, correct?

A. That would be a self-provisioning test.

Q. We also call it the self-deployment test?

MR. SUSAC: I'm sorry. This is Jeremy Susac at the Commission. Could both of you speak up a little bit? Sometimes you're

breaking up, and it's hard to, not only follow from this end, but I'm sure it's more frustrating for the court reporter than it is for me.

I do apologize, but if maybe speaking into the phone or speaking a little louder would resolve this.

MR. ELLENBERG: I am trying to think of a logistical way we can both get closer to the phone. It might require sitting in each other's lap.

We're trying to adjust the volume. Does that help at all?

MR. SUSAC: That sounds better, thank you, William.

BY MR. ELLENBERG:

Q. I think my question was, and I'm not sure you answered, can we also call that a self-deployment trigger?

A. Yes.

Q. Now, assume that the Florida Commission accepts the evidence presented by BellSouth and finds that the self-deployment trigger has been met in a particular market. Would you agree with me that the Commission does not need to consider the

disadvantage you discuss as far as that market is concerned?

A. Yes, but I don't like the assumption, as you might guess. And I would think that in order for the Commission to have reached that assumption they, in fact, would have considered that in finding the three.

Q. Let me try it a different way. Would you agree that the factors you discuss come into play only where the deployment triggers are not met?

A. No. I think the factors underlie both trigger cases. Whether you're looking for three people who have overcome these factors or you're looking at the potential or the ability to overcome where it hasn't happened. I think in both triggers, in both cases you have to consider these factors. I don't think you can reach a different result using the two different tests.

Q. Which two different tests?

A. The self-deployment or the potential deployment test. I don't think it's logical to assume you could reach a different conclusion using one or the other.

Q. I'm not sure how that answers my question. Let me make myself clear, I'm sorry.

I'm talking only about the self-deployment test.

A. Correct.

Q. In a situation where the triggers have been found to have been met. Do you agree that the facts you discuss come into play only where the deployment triggers are not met?

A. I think in reaching the determination that the triggers have been met the Commission would have to have found that it was met because three people overcame all of the impairments, all because of these structural differences.

Q. You do have a copy of the TRO?

A. Yes.

Q. Can you put your hands on that, please? If you would turn to footnote 1405. Are you there?

A. Not yet. I'm here. It's a big one.

Q. It is. Do you want to take a minute to look at it? I have a couple of questions about it.

(Brief pause.)

THE WITNESS: Okay.

BY MR. ELLENBERG:

Q. Now, I asked you before I started my questions whether you were familiar with all of the provisions of the TRO, do you recall reading this

particular footnote previously?

A. I don't recall that I either have or have not. I know that I haven't made any marks in it.

Q. Fair enough. Let me see if I can paraphrase what's going on here, and see if you agree. Would you agree that in this footnote the majority of the FCC is responding to some concerns raised by Chairman Powell?

A. That appears to be the gist of the footnote, yes.

Q. And one concern raised by Chairman Powell is that states will be free, State Commissions like the Florida Commission will be free to find impairment based on factors that the FCC did not consider; is that fair?

A. Yes. It appears the majority is saying that he's simply wrong.

Q. Would you look about six lines up from the bottom of this footnote.

A. All right.

Q. You see a sentence that reads: "The factors that Chairman Powell criticizes here come into play only if our deployment triggers are not met."

A. Yes, that's what it says there.

Q. Do you agree with me then that the factors, excuse me, the disadvantage you discuss in your testimony does not come into play unless the deployment triggers are not met?

Do you understand my question?

A. I understand your question. I am reading past the provision we were just on.

Q. Okay.

A. The majority goes on to talk about the purpose of the factor to determine whether the lack of deployment is due --

THE COURT REPORTER: You are cutting out.

THE WITNESS: -- to determine whether the lack of deployment is due to actual impairment or some other reason. I inquire whether entry is in fact uneconomic.

I would have to agree that it appears that your reading or your characterization of this footnote is correct

BY MR. ELLENBERG:

Q. Thank you. Now, let's talk, if we can, about the key components of the structural disadvantages, as you referred to them. Those key

components as I read your testimony are, one, the time and cost to install and maintain a backhaul infrastructure?

A. Correct.

Q. The second is the need to aggregate traffic from many locations in order to achieve economies of scale, correct?

A. Correct.

Q. Third is you say the CLECs have to pay exorbitant hot cut rates, correct?

A. Correct.

Q. The fourth component you say is the use of IDLC in the ILECs networks potentially precludes a CLEC from serving a portion of retail customers, correct?

A. Correct.

Q. As I understand it, your contention is that together these components make up the structural disadvantage, and because of that a CLEC cannot use a UNE-L strategy to compete for mass market customers; is that correct?

A. That's correct. These are the four factors that both individually and collectively can result in an impairment that would preclude or make it uneconomic for customers, for CLECs to enter the

market using UNE-L.

Q. I do want to talk about them individually and collectively, but first, Mr. Bradbury, are you familiar with the testimony of FDN, Mr. Gallagher in this proceeding?

A. I have not read his testimony, no, sir.

Q. Do you know whether it is his position that FDN, based on its actual operational experience can and is economically serving mass market customers using UNE-L?

A. Again, I have not read his testimony.

Q. Would you agree with me that the FCC has repeatedly stated that actual operating experience is the best indicator of whether competition is economic?

A. Yes.

Q. Now, actually the four components of this cost disadvantage that you talk about, is it your contention that any one of these elements standing alone would make it uneconomical for a CLEC to compete for mass market customers using UNE-L?

A. That's a possibility.

Q. I'm asking if that's your contention. Would it help to take them one at a time?

A. I think my answer would be the same. That any one of them by itself could be of such magnitude that it would preclude or prevent a CLEC from making the decision to enter the market.

Q. Have you done a study or analysis of the effect of each one of these elements to support your statement?

A. No, I have not done a study. I have spent 34 years in the industry, and I have some feel for factors that influence the network and its costs and its utilization.

Q. All right. For example, let's look at factor 4, and that is that use of IDLC in the incumbent's network may preclude a CLEC from serving some portion of the retail market; is that correct?

A. That's correct.

Q. Do you have any quantification, any study or analysis whatsoever to support your belief, based on your experience in the industry, that that standing alone would prevent a CLEC from --

A. There could be market areas or areas within a market where that standing alone could preclude it, if there's no capability to provide a narrowband channel to the CLEC's collocation then he would be precluded.

Q. Let me narrow my question. Do you have a study or analysis to support your view?

A. No, I do not.

Q. Now, you're not familiar with Mr. Turner's study in this case, how he's gone about quantifying any one of these?

A. I haven't read it in detail, no, sir.

Q. If you would, look at your direct testimony at the bottom of page 22. There I believe you begin to describe a CLEC's network. Actually, on my copy, the only thing on that page is the heading CLEC Networks, but going into the next few pages you discuss the typical CLEC's network?

A. That's correct.

Q. Mr. Bradbury, is it AT&T's position that the network it is deploying to provide local service is inefficient?

A. Is inefficient?

Q. Is inefficient.

A. No, I don't make any claim whether it is efficient or inefficient.

Q. Mr. Bradbury --

A. I'm sorry, I didn't finish. Obviously AT&T strives to design its network to be as efficient as possible.

MR. ELLENBERG: Jeremy, how are we doing on the voice factor, are we holding up better?

MR. SUSAC: Yes. A little better.

BY MR. ELLENBERG:

Q. Mr. Bradbury, in an answer just a couple of questions ago you told me about your vast experience in the telecommunications industry, some 34 years; do you recall that?

A. Yes.

Q. And based on that experience is it AT&T's position that the network that it is deploying to provide local services is inefficient?

A. It is as efficient as it can be given the constraints, that it's trying to interface with the present legacy ILEC network.

Q. Would you turn please to JMB Exhibit 9.

A. All right.

Q. Are you there?

A. I am there, yes, sir.

Q. Is this, the network architecture reflected on JMB-9 representative of AT&T's network?

A. Generally, yes. AT&T's network would have some of each of these elements in it, yes.

Q. Is it your position that the network

architecture on JMB-9 is less efficient than BellSouth's current network architecture?

A. In terms of interfacing with the customers loop, yes, it is much less efficient.

Q. That's one aspect. Is it more generally, is it your position that network architecture in JMB-9 is less efficient than BellSouth's current architecture?

A. For the purpose of interfacing with the customers loops which terminate at the ILEC wire system.

Q. Let me ask it another way. If you were building a network today in a greenfield environment, in today's technology, would you recommend the architecture reflected on JMB-9 or BellSouth's architecture?

A. You will have to define for me what you consider to be a greenfield situation.

Q. You have never heard the term greenfield before?

A. I have heard the term, and I've also seen it used a number of different ways.

Q. All right. It's an area where there are customers who want telephone service and there's no telephone plant there whatsoever, so we're starting

from scratch. If we're starting from scratch would you recommend that a company use the architecture in JMB-9 or the architecture that's currently in BellSouth's network?

A. Actually, your question can't be answered because the situation never exists that there's a piece of geography that doesn't have the ability to be served by a telephone company.

Q. That's what we call a hypothetical, Mr. Bradbury.

A. And your hypothetical would involve a small geographic area that's already surrounded by communication service. The networks that either you had built or we have built take advantage of that existing surrounding architecture.

This architecture in my Exhibit 9 is dependent upon your existing architecture and does not represent in a greenfield because you wouldn't be adding a new switch to serve that location. This location would be served from a switch that's somewhere near it. That already serves customers outside of the area that doesn't have a loop plant in it.

This architecture is a large architecture, as is BellSouth a large architecture.

What you're talking about is serving a small unit of the loop plant. I can't make the comparison you would like me to make.

If you had a true greenfield, a third world country then you could develop an architecture based on what you see in JMB-9. And such an architecture might be more efficient than building an architecture such as you have now. We don't have that kind of a greenfield situation anywhere in the continental U.S. and certainly not in the State of Florida.

Q. Are you finished?

A. Yes.

Q. Mr. Bradbury, did you participate in proceedings in Florida and elsewhere to address universal service support?

A. No, sir.

Q. Do you know whether AT&T has ever sponsored a model of the costs providing service and advocated starting with a greenfield approach, as opposed to building off of BellSouth's current network architecture?

A. No, I do not.

Q. We can return to the real world, Mr. Bradbury. Is it AT&T's contention in this

proceeding that it has no way to economically connect to end users that are located relatively far from its switch?

A. Again, I'm assuming your question is in the realm of mass market customers?

Q. I'll ask it that way, if that helps.

A. It would make a difference.

Q. Is it AT&T's contention in this proceeding that it has no way to economically connect to mass market customers located relatively far from the switch?

A. Using the existing ILEC network architecture and the overlay that you see here, it is our experience, in Florida and elsewhere, that that is uneconomic.

Q. I'm not sure if that answers my question with a yes or no.

A. Yes.

Q. Mr. Bradbury, you're familiar with the prefiled testimony of Keith Milner?

A. Yes, I am.

Q. And Mr. Milner cites the testimony presented by AT&T in a prior proceeding before the Florida Public Service Commission relating to the geographic area served by AT&T's switches; is that

correct?

A. That's correct.

Q. I'm sorry, Jeremy, I'm having him pull out a document.

MR. SUSAC: That's no problem.

BY MR. ELLENBERG:

Q. Now, in the discovery, in the interrogatory in this proceeding, actually a request for admission, BellSouth asks AT&T to admit that AT&T's witness in that prior proceeding, that was 000731-TP, testified under oath that AT&T can serve customers in every nook and cranny of Florida using its existing local switches and long loops. Do you recall seeing that interrogatory?

A. I have seen that interrogatory.

Q. Did you provide the response to that interrogatory?

A. I have worked on a response to that interrogatory, yes.

Q. In the last few days?

A. Yes.

Q. Is there a supplemental response coming?

A. I don't know.

Q. Would you accept, subject to check, that AT&T's response was that was not applicable?

A. I would accept that, subject to check, yes.

Q. Have you reviewed the transcript from that prior proceeding here in Florida?

A. I have looked at a portion of that transcript, specifically the page where Mr. Ballinsby (phonetics) made -- actually, Mr.Lackey used the nook and cranny, yes. If you've got it there.

Q. Well, I think you just summed it up, Mr. Lackey asked Mr. Ballinsby if AT&T could serve every nook and cranny in Florida using its switches and Mr. Ballinsby agreed that they could, correct?

A. That's true and that's simply a technical response. It's technically possible. It doesn't address at all whether it's economically rational.

Q. Now, you attempt to respond to Mr. Milner's, the cite to his testimony, in your rebuttal and surrebuttal testimonies, correct?

A. Yes, certainly in the rebuttal.

Q. The testimony that Mr. Milner cites is the testimony of a Mr. David Talbot, correct?

A. That's correct.

Q. I think you may have, for the purposes

of the hearing, Greg Ballinsby actually adopted that testimony, testified at the arbitration?

A. I didn't know that.

Q. But you just brought up Mr. Ballinsby's name?

A. I know that Mr. Ballinsby and Mr. Lackey discussed the nook and crannies, I didn't know that Mr. Talbot did not appear.

Q. Fair enough. Since you read Mr. Milner's rebuttal testimony, have you gone back and read Mr. Talbot's prefiled testimony in that proceeding?

A. I had actually done that earlier, yes.

Q. Would you turn to page 20 of your rebuttal testimony, please.

A. Yes.

Q. I'm sorry, you are ahead of me this time.

A. I will fall behind shortly.

Q. Now, it's here on page 20, beginning around line 2 that you take issue with Mr. Milner's reference to Mr. Talbot's testimony, Because you say, statements about the ability of AT&T to connect to a customer does not provide any information about how AT&T or any other CLEC determines whether it is

economic to make such connections.

Did I get that right?

A. That's correct.

Q. I'm going to hand you a document, Mr. Bradbury, and I have one for your counsel. And since you agree that you went back and reviewed the prefiled testimony of Mr. Talbot, you recognize this document, correct?

A. Yes.

Q. And this is the prefiled direct testimony of David L. Talbot, docket number 000731-TP?

A. Yes, it is.

Q. And it's dated November 16, 2000?

A. Yes.

Q. Would you turn to page 8, please?

A. All right.

Q. Line 9.

A. Yes, sir, I'm there.

Q. Would you read the sentence beginning currently? Aloud.

A. Okay. Currently, AT&T has a menu of options that are capable of economically connecting end users located relatively far from a switch. These options include, one, high capacity fiber

optic rings to commercial buildings and multiple dwelling units; two, hybrid fiber coax plant being deployed by AT&T's cable TV properties; three, fixed wireless technology now being beta tested, although this technology would likely come under a different, a very different interconnection agreement; four, UNE loop resale through AT&T collocation in BellSouth's end offices; and five, dedicated high-capacity facilities.

Q. You actually read more than I asked you to, Mr. Bradbury, but that's okay, it gave me a chance to get a sip of water.

A. Good deal.

Q. Focusing on the sentence on line 9, that begins currently. The sentence does say that these options make AT&T capable of economically connecting end users, correct?

A. That's correct. As I read through all of the options those options are all used, then and now, with our enterprise business customers. And not with our mass market customers.

Q. And this testimony was filed in 2000, correct?

A. That's correct.

Q. And that was the point, during the time

that AT&T was providing service to small business customers using UNE-L, correct?

A. That's correct.

Q. The business plan that you say was discontinued sometime in 2001, correct?

A. That's correct.

Q. And option 4, of the options laid out here, is the ability to use an ILEC loop in AT&T collocation service, correct?

A. That's correct.

Q. That's one of the economical options?

A. That's one we believed at that point in time would be economical. We've had the unfortunate business experience of determining that it was not.

Q. There's nothing in this discussion in Mr. Talbot's testimony about the fact that the so-called backhaul costs make it uneconomical to serve end users relatively far from AT&T switch, correct?

A. I haven't read the entirety of the testimony. On this page there's not.

Q. You haven't read it today, but you read it previously haven't you?

A. When I went to this testimony in response to Mr. Milner's, I focused on the area of

right around his, I did not read the entirety of the testimony.

Q. You had not seen the characterization of economically connecting to end users before?

A. I had not read there page before, that's correct.

Q. Now, would you turn to your surrebuttal at page 5. Are you there?

A. I am there, sir.

Q. Now, at the top of that page on line 1 you again respond to Mr. Milner's use of Mr. Talbot's testimony. Do you see that?

A. That's correct.

Q. And you say, and I'll paraphrase it, you correct me if I get it wrong. That the fact that AT&T is entitled to the tandem switching rate because it serves, its switches serve widely dispersed enterprise customers has nothing to do with the issues in this proceeding. Do you see that?

A. That's right, because it does not demonstrate that CLECs are not impaired in attempting to serve the mass market, without unbundled switching.

Q. Now, you would agree that there is no

discussion on the page of Mr. Talbot's prefiled testimony that we just looked at about enterprise customers, correct?

A. That's correct. The word did not appear there.

Q. Is it your position that the term, the terms mass market enterprise customers were in common use in the year 2000?

A. No. At that point in time you would have had the terms business, small business and residential. I would think that the terms mass market and enterprise, as we know them today, mass market certainly today, is a feature of the TRO.

Q. There's no discussion in Mr. Talbot's testimony about the economics of serving enterprise customers or mass market customers, correct?

A. No. He was talking about serving the customers we were serving then, which were exclusively business.

Q. Some of those customers would be mass market customers under today's definition, correct?

A. Some of them would be small business, were then small business customers and still are today. A portion of the mass market.

Q. Would you turn back to Mr. Talbot's

testimony.

A. Yes.

Q. Again to page 8, line 8. Read the sentence, "Therefore, AT&T's switches are deployed consistent with the costs and efficiencies of today's technology."

A. Yes.

Q. Wasn't AT&T representing to the Florida Commission that it was deploying its network in an efficient manner?

A. They were the customers we were serving at that point in time, which were business customers, yes.

Q. And AT&T was taking the position in this proceeding, that even though it used fewer switches to serve a large geographic area, it was entitled to a tandem switch, correct?

A. I think that's exactly the reason we were, because the switches did cover the geography equipment to a tandem source.

Q. And AT&T didn't say anything in the testimony about having a backhaul disadvantage, did it?

A. That was not the purpose of this testimony. You are correct.

Q. Now, look at page 9, please, line 4. It reads: "AT&T deploys a single switch combined with long transport on the end-user side of the switch, because that combination is incrementally less costly than adding a new switch in each part of a market." Did I get that right?

A. That's correct.

Q. And AT&T simply accepts any inefficiencies with longer loops, because that is incrementally less costly than adding a new switch in each part of the market, correct?

A. Run that by me, again, sir.

Q. Sure. AT&T simply accepts any inefficiencies with longer loops that is incrementally less costly than adding a new switch in each part of the market, correct?

A. No. Only if it's economically rational to do so. In other words, having accepted those we still have an economically viable service.

Q. Mr. Bradbury, this proceeding, the one in which Mr. Talbot filed testimony, that was an AT&T arbitration proceeding, correct?

A. That's correct.

Q. And this same arbitration was filed and heard in several states, correct?

A. I believe that to be true, yes.

Q. And one of those states was North Carolina?

A. I believe that to be true also, yes.

Q. I show you another document. This is the testimony filed by Mr. Talbot on behalf of AT&T before the North Carolina Utilities Commission; is that correct?

A. That's correct.

Q. Turn to page 7, please.

MS. PATTON: I object at this point as to -- if we can just clarify whether Mr. Bradbury has ever seen this and can even talk about it at this point.

BY MR. ELLENBERG:

Q. Mr. Bradbury, you're familiar with Mr. Talbot's testimony in the Florida proceeding?

A. Yes, I have looked at the portions that Mr. Milner referred to.

Q. And you're familiar with the issues that were before the Commission in these arbitration proceedings?

A. I knew that the tandem switch rate was an issue before.

Q. If I ask you a question about the

testimony as it relates to the tandem switching, you'll understand that testimony, will you not?

A. Yes.

Q. Okay. If you'll look at page 7, please, beginning at line 8.

A. All right.

Q. Toward the end of that line, the sentence reads: "AT&T deploys a single switch and accepts the inefficiencies of long transport on the end-user side of the switch because that is incrementally less costly than adding a new switch in each part of a market."

Do you see that?

A. Yes.

Q. Before I forget, with the court reporter not here, I don't know how I'm going to do this. I would like to mark and attach the Florida testimony that we've been talking about today, and that is discussed in Mr. Milner's testimony and Mr. Bradbury's testimony as an exhibit to this deposition.

I provided Mr. Bradbury with a copy, I provided counsel with a copy, and I would propose to simply forward a copy to the court reporter for attachment to this deposition as Bradbury Exhibit 1.

If that's okay with everyone?

MS. PATTON: I know we had a prior late filed exhibit, so maybe, and that was referred to or was going to be named the switching capacity of all switches, referring to AT&T switches in BellSouth and Verizon. So if that particular late filed exhibit is maybe Bradbury Exhibit 1, then I would propose that, just in keeping up, that this Talbot Florida filed testimony be Bradbury Exhibit 2, and so named the Talbot Florida Testimony.

MR. SUSAC: I agree.

(Late filed Exhibit 2 to be marked for identification when received.)

BY MR. ELLENBERG:

Q. Back on the subject of AT&T's network architecture and this backhaul issue. Are you familiar with the Southeast LATA here in Florida?

A. Yes, I know where it is.

Q. Can we agree that it extends from somewhere at the north point near Port St. Lucie and south into the Florida Keys?

A. Yes.

Q. Would you agree with me that it's longer

than eight miles from top to bottom?

A. Absolutely.

Q. I didn't pull an atlas, but can we agree that it's actually several hundred miles from top to bottom?

A. I believe that would be true.

Q. So, if a CLEC wanted to place one switch in the LATA for customers throughout the LATA, only one, and placed its switch near the middle of the southeast LATA, you would agree that that CLEC would not be able to run homerun copper loops to customers near the north and southern boundaries, correct?

A. Correct.

Q. You would have to have some sort of electronics on the loop, to bring it to the switch?

A. Correct.

Q. Would you agree that it's likely that the CLECs would aggregate the loops of customers near the northern boundary and use some high capacity facility to carry the loop to the switch in the middle of the LATA?

A. Yes.

Q. Can we agree it might be necessary for the CLEC to purchase an easement in order to place a facility for these electronics?

A. I'm not sure of your use of the term here.

Q. All right. I believe you agreed with me that in order to take a loop from the northern boundary of the southeast LATA to a switch in the middle there would have to be some electronics?

A. That's correct.

Q. Okay. Could you tell me what those would be?

A. Well, that would, you know, we're discussing the architectures that CLECs use, we would be talking about building the collocation in BellSouth's space. That's perhaps what you meant by an easement.

Q. Assume there's no BellSouth central office there, collocation, what would the CLECs place it in?

A. I'm trying to get the picture you're trying to build for me. You're assuming a hypothetical in which the CLEC is doing business without making any utilization of any ILECs space, facilities, without using collocations?

Q. Sure, for purposes of the question, that's fine. Assume that.

A. With that assumption.

Q. What kind of facility would a CLEC have to place near the northern boundary to connect its loops to the switch in the middle of the LATA?

A. Near the northern boundary it would be actually from wherever the switch is to wherever the customer is. The CLEC in this hypothetical is going to have to build some sort of a backhaul or transport facility. Directly to the customers premises, we're talking about building or installing a cable route, however many miles that might be.

Q. Just to be clear. The way you helped me redraft my question. The CLEC is not making any use of an ILEC's facility, correct?

A. That's the hypothetical you want me to work with.

Q. I was working with your recrafting of mine, Mr. Bradbury. I want to make sure that's what you said; is that correct?

A. In that situation the CLEC has the switch in one location and wants to serve the customer 75 miles away, and be totally independent of the ILEC. In other words, you're going to build your own loop 75 miles long. You're going to have to build a cable facility or some other transport, long haul transport facility. Your loop, your

switch, your customer.

Q. And I believe you referred to that in your prior answer as a backhaul, correct?

A. If I'm dealing with the customer's location directly, a long loop.

Q. Does that mean your prior answer referred to that as a backhaul?

A. It did, but I again was trying to get out of the real world, the hypothetical, where I'm dealing with a clean slate of paper serving the customer without touching anything.

Q. I'm sorry. That is referred to as a backhaul structure, correct?

A. If I had taken this customer's existing loop to a collocation and brought it to me, the collocation of my switch would be a backhaul. Not using a collocation at all, this is just a very, very long loop.

Q. We're just dealing with what your earlier answer said.

Now, looking back at Mr. Talbot's testimony, please, the Florida testimony.

A. Okay.

Q. Again, back to page 8, line 9, where he talks about a menu of options.

Are you there?

A. Page 8, line 9, yes.

Q. Now, option 2, again option 2, Mr. Talbot refers to a hybrid fiber coax plant being deployed by AT&T's cable TV properties, do you see that?

A. I see that.

Q. To put that in context, in the late 90's AT&T merged with Telecommunications, Inc., a cable company; isn't that correct?

A. That is one of the acquisitions we did then, yes.

Q. That was at a price of around 52 billion dollars; is that correct?

A. I think that's subject to check.

Q. Would you rather see it? I can show that to you.

A. Okay.

Q. You said that that was one of the acquisitions. Later in 1999 AT&T purchased Media One, correct?

A. Correct.

Q. And that transaction was valued at about 54 billion dollars, correct?

A. I would take that to check also.

Q. Now, in option 2 that Mr. Talbot is describing, he's referring to the plan of one or both of those cable companies, correct?

A. It would appear so, yes.

Q. Now more recently AT&T spun off its cable properties to its shareholders and those assets were merged with Comcast, correct?

A. Correct.

Q. And Comcast is in Florida today providing local telepathy using those cable facilities, correct?

A. Correct.

Q. And I believe Staff actually asked you this earlier, and I apologize for repeating, but BellSouth has pointed to Comcast as an intermodal provider that meets the actual competition trigger defined by the FCC in the TRO, correct?

A. Correct, BellSouth has done that.

Q. BellSouth has also identified AT&T as a company that meets the actual competition trigger in Florida, correct?

A. That's correct.

Q. And you take issue with that?

A. Correct.

Q. But you do acknowledge that AT&T serves

mass market customers -- I will start again.

MR. ELLENBERG: Somebody is dialing in and hanging up.

MR. SUSAC: The party that just dialed in, can you please identify yourself?

Never mind, I'm sorry, William, to throw you off with your rhythm, and Mr. Bradbury. But let's pick up.

BY MR. ELLENBERG:

Q. I apologize.

Mr. Bradbury, you do acknowledge that AT&T serves mass market customers in Florida today using its circuit switches, correct?

A. Yes and no. AT&T serves very small businesses from its switches today, which is a portion of the mass market. We do not serve residents and therefore we don't serve the entire mass market.

Q. Thanks for that clarification.

Now, we discussed this earlier with Staff. But AT&T once had an active business plan to serve small businesses using the DSO, UNE loops, collocation, and AT&T's own local circuit switches, correct?

A. Correct.

Q. And I believe earlier you said that was in the 1999 to 2001 timeframe?

A. Correct.

Q. I may have talked over your answer. Correct?

A. Correct.

Q. During this same time, was it AT&T's plan to provide telephone service to residential customers using its cable TV facilities?

A. Yes. The facilities that we purchased at that time, particularly Media One, already was providing telecommunication service. So that by purchasing them we entered the residents market.

Q. Now, back to the small business plan. It is your contention that AT&T dropped that business plan sometime in 2001, correct?

A. That's correct.

Q. Was that a decision that affected only AT&T's operations in Florida?

A. No, sir. That was a national decision.

Q. How was the decision made? That may be too broad. Can you tell me whether that decision was made by people in the State of Florida?

A. I was not a party to the actual decision-making process. No, sir, I can't.

Q. So you don't know if that decision was made in AT&T's corporate headquarters and communicated to operations?

A. I was not a party to the decision-making process. I don't know whether it was top down, bottoms up or some mixture.

Q. Now, BellSouth asked you in an interrogatory for the date of the decision. Do you recall seeing that interrogatory?

A. I do recall seeing that, yes.

Q. And as I recall, AT&T was unable to identify dates in 2001 when that occurred, correct?

A. That's correct.

Q. And AT&T said it had no records of the date the decision was made, correct?

A. Correct.

Q. And I think AT&T went on to say it was looking for documents that relate to this decision and it would supplement its response; do you recall that?

A. Correct.

Q. Has AT&T turned up anything to this point?

A. I don't know, sir.

Q. If they have, can we expect to receive

it at BellSouth?

A. Yes, sir.

Q. You haven't seen a document then that tells you either how this decision -- let me break the question up. You haven't seen a document then that tells me how this decision was made?

A. No.

Q. You haven't seen a document that tells you when the decision was made, correct?

A. Correct.

Q. You haven't seen a document that tells you when the decision was implemented, have you?

A. No.

Q. If you haven't found any documents on how, and reviewed any documents, how do you know that this decision was implemented in 2001?

A. I have read the Brenner affidavit that was filed with the TRO that discussed that it was in 2001.

Q. Does the Brenner declaration that was filed with the FCC discuss Florida operations?

A. I don't believe it did so specifically.

Q. You're relying on the Brenner declaration and nothing else for your belief that this decision was implemented in 2001?

A. The Brenner affidavit, and other conversations with people directly associated with the business unit and business unit attorneys.

Q. Well, I don't want to know about your conversations with your lawyers. But what business unit people have you talked to about this decision?

MR. SUSAC: We didn't get an answer. I don't know if there was an answer or what.

MS. PATTON: No, there was not an answer.

BY MR. ELLENBERG:

Q. Go ahead.

A. I'm going through my memory trying to determine which people that I have spoken to about this subject were in the business unit or were the attorneys for the business unit. And most of it I'm coming to are the attorneys for the business unit.

Q. Can you think of a single person in the business unit, other than an attorney, that you discussed this with?

A. There is a lady here in this building named Pat Powell, and whether she's actually in the business unit itself or is like me, works for the business unit, I'm not certain.

Q. What did Ms. Powell tell you about this decision to stop serving small business customers with UNE loops in Florida?

A. Again, it was just a conversation to confirm that we had stopped, and that from her memory, as mine, it was in 2001.

Q. From your memory, or your memory of reading the Ellyce Brenner declaration?

A. A little bit of both. I was here in 2001, and I knew that we had stopped doing it.

Q. Did you ask Ms. Powell if she had any documents that related to this decision?

A. Ms. Powell is one of the people who saw the interrogatories and engaged in the search for documents, yes.

Q. BellSouth also asked AT&T in an interrogatory whether the decision was based on its experience in Florida or in other states, correct?

A. Correct.

Q. And AT&T's answer was in reference to two earlier responses, response to interrogatory 125 and interrogatory 134; isn't that correct?

A. I believe that's correct. And I think in both of those we probably referenced some testimony in the 271 proceeding.

Q. We can look at the answers, if you need to. But the response to 134 was simply a reference to the response to 125, wasn't it?

A. You're reading it. I believe that's probably true.

Q. All right. Well, as we follow the clues through the discovery then we settled on it's testimony filed in a 271 proceeding. That's the testimony of Denise Berger filed in a proceeding in North Carolina, correct?

A. Yes, that's correct. And Denise would have been another person I have spoken to.

Q. Have you reviewed that testimony?

A. No, I have not looked at that testimony.

Q. So you don't know whether it discusses any problems as they related to Florida operations or not, do you?

A. I don't know. I believe it was filed in Florida, so I would assume they talked about Florida.

Q. So it's your testimony today that Ms. Berger's testimony was filed in a proceeding in Florida?

A. I thought it was.

Q. And made a part of a record of a

proceeding in Florida?

A. I believe it was. I could be wrong. We did an awful lot of 271 hearings.

Q. That testimony is the only document that AT&T has referred to that underlies its claim that it discontinued its business plan to serve small business customers with UNE-Ls, correct?

A. I thought we also produced the Brenner affidavit, which is publicly available.

Q. Other than the Berger testimony and the Brenner affidavit, is there anything else that AT&T has produced?

A. Not that I'm aware of.

MR. ELLENBERG: Can we go off the record for a second?

(Discussion off the record.)

MR. SUSAC: We're ready to go back on the record.

BY MR. ELLENBERG:

Q. We are back on the record. This is William Ellenberg with BellSouth.

Mr. Bradley, just before we took a little break we had talked about the declaration that Ellyce Brenner -- am I saying that correctly?

A. Yes.

Q. -- filed in the TRO proceeding with the FCC.

And for the court reporter, Ellyce is spelled E-L-L-Y-C-E. And Brenner is, B-R-E-N-N-E-R.

Is that right, Mr. Bradbury?

A. That's right.

Q. BellSouth served interrogatories on AT&T that asked questions about Ms. Brenner's declaration; isn't that correct?

A. That's correct.

Q. Have you been involved in the preparation of the responses to those questions?

A. No.

Q. Let me hand you a copy of AT&T's responses to BellSouth's 7th set of interrogatories in this proceeding.

A. Okay.

Q. I've actually tabbed one, if you could turn to that page. Do you see on that page it is interrogatory 274?

A. Yes.

Q. I'm not going to read the entire interrogatory, but AT&T's response is, AT&T will provide a response to this interrogatory on or before February 13th. Correct?

A. Correct.
Q. That was last Friday?
A. Correct.
Q. To your knowledge has AT&T provided a response to this interrogatory?
A. I don't believe that we have yet, sir.
Q. Would you read interrogatory 274, Mr. Bradbury.
A. Okay. "Please state all facts and identify all documents that support Ms. Brenner's testimony that the UNE-L provisioning process often required multiple calls to the customer to reschedule events. In paragraph 41 of her FCC declaration referenced on page 9 of Jay Bradbury's rebuttal testimony.
"In answering this interrogatory, describe with --" I can't say the word.
Q. Particularity.
A. "-- particularity AT&T's experiences with rescheduling events due to BellSouth's UNE-L provisioning process and provide by telephone number each customer who had to be rescheduled because of that process."
Q. Mr. Bradbury, can you identify any facts to support Ms. Brenner's testimony identified here?

A. I do not have any of those facts with me today, no, sir.

Q. But you cite to and rely on Ms. Brenner's declaration in your prefiled testimony, your rebuttal testimony, correct?

A. That's correct.

Q. There's no information that you can provide to me today that would be responsive to interrogatory 274?

A. I have no information to provide to you today.

Q. Could you turn to interrogatory 275, please.

A. Yes, sir.

Q. Let me just try to cut this short. If you would take a moment and look at the remaining interrogatories in this set.

A. All right.

Q. Did you help prepare the responses or have you been working on the responses to any of these interrogatories, 275 through 280?

A. No, sir, I have not.

Q. You've had a chance to review each one. Is there any information that you could provide to me today that would be responsive to these

interrogatories, 275 through 280?

A. No, sir, there is not.

Q. Do you know who has been responsible for preparing the responses to interrogatories 274 through 280?

A. No, I do not. I believe that's being done in New Jersey.

Q. All right. If you would look at your rebuttal testimony at page 12.

A. All right. I'm there.

Q. Line 6 and 7. I may have asked you about this. I see in your testimony that AT&T is not serving residential customers using UNE-L in Florida; is that correct?

A. That's correct.

Q. Has there ever been a time when AT&T has served residential customers using UNE-L in Florida?

A. No, there has not.

Q. Has there ever been a time when AT&T planned to serve residential customers using UNE-L in Florida?

A. Not to my knowledge.

Q. To your knowledge, has there ever been a time when AT&T has served residential customers using UNE-L anywhere in BellSouth's nine state

region?

A. Not to my knowledge. We may have used some test lines at one point in time. But we've never offered service to residents using UNE-L in any BellSouth state.

Q. Mr. Bradbury, would you agree with me that since 2001 AT&T has changed its plan for reaching residential customers?

A. Yes.

Q. One part -- strike that. AT&T has spun off its cable properties and they're now a part of Comcast, correct?

A. That's correct

Q. To the extent AT&T served and planned to serve residential customers using --

MR. SUSAC: Wait, you cut out there, William.

BY MR. ELLENBERG:

Q. To the extent AT&T served and planned to serve residential customers using its cable TV properties, that has certainly changed, correct?

A. Correct.

Q. When AT&T served a residential customer using a cable TV plant it did not need and did not use a UNE loop, correct?

A. Correct.

Q. So there were no hot cuts involved when AT&T served a customer with its cable TV plan, correct?

A. That's correct.

Q. We can agree that AT&T's decision to spin off its cable assets had nothing to do with any alleged hot cut problems, correct?

A. Correct. I don't think there was any relationship between the two events at all, either hot cuts or the BellSouth spin-off, I mean AT&T's spin-off of its cable property. I don't think there's any relationship between the two things.

Q. Can we agree that virtually all cable subscribers are mass market customers, to the extent they use --

A. I can't agree, I don't know.

Q. Would you pull your copy of the TRO?

A. Yes.

Q. Look at footnote 1349.

A. I'm there, yes, sir.

Q. In the middle of the footnote do you see the sentence, "Virtually all cable subscribers are mass market customers," and a reference to AT&T's comment?

A. I see that, yes, sir.

Q. Can you at least agree that AT&T in its comments represented to the FCC that virtually all cable customers are mass market customers?

A. That's what it says in this footnote, yes.

Q. Would you turn to your rebuttal testimony at page 6, please, beginning at line 6. I apologize to keep shifting the documents on you.

A. All right. Rebuttal 6.

Q. At 6?

A. Yes.

Q. There you list Mr. Gillan's interpretation of the self-provisioning trigger criteria from the TRO, correct?

A. That's correct.

Q. Now, basically you're just quoting Mr. Gillan's testimony, correct?

A. Yes.

Q. Did you participate in the development of these interpretations?

A. No.

Q. Have you discussed with Mr. Gillan these interpretations?

A. Only in passing. We've never sat down

and had a lengthy discussion of them.

Q. Are you capable of discussing the interpretations or should I just talk to Mr. Gillan?

A. It would be much more efficient to talk to Mr. Gillan.

Q. And you have not read his deposition?

A. No, I have not.

Q. Let me ask just a couple of questions, and if you're not able to answer them I will move on.

On criteria number 1, "The self-provisioning trigger candidate's switches must not be 'enterprise' switches." Correct?

A. That's correct.

Q. Would you agree that the flipside of that, stated in the affirmative is that the switches must be mass market switches?

A. That would seem a logical flip. I think the reality is that the switches, you would expect them to be serving a mixture, not be predominantly one or the other.

Q. So it's not AT&T's position that a switch can only serve mass market customers to qualify the trigger switch, correct?

A. Correct.

Q. An enterprise switch, as Mr. Gillan refers to it, can be a trigger switch, correct?

A. I'm not sure I understood that question.

Q. Do you need me to rephrase it?

A. Please.

Q. A self-provisioning trigger candidate's switch can be an enterprise switch, so long as it's serving mass market customers; is that correct?

A. Again, the trigger is looking for CLECs who are serving mass market customers using their own switches, but the switch could also be serving an enterprise customer.

Q. Can we agree that the FCC's rule that contains the self-provisioning trigger does not contain a distinction between enterprise and mass market switches?

A. As a rule recently, but it probably does not say enterprise in it. Do you have a page number?

Q. Page 21 in the rules. Are you there, Mr. Bradbury?

A. I am there.

Q. Do you see local switching self-provisioning trigger?

A. Correct. And the word enterprise does

not appear.

Q. And the word mass market -- I'm sorry, I talked over you. Would you complete your response?

A. The word enterprise does not appear in the rule.

Q. Thank you.

Now, the third criteria or interpretation on Mr. Gillan's list is that CLECs must be relying on ILEC analog loops; is that correct?

A. That's correct.

Q. You would agree with me that the FCC makes it clear that an intermodal provider using its own facilities can count toward the trigger, correct?

A. Yes.

Q. And criteria or interpretation number 5 is that a candidate may not be affiliated with the ILEC, correct?

A. Correct.

Q. Does that mean a trigger candidate may not be affiliated with an ILEC anywhere?

A. I don't know.

Q. You don't understand my question or you don't understand Mr. Gillan?

A. I think the paragraph in the TRO that relates is 499. Let me get that.

Q. Would it help if I rephrase the question?

A. Here's my difficulty, the paragraph clearly says, the trigger candidate CLEC must be unaffiliated with the incumbent LEC and with each other.

I really don't know from that whether the FCC was restricting itself to only the incumbent LEC for that particular market or that LATA or that state or anywhere.

Q. You don't know if AT&T has a position on that issue?

A. I don't know.

Q. Now, on page 7 of your rebuttal testimony. Are you there? Beginning at line 10 in rebuttal.

A. In rebuttal?

Q. Yes, sir.

A. My line 10 in rebuttal is a table.

Q. Yes, sir, it is.

A. Okay.

Q. You actually discussed this table with Staff earlier, correct?

A. Correct.

Q. And this is a table that purports to show the number of DSO level lines served out of each of AT&T's switches serving Florida, correct?

A. That's correct.

Q. I don't want to get into numbers, but can you tell me, and Staff may have asked you, whether each of these switches is equipped to serve mass market customers?

A. Each of these switches can serve mass market customers, technically. There are no switch limitations preventing that.

Q. Just to make sure we're clear. Mass market, when you say mass market customers in this context, you mean residential and small business customers?

A. Yes.

Q. Now, look at page 11, another chart. Are you there?

A. Yes, I am.

Q. Now, this chart purports to show the decrease in the deployment of service by AT&T using UNE-L, UNE loops, from 2002 and 2003, correct?

A. Right. The 18 months that we asked you in the interrogatory and this was your response.

Q. Look back at page 10, line 19.

A. Yes, sir.

Q. As I understand your testimony, you argue that the numbers on the chart, the chart we just looked at, show that AT&T's ability to employ UNE-L to customers in individual ILEC end offices has been modest at best, and that it has never achieved scale in its operations, correct?

A. Correct.

Q. Let me be sure I understand. It is your position that since sometime in 2001 AT&T has deliberately not added any UNE loop customers, correct?

A. That's correct.

Q. But it's also your position that since AT&T has not added UNE loops deliberately since that decision in 2001, that is proof that it never achieved scale in its operations?

A. The proof is that, you know, at the point where we stopped the embedded base, while a number bigger than here, was still a very small number relative to the ten million lines available in the State of Florida.

Q. But you would agree that we don't know what that number would have been had AT&T continued

to sell to customers using UNE-L, correct?

A. AT&T would not have continued, because AT&T's experience was it was uneconomical to do so and that's why we stopped.

Q. But we don't know what the deployment of UNE loops would be like if AT&T had not stopped actively marketing the service, correct?

A. No, we don't know. But AT&T would not have continued to market, to provision the service using UNE-L, regardless.

Q. One last question on this topic, Mr. Bradbury. Would you agree that during the time covered by your chart, 2002 and 2003, in which you say that AT&T has experienced a decline in the number of UNE loops it's using to serve mass market customers, AT&T had experienced a sharp increase in the number of UNE-P mass market customers?

A. I lost you in the middle of the question, I'm sorry, sir.

Q. All right. If we look at the chart, and it's your testimony that the number of UNE loops has declined over 2002 and 2003, correct?

A. Correct.

Q. I'm just asking over that same time period, would you agree that AT&T has experienced an

increase in the number of UNE-P?

A. Yes. And I think that would be a surrogate that you could use to determine, if it were economical, how many UNE-Ls there might actually be.

Q. Now, in your surrebuttal, page 6, lines 3 through 8.

Are you there?

A. Yes, sir.

Q. You challenge Mr. Milner's testimony that a CLEC doesn't need to collocate in every wire center to serve customers in the wire center, correct?

A. Correct.

Q. One method that Mr. Milner pointed out that could be used to avoid the need for collocation in every office was enhanced extended links or EELs, correct?

A. That's correct.

Q. You had a discussion earlier with Staff about the operational and financial infeasibility of using EELs, correct?

A. Correct.

Q. Now, in support of your argument you point out that very few EELs have been ordered in

Florida, correct, according to your calculations?

A. According to the data that BellSouth has provided me, yes.

Q. Again, Mr. Bradbury, your testimony is that sometime in 2001, and you don't know when, AT&T decided to stop serving small business customers using UNE loops and its own switches, correct?

A. Correct.

Q. And it has never in Florida served residents customers using UNE loops, correct?

A. That's correct.

Q. Isn't that the explanation for why so few EELs have been ordered?

A. No, sir, it is totally unrelated. EELs have not been ordered because they are uneconomic to serve at the DSO level.

Q. Over 2002 and 2003 you would agree that AT&T had no reason to order EELs, according to its business plan, correct?

A. AT&T never ordered EELs, even when its business plan was in place.

Q. When were EELs first available in the State of Florida?

A. I don't know.

Q. But at least in 2002 and 2003 AT&T has

had no reason to order EELs to serve its customers, according to its business plan, correct?

A. AT&T has not. However, any other CLECs that thought EELs might be economically reasonable has had that opportunity and virtually none are.

Q. Which CLECs have wanted to order EELs?

A. I can tell you which CLECs have ordered EELs, from what you provided me, but I think that would be CPNI.

Q. All right. Page 13, line 25, I think of your rebuttal. Yes, of your rebuttal testimony.

A. Page 13, line 25?

Q. Yes. Page 13 at line 25.

MS. PATTON: It only goes to line 21.

MR. ELLENBERG: Well, I'm either in the wrong set of testimony or I have a custom set.

Are you in rebuttal?

THE WITNESS: I was in the wrong place.

MR. ELLENBERG: I have you flipping around a lot, I understand. Page 13, line 25.

MS. PATTON: There we go.

THE WITNESS: Yes, sir.

BY MR. ELLENBERG:

Q. Actually, back up a couple of lines. You're critical of Ms. Tipton, a BellSouth witness in this case, and BellSouth for not asking CLECs about the number of mass market customers they serve, correct?

A. That's correct.

Q. Would you agree with me the Florida Commission has not established the crossover point between mass market customers and enterprise customers?

A. I would agree.

Q. Would you also agree that different parties have made different recommendations about where that crossover point should be?

A. Yes.

Q. Has AT&T made a recommendation on the crossover point?

A. I believe AT&T relies on the testimony of Mr. Gillan on that issue.

Q. His recommendation is 12 lines and fewer; is that correct?

A. I believe that is correct.

Q. Wouldn't you agree that an interrogatory that asks CLECs to identify their mass market

customers might have been a bit premature since the crossover --

MR. SUSAC: Wait, William, you cut out there.

BY MR. ELLENBERG:

Q. Wouldn't you agree that an interrogatory that asks CLECs to identify their mass market customers might have been a bit premature since the crossover points have not been set?

A. No. I think BellSouth could have used the TRO's definition of mass market customers as those being served by DSOs and have asked the question.

Q. And BellSouth did that, did it not?

A. BellSouth didn't do what I just said, no.

Q. You are familiar with the discovery that BellSouth served in this case, correct?

A. Correct.

Q. And, in fact, with respect to the first set of discovery you provided the responses to many of the questions, correct?

A. That's correct.

Q. You were aware that BellSouth asked AT&T and other CLECs to provide information on the number

of voice grade equivalent lines provided with customers with one line, two lines, three lines and so on up to 12 lines; isn't that correct?

A. That's correct. They used the term qualifying lines, and AT&T was unable to respond to that. We don't have the data divided that way.

Q. You don't have the data divided between qualifying or non-qualifying?

A. Number of lines per customer.

Q. Do you recall -- you accept my representation that the question that asked for customers with one line, two lines, three lines, was interrogatory number 7?

A. Yes.

Q. Do you recall AT&T's response to number 7?

A. My memory is that we were unable to respond, since we don't keep our records that way.

Q. AT&T said it didn't have the information in the format requested, correct?

A. Correct.

Q. Now, you did use information in that format in your rebuttal testimony, correct?

A. No.

Q. Maybe I misunderstood your chart. But I

believe looking at page 7, the chart beginning at line 10, isn't that data provided in a voice grade equivalent format?

A. It is provided in a voice grade equivalent format, it is not provided as one line, two lines, three lines, four lines. I still do not have that data.

Q. Then I may have jumped to a conclusion. The format -- was it not AT&T's position in response to the interrogatory that it did not have data available in the voice grade equivalent format?

A. It was a combination of both. We didn't have voice grade equivalent and we didn't have by one, two, three. Mostly by the one, two, three.

Q. So initially data was not available in a voice grade equivalent format, but that part was cured?

A. That's the only part that was cured. I spoke with BellSouth about that early in the discovery process, that we didn't have it, but we were attempting to get it, the VGE. And we were finally able to produce what you see in this table.

Q. And you notified Ms. Tipton that you had been able to come up with the data in the voice grade equivalent format a day or two before the

rebuttal testimony was to be filed, correct?

A. We supplemented that answer, right.

Q. Do you know when you supplemented the answer?

A. It was right around the time the testimony was filed.

Q. It wasn't after the time the testimony was filed?

A. I don't know if it was after or before. It may well have been after. Again, we still don't have it and never have had it by the number of lines per customer one, two, three, or customers with those lines.

Q. You're also aware that BellSouth asked AT&T to identify any and all switches that AT&T uses to provide service in Florida, irrespective of whether the switch is actually located in Florida, correct?

A. That's correct.

Q. Referring back to the Florida AT&T arbitration proceeding that we discussed earlier, would you accept that Mr. Ballinsby acknowledged that AT&T served some Florida customers, those on the Panhandle, with switches in Montgomery, Alabama and perhaps Macon, Georgia?

A. I remember reading that. I wasn't certain that he admitted that. I remember it was in perhaps at least one, if not in both of those.

Q. Since you read the transcript, did you go back to see if there were AT&T customers in Florida that were served out of the switch in Macon or Montgomery?

A. I actually had done that in response to, in preparing the response for discovery. I was unable at that point in time to find customers served in the Panhandle from those switches.

Q. Have you found something different since then?

A. I have not found anything different since then. Would there happen to be any, they would be the ADL customers we talked about earlier.

Q. Is that because of the type of switch in Macon?

A. Yes, I agree.

Q. Is that because of the type of switches in Macon and Montgomery?

A. Yes.

Q. Thank you.

Let's turn to your proposal for electronic loop provisioning or ELP. You are not

recommending that the Florida Commission adopt it in this proceeding, correct?

A. That is correct.

Q. Look at page 28 of your rebuttal testimony. It is actually a question at line 20.

A. Yes.

Q. Have you read the question at line 20?

A. Yes.

Q. Mr. Ruscilli suggests that one of the key reasons that BellSouth devoted so much of its direct testimony to hot cuts is because BellSouth expected CLECs, including AT&T, to argue that no adequate hot cut process is possible using existing technology, correct? .

A. Correct.

Q. In your response you challenge his characterization of the treatment of ELP by the FCC, correct?

A. Yes. Mr. Ruscilli said that the FCC rejected ELP.

Q. I didn't see a response to the first part of the question, and that's what I would like to ask you.

Does AT&T take the position that no adequate hot cut process is possible with today's

technology?

A. AT&T takes the position that no hot cut process will remove the impairments that we discussed earlier.

Q. Are you finished?

A. Yes.

Q. I'm sorry. Let me try it a slightly different way.

Is it AT&T's position that unless and until ELP or something that has the same functionality of ELP is deployed in BellSouth's network, that operational and economic barriers to a CLEC providing service to mass market customers using UNE-L cannot be overcome?

A. Yes, I believe that to be true.

MR. ELLENBERG: I'm just flipping through my notes. I think I'm done. Reserving the questions on -- we're going to have, as I understand, a break and then we'll come back on loop and transport. I do have questions on loop and transport, but I'm finished.

MR. SUSAC: Thank you very much, both.

Redirect by AT&T, anything?

MS. PATTON: Give me just a minute, Jeremy.

MR. SUSAC: All right.

REDIRECT EXAMINATION

BY MS. PATTON:

Q. Mr. Bradbury, with regards to the testimony discussed by Mr. Ellenberg, being the Talbot testimony in a Florida arbitration, you did not have any part to play in creating that testimony, did you?

A. No, I did not.

Q. And at that time -- I believe that testimony was filed in the year 2000. At that time UNE-L was still part of a business strategy in Florida, correct?

A. Correct.

Q. However, as your testimony, and I believe discovery responses have clarified, the UNE-L business practice ceased in 2001; is that correct?

A. That's correct.

Q. With regard to Mr. Talbot's testimony, you had reviewed the sections briefly that dealt with the economic ability of AT&T switches to serve these areas of Florida, correct?

A. Correct. I reviewed the pages Mr. Milner had cited.

Q. You did not in-depth, read in-depth or thoroughly read the entirety of his testimony, correct?

A. That's correct.

Q. So you cannot at this point support or agree with everything that may be contained in that testimony?

A. Correct.

Q. There was a question about Mr. Gillan and switching criteria, excuse me, trigger criteria that were listed in your testimony. Do you remember that?

A. Yes, ma'am.

Q. Mr. Ellenberg asked you if you agreed with criteria number 1, I believe, that stated that a switch should not be a, quote, enterprise switch, do you remember that?

A. Correct.

Q. And it is your position that Mr. Gillan is the best witness to ask any detailed question about that, about those six criteria; is that correct?

A. Yes, ma'am.

Q. But you have adopted Mr. Gillan's six criteria for purposes of this proceeding; is that correct?

MR. ELLENBERG: I'm going to have to object to the form of the question. She's leading the witness.

BY MS. PATTON:

Q. Have you adopted Mr. Gillan's criteria for the purposes of this proceeding?

MR. ELLENBERG: I renew my objection.

THE WITNESS: What I did with Mr. Gillan's criteria was simply applied them to the data about AT&T's operations in the State of Florida.

MS. PATTON: No further questions.

MR. SUSAC: All right. Verizon, I think you said you had 10 to 15 minutes. If that still stands, I think we could finish up by 12:15 and take a break.

MS. HYER: I think that still stands

REDIRECT EXAMINATION

BY MS. HYER:

Q. My name is Leigh Hyer, and I'm counsel for Verizon, and I have a few questions for you.

I would like to direct you to your

rebuttal testimony at page 7.

A. Yes, ma'am.

Q. And I'll try to make sure I ask these questions in a way that doesn't reveal confidential information. But I would like to direct your attention to the chart that appears at the beginning of line 10.

A. Yes, ma'am.

Q. And in that chart you identify particular switches and the numbers of voice grade equipment lines that are, I guess, equipped lines for each switch; is that correct?

A. Yes.

Q. So that's equipped it's not --

A. I'm sorry, these are in service.

Q. In service, okay.

And in addition you have a comparison of the number of DSO lines based on AT&T records and ILEC records, correct?

A. That's correct.

Q. And so the only switch that you have identified within this chart that's in Verizon territory is the one that's in Tampa; is that correct?

A. That's correct.

Q. And so the number that appears under AT&T records, that's the number of DSO lines in service on that particular switch, correct?

A. Correct. From AT&T's network records.

Q. Okay. And I also would like to -- keeping you on this particular chart, I would also like to direct you to your or AT&T's response to data submission data request. Do you have those in front of you?

A. I don't have them in front of me, but I have the associated data, I think.

Q. I'll try to direct your attention to the data and make sure we're on the same page. Again, I'll ask the questions in a way that doesn't reveal confidential information.

But in particular, as a clarification, attachment 4, the chart that is attachment 4 to those data responses lists various different ILEC CLLI codes. I just wanted to clarify. These are ILEC wire centers in which AT&T is currently collocated; is that correct?

A. That's correct.

Q. And you have the different LECs associated with a particular, Sprint, BellSouth and GTE, correct?

A. Yes.

Q. Now, are the lines that you identified that are associated, and by lines I mean the DSO lines, that are associated with the Tampa switch, identified at page 7 of your rebuttal testimony, are those lines associated with the collocations identified in this attachment 4 to the Staff data request?

A. I think so. I know we also supplemented our response to the Staff with the same data Mr. Ellenberg and I were talking about before, about the number of DSO lines.

Q. That's helpful. That was going to be my next question.

A. There are, in your territory in Tampa I have a number of collocations, not all of which serve DSO lines.

Q. Is that the breakdown between the attachment 4 list of wire centers and the attachment 5 list of wire centers?

A. It might be. Can you give me a little more detail?

Q. I'm sorry. I understand you don't have it in front of you. But the wire centers identified in response to the Staff's data request identified

as enterprise only.

A. Yes, the enterprise only, right, I do not serve DSOs there, that's correct.

Q. And when you say that you don't serve DSOs there --

A. Actually, we just found the AT&T Staff stuff here. Hang on. It might help.

MS. PATTON: If you can give us just one second.

MS. HYER: Certainly.

MS. PATTON: I believe we have the responses that you are asking Jay about. If you can give him one second, I think he may be able to answer your questions.

MS. HYER: Okay, that would be great.

THE WITNESS: Okay. Attachment 4, okay. The CLLIs on Attachment 4 are the locations where I can accept the DSO loop.

BY MS. HYER:

Q. And then the CLLIs on Attachment 5?

A. Are only -- I can only take DS1 loops or better at those locations.

Q. Okay. Now, are all of the CLLI codes listed on both attachments four and five served by

the same switch, the Tampa switch that's identified at page 7 of your rebuttal testimony?

A. I am checking.

Q. Okay.

A. Yes.

Q. Okay. So the difference between the CLLIs identified or the collocations identified on attachment 4 and the collocations on attachment 5, is not based on a technical limitation in the Tampa switch, correct?

A. That's correct.

Q. And what would need to be done to the wire centers identified on attachment 5 to enable them to accept DSOs?

A. We would have to go into those collocations and equip them with the appropriate DLC equipment.

Q. So currently there is no DLC equipment located in the collocations in the wire centers identified as attachment 5?

A. I think -- have you got Attachment 6 there?

Q. Yes, I do.

A. I think we can help you out a little there.

Q. That would be great.

A. On the last page of Attachment 6, all of your areas, I believe are shown.

Q. Are you referring me to the column entitled DLC capacity installed?

A. Right. Do you see there that what's installed you see the ones there that don't have DLC capacity?

Q. Okay.

A. They're either blank or have a zero in them.

Q. All right. That's helpful.

And you said that you did supplement these Staff responses with the breakdown from your records by wire center, the number of DS0 loops?

A. Attachment 6 was supplemented. Attachment 6, as you're looking at it, only has the DLC capacity installed. We supplemented it. We also gave the active DSOs.

Q. That's also very helpful, thank you.

I would like to direct you to page 10 of your rebuttal, actually page 9 and 10 of your rebuttal testimony.

A. Okay. Just a second. I need to move some paper here.

Rebuttal, 9 and 10, yes, ma'am.

Q. Now, at page 9 beginning at line 14 going through 19, and again I'm going to stay away from specific numbers, but the number of new lines being provisioned has decreased since 2001?

A. Yes, ma'am.

Q. And those new lines you're discussing are DSO UNE-L loops; is that correct?

A. That's correct.

Q. So during the 2001 through 2003 year period, AT&T did continue to add new DS0 UNE-L lines; is that correct?

A. We didn't add any new customers. What we were doing in this period of time is, I have a customer who is already on the UNE-L and that customers grows, and rather than go through the process of reverse hot cutting that customer and putting them over on UNE-P and have them reprogrammed and all of that stuff, I continued to serve that customer with a new line to him.

It may also be a customer that came to me on a partial migration, had left a number of lines with either Verizon or BellSouth, and subsequently said I want to move my other lines to the third thing. We will have a provision for a

customer that is otherwise an enterprise customer who needs an off line for a dial-up modem or a fax machine. We would produce those on a UNE-L platform also.

Q. Now, addressing the first category, just to clarify, I heard you discuss the existing customers that are adding new lines versus these otherwise enterprise customers that you discussed.

With respect to the first set of customers, it's correct, is it not, that AT&T is not actively disconnecting those customers?

A. That's correct. We have no active disconnection plan, or migration plan for these customers.

Q. So as long as they continue with AT&T as their service provider they will continue to be served via DSO UNE-L loops, correct?

A. That's correct. We don't want to either disrupt their service or incur the additional expense to us of moving their service.

Q. Now, Mr. Bradbury, is AT&T All-In-One Service a service that AT&T offers in Florida?

A. Yes, it is.

Q. And it's currently tariffed in Florida; is that right?

A. That's correct.

Q. And are any of AT&T's All-In-One customers in Florida served over a UNE-L line?

A. Only those that were put there back when the UNE-L plan was active, yes.

Q. So, is it fair to say that, going back to my previous question about the first category of customers, the existing customers that are continuing on UNE loop, as opposed to the otherwise enterprise customers you discussed, is that first category of customer an All-In-One customer, generally?

A. Most likely, yes.

Q. Now, when AT&T markets its All-In-One Service, does it market its service based on, to the customer based on whether the service is provided on a UNE-L basis versus a UNE-P basis?

A. No. We currently are only providing that service over UNE-P.

Q. Do you inform customers of that when you market the service to them?

A. No.

Q. Has AT&T taken any actions to withdraw its tariff offerings for AT&T's All-In-One Service in Florida?

A. No. That's a valid and ongoing offering in the State of Florida.

Q. So it's fair to say that AT&T has not filed a notice to discontinue service in Florida?

A. That's correct.

MS. HYER: Let me look over my notes and see if I have any further questions, but I may be done.

THE WITNESS: All right.

MS. HYER: Mr. Bradbury, I have no further questions for you. Thank you very much.

MR. SUSAC: Any redirect for Mr. Bradbury?

MS. PATTON: No, thank you.

MR. SUSAC: I think that covers all of the questions for 851, Mr. Bradbury.

Why don't we take a -- how long? How about we take a 30-minute break and we can all grab a quick bite to eat and resume at 12:45.

We're off the record.

(Deposition concluded at 12:20 p.m.)

CERTIFICATE OF REPORTER

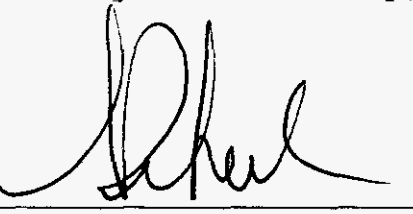
STATE OF FLORIDA:

COUNTY OF LEON:

I, ANITA M. PEKEROL, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 119 are a true and correct record of the aforesaid proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, or financially interested in the foregoing action.

DATED THIS 19th day of February, 2004.



ANITA M. PEKEROL, CRR, RPR, CP, CM
2894-A Remington Green Lane
Tallahassee, Florida 32308
850-878-2221

CERTIFICATE OF ADMINISTERING OATH

STATE OF FLORIDA:

COUNTY OF LEON:

I, ANITA M. PEKEROL, Registered Professional Reporter and Notary Public in and for the State of Florida at Large:

DO HEREBY CERTIFY that on the date and place indicated on the title page of this transcript, an oath was duly administered by Margaret Plasman to the designated witness(s) before testimony was taken.

DATED THIS 19th day of February, 2004.

ANITA M. PEKEROL, CRR, RPR, CP, CM
2894-A Remington Green Lane
Tallahassee, Florida 32308
850-878-2221

My Commission Expires: February 20, 2007.

ERRATA SHEET

I have read the transcript of my deposition, pages 1 through 121, and hereby subscribe to same, including any corrections and/or amendments listed below.

_____ _____

DATE: (JAY M. BRADBURY)

(Docket No. 030851-TP)

Page/Line	Correction or Amendment	Reason for Change

Deposition: February 18, 2004 Reporter: Anita M. Pekerol

REQUEST: Staff's Fifth Set of Interrogatories

DATED: February 2, 2004

Interrogatory 27: For the purpose of the following questions, please refer to the direct testimony of Bellsouth witness Tipton, Exhibit PAT-4 and to the direct testimony of Verizon witness Fulp , Exhibit ODF-3.

(a) Considering only UNE Zones 1 and 2 of the markets identified in Staff's Interrogatory 20 (a through f) as AT&T having entered, please identify those markets where AT&T provides service using UNE-L.

(b) For those markets identified in (a), please identify the CLLI for the switches which serve these markets.

(c) For each switch identified in (b), please identify the number of DS0 lines served in each market.

(d) For those DS0 lines served in each market identified in (c), please indicate the number of customer locations being served by those DS0 lines.

(e) Of those customer locations identified in (d), please indicate the number of customer locations with 3 or fewer DS0 lines.

(f) For each switch identified in (b) that provides DS0 service, please state the percent of total capacity used to provide DS0 service.

(g) For each switch identified in (b) that provides DS0 service, please state the percent of spare capacity.

(h) For each switch identified in (b), please identify the ILEC wire centers served.

Response:

(a) See Confidential Attachment Int. 27 and 29.

(b) See Confidential Attachment to Int. 27 and 29

(c) See Confidential Attachment to Int. 27 and 29

(d) AT&T does not have information in the form requested, however, the number of customer locations served may be determined by using the average 2.5 DSO lines per customer location.

(e) AT&T does not have this information.

(f) AT&T measures its switch capacity in terms of the utilization of installed T1 capacity. There is no valid methodology for determining percent of capacity using a mixture of DS0 and T1 information. However, it is possible to determine the number of voice grade equilavent lines in total on the switch and the number of those lines that originate as DS0 loops. The table below was previously provided on page 7 the Rebuttal Testimony of Jay Bradbury filed in this docket on January 7, 2004 provided this information for AT&T's six local switches in Florida. Percent Enterprise equals percent used for DS1 service and therefore the difference between that and 100% equals % DS0.

***BEGIN CONFIDENTIAL—SUBJECT TO PROCTECTIVE AGREEMENT

Switch Name	Switch CLLI	Number of voice grade equivalent lines (VGE)	Of VGE lines, number of DSO Lines		Percent Enterprise	
			AT&T Records	ILEC Records	AT&T	ILEC
Miami 1	NMIAFLAYDS0	26,334	3,164	3,652	88%	86%
Miami 3	OJUSFLTLDS3	7,434	0	0	100%	100%
Miami 2	FTLDFLOVDS3	12,600	3,942	4,380	69%	65%

Jacksonville	JCVLFLCLDS6	6,031	160	188	97%	97%
Orlando	ORLEFLGVDS0	15,242	2,323	1,835	85%	88%
Tampa	TAMQFLRYDSO	18,705	274	393	98%	98%
STATE		83,346	9,863	10,448	88%	87%

END CONFIDENTIAL—SUBJECT TO PROTECTIVE AGREEMENT***

g. The percent of spare capacity, measured in terms of installed T1 capacity for each of AT&T's local switches in Florida is identified in the following table: (NOTE: BellSouth's Response to Staff's 4th Set of Interrogatories on January 23, 2004 reported as "Aggregate Excess Capacity" for these switches in aggregate, a number that was in fact the average percent utilization in its response to Item 75b. This error grossly overstates available spare capacity.)

***BEGIN CONFIDENTIAL—SUBJECT TO PROTECTIVE AGREEMENT

Switch Name	Switch CLLI	Installed T1 Capacity	Percent Utilization	Percent Spare Capacity*
Miami 1	NMIAFLAYDS0	4,529	72%	8%
Miami 3**	OJUSFLTLDS3	1,619	38%	42%
Miami 2	FTLDFLOVDS3	3,278	36%	44%
Jacksonville	JCVLFLCLDS6	2,552	53%	27%
Orlando	ORLEFLGVDS0	3,544	43%	37%
Tampa	TAMQFLRYDSO	3,677	52%	28%

Switch capacity is capped at 80% to protect service quality during unexpected peak demand surges.

**** The Miami 3 switch does not provide any DS0 service but has been included for completeness.**

END CONFIDENTIAL—SUBJECT TO PROTECTIVE AGREEMENT***

h. See Confidential Attachment Int. 27 and 29.

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF

DAVID L. TALBOTT

ON BEHALF OF

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.
AND TCG SOUTH FLORIDA, INC.

DOCKET NO. 000731-TP

NOVEMBER 16, 2000

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DIRECT TESTIMONY OF DAVID L. TALBOTT

ON BEHALF OF

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.

AND TCG SOUTH FLORIDA, INC.

DOCKET NO. 000731-TP

NOVEMBER 15, 2000

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

A. My name is David L. Talbott. My business address is 3737 Parke Drive, Edgewater, Maryland 21037. I am a District Manager in the Local Services and Access Management group in AT&T Network Services.

Q. PLEASE PROVIDE YOUR BACKGROUND AND PROFESSIONAL EXPERIENCE AS THEY RELATE TO THE ISSUES IN THIS PROCEEDING.

A. I began my career with the AT&T Long Lines Department in 1976. From 1979 through 1988, I held various management positions in engineering related to the design and implementation of private line services. From 1988 through 1998, I developed and managed numerous business relationships between AT&T and selected Competitive Access Providers and Competitive Local Exchange Carriers. My responsibilities required that I address and resolve both technical and business issues, including the interconnection of

the respective networks. From February through August of 1999, I was the Business Development Manager for AT&T's Internet Protocol Cable Telephony Project. My responsibilities included assessing the technical capabilities of selected vendors and contracting with the best-qualified vendors to assist AT&T in its development of Internet Protocol cable telephony technology. As of September, 1999, I was assigned to my current position, where I am responsible for the development and negotiation of interconnection agreements between AT&T and incumbent local exchange carriers, focusing on network interconnection issues.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. My testimony supports AT&T's proposal as to how AT&T and BellSouth should interconnect their two networks and why AT&T should be permitted to charge BellSouth for tandem switching when completing calls from BellSouth's customers. First, I will explain that the AT&T and BellSouth networks should and can be interconnected on an equivalent basis, even though the two network architectures are substantially different. (Issue 7.) Second, I will describe to the Commission how AT&T's network interconnection solution would benefit AT&T, BellSouth, and Florida consumers. And third, I will demonstrate that the geographic area covered by AT&T's switches is comparable to the geographic area covered by BellSouth's tandem switches. (Issue 12.)

I. NETWORK INTERCONNECTION

ISSUE 7

Q. BRIEFLY DESCRIBE THE ISSUE REGARDING NETWORK ARCHITECTURE.

A. This issue concerns a dispute about who will bear the costs of transporting local traffic between the BellSouth and AT&T networks in Florida. In particular, it concerns the question of whether BellSouth should be responsible for the costs of originating, transporting, and terminating local calls from its own customers to AT&T customers in Florida. BellSouth has inaccurately portrayed this as a question of whether its subscribers should pay for the design of the AT&T network in Florida. I want to dispel that myth at the outset: the AT&T proposal will not in any way impose any additional financial burden on any BellSouth customers in Florida.

Indeed, the real question is whether AT&T should be forced to design its network less efficiently and incur higher costs simply because BellSouth refuses to transport its own originating traffic as it is required to and as it has historically done and continues to do for calls to its own customers and as AT&T does for calls from its customers to BellSouth customers. The focus of this issue should be on the harm to competition and consumers caused by the BellSouth proposal and on the illegality of the BellSouth proposal under the Telecommunications Act of 1996 (the "Act") and FCC regulations.

Q. WHAT HAS GIVEN RISE TO THIS ISSUE?

A. In order to interconnect the BellSouth and AT&T networks, the two parties must deploy Interconnection Facilities between the switches serving AT&T's customers and the end office switches serving BellSouth customers and the subtending BellSouth tandem switches.[1] The parties must then establish trunking between these switches for the efficient routing of interconnection traffic.

As I explain in greater detail below, to effectively compete for local exchange customers in Florida, AT&T has designed and deployed a network architecture that is substantially different than the embedded BellSouth network. This means that some calls from BellSouth customers to AT&T customers must be transported beyond the BellSouth local calling areas to be delivered to the AT&T switch serving the terminating AT&T customers. Despite unequivocal legal obligations requiring each party to bear the cost to transport and terminate its own traffic, BellSouth objects to bearing any costs for Interconnection Facilities beyond the BellSouth local calling areas. This is true even though both parties have agreed that calls within each LATA will be considered local for purposes of reciprocal compensation. This means that BellSouth is proposing that AT&T bear the cost of transporting BellSouth's

[1] Interconnection Facilities are the physical transmission channels that transport traffic between the AT&T and BellSouth switches that are used for local and intraLATA toll traffic. Facilities should be differentiated from trunks or trunk groups, which are the logical connections between two switches permitting traffic to be routed in an efficient manner. Trunks are established over working facilities.

originated intraLATA and Extended Area Calling from BellSouth's existing calling areas to AT&T's switch for completion of such calls.

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

A. BellSouth's position is that it is not responsible for all of the costs of originating, transporting, and terminating its own traffic for calls from its customers to AT&T customers. Rather, BellSouth asserts that it should have the unilateral and arbitrary right to designate a point within each of its Florida local calling areas where its responsibilities will end. Instead of transporting its own calls to their terminating (switch) destinations, BellSouth will only deliver its local and intraLATA traffic to the points designated by BellSouth and will require AT&T (and its customers) to bear the cost of transporting and terminating BellSouth's traffic beyond those points. Meanwhile, BellSouth wants AT&T to be financially responsible for delivering AT&T's originating traffic to each and every BellSouth end office and BellSouth also wants AT&T to be financially responsible for picking up BellSouth's originating traffic on each and every BellSouth local calling area. Thus, according to BellSouth, AT&T is financially responsible for delivering its own originating calls (calls from its customers to BellSouth customers) into every BellSouth end office, but BellSouth is not financially responsible for delivering its originating beyond the boundaries of its local calling areas to the location of the AT&T switch.

Q. WHAT IS AT&T'S POSITION ON THIS ISSUE?

A. AT&T's position is that the responsibility for originating, transporting, and terminating traffic should be mutual and that each party should be financially responsible for transporting its own originating traffic to a comparable point on the terminating party's network (i.e. the other party's switch serving the terminating customer). AT&T, and all ALECs, should be permitted to choose the most efficient interconnection point, as the law allows. ALECs should not have to design their networks less efficiently and their customers should not shoulder the burden of higher costs simply because BellSouth refuses to transport its own originating traffic as it is required to.

Q. WHAT SHOULD THE COMMISSION DO?

A. The Commission should adopt AT&T's network interconnection proposal. This proposal imposes on both parties the same relative obligations to transport and terminate traffic (i.e., equivalent interconnection). The Commission should thus continue to incorporate the longstanding policy that the originating party pays the cost of its own traffic. Unlike BellSouth's proposal, which places unequal obligations on the parties, substantially advantaging BellSouth, AT&T's proposal establishes equivalent interconnection, giving no party any advantage over the other.

Q. YOU MENTIONED THAT BELLSOUTH'S AND AT&T'S NETWORK ARCHITECTURES ARE SUBSTANTIALLY DIFFERENT. WHAT DO YOU MEAN BY THIS STATEMENT?

A. AT&T's and BellSouth's networks are similar in the sense that the two networks cover comparable geographic areas. This matter is discussed in greater detail later in my testimony under Issue 12. Beyond this one similarity, however, the two networks are substantially different with respect to their architecture.

BellSouth's network is a multi-layer or tiered network. BellSouth has many end office switches spread out over its service area and installed in the neighborhoods populated by its customers. These end office switches are interconnected by an overlying network of tandems. When certain volume levels are achieved and it is cost effective, BellSouth uses high-capacity trunks that directly link certain end office switches (bypassing the tandems). BellSouth's network architecture is depicted in Exhibit DLT-1 to my testimony. This hierarchical or layered network was deployed when there were limited transport options on the end-user side of the switch, resulting in many switches deployed in the neighborhood (thus, keeping loop lengths relatively short), as was dictated by the technology of the times. As I understand it, BellSouth finds the use of its tandem switches to be the least costly method of interconnecting many end offices until certain traffic thresholds are achieved between two end offices, and only then is it more efficient for BellSouth to directly connect the two end offices. This

arrangement recognizes that BellSouth's tandem facilities (both switch and common shared transport) are less expensive to utilize for occasional use than the capacity commitment associated with dedicated transport, until enough traffic is develops to fill the dedicated transport.

Q. WHAT ABOUT AT&T'S NETWORK?

A. AT&T, in contrast to BellSouth, began its local telephony deployment only recently. Therefore, AT&T's switches[2] are deployed consistent with the costs and efficiencies of today's technology. Currently, AT&T has a menu of options that are capable of economically connecting end users located relatively far from a switch. These options include: (1) high capacity fiber optic rings to commercial buildings and multiple dwelling units; (2) hybrid fiber coax plant being deployed by AT&T's cable TV properties; (3) fixed wireless technology now being beta tested (although this technology would likely come under a different (CMRS) interconnection agreement), (4) UNE loop resale through AT&T collocation in BellSouth end offices, and (5) dedicated high-capacity facilities (in some cases using special access services purchased from BellSouth but more appropriately through combinations of UNEs). Due to the very high initial cost of switching platforms as compared to the lower incremental cost of high-capacity facilities, AT&T has chosen to deploy fewer switches and more transport on the end-user side of the switch.

[2] Although AT&T switches normally provide both an end office and tandem function and are really multi-function switches, I will refer to them in this testimony simply

(Even where AT&T has determined the need for multiple switches within a LATA, they are often collocated within the same building.) The distinction between the two networks is that while BellSouth deploys tandems first and then grows into high use dedicated trunking between offices, AT&T deploys a single switch combined with long transport on the end-user side of the switch, because that combination is incrementally less costly than adding a new switch in each part of a market. AT&T's network architecture is depicted in Exhibit DLT-2 to my testimony.

Consistent with AT&T's architecture, there are certain LATAs in which AT&T has not deployed a switch physically within the LATA. AT&T has agreed that in such cases, AT&T will establish at least one physical Point of Interconnection (POI)[3] within the LATA, and AT&T will provide all of the facilities (for both originating and terminating traffic) between its switch and such POI. Where AT&T has chosen not to deploy a switch within a LATA, the POI will be treated as if it were an AT&T switch (i.e., AT&T has virtually extended its switching functionality into the LATA to the POI). The AT&T architecture, therefore, provides a switch (or switching presence) in every BellSouth LATA. Further, although AT&T believes it has the legal right to establish a POI at the most efficient, technically feasible point, AT&T is willing, under its proposal, to establish at least two physical POIs

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as "switches." In AT&T's proposed Interconnection Agreement, they are referred to as "switch centers."

[3] As used in this testimony POI means the point at which the two networks are interconnected for the mutual exchange of traffic.

within each LATA where BellSouth provides service today unless there is a de minimus volume of traffic across the LATA.

Q. WHY DIDN'T AT&T DEPLOY A NETWORK ARCHITECTURE THAT IS SIMILAR TO BELLSOUTH'S?

A. Considering the number of customers AT&T serves, the volume of AT&T's traffic these customers generate, and the geographic dispersion of these customers, the BellSouth network architecture would be highly inefficient for AT&T. Yet, that is exactly what BellSouth proposes: that AT&T be required to replicate the BellSouth network architecture for network interconnection, or at least be required to incur the cost that would be associated with replicating the BellSouth architecture.

Q. WHY WOULD BELLSOUTH'S PROPOSAL REQUIRE AT&T TO REPLICATE BELLSOUTH'S NETWORK?

A. BellSouth has a sufficient volume of traffic within and between each its local calling areas to cost justify trunking to that area and had designed its network accordingly. AT&T may or may not have a sufficient volume of traffic between each BellSouth local calling area to cost justify trunking to that area. As AT&T enters a new market, it starts with few or no customers. In such circumstances, AT&T certainly would not have a sufficient volume of traffic to cost justify end office trunking to such a local calling area or justify the capital needed to build out AT&T's network. In these areas, the most

efficient method for AT&T to interconnect to the BellSouth network for AT&T's traffic would be through a BellSouth tandem switch, where AT&T may establish a POI. It would be highly inefficient for AT&T to establish trunk groups or build network where the volume of AT&T traffic does not justify such. AT&T should be permitted to determine the most cost efficient method of interconnection for itself, regardless of the volumes of traffic that BellSouth may have with or between certain local calling areas.

Q. WHAT WOULD BE THE CONSEQUENCES OF REQUIRING AT&T TO INTERCONNECT WITHIN EACH LOCAL CALLING AREA?

A. Such a requirement would have two adverse affects on AT&T. First, AT&T would lose the benefits of its efficient network architecture, incurring higher network costs. Second, it would shift to AT&T the transport costs that BellSouth is required to lawfully bear under the Act. The interconnection arrangement proposed by BellSouth would be extremely unfair to AT&T, substantially more favorable to BellSouth and would suppress investment in competitive facilities. The higher costs that AT&T would be forced to bear under BellSouth's proposal would make those Florida markets that would have been marginally profitable under AT&T's interconnection proposal, uneconomic to serve. Simply put, BellSouth's interconnection proposal is harmful to competition in Florida. AT&T has proposed, and my testimony explains, that the interconnection arrangement adopted by the Commission should be neutral to either party's network architecture (i.e., each party

should have the same relative obligations when it is in the role of originating carrier) and require each party to bear the costs to transport and terminate its own traffic.

Q. DO YOU HAVE DIAGRAMS THAT DEPICT THE COSTS ASSOCIATED WITH ORIGINATING, TRANSPORTING AND TERMINATING TRAFFIC AS YOU DESCRIBE IN YOUR TESTIMONY?

A. Yes. Exhibit DLT- 3 to my testimony depicts the costs that an ILEC incurred to complete a call prior to the Act. Exhibit DLT- 4 to my testimony depicts the costs that an originating carrier is expected to incur to compete a call between competing LECs under the Act.

Exhibit DLT-4 also depicts AT&T's proposed interconnection arrangement. Please note that in DLT-4 the costs are allocated between the parties in the exact same manner when each party is in the position of originating carrier and again as the terminating carrier.

Exhibit DLT-5 depicts BellSouth's interconnection proposal. If you compare how the transport costs are allocated to each party in this diagram, it cannot be more clear that the BellSouth interconnection proposal is not reciprocal and that it is BellSouth that has shifted a large potion of its interconnection costs to AT&T. Exhibit DLT-5 shows that AT&T would bear all of the costs to deliver its traffic to the BellSouth network when AT&T is the originating

carrier and that AT&T again would bear all of the costs to carry BellSouth 's traffic back to the AT&T network when BellSouth is the originating carrier.

Q. WHY IS BELLSOUTH'S PROPOSED INTERCONNECTION ARRANGEMENT UNFAIR TO AT&T?

A. Under BellSouth's proposed interconnection arrangement, AT&T and BellSouth would have substantially inequitable obligations to provide interconnection facilities. AT&T would be financially responsible for the delivery of its traffic to each BellSouth end office, and BellSouth would deliver its traffic to AT&T no further than its own local calling area. This situation is unfair to AT&T, because the parties do not have reciprocal interconnection obligations even though the BellSouth and AT&T networks cover geographically comparable areas and have symmetrical compensation rates.

Q. WHY SHOULD THE COMMISSION REQUIRE AT&T AND BELLSOUTH TO INTERCONNECT ON AN EQUIVALENT BASIS?

A. First of all, as I discuss below, the law requires it. Moreover, as I have previously stated, AT&T's network covers a comparable geographic area to BellSouth's network. This is supported by the evidence provided under Issue 12. If an ALEC has only a small network and only offers services over a small geographic area or only to an exclusive group of customers, then that ALEC's network would not be comparable to BellSouth's network. But

AT&T has made substantial network investments in Florida and AT&T offers its local exchange services without regard to location. Therefore, the Commission should require that the BellSouth and AT&T networks be interconnected on an equivalent basis.

BellSouth's interconnection proposal completely disregards the geographic comparability of the two networks. Ignoring the legitimacy of AT&T's network architecture, BellSouth proposes that the two networks be interconnected solely on the basis of *BellSouth's* network architecture. In other words, BellSouth is asking the Commission to ascribe an arbitrary primary status upon BellSouth's network. BellSouth may believe that its network is entitled to this arbitrary status because it pre-existed local telephone competition or is based on a traditional hierarchical network architecture, but the Commission should not be led into making such a decision.

Q. SHOULD THE BELLSOUTH LOCAL CALLING AREA BE THE BASIS FOR INTERCONNECTING THE TWO PARTIES NETWORKS?

A. No. BellSouth's local calling areas should not be the basis of network interconnection. First, there is no logical reason to use local calling areas. BellSouth's original local calling areas were established for the purpose of setting rates solely for BellSouth's customers. They bear no relationship to the capacity of switches and other facilities deployed by ALECs or

BellSouth. Moreover, there is no such thing anymore as "a" local calling area. For some time BellSouth has offered EAS plans and now even offers LATA-wide local calling areas. These various calling plan options dispel any suggestion that there is any real significance to the geographic scope of any given local calling area. Moreover, BellSouth's local calling areas may be subject to substantial changes as BellSouth and its competitors seek competitive advantages for their respective local service offerings. More fundamentally, interconnection based solely on BellSouth's local calling areas does not foster competition and does not benefit consumers. To interconnect based on BellSouth's local calling areas would completely disregard the legitimacy of a competitor's local calling areas, would discourage competitors from expanding local calling areas for the benefit of customers and competition, and certainly would not be reciprocal. Moreover, using BellSouth's local calling areas as the basis of network interconnection substantially compromises the network efficiencies of the alternative network architectures deployed by AT&T, forcing AT&T into an inefficient BellSouth-look-a-like interconnection arrangement, and forcing ALEC customers to bear the burden of those inefficiencies.

Q. IS AT&T IMPROPERLY ATTEMPTING TO SHIFT FACILITY COSTS FROM AT&T TO BELLSOUTH FOR AT&T'S CUSTOMERS' TRAFFIC THAT TERMINATES ON BELLSOUTH'S NETWORK?

A. No. AT&T believes that it is responsible for the costs to originate, transport and terminate its traffic. Accordingly, AT&T proposes that it should provide

(either lease or build) all of the facilities for its originating traffic between the AT&T switch and the POI selected by AT&T and that AT&T should compensate BellSouth for any transport and switching functions provided by BellSouth for the completion of AT&T's traffic in the form of reciprocal compensation. Regardless of any claims by BellSouth to the contrary, AT&T agrees to bear the full financial costs of its traffic.

Contrary to AT&T's fair, reciprocal and lawful position, BellSouth is trying to shift its interconnection facility costs to AT&T. BellSouth retains the vast majority of end users and the revenue these customers produce, yet BellSouth seeks to avoid compensating AT&T for AT&T's costs in terminating traffic from BellSouth's end-users. This provides BellSouth with an unlawful competitive advantage. Accordingly, the Commission should reject the BellSouth proposal and adopt the AT&T proposal.

Q. BUT DOESN'T THE BELLSOUTH PROPOSAL REFLECT THE ADDITIONAL COSTS THAT BELLSOUTH MUST INCUR TO PROVIDE FACILITIES FROM ITS LOCAL CALLING AREA TO THE AT&T SWITCH?

A. No. The BellSouth proposal is nothing more than an anticompetitive proposal to unilaterally designate interconnection points for BellSouth-originated traffic. If BellSouth designates interconnection points at end offices some distance from the AT&T point of presence, the

intercarrier compensation will not be symmetrical. Indeed, BellSouth's proposal confirms the FCC's conclusion that:

> Because an incumbent LEC currently serves virtually all subscribers in its local serving area, an incumbent LEC has little economic incentive to assist new entrants in their efforts to secure a greater share of that market. An incumbent LEC also has the ability to act on its incentive to discourage entry and robust competition by not interconnecting its network with the new entrant's network or by insisting on supracompetitive prices or other unreasonable conditions for terminating calls from the entrant's customers to the incumbent LEC's subscribers.[4]

[4] First Report and Order, *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, 11 FCC Red. 1J499 (1996) at ¶ 10 (footnote omitted), hereinafter "FCC Local Competition Order".

Q. HOW DOES THE ACT APPLY TO THIS ISSUE?

A. Prior to the passage of the Act, unless a call was directed to the operating territory of another local carrier, the originating carrier was responsible for the costs of originating, transporting and terminating each call, simply because the call never left the originating carrier's territory or network. Consistent with the originating carrier's overall financial responsibility, the originating carrier collected and retained the applicable revenue.

With the passage of the Act, the originating carrier continues to collect and keep the local exchange revenue, and where a competing LEC is used to terminate the call (because the terminating customer belongs to a competing LEC), the Act establishes reciprocal compensation to compensate the terminating carrier for its costs. However, in so doing, the Act did not alter the long-standing economic model under which the originating carrier collects the local exchange revenue and is responsible for the costs of originating, transporting and terminating its traffic. Section 252(d)(2)(A) of the Act states:

> ... a state commission shall not consider the terms and conditions for reciprocal compensation to be just and reasonable unless... such terms and conditions provide for the mutual and reciprocal recovery by each carrier of costs associated with the transport and termination on each carrier's network facilities of calls that originate on the network facilities on the other carrier.

If the parties have unequal interconnection obligations, as proposed by BellSouth, then the parties should have non-symmetrical reciprocal compensation rates, so that each party would recover its respective costs to transport and terminate the other party's traffic. To meet the "just and reasonable" test under Section 252(d)(2)(A), the parties must have comparable obligations to deliver traffic to the other party's network. If it is found that one party to the Agreement is not compensated for "costs associated with the transport and termination on each carrier's network facilities of calls that originate on the network facilities on the other carrier", then the resulting Agreement would be neither "just" nor "reasonable".

Q. IF AT&T CHOOSES TO PLACE ONE SWITCH PER LATA, SHOULDN'T BELLSOUTH BE ALLOWED TO PLACE ITS INTERCONNECTION POINT AT ITS DESIRED LOCATION?

A. No. The Act and FCC orders clearly allow new entrants to interconnect at any technically feasible point. The single switch presence per LATA allows new entrants to grow their business economically without having to duplicate the ILECs existing network. If Congress had wanted ILECs to have the ability to designate interconnection points and ALECs to bear the same duty in establishing interconnection points that incumbent LECs have, it would have specifically stated that outcome, rather than separating out the interconnection obligations to apply only to incumbent LECs under Section 251(c)(2).

Q. HAS THE FCC PROVIDED ANY GUIDANCE ON THIS ISSUE?

A. Yes. This issue has two sub-parts. First, should BellSouth have the right to designate the point on BellSouth's network within its own local calling area where it will deliver its local and intraLATA traffic to AT&T? Second, how should the costs of Interconnection Facilities be allocated between the parties? The FCC has spoken on both of these issues.

Q. DO EXISTING FCC RULES ALLOW BELLSOUTH TO DISIGNATE THE POINT ON ITS NETWORK WHERE AT&T MUST ACCEPT BELLSOUTH'S TRAFFIC?

A. No. FCC regulations do not allow BellSouth or any ILEC the right to designate the point at which the other party must "pick up" the ILEC's traffic. To the contrary, Rule 51.305(a)(2) obligates BellSouth to allow interconnection by an ALEC at any technically feasible point. In its Local Competition Order, the FCC explained:

> The interconnection obligation of section 251(c)(2), discussed in this section, allows competing carriers to choose the most efficient points at which to exchange traffic with incumbent LECs, thereby lowering the competing carriers' costs of, among other things, transport and termination of traffic.[5]

[5] FCC Local Competition Order at ¶ 172 (emphasis added).

The FCC identified the Act as the source of these differing obligations:

> Section 251(c)(2) does not impose on non-incumbent LECs the duty to provide interconnection. The obligations of LECs that are not incumbent LECs are generally governed by sections 251(a) and (b), not section 251(c). Also, the statute itself imposes different obligations on incumbent LECs and other LECs (i.e., section 251(b) imposes obligations on all LECs while section 251(c) obligations are imposed only on incumbent LECs).[6]

Q. DOES THE FACT THAT THERE IS NO PROHIBITION AGAINST ILECS DETERMINING TECHNICALLY FEASIBLE INTERCONNECTION POINTS GIVE THEM THE RIGHT TO DO SO?

A. No. As noted above, the interconnection obligations of LECs and ILECs are specifically identified in the Act. BellSouth may not assume some authority that is not provided for in the Act. BellSouth has claimed in other proceedings that its should be permitted to designate the point where AT&T must pick up BellSouth's traffic so that BellSouth may avoid the transport costs at issue. However, the FCC's statement is clear. The competing carrier has the right to designate the point at which traffic is exchanged, "thereby

[6] Id. at ¶ 220.

lowering the competing carriers' costs." The FCC reiterated its reasoning in connection with an interconnection dispute in Oregon, where the FCC intervened and urged the court to reject US West's argument that the Act requires competing carriers to interconnect in the same local exchange in which it provides local service. The FCC explained:

> Nothing in the 1996 Act or binding FCC regulations require a new entrant to interconnect at multiple locations within a single LATA. Indeed, such a requirement could be so costly to new entrants that it would thwart the Act's fundamental goal a opening of opening local markets to competition.[7]

More recently, in its order on SBC's 271 application for Texas, the FCC made clear its view that under the Telecommunication Act, ALECs have the legal right to designate the most efficient point at which to exchange traffic. As the FCC explained:

> New entrants may select the most efficient points at which to exchange traffic with incumbent LECs, thereby lowering

[7] Memorandum of the FCC as Amucus Curiae at 20-21, *US West Communications Inc. v. AT&T Communications of the Pacific Northwest, Inc.*, (D. Or. 1998) (No. CV 97-1575- JE) (emphasis added).

the competing carriers' cost of, among other things, transport and termination.[8]

The FCC was very specific:

> Section 251, and our implementing rules, require an incumbent LEC to allow a competitive LEC to interconnect at any technically feasible point. This means that a competitive LEC has the option to interconnect at only one technically feasible point in each LATA.

Q. WHAT HAS THE FCC PROVIDED ON HOW COSTS OF INTERCONNECTION FACILITIES SHOULD BE ALLOCATED BETWEEN THE PARTIES?

A. 47 C.F.R. § 51.703(b) very clearly provides:

A LEC may not assess charges on any other telecommunications carrier for local telecommunications traffic that originates on the LEC's network.

Further, 47 C.F.R. § 51.709(b) reads:

> The rate of a carrier providing transmission facilities dedicated to the transmission of traffic between two carriers' networks shall recover only the costs of the

[8] Memorandum Report and Order, *Application of SBC Communications Inc., Southwestern Bell Telephone Company and Southwestern Bell Communications Services, Inc. d/b/a Southwestern Bell Long Distance, Pursuant to Section 271 of the Telecommunications Act of 1996 To Provide In-Region InterLATA Services in Texas*, CC Docket No. 00-65 at ¶ 78 (June 30, 2000).

> proportion of that trunk capacity used by an interconnecting carrier to send traffic that will terminate on the providing carrier's network.

In its Local Competition Order, the FCC explained:

> The amount an interconnecting carrier pays for dedicated transport is to be proportional to its relative use of the dedicated facility. For example, if the providing carrier provides one-way trunks that the inter-connecting carrier uses exclusively for sending terminating traffic to the providing carrier, then the inter-connecting carrier is to pay the providing carrier a rate that recovers the full forward-looking economic cost of those trunks. The inter-connecting carrier, however, should not be required to pay the providing carrier for one-way trunks in the opposite direction, which the providing carrier owns and uses to send its own traffic to the inter-connecting carrier.[9]

A simple hypothetical example should make the application of this rule clear. If there were a sufficient volume of traffic between an AT&T switch and a certain BellSouth end office, AT&T would elect to establish one-way trunks between the two switches to deliver AT&T's originating traffic. The least

[9] FCC Local Competition Order at ¶ 1062 (emphasis added).

costly method for AT&T to obtain the transport needed for such trunks may be to lease the capacity from BellSouth as dedicated transport. BellSouth would also need to establish one-way trunks between the same two switches for its originating traffic. BellSouth almost certainly will establish such trunks on its own facilities. What we end up with is a single BellSouth facility system between the AT&T and BellSouth switches that is used to carry both AT&T's one-way trunks and BellSouth's one-way trunks. What the FCC is saying in C.F.R. 51.709(b) is that BellSouth may only recover the cost of the proportion of that trunk capacity used by AT&T between the two switches to send traffic that will terminate on BellSouth's network. AT&T agrees that it would pay for the transport for its one-way trunks. However, contrary to 47 C.F.R. 51.709(b), what BellSouth proposes is to recover the costs of both AT&T's portion *and* the costs of the proportion of that trunk capacity used by BellSouth to send traffic that will terminate on AT&T's network. This would be especially onerous to AT&T when the volume of traffic originated on BellSouth's network far exceeds the volume of traffic that is originated on AT&T's network.

The situation is identical when AT&T elects to route traffic via a BellSouth tandem switch rather than via direct end office trunks. Again, AT&T agrees to pay BellSouth for the one-way trunk capacity needed to transport AT&T's traffic between the AT&T switch and the BellSouth tandem, however, AT&T should not be required to pay BellSouth for one-way trunks in the opposite direction, which BellSouth owns and uses to send its own traffic to AT&T.

Q. HAS THE FCC ISSUED ANY DECISIONS ON THIS ISSUE?

A. Yes. In *In re TSR Wireless, LLC, et. al., v. U.S. West,* file Nos. E-98-13, et. al., FCC 00-194 (June 21, 2000), several paging carriers alleged that US West and other ILECs had improperly imposed charges for facilities used to deliver LEC-originated traffic. The paging carriers based their complaint on 47 C.F.R. § 51.703(b) and sought an order from the FCC prohibiting the ILECs from charging for dedicated and shared transmission facilities used to deliver LEC-originated traffic. The FCC agreed with the paging carriers. In its Order, after finding (1) that paging carriers provide telecommunications and are thus included within the scope of the rules governing reciprocal compensation (47 C.F.R. § 701(e)) and (2) that paging carriers "switch" and "terminate" traffic within the meaning of those rules, the FCC determined that "any LEC efforts to continue charging CMRS or other carriers for delivery of such [LEC-originated] traffic would be unjust and unreasonable." Accordingly, the FCC concluded that the ILECs "may not impose upon Complainants charges for the facilities used to deliver LEC-originated traffic to Complainants."

Q. WHY SHOULD THE COMMISSION ADOPT AT&T'S SOLUTION?

A. AT&T's network interconnection solution would benefit AT&T, BellSouth and Florida consumers in the following ways:

1. AT&T's solution is fair to both parties.

First, both parties would establish equivalent interconnection between the respective networks. Neither party would gain a substantial advantage over the other, as BellSouth proposes. Second, both parties would provide interconnection facilities in proportion to the interconnection traffic that it delivers to the other party. Considering the geographic parity of both parties' networks, it would clearly be unfair to AT&T to adopt the practice of disproportional, unequal interconnection.

2. AT&T's solution promotes competition.

AT&T's proposal allows competing callers to use alternative network architecture without any penalty. Additionally AT&T's proposal does not require ALECs to duplicate the network already established by BellSouth. Less costly and more efficient solutions are promoted, not discouraged.

3. AT&T's solution provides flexibility to the parties.

Each party would have a variety of methods that it may employ to deliver its traffic to the other party's terminating switch. Parties can lease facilities from one another, they can lease facilities from third parties, implement a mid-span meet, or they can deliver their traffic using AT&T's facilities. Under AT&T's proposal, even though not obligated to do so, AT&T is even willing to offer BellSouth space, power, and site services in its switching centers, compensated appropriately, so that BellSouth may use its own facilities to deliver its interconnection traffic to such AT&T locations. In this

way, each party may determine for itself the most efficient method of interconnection under the terms of the Agreement.

4. AT&T's solution allows AT&T to use scarce collocation space for interconnection to UNEs.

BellSouth's proposed interconnection arrangement jeopardizes AT&T's local market entry plans, because it allows BellSouth to "hand-off" its traffic at a BellSouth location that may have limited or no additional collocation space. AT&T has found that the smaller AT&T collocation arrangements in certain BellSouth end offices are being prematurely exhausted by the transport of BellSouth's interconnection traffic through such collocation space. AT&T requires collocation space within BellSouth end offices so that AT&T may interconnect to BellSouth's UNEs in order to fulfill its market entry plans. Because of this duel need for collocation space, BellSouth's proposal forces AT&T to choose between essential uses of scare collocation space; where there is an equal priority on using collocation space for network interconnection and UNE combination. The result of BellSouth's proposal is that in many areas AT&T's local market entry may be delayed or thwarted. AT&T's solution provides for a joint transition plan that would require that BellSouth's interconnection traffic to be transitioned from any existing POI in jeopardized AT&T collocation space to a new POI. The Commission should adopt AT&T's network interconnection solution, because, otherwise, consumers served by a BellSouth end office for which AT&T's collocation

space is exhausted would not enjoy the same level of local exchange competition as customers in unaffected areas.

5. AT&T's solution is consistent with law and regulation.

The FCC has made clear that ILECs do not have the right to determine where ALECS must interconnect to pick up ILEC traffic. ALECs can interconnect at any technically feasible point, and can select a point which is most efficient to lower costs. AT&T's proposal clearly meets these requirements.

II. TANDEM SWITCH RATE

ISSUE 12

Q. WHAT DO THE FCC REGULATIONS PROVIDE ABOUT ALEC SWITCHES AND TANDEM RATES?

A. The FCC recognizes that there is parity between a competitive carrier's end office switch and an ILEC tandem switch. The FCC regulations, 47 C.F.R. § 51.711 (a)(3), provide:

> Where the switch of a carrier other than an incumbent LEC serves a geographic area comparable to the area served by the incumbent LEC's tandem switch, the appropriate rate for the carrier other than an incumbent LEC is the incumbent LEC's tandem interconnection rate.

Q. HAS THE FCC PROVIDED ANY ADDITIONAL GUIDANCE REGARDING THE ESTABLISHMENT OF TRANSPORT AND TERMINATION RATES?

A. Yes, it has. In the Local Competition Order, the FCC stated:

> We find that the "additional costs" incurred by a LEC when transporting and terminating a call that originated on a competing carrier's network are likely to vary depending on whether tandem switching is involved. We, therefore, conclude that states may establish transport and termination

rates in the arbitration process that vary according to whether the traffic is routed through a tandem switch or directly to the end-office switch. In such event, states shall also consider whether new technologies (*e.g.*, fiber ring or wireless networks) perform functions similar to those performed by an incumbent LEC's tandem switch and thus, whether some or all calls terminating on the new entrant's network should be priced the same as the sum of transport and termination via the incumbent LEC's tandem switch. Where the interconnecting carrier's switch serves a geographic area comparable to that served by the incumbent LEC's tandem switch, the appropriate proxy for the interconnecting carrier's additional costs is the LEC tandem interconnection rate.[10]

Q. DO AT&T'S SWITCHES IN FLORIDA COVER A GEOGRAPHIC AREA COMPARABLE TO THE AREA COVERED BY BELLSOUTH SWITCHES?

A. Yes. AT&T offers local exchange service in Florida via 4ESS switches, which function primarily as long distance switches, and 5ESS switches, which act as adjuncts to the 4ESS switches. AT&T has the ability to connect

[10] FCC Local Competition Order at ¶ 1090 (emphasis added).

virtually any qualifying local exchange customer in Florida to one of these switches through AT&T's dedicated access services.

TCG provides local exchange services using Class 5 switches. TCG is able to connect virtually any customer in a LATA to the TCG switch serving that LATA either through (1) TCG's own facilities built to the customer premises, (2) UNE loops provisioned through collocation in BellSouth end offices, or (3) using dedicated high-capacity facilities (in special access services or combinations of UNEs purchased from BellSouth).[11]

AT&T requests that the Commission order BellSouth to pay AT&T BellSouth's tandem interconnection rate for the termination of local traffic at any AT&T Communications switch and any TCG switch. AT&T is justified in its request because the geographic area covered by each switch is comparable to the area covered by BellSouth's tandem switches.

Q. HAVE YOU PREPARED ANY MATERIALS THAT WILL ASSIST THE COMMISSION IN DETERMINING THE GEOGRAPHIC COVERAGE OF AT&T'S AND TCG'S SWITCHES?

A. To assist the Commission in understanding this issue, I have prepared a series of maps that are marked as Exhibit DLT-6. Exhibit DLT-6 contains both

[11] AT&T and TCG are separate legal entities, are separately certified in Florida, and should be treated as separate entities under the completed agreements. Moreover, their local service networks provide entirely distinct services and products to distinct classes of customers and are not integrated in any way. Accordingly, each entity should be examined separately for purposes of determining whether that entity meets the requirements under 47 C.F.R. § 51.711 (A)(3).

color transparency maps and color copies (of the same maps). The transparent maps are supplied so that the reader can "overlay" the maps and compare the geographic area served by AT&T and TCG switches and BellSouth switches.

Exhibit DLT-6a[12] provides the number of switches AT&T currently operates in Florida on a LATA by LATA basis. It is important to note that in some cases, the AT&T switch serving a LATA is not physically located in the LATA.

Exhibit DLT-6b[13] shows the number of switches TCG currently operates in Florida on a LATA by LATA basis. Like AT&T's switches, it is important to note that in some cases, the TCG switch serving a LATA is not physically located in the LATA.

Exhibit DLT-6c[14] shows the number of tandem switches BellSouth Florida currently operates in Florida on a LATA by LATA basis. When 6a, 6b, and 6c are superimposed over each other, it becomes clear that both AT&T's and

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12 On the AT&T maps, green shading depicts the areas covered by AT&T's switches.
13 On the TCG maps, blue shading depicts the areas covered by TCG's switches.
14 On the BellSouth maps, various color shading depicts areas covered by BellSouth's tandems.

TCG's switches cover the same (or a comparable) geographic area as that covered by BellSouth's tandem switches.[15]

Q. WHAT ABOUT THE FUNCTIONALITY OF THE SWITCHES?

A. The relevant FCC rule does not focus on tandem functionality[16] for purposes of determining whether an ALEC meets the requirements under 47 C.F.R. § 51.711(a)(3). However, each AT&T and TCG switch performs certain tandem functions for the respective AT&T entity. First, each of these switches acts as an access tandem routing the preponderance of interLATA traffic directly to the applicable interexchange carrier. Second, with respect to traffic between any AT&T customer and any BellSouth customer within the same LATA, AT&T has direct trunking to each BellSouth tandem in the LATA so that such traffic may be completed without transiting multiple AT&T switches or multiple BellSouth tandems. In other words, AT&T uses

---

[15] Statewide and LATA-specific maps were created by using data contained in the Local Exchange Routing Guide (LERG). The LERG, produced by Telcordia Technologies, contains routing data that supports the current local exchange network configuration within the North American Numbering Plan (NANP) as well as identifying reported planned changes in the network. The LERG data in conjunction with MapInfo V-4.1.1.2, a commercial mapping software package, was used to prepare the state-wide and LATA-specific maps attached herein.

[16] The primary function of a tandem is the aggregation of traffic between customers calling outside their immediate exchange. As described in the preceding discussion of network architecture, the BellSouth network is comprised of a large number of end offices each serving a relatively small area. Rather than connect every end office to every other end office, BellSouth routes certain traffic to tandem switches which serve groups of end offices. Thus, a call from a BellSouth customer to someone in another rate center often will travel to a tandem switch which has a connection to the end office switch serving the called customer. Under the BellSouth network architecture, the tandem switches aggregate traffic to be sent to other switches. Under AT&T's network architecture, AT&T's switches also

its switches in the same functional manner that BellSouth uses its tandem switches.

Q. DO AT&T'S SWITCHES PROVIDE TANDEM FUNCTIONALITIES IN THE MANNER DESCRIBED IN THE FCC'S DISCUSSION IN THE LOCAL COMPETITION ORDER?

A. As the foregoing description of AT&T switch function indicates, AT&T's switches do indeed perform both end office and tandem switch functions. Tandem switches generally aggregate traffic from a number of end office switches for purposes of passing that traffic to other offices for termination elsewhere on the network. The tandem switch is also used for aggregation and processing of operator services traffic, routing traffic that is to be transferred between the trunk groups of two separate carriers, and measuring and recording traffic detail for billing. While BellSouth employs two separate switches to accomplish these tandem and end office functions; as I have shown above, AT&T's switches perform all of these functions within the same switch.

Thus, AT&T and TCG have not only met the geographic requirements of 47 C.F.R. §51.711(a)(3), but also meets a higher standard by virtue of its substantial investments in physical plant and deployment of an architecture comprised of network components comparable to BellSouth.

---

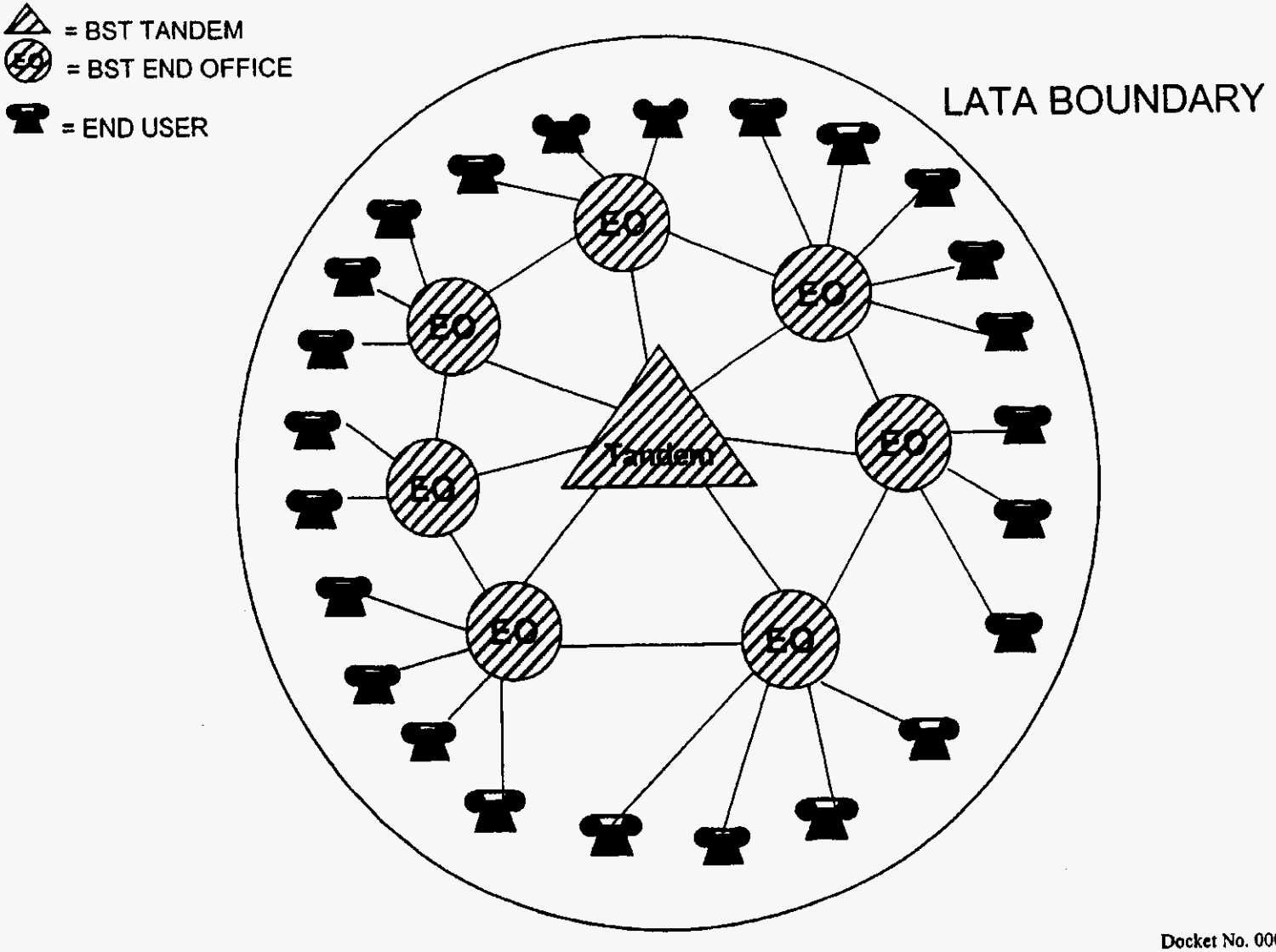
perform a substantial amount of traffic aggregation and, therefore, are performing the primary function of a tandem switch.

The Commission should, therefore, conclude that AT&T should receive the tandem interconnection rate as BellSouth's reciprocal compensation for the termination of its local calls by AT&T and TCG.

Q. DOES THAT CONCLUDE YOUR TESTIMONY?

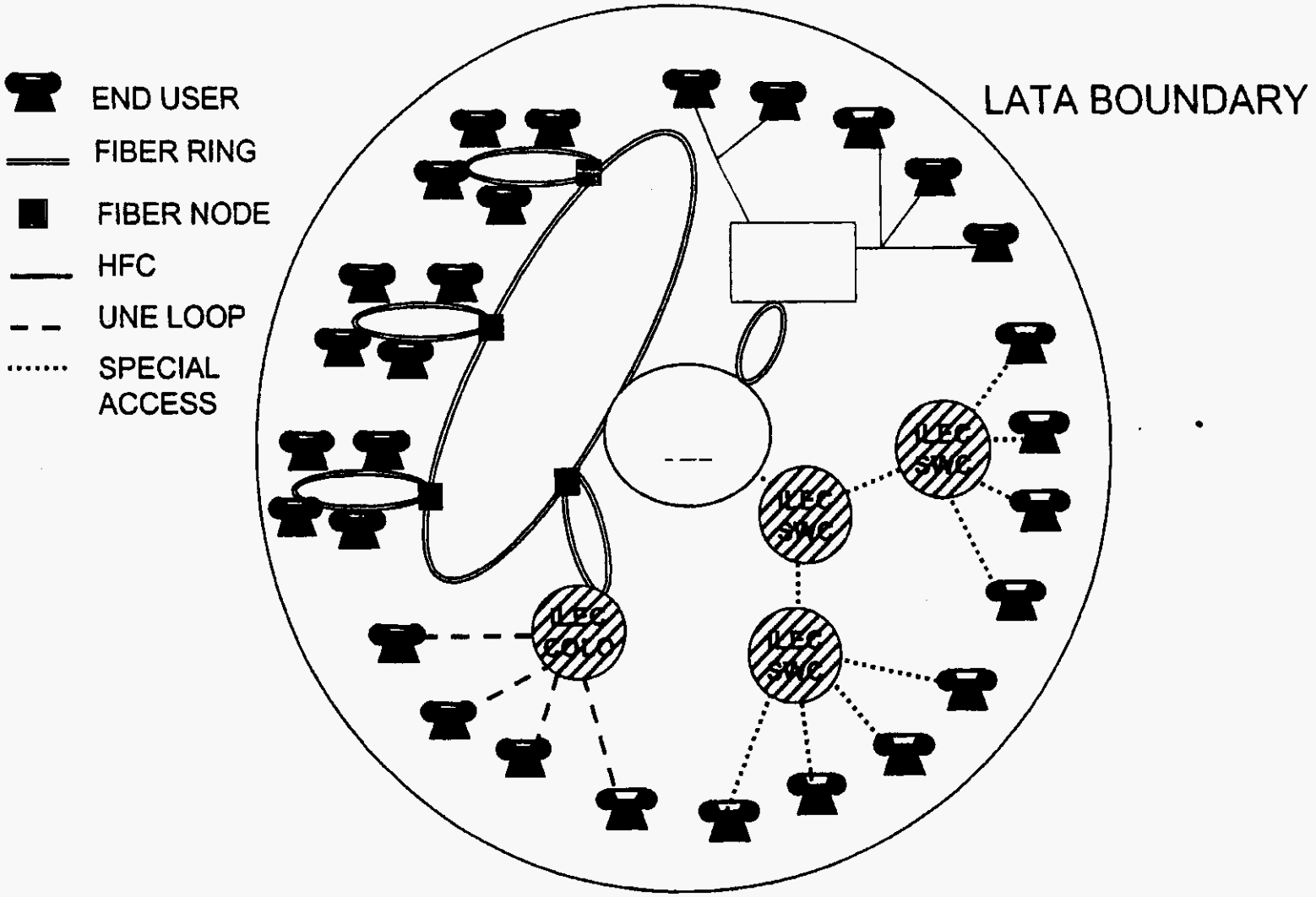
A. Yes.

ATTACHMENT 1 - BST NETWORK ARCHITECTURE



Docket No. 000731-TP
DLT-1
Page 1 of 1

ATTACHMENT 2 - AT&T NETWORK ARCHITECTURE



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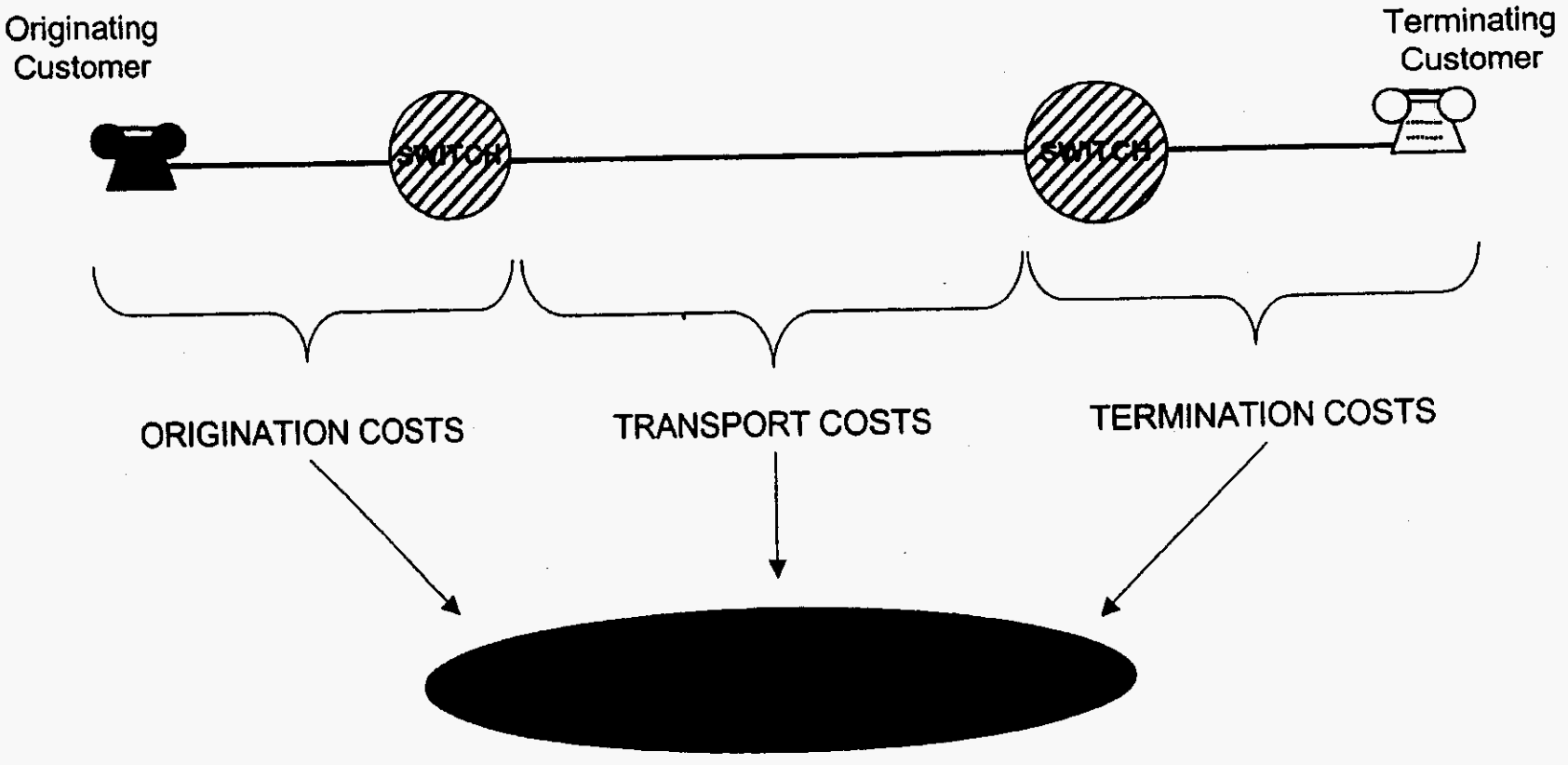
Docket No. 000731-TP
DLT-2
Page 1 of 1

ATTACHMENT 3 - PRE-TRA COST MODEL



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DLT-3
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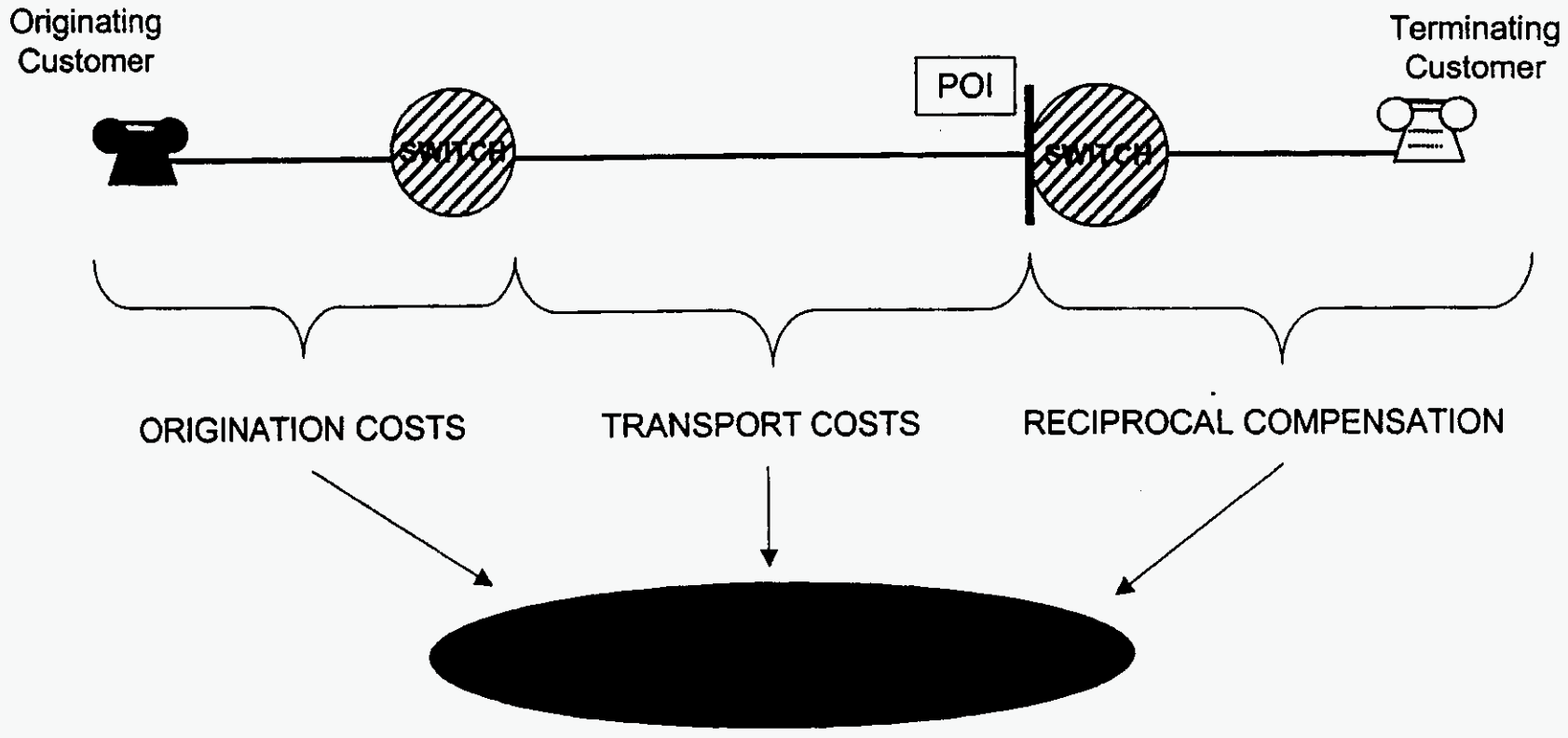
ATTACHMENT 4 - TRA COST MODEL AND AT&T PROPOSAL



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DLT-4
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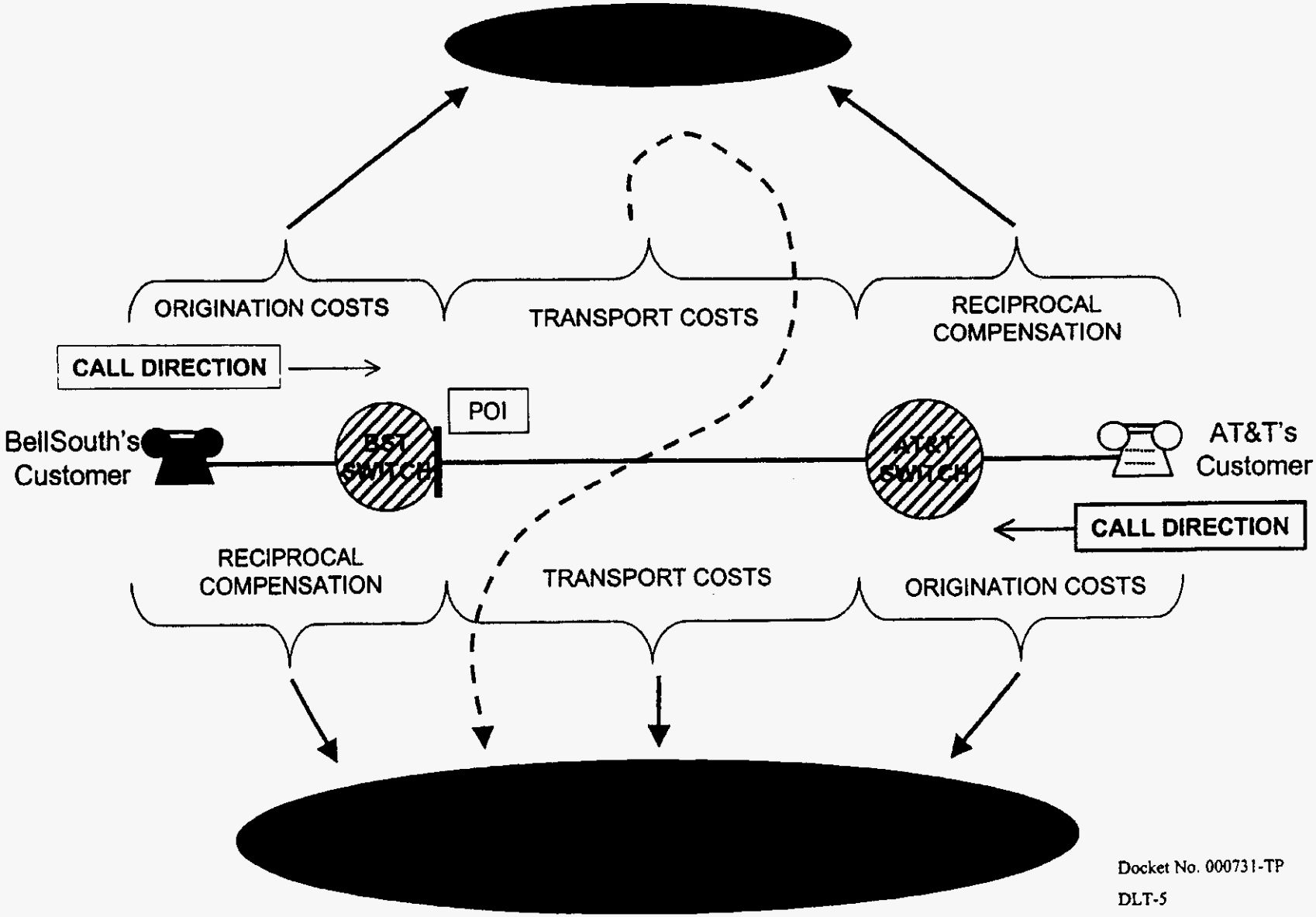
ATTACHMENT 5 - BELLSOUTH PROPOSAL



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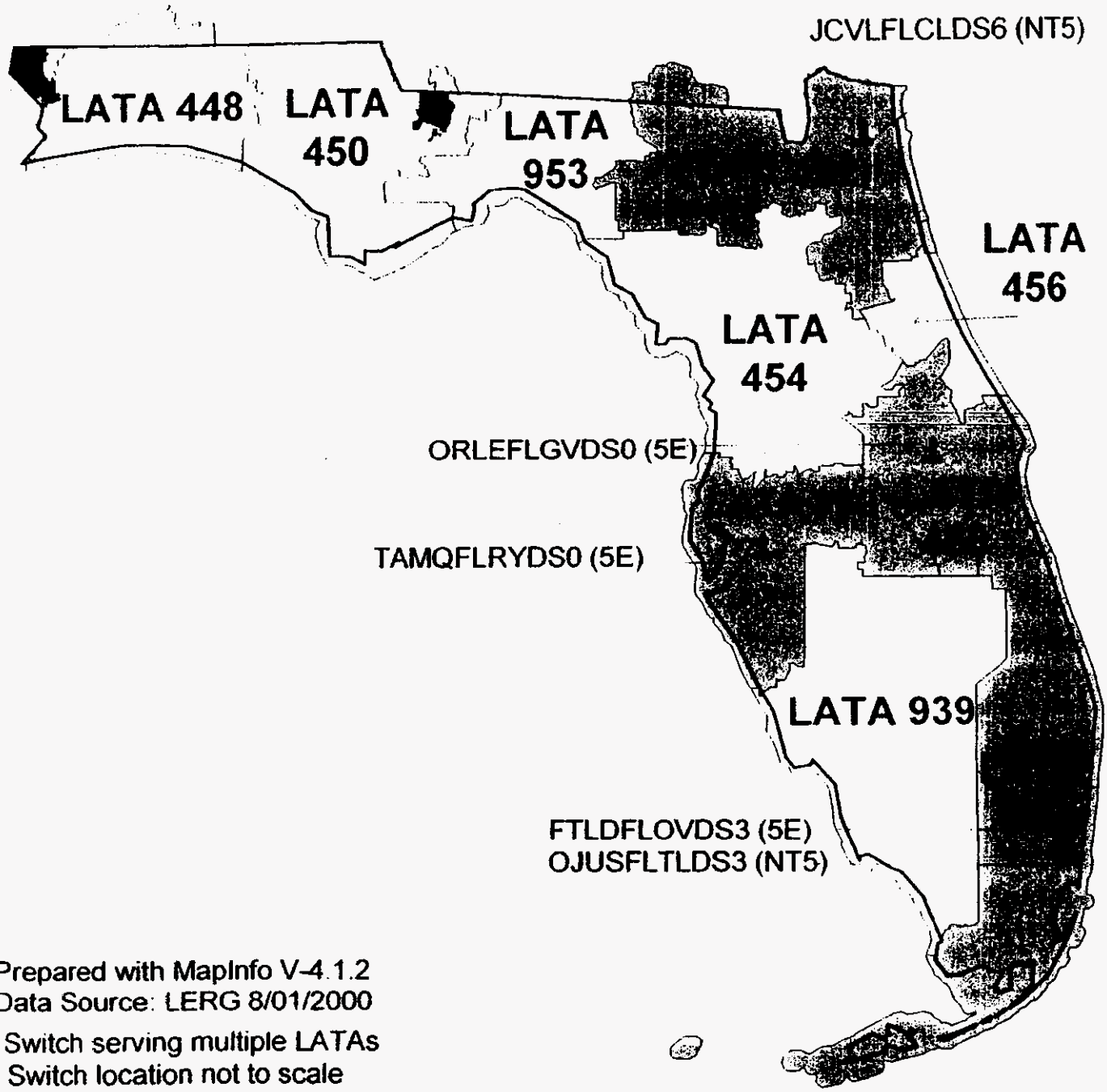
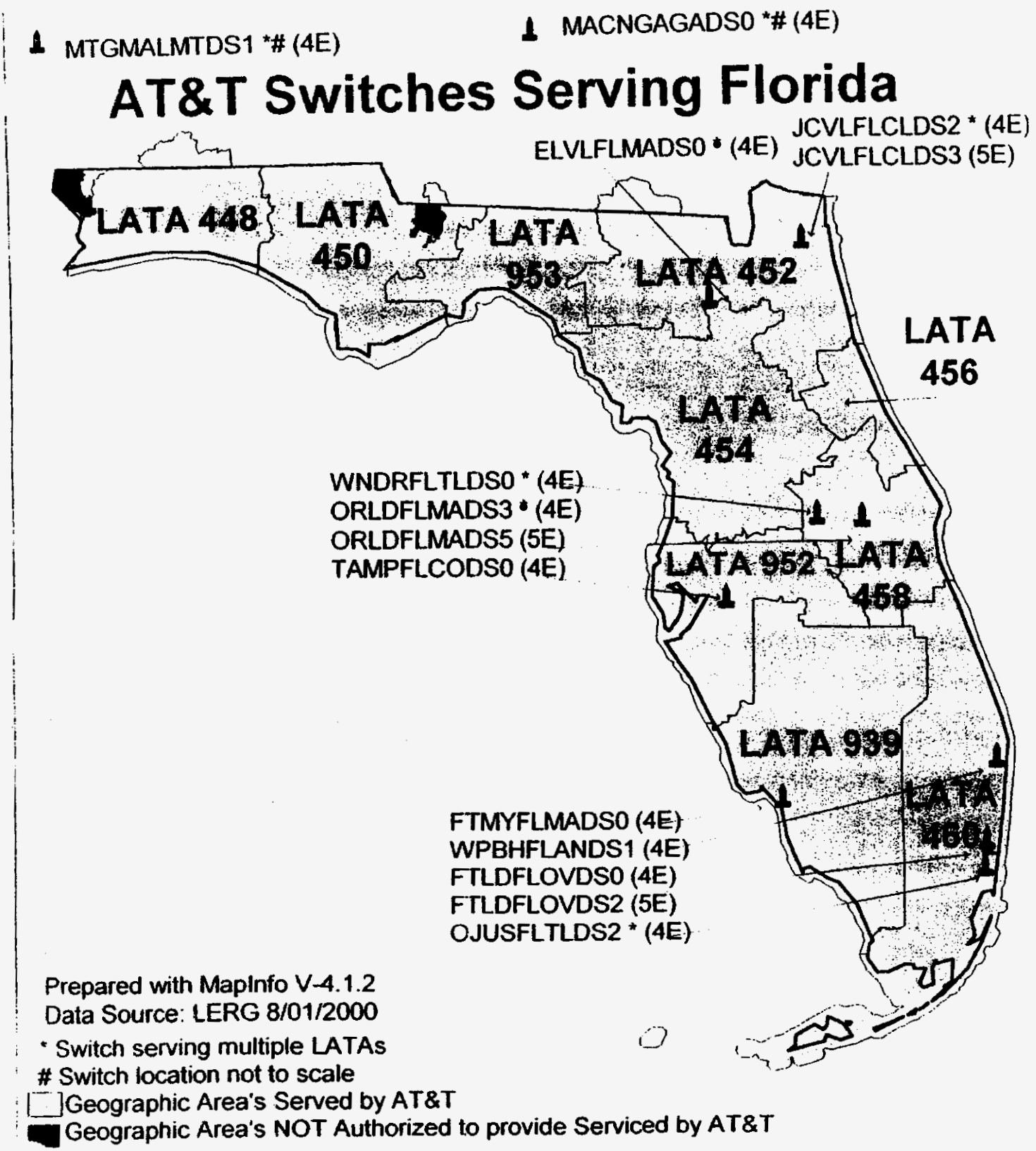
TCG Switches Serving Florida



Prepared with MapInfo V-4.1.2
Data Source: LERG 8/01/2000

* Switch serving multiple LATAs
\# Switch location not to scale
Geographic Area's Served by TCG
Geographic Area's NOT Authorized to provide Serviced by TCG

Docket No. 000731-TP
DLT-6
Page 1 of 3



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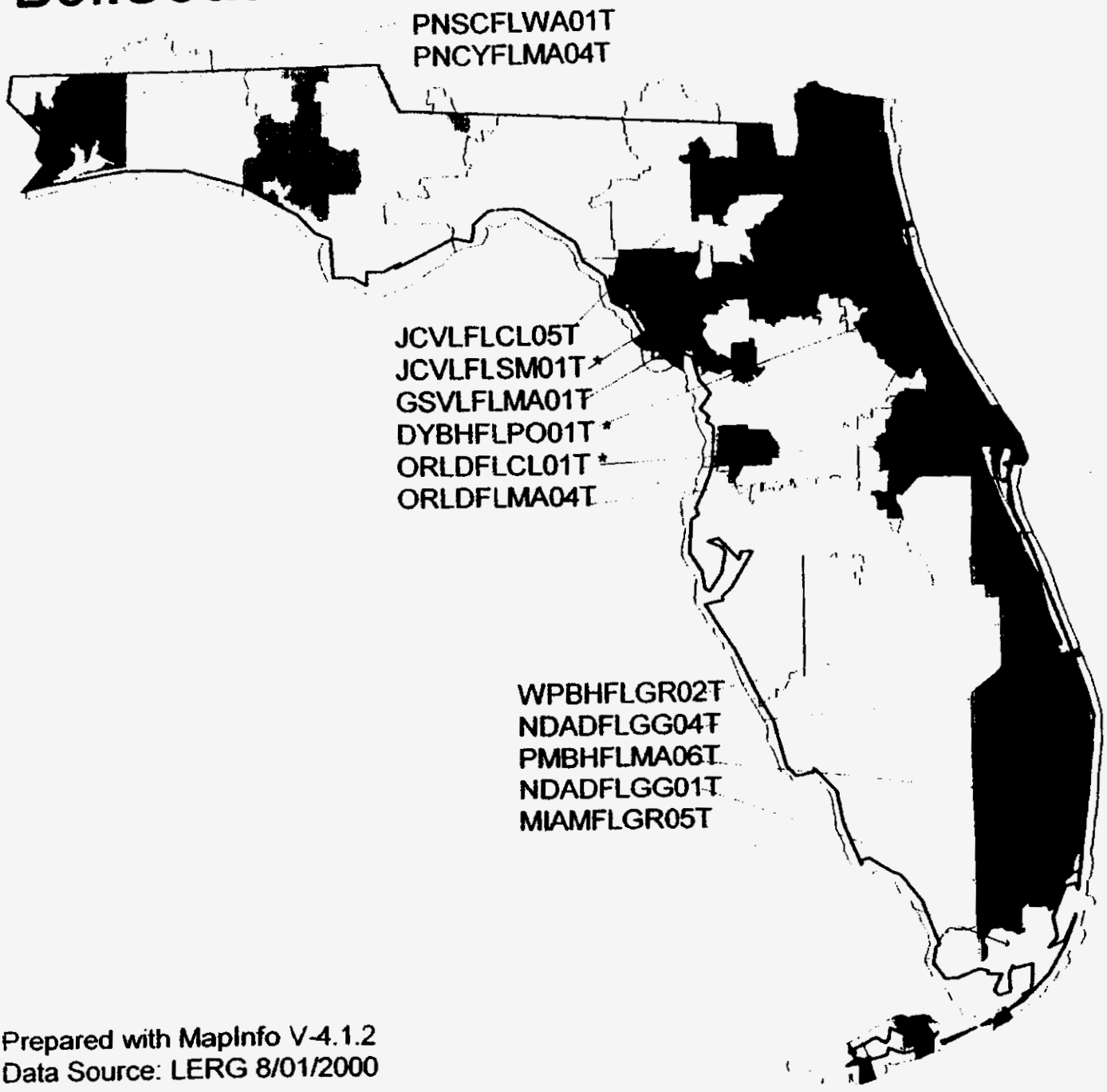
Page 2 of 3

BellSouth Tamdems Serving Florida



Prepared with MapInfo V-4.1.2
Data Source: LERG 8/01/2000

* Switch serving multiple LATAs
# Switch location not to scale

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DLT-6
Page 3 of 3

EXHIBIT NO. 20A

DOCKET NO.: 030851-TP

WITNESSES: Kent W. Dickerson

PARTY: Sprint

DESCRIPTION:

1. February 17, 2004, Deposition Transcript **Redacted** – Document No. 02561-04

PROFFERING PARTY: STAFF

I.D. # KWD-D

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 20A
COMPANY/ FPSC Staff/Sprint
WITNESS: KWD-D
DATE: 02/24-27/04

ORIGINAL

Sprint

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February 23, 2004

CONFIDENTIAL DOCUMENT ATTACHED

RECEIVED-FPSC
04 FEB 23 PM 4:10
COMMISSION
CLERK

Ms. Blanca S. Bayo, Director
Division of the Commission
Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

Re: Docket No. 030851-TP; CLAIM OF CONFIDENTIALITY AND NOTICE OF INTENT TO REQUEST CONFIDENTIAL CLASSIFICATION; CONFIDENTIAL VERSION SPRINT-FLORIDA, INC.'S AND SPRINT COMMUNICATIONS COMPANY L.P.'S PAGE 77 OF KENT W. DICKERSON'S TRANSCRIPT

Dear Ms. Bayo:

Enclosed for filing is the original of page 77 of Kent W. Dickerson's Transcript. This is the only confidential information that Sprint identified in the Transcript. In accordance with Rule 25-22.006(3)(a), Florida Administrative Code, Sprint hereby files notice of its intent to request confidential classification for the highlighted portion of this page. This information is the subject of a previous Notice of Intent and Claim of Confidentiality filed in this docket. In addition, Sprint claims that the highlighted information on this page is confidential in accordance with Section 364.183(1), Florida Statutes.

The specific portion of the page for which confidentiality is being claimed is:

1. **The highlighted information on page 77**

AUS ___
CAF ___
CMP ___
COM ___
CTR ___
ECR ___
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OPC ___
MMS ___
SEC ___
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FPSC-COMMISSION CLERK

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning the same to this writer. Thank you for your assistance in this matter.

Sincerely,

Susan Masterton

Enclosure

CONFIDENTIAL

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030851-TP

In the Matter of

IMPLEMENTATION OF REQUIREMENTS ARISING FROM FEDERAL COMMUNICATIONS COMMISSION'S TRIENNIAL UNE REVIEW: LOCAL CIRCUIT SWITCHING FOR MASS MARKET CUSTOMERS.
_____/

CONFIDENTIAL DEPOSITION

TELEPHONE DEPOSITION OF:	KENT W. DICKERSON
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
DATE:	Tuesday, February 17, 2004
TIME:	Commenced at 9:24 a.m. Concluded at 1:07 p.m.
LOCATION:	Gerald L. Gunter Building Room 309 2540 Shumard Oak Boulevard Tallahassee, Florida
REPORTED BY:	MARY ALLEN NEEL, RPR Notary Public, State of Florida at Large

ACCURATE STENOTYPE REPORTERS, INC.
2894-A REMINGTON GREEN LANE
TALLAHASSEE, FLORIDA 32308
(850) 878-2221

DOCUMENT NUMBER-DATE
02561 FEB 23 ☆
FPSC-COMMISSION CLERK

APPEARANCES:

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DONNA C. MCNULTY, ESQUIRE, MCI WorldCom Communications, Inc. 1203 Governors Square Boulevard, Suite 201, Tallahassee, Florida 32301-2960, appearing on behalf of MCI WorldCom Communications, Inc.

H. EDWARD PHILLIPS, ESQUIRE, Sprint (NC), 1411 Capital Blvd., Mailstop NCWKFR0313-3161, Wake Forest, North Carolina 27587-5900, appearing on behalf of Sprint (NC).

JEFFREY WAHLEN, ESQUIRE, Ausley & McMullen, 227 South Calhoun Street, Tallahassee, Florida 32301, appearing on behalf of Sprint-Florida/Sprint Communications Company.

SUSAN MASTERTON, ESQUIRE, Sprint-Florida/Sprint Communications Company, P.O. Box 2214, Tallahassee, Florida 33601-2214, appearing on behalf of Sprint-Florida/Sprint Communications Company.

LEIGH HYER, ESQUIRE, Verizon Florida Inc., P.O. Box 110, FLTC007, Tampa, Florida 33601-0110, appearing on behalf of Verizon Florida, Inc.

APPEARANCES CONTINUED:

JEREMY SUSAC, ESQUIRE, and ADAM TEITZMAN, ESQUIRE, FPSC General Counsel's Office, 240 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf of the Commission Staff.

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S T I P U L A T I O N S

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that objections, except as to the form of the question, are reserved until hearing in this case; 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

MR. SUSAC: Let's get on the record. Will the parties on the line please identify themselves and spell your last name for the court reporter.

MR. PHILLIPS: This is Ed Phillips with Sprint, and the spelling of my name, Phillips, is P-h-i-l-l-i-p-s.

THE WITNESS: Ken Dickerson with Sprint from Kansas City, D-i-c-k-e-r-s-o-n.

MR. PHILLIPS: Kent, this is Ed. Are there any folks with you besides the notary?

THE WITNESS: Yes. We've got John Felz, Randy Ferrar, Randy Bennett, Chad Eckert.

MR. PHILLIPS: Thank you, sir.

MS. MCNULTY: Donna McNulty with MCI.

MR. SHORE: This is Andrew Shore, S-h-o-r-e. I represent BellSouth.

MR. WAHLEN: Jeff Wahlen of the Ausley law firm listening in for Sprint.

MS. MASTERTON: And this is Susan Masterton also listening for Sprint, M-a-s-t-e-r-t-o-n.

MR. SUSAC: With that, here in Tallahassee, I'm Jeremy Susac with the Commission, Kit Kennedy, and David Dowds.

Let's swear in the witness.

THE NOTARY: I'm Susan Skahan, S-k-a-h-a-n. I'm a notary for the State of Kansas.

(Witness sworn.)

MR. SUSAC: Before we go any further, I forgot to ask, do all the parties agree to the usual stipulations?

MR. PHILLIPS: Yes, Jeremy. This is Ed Phillips with Sprint.

MR. SHORE: BellSouth does.

MS. MCNULTY: MCI does.

Thereupon,

KENT W. DICKERSON

was called as a witness and, having been first duly sworn on oath by Susan Skahan, a notary public in the State of Kansas, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. SUSAC:

Q Mr. Dickerson, my name is Jeremy Susac. I'm an attorney for the Commission. I'll be asking you a few questions today. If you don't understand the question or are unclear about the question, please state so, and I will repeat it and clarify it for you.

To the extent possible, if the question is designed to elicit a yes or no answer in your thoughts, please do so. If you feel the need to elaborate, then

elaborate after answering yes or no.

Mr. Dickerson, could you please state your full name for the record?

A Kent W. Dickerson.

Q Okay. Mr. Dickerson, did you file testimony with this Commission in Docket 030851?

A Yes, I did.

Q All right. Let's just hop into it. These will be fairly short questions in the beginning. For example, have you reviewed the supplemental direct testimony that BellSouth witness James Stegeman has submitted, including version 2.2 of the BACE model?

A Yes. I've reviewed the testimony, and we have in the limited time allowed done some additional analysis with that model. More realistically, what we have done was rerun our scenarios which were presented in Exhibit KWD-6 to my rebuttal testimony, and we also reran our scenario sensitivity analysis which was presented in KWD-12 to my surrebuttal testimony. And we have presented those to all the parties in the discovery responses that went out last week.

I would not want to imply that the limited amount of time that has occurred since that model was released, which was effectively after direct, after rebuttal, and after discovery cutoff, that we have had

sufficient time to go through it, because we have not.

Q I understand. Have you reviewed the responses that BellSouth has provided to Sprint's Request for Production of Documents, set 1, including the supplemental set?

A I expect that I have. I've looked at a lot of material, and I've got three binders of discovery material with me here today. I looked back through over the weekend BellSouth's responses to Sprint and to staff, and I also looked back through all of Sprint's discovery responses, so chances are good that I have looked at it. You'll have to help me and I'll have to get it in front of me if --

Q Okay. Subject to check, that's a yes, you think?

A Yes.

Q Okay. Have you had an opportunity to review Mr. Stegeman's surrebuttal testimony?

A Yes, I've read the testimony.

Q What about the demo scenario and its database?

A My staff has taken a look at it, yes, and I have viewed it here in Kansas City. It has not proven to be very helpful, in that it's not populated with meaningful input, and the results do not trace or support BellSouth's conclusions or testimony. Further,

the demo model contains no visible calculations, so it's frankly of little or no value.

Q Okay. In your rebuttal testimony, sir, on page -- do you have your rebuttal testimony with you today?

A Yes, I do.

Q Okay. On page 3, lines 10 through 15 -- and just holler when you get there.

A Okay. For clarity, we revised this testimony. Susan or Ed, could you help me with the date? This was what I spoke of earlier. We revised it under an errata filing to reflect the updated figures of rerunning KWD-6 and KWD-12 in the case of my surrebuttal to demonstrate that our concerns and data were not negated by the last-minute model release on the part of BellSouth. So for clarity, I'm looking at that revised errata testimony.

Q Okay.

A So I'm on page 3. And what line are we at, please?

Q Ten, lines 10 through 15.

A Okay.

Q Where you state that you have not been able to validate the internal workings of the BACE model because numerous critical areas of the model's calculations, inputs, subroutines, and results are not accessible.

A Correct.

Q Have you been able to validate its internal workings since --

A No. As we're all aware, I think, we've had an ongoing issue with discovery of the model, in that we've not from the outset been provided a visible functioning model populated with visible inputs and results that support and tie to BellSouth's filing.

But I would clarify, I think with the rebuttal and the surrebuttal and additional evidence that I expect to bring forward as a result of the last-minute incremental improvements as far as access to the model that has occurred very recently, I think I've provided or Sprint has provided plenty of substantial competent evidence to demonstrate that the internal workings of the BACE model are unreliable. KWD-12 I think provides some powerful demonstration in that area, as does KWD-6. KWD-6 homed in on just a few low-hanging fruit items of input problems with the BACE model, and then KWD-12 homed in on some obvious illogical calculation problems.

So we haven't been afforded a fair and legal opportunity to get into this model to the extent that the decision that's in front of the Commission requires and warrants. But I believe we've provided substantial

evidence that the model has such significant problems that it is unreliable.

Q Okay. Do you have a copy of the source code in PDF format?

A I don't have one in front of me, but we have been afforded one, yes. This was -- I think for about the first 55 days of this docket, it was available online only, could not be printed, had three "proprietary and confidential" labelings written across the code. I think subsequent to direct and rebuttal testimony, and probably right at discovery cutoff, a printable form of the PDF was made available on CostQuest's website. If you were constantly monitoring the website, you would have perhaps become available to that.

MR. PHILLIPS: Jeremy, if I could, this is Ed Phillips with Sprint.

MR. SUSAC: Yes.

MR. PHILLIPS: To clarify the record, I believe that the revised rebuttal testimony with the exhibits was filed on February 6th.

MR. SUSAC: Okay.

MR. PHILLIPS: I believe that's correct.

MR. SUSAC: Thank you, Ed.

MR. PHILLIPS: You're welcome.

BY MR. SUSAC:

Q Mr. Dickerson, are you able to determine what other materials, short of the actual program itself, as Sprint has requested in its second request for production of documents, would be necessary to make an assessment?

A Well, yes. I think I can provide you some more information on that. The model that was filed on December 4th contained 89 input tables that were not visible to any external party other than BellSouth and CostQuest. The model that was filed on January 21st still contains 20 hidden tables that are integral to all of the important calculations. They feed quantities. Quantities feed cost and investment calculations, and they feed price and revenue calculations. Revenues feed operating calculations. So you would need access to all the input files that are used in the model, and you need to be able to see calculations in the model.

Q Okay.

A To further that discussion, this model covers every aspect of a startup telecommunications company. It covers every aspect of the network, unbundled loops at a DS0 level, DS1, DS3, OC2, DSL-capable loops, local circuit switching, transport networks, SS7 networks. It should address numerous complex OSS system requirements.

It should address numerous complex industry mandate issues, 911, number portability, 1,000-number pooling. It should address every operating expense issue known to an operating telephone company.

To be afforded only an on-site review opportunity is totally unworkable. The topics I've just shared with you require a very large number of people relative to the amount of expertise that would be required to cover all that.

Additionally, this model has complex business case modeling techniques. It's got terminal value issues. It's got net present value issues, and as well has a whole 'nother segment of expertise, being marketing, product development, product definition, penetration, pricing strategies, long distance products, broadband products.

I think if a person understands the breadth of the topics in this model, to suggest that a last-minute opportunity on-site where you can send two or three people for two or three days is completely unworkable.

Q Okay. Have you made any additional runs to test the model's validity?

A Yes, we have. We have KWD-12, and as I mentioned, we resubmitted that using the model released on January 21st. We also resubmitted our scenarios in

KWD-6. I would share with you as well that we've done additional analysis today, or we're working on additional analysis in the area of trying to understand some critical capital requirements that the model constructs. A couple of areas we are looking at and I will be presenting more evidence on are local circuit switching investment and digital loop carrier investment that's placed in the CLEC collocation cages and is necessary to terminate the unbundled loops purchased from the ILEC to the CLEC's circuit switch location.

What we're looking at here is comparing Sprint's Commission-approved investment per line underlying its Commission-approved unbundled local switching rates in Florida, and we have been trying to understand and make comparisons of that to the BACE model. And while I'll make this more available, I'll just share with you today, we're finding that those investments range from 75% understated up to 147% understated, depending on the year, across the 10-year period. Looking at digital loop carrier investments, we find that they range from 41% understated in the first year of operation up to 205% understated, or 218 actually is the high point.

So what I'm sharing with you is some additional analysis that I expect to provide additional testimony

on. We have some more verification we need to do with our on-site review, which I think is starting today. But, yes, we continue to look at it, and we continue to find substantial problems with it.

Q Okay. And approximately how many tests were performed, in your approximation?

A Well, there is a discovery question on that, and I reviewed it over the last several days. I think we're up to 132 scenarios that we have run through the model per the log that tracks those.

Q And what version of the model was used for these tests?

A Well, we used the model that has been made available to us during the time frames that we've been doing analysis, so we started out with the December 4th model, and some portion of those 132 runs were run on that. And then subsequent to the release of the model on January 21st, we have shifted and done all subsequent analysis on that version. So the analysis I mentioned a moment ago, which demonstrates dramatic understatement in the CLEC's capital requirements for switching and digital loop carrier investment, that's run on the latest model.

Q Other than those already provided to staff as a part of POD No. 22, what inputs were used for those

scenarios?

A I believe that POD 22 is comprehensive, with the exception of this additional analysis that I'm working on. And to be clear, what I'm telling everyone here is that the PurchasePower adjustment that I talked about in my rebuttal testimony, this late-breaking and incrementally improved access to the BACE model has allowed us to dig deeper, and I now find that my suggested low ball 25% increase to CLEC PurchasePower is woefully inadequate to predict an adequate level of capital, and therefore operating expenses, and therefore, you know, much lower NPV implications than what that 25% increase in PurchasePower would have suggested.

So staff doesn't have that because we're still working on it, and I'll make it available as soon as I can, with the goal being this week. My people are just getting started today locally with access to the model on-site in Florida. Other than that, I think staff has got everything.

MR. SUSAC: Susan, this is Jeremy. How are you going to submit that? Do you want to submit it as a late-filed exhibit to this deposition?

MS. MASTERTON: Well, I think what we were contemplating is to try to submit it as supplemental

testimony, but --

MR. SUSAC: That's fine. We just want to make sure we get it and it includes all the input databases.

MS. MASTERTON: Okay.

MR. SUSAC: Okay. Thank you so much.

MR. SHORE: Jeremy, this is Andrew. Maybe now will be a good time to state that we would like to leave this deposition open. If there's going to be additional information submitted in the record, we certainly want the opportunity to depose this witness on that information.

MS. MASTERTON: And Sprint does not object to that.

BY MR. SUSAC:

Q Mr. Dickerson, have you reviewed Mr. Stegeman's revision of your ColloBuildOut cost comparison as shown on page 21 of his surrebuttal testimony?

A Yes, I have.

Q Do you agree with his revision?

A No, not at all. I address this in my surrebuttal testimony. They're attempting to get people to believe that they did not intend something titled "Collocation Buildout" in their model to deal with some of the most basic aspects of collocation buildout, which

is the building out of DC power cables and cross-connect cables necessary to do collocation. And they further then attempted to argue that these were buried, and they admitted in discovery responses you could not see this anywhere and you could not verify it, but they tell you that it's buried in in-plant factors.

And I go on in my surrebuttal to point out that BellSouth does not perform this work on behalf of CLECs. If you look over on the collocation docket, you will find out that BellSouth, basically, their position is that CLECs can hire their own contractors, and they can do this work themselves. I don't find it credible at all then to suggest that in-plant factors derived out of BellSouth's accounting records would capture the cost of a cost that never hits BellSouth's books.

And then the final point that I make on it is that that is all moot anyway, by the fact that their trigger in their model, which, as described in their documentation, you can set it to "yes," meaning it will apply the in-plant factors to those material amounts, and if you set it to "no," it does not apply the in-plant factors. It was set to "no" in BellSouth's filing.

So, no, I find a multitude of reasons to reject his redone analysis.

Q Okay.

A Mr. Susac, there's another issue there that I think is real notable, in that Mr. Stegeman really did not attempt to negate the point that the DC power costs, which are the monthly recurring costs, which are frankly an even more material area of understatement in collocation, he did not -- barely made an attempt to refute the 200% understatement that my rebuttal testimony exhibit demonstrated.

Q That was my next question. Let me just state my question that you kind of answered.

Mr. Stegeman has stated in his surrebuttal that he has accounted for the CLEC engineering and DC power cabling costs in the BACE model. Have you been able to verify this?

A I've been able to verify that that's just not a logical suggestion in the least.

First off, you're talking about capitalized costs here, and he suggests that a portion of it would be in their G&A expense loading. I don't find it credible to suggest that capitalized costs would be included in G&A expense loading.

Second of all, it's what I mentioned a minute ago. They miss the point that these are largely CLEC costs we're talking about. And BellSouth, using their

accounting data and their alleged in-plant factors, which don't even get applied in the model because their trigger is turned to "no," there's no way that it's accounted for in the model. And if you go back and look at their discovery response -- and if you'll give me a moment, I might be able to find it. Actually, I attached it to my testimony, if we want to look at it. They admit that you can't see it in the calculations.

So I provide all these logical arguments for why it is a highly suspect claim. I point to that their triggers are set to "no." And when you combine that with their admission that you can't verify this, I'm not buying it.

Q All right.

A It is discovery response number 15, "The calculations cannot be viewed within the BACE model."

Q Okay. Thank you.

A Signed by Mr. Stegeman.

Q Mr. Dickerson, have you reviewed AT&T's model?

A No, I haven't.

There was one other item I wanted to mention on this collocation, which was, my point is, having demonstrated that the collocation costs are dramatically understated, and having demonstrated that the ongoing DC power costs, the MRC costs are 200% understated in my

rebuttal exhibit, and to not miss the point, I pointed out that that was just the power requirements for the DSO lines. The power requirements for the DSLAMs and for the high capacity loops would raise that level of understatement above what I demonstrated just looking at DSO lines.

Now, when you consider all that understatement, when you have a calculation, an optimization calculation that compares the cost of EELs to the cost of collocation -- and Mr. Stegeman's comeback in his surrebuttal was that I had negated or failed to mention the fact that they consider revenue opportunities from the sale of DSL. I didn't fail to consider it. It's a moot point. You don't need to consider it. If you take a number that is wrong, i.e., their cost of collocation, and you reduce that number for a revenue opportunity for sale of DSL, and you compare that to a cost of EELs, the fact that one of your three numbers is always wrong suggests that that comparison will always yield unreliable results.

So there was no need for me to talk about the revenue opportunities for DSL. It's very simple and straightforward. If you compare a number -- if you use a number that is wrong in a mathematical equation, you're going to get wrong results.

Q Mr. Dickerson, are there any parts of the BACE that you feel are flawed from a logical standpoint?

A Oh, absolutely.

Q Could you elaborate on that?

A Yes. I think this would be a good time to turn our attention to KWD-12.

Q Is that the revised version of KWD-12, sir?

A Pardon?

Q Is that the revised version?

A Yes, sir.

Q Okay.

A Looking at column D in KWD-12 --

Q I'm sorry, Mr. Dickerson. Could you give me one second to flip there? I apologize.

A Yes.

MR. SUSAC: Can we take a five-minute break while we get that? I'm sorry. Actually, this would be a good time to take an appearance for Adam Teitzman for the Commission, who just joined us. After staff's questioning of Kent Dickerson, I will be leaving the deposition, and Mr. Teitzman will be the counsel for the State.

THE WITNESS: Back in five then, sir?

MR. SUSAC: Yes, back in five. Thank you.

(Short recess.)

MR. SUSAC: All right. The Commission is back. Thank you for your patience.

And when the parties return to the call, just please identify yourself for the record.

MR. SHORE: BellSouth is here.

MR. PHILLIPS: Sprint is here.

MR. SUSAC: Is Donna on the line?

BY MR. SUSAC:

Q Mr. Dickerson, thank you for waiting. Let's resume. I believe you were elaborating on what you feel is flawed from a logical standpoint in the model, and you referred us to the revised version of KWD-12, which we now have.

A Okay. I'm looking in column D. This was a scenario -- I would draw your attention to line 27 initially. And this is using BellSouth sales cost inputs that are shown on rows 42 through 46.

Q Mr. Dickerson, before you go any further, can we not speak to any numbers, because this is a confidential exhibit, and to the extent possible, let's try not to bring to light any numbers or any confidential materials.

A Okay. Thank you for that reminder, because I probably would have blurted something out.

Column D, row 27, you can see that with this

set of inputs, it produced a negative net present value for mass market customers prior to taxes, income taxes. It then computes negative income taxes, if you will, which is a fair way to approach it. It's basically acknowledging the deductibility for income taxes of pre-tax losses. However, it computes taxes that are in the neighborhood of three and a half times more than the operating loss, which is completely illogical, and then concludes on line 36 that somehow you can take a pre-tax operating loss to a positive post-tax profit through the application of taxation. Well, you know, that's a country I would like to sign up for.

The mass market switching shows the opposite phenomenon. It takes a pre-tax enterprise profit and suggests that the taxation is so heavy that you pay taxes almost four times your pre-tax profit, and you result in an after-tax loss.

I don't think anybody would attempt to defend these results as logical, and yet this is what you get out of the BACE model.

Moving to column E, we changed and substituted Sprint's values for the customer acquisition costs shown on rows 42 through 46. And what it demonstrates is that increasing customer acquisition costs for mass market customers -- excuse me, for enterprise customers could

somehow move you from a loss position at figure 2B to a profitable position at 2C. It defies logic to suggest you pay more to acquire customers, and yet yield more profits post-tax than what you would have had at a lower sales acquisition cost.

On column F, we went back and we reduced the enterprise customer acquisition costs and held mass market constant. Holding mass market sales acquisition costs constant, no changes, somehow it still produces a phenomenon that your losses increase in the mass market. This would be 1C compared to 1D. We introduce no changes to mass market, and yet the profitability decreases.

Column G demonstrates that reducing mass market, or actually it demonstrates that increasing -- let me get this straight. Let me go back to my testimony. Pardon me for a minute.

Q And to the extent you read from your testimony, could you give us the page and line as well?

A Yes. I'm on page 10 of my surrebuttal.

Q Thank you.

A And what we were doing here was comparing this back to column E, and we show that we're holding enterprise sales costs constant to column E, and yet the enterprise profitability increases eightfold from 2C to

2D. It defies logic. You hold it constant relative to enterprise, and you rerun the model introducing only a decrease to mass market, and yet your enterprise profitability increases eightfold.

I don't know how anybody could place any faith in the BACE model results.

Q Does that conclude your logic from a logical standpoint?

A Yes. Perhaps this last-minute access to the model calculations that's occurring in Florida perhaps will surface more on that subject.

Q Okay. Are there any parts of the model you feel are flawed from an economic standpoint?

A Yes.

Q Okay. Could you elaborate on that, sir?

A Yes. The collocation discussion we had, those are flawed and unrealistic economics. The additional evidence that I'll make available on the topic of investments relative to circuit switch and digital loop carrier investments, those are demonstrations of unrealistically low economics. The whole G&A expense area is an enormous area that is wholly unrealistic in both its values and its approach. And this may take a while.

As I point out in my rebuttal testimony -- and

this is important. The title "G&A expense" to people knowledgeable in the area of expense studies may not seem like an enormous issue right out of the chute. Just the topic G&A doesn't suggest this is an enormous expense area. But what's real misleading about Dr. Aron's approach to this is that it's not G&A expense. That's the first thing we need to understand. And it is in fact an illogical conglomeration of investment-related operations expenses, customer service, 6620 expenses, and some corporate operations expenses that meet the true definition of general and administrative costs.

So the fact that we have all these concerns, it's not a concern relative to true G&A expense. It's a concern related to 33% of the operating expenses, and that relationship is using BellSouth's relationship. Now, were these expenses adequately predicted, it would be a much larger bucket of costs.

So let's look at my rebuttal testimony. Let me find the page where I start discussing this. Actually, I think it's in my surrebuttal testimony, because my point in my rebuttal was that there was no information in BellSouth's case regarding this.

When you go to -- it's Exhibit KWD-10 to my surrebuttal testimony. You can see the discovery

response, where we ferreted out just what exactly is in this G&A expense. And if you'll turn to page 3 of three, you can start seeing what I'm talking about. There's a series of accounts here which are not G&A expense. In fact, we should start at page 2 of three.

You've got network operations expense. That's not a G&A expense, and it's not an expense that would properly be predicted as a relationship to revenues. And in fact, a startup company would incur substantial network operations expense before they ever had a dollar of revenue in the door and they even had a single customer. This business case we're modeling, this company has to go out and engineer, construct, purchase, and put into place an entire operating telephone company at day one before they can start adding customers. So to suggest that this expense would be scaleable to revenues is to suggest a gross misunderstanding for how this expense is incurred in reality.

That same theme carries on to the top of 3 of three. You'll see power expense there. Power expense cannot be managed to revenue. All the investments that are required at day one, the switch, the digital loop carrier equipment, and the DSLAM equipment that are necessary to support the initial startup operation will require power. Network administration, testing expense,

plant operations, engineering expenses, they're not G&A expenses. Nobody in the industry calls them G&A expenses. Part 33, Account Structure, does not classify them as G&A, and they are in no way manageable in a relationship to revenues.

The same thing continues with customer service expense. Now, customer service expense may have some relationship to revenues, but it misses the point that it's substantially affected by customer churn, and I don't think that the BACE model adequately predicts the impact of churn on customer services expense.

Now, to continue, your question was do I know of areas where I believe there's economic problems in the BACE model. Dr. Aron attempts to get a mile out of pointing to a whole stack of academia white papers. And yet when you get to the bottom of how did they develop their 28.4 factor, it's real simple, and you can ignore all the academia white papers that she points to. It's this simple: She went out and took the largest ILEC operating companies in America, those that report ARMIS data, and she used their 10-year ARMIS data to do a regression analysis.

So as I point out in my testimony, it would be hard to find a more polar opposite to a startup company that has zero market share than to suggest the cost

structure of the largest telecommunications companies in America that generally have been in operation for 100 years. Their market share ranges from 100% during the 10-year period to down to perhaps a low of 95%. And to suggest that there's no issue, where a startup company would have a dramatically different scale than those, is to just ignore all real-world data and an obvious mismatch.

Now, I don't know how much time you want to spend on this. DR response 51 provides a whole lot of information for you on this topic. We took the ARMIS companies. We showed their relationship to revenues over the 10-year period. We showed that they do not bear a linear relationship to revenues. In other words, we're demonstrating there's very much a fixed cost component to the true G&A expense.

And we also showed it using the misnomer of the BACE model defined G&A expense, which, as we just went through, is in reality a bunch of investment-related operations expenses as well as customer service expense combined with some true G&A expense. If you look at either one of them, you see that the large ILEC data that was used showed that these costs do not have a linear relationship to revenues. It shows more of a fixed cost relationship.

Also, in our response to 51, we showed several CLECs using their SEC 10K filings. And this is very telling, because this goes to the issue of how logical it is to use the largest ILEC companies in America to predict a struggling startup CLEC venture. And this shows that the percentages of sales G&A expense compared to revenues is exactly what I would expect. It's dramatically high in the earlier years of operation, to the point of some companies are hundreds of percent relationships, and then it declines over time, but never do you see the data suggesting that 28.4 is right, nor would it ever suggest that 28.4 was right in the first, second, third, fourth, and so on, years of operation.

To pile on on this point, we went out and looked at about 6,500, rounded, SEC companies, and we proved without a doubt that size matters. So to suggest using this overly broad statement of, "Well, the CLECs should be efficient, so they should be able to reach the efficiencies of these 100-year-old monopoly ILECs," this shows that no company who's operating in a free market who's filing SEC 10K reports, they're not able to overcome the fact that size matters as it relates to SG&A expenses.

That's probably an adequate discussion on that at the moment.

On your question about economics, we presented evidence that -- if we go to KWD-6, I think that exhibit deals with some input areas which demonstrates that this model's economics are flawed. Dr. Staihr, of course, addressed all the revenue and market penetration and pricing issues. But the evidence that we presented in the area of sales costs -- and there's a lot of good discovery information in this area as well that I would encourage you to look at that went out last week. I think that those demonstrate that bad debt and sales costs are dramatically understated.

There's yet another great what I call a sniff test that the BACE model doesn't pass, and that's Exhibit KWD-8. We took the BACE model results and just said, "Well, let's just see what the internal rate of return is based on their case." And it produces a rate of return that is confidential, but it is effectively about three times the cost of money that the BellSouth witness supported in this docket, Dr. Billingsley. It also, as I point out in my testimony, is substantially higher than a return on assets that can be derived using BellSouth's external financials, which I mention on page 26 of my testimony.

This model suggests that what no one has been able to do in the real world eight years after the Act

was passed -- and we should not forget the teachings that are available to us. A lot of CLECs rushed out there, placed switches, and attempted to build market share from day one doing what this model suggests can be done, and they failed, and they failed largely because of cash flow problems. This model suggests that it not only can be done, but you should be wildly successful, beyond the success that BellSouth even sees in their own, given a 100-year head start and about a 95 percent advantage in market share. I don't buy it.

MR. SUSAC: All right. That concludes staff's questions for you, Mr. Dickerson. Thank you very much.

Before I ask the other parties, Ed or Susan, would you like to redirect on anything?

MR. WAHLEN: Ed, are you there?

MR. PHILLIPS: Yes. I'm sorry. I didn't realize I had it on mute.

MR. WAHLEN: Susan had to drop off, as she indicated she would, so it's all yours.

MR. PHILLIPS: I have no redirect, and I appreciate the opportunity to do that. Thank you, sir.

MR. SUSAC: All right. Well, I know BellSouth has many questions. Why don't I extend the offer to

any of the other parties other than BellSouth on the line. Donna, do you have any questions for Mr. Dickerson?

MS. MCNULTY: No, I don't.

MR. SUSAC: Okay. Any other parties -- I can't remember. Any other parties on the line having questions for Mr. Dickerson?

Okay. I think the lack of the response seems to indicate that it's all yours, Mr. Shore.

MR. SHORE: Thank you.

CROSS-EXAMINATION

BY MR. SHORE:

Q Mr. Dickerson, I'm Andrew Shore, a lawyer with BellSouth.

A Hi, Mr. Shore.

Q Good morning. I guess it's even earlier in the morning out in Kansas City. I want to follow up on a few things you said in response to Mr. Susac's questioning.

Towards the end of your examination by staff counsel on the model, you said something about predicting the costs of a struggling startup CLEC. Do you recall that?

A Yes.

Q Is your testimony in this case based on your

attempt to model a struggling startup CLEC?

A My testimony is that I am correcting dramatic errors and omissions and drawing people's attention to problems in BellSouth's case.

Now, yes, I used the term "struggling startup CLEC." I think it is without question a startup CLEC. We all, I would assume, agree on that, because we start with zero market share; right? The term, the value judgment I place on struggling, I'm simply pointing out that it's a startup company who's starting with zero customers, and they're attempting to build the business from there. And I'm comfortable using the term that it's a struggle, given that no one has successfully done it thus far, and anyone familiar with our industry knows there was tremendous carnage in the area of bankruptcy and capital restructuring over the last eight years.

So in the real world, has it shown to be a real struggle to enter the market and overcome the advantage of the ILEC, particularly in the area of mass market? Absolutely. All real-world data points to those facts.

Q Is it your opinion that to the extent this Commission adopts a model to use in this proceeding, that it ought to seek to model a struggling startup CLEC? And if you can, answer that yes or no and then provide any elaboration you feel is necessary.

A Yes. I think that -- and I think you're attempting to make too much out of the word "struggling." But, yes, I think that they need to deal realistically with the fact that it's not easy, and I think they should compare what they see in the real world versus the fiction that they see depicted in BellSouth's filing. As I just discussed, I think they should take a hard look at the suggestion that somebody is going to start this up and earn the internal rate of return suggested in BellSouth's filing versus what they can see going on in the real world.

Q Have you read the FCC's TRO?

A Yes.

Q Do you rely at all on the TRO for any of the recommendations you make in this case?

A I think all my recommendations are consistent with the TRO, yes. The TRO is not going to provide guidance on the specificity as to what's a reasonable level of customer acquisition costs, what's a reasonable level of a CLEC's vendor costs for equipment, what is a reasonable level of -- well, it's certainly not going to deal with such illogical phenomena as the computations of the BACE model, so on and so forth. So at a level of detail, it's unrealistic to expect the TRO to provide guidance. But, yes, I think I am consistent with it in

terms of it has offered an opportunity to examine whether, despite evidence that nobody has been successful in the area of deploying switches to serve mass market, could it potentially be done.

Q In your direct testimony, you presented a cost study to support the recommendation of Dr. Staihr that the Commission adopt a cutover of 12 voice grade equivalents; correct?

A Yes.

Q I understand your testimony used a cost of capital -- you performed that analysis; correct?

A Yes.

Q You used a cost of capital of 12.26% to amortize the nonrecurring charges?

A Correct.

Q And you say in your direct testimony that that cost of capital was supported by Dr. Staihr in this Commission's Docket 990649?

A Correct.

Q And did the Commission adopt that cost of capital in that docket that you cited?

A No, I don't believe they did.

Q What cost of capital did the Commission adopt in that docket?

A I don't have that memorized.

Q Why didn't you use the Commission-approved rate in your analysis?

MR. PHILLIPS: I'm going to object to this line of questioning as far as the form is concerned. I mean, the Commission has --

MR. SHORE: That's okay. You can object to the form. You cannot have a speaking objection. Your objection is noted.

MR. PHILLIPS: Thank you, Andrew. I appreciate that, sir.

A There was a data request on this. If I could find it, I would read it to you, but I recall basically what I said in it. It's pretty simple. I don't think that the Commission-approved cost of capital in the UNE docket is a realistic estimate of a CLEC's cost of capital.

Q Was the recommendation that Dr. Staihr made in that docket attempting to estimate a CLEC's cost of capital?

A No. It was attempting to predict Sprint's forward-looking cost of capital.

Q Sprint's ILEC operations?

A Correct. And I think it's intuitively logical to suggest that a CLEC's cost of capital would be higher than a company who's already in business and has, say, a

95% market share today. To suggest that the startup company who has zero market share would have the same cost of capital, I don't think that's logical.

Q Have you done any analysis of what a CLEC's forward-looking cost of capital would be?

A I believe Dr. Staihr did.

Q Have you?

A No. And my testimony is quite clear that I am relying on Dr. Staihr in that area.

Q With regard to your study with respect to the crossover, did you do any sensitivity analysis related to using the 12.26 cost of capital versus the cost of capital that the Commission approved in the docket you referenced?

A I don't have any specific recollection. I would not -- my expectation is that I would not waste my time running it with understated cost of capital figures.

Q Intuitively, do you have an opinion as to what using the Commission-approved rate. as opposed to the rate that Dr. Staihr proposed and was rejected in that case, would do to your analysis?

A I don't think it would alter it materially, frankly.

Q In which direction?

MR. TEITZMAN: We're getting some feedback on the line. We didn't hear that last question. But before we go into restating the last question, I'm thinking we might need to take a break because of the phone number issue.

MR. SHORE: Okay. We're going to call back at 10:45 with that new number?

MR. TEITZMAN: Yes. And I'll repeat that number. The new number will be 921-2470.

(Short recess.)

MR. TEITZMAN: Okay. The court reporter is here, and we're ready to get started.

Just a reminder, Mr. Shore, the last question you had asked we did not catch due to the phone kind of popping out on us.

MR. SHORE: Okay. Thanks. I was going to try to go back to that. I appreciate it. Is the court reporter all set?

MR. TEITZMAN: We are ready to go.

BY MR. SUSAC:

Q Mr. Dickerson, what I think I asked you last, or what I was trying to ask you was what effect using a lower cost of capital would have on the analysis you did with respect to the cutover point.

A Yes. I don't think it would make a material

difference.

Q Would it result in a conclusion that it had a lower cutover point or a higher cutover point? Or less lines or more lines I guess might be a better way to ask it.

A I think it would directionally lower the crossover.

Q And you have not done any sensitivity analysis in that regard?

A I don't have any in front of me. I'm sure that we did a run with a different cost of capital than what was filed. I would expect somewhere along the line we have done sensitivity. I don't have any in front of me.

Q Sitting here today, do you know what other cost of capital you would have done sensitivity on?

A No. I don't have any of those in front of me. I'm simply acknowledging that I doubt our end result was our first attempt. That's what I'm sharing with you.

Q Did you do any other analyses prior the filing your direct testimony on December 4 of last year?

A I'm sorry. What was the question?

Q Did you do any analyses with other runs for your cutover prior to filing your direct testimony?

A Yes, I would expect. I would expect in the course of developing that crossover that we did more

than one run.

Q Did those produce cutover points other than 12 DSOs?

A They were all right around there.

Q Okay. Can you give me the range?

A Probably a 10 to 14 sort of thing.

You know, important to your question is that we've done crossover analyses for numerous states, and that's what's on my mind here. I don't know how many we ran for Florida. I'm simply acknowledging I doubt that it's realistic that the end result that's in my testimony was the only run that we did on that topic.

Q Did you use the same cost of capital in the other states that you participated in that you used in this case?

A No, we didn't. In this case, it made sense to borrow on the record and the testimony of Dr. Staihr in the recently completed UNE docket. That's what you and I discussed earlier. That's what we used.

In another state, we used -- I believe at certain points, we may have borrowed from the FCC order in the AT&T/Verizon arbitration in Virginia as a possible cost of money. Again, that's really Dr. Staihr's testimony, so I'm not exactly sure what we may have used in the various other states, but I know we

didn't import his testimony from Florida into a bunch of other states, so it would be slightly different. I would say, you know, more important to what you've been asking about, in all instances, we used something substantially higher than the Commission-approved cost of capital for BellSouth in the UNE docket.

And again, I think that's intuitively logical to suggest that a company -- and this goes to your earlier question about what is a struggling CLEC. I'm not defining this as a struggling CLEC. I'm pointing out that starting a business from scratch, that in the real world, a large majority of startup ventures fail, and they fail because of cash flow problems, and that it is a difficult venture to enter a market with zero percent market share against a competitor who has around 95 to 100% market share. That's difficult, and to suggest that it's not difficult is unrealistic. And to suggest that lenders would not see a logical difference between the cost of capital for those two diametrically polar opposites is unrealistic.

Q Is Dr. Staihr Sprint's cost of capital witness?

A Yes.

Q Is cost of capital something that you feel that you are qualified or have the expertise to testify to?

A Up to a point. I'm a CPA, so I think I

understand the principles of it. I've not presented testimony. I've relied on Dr. Staihr in this proceeding.

Q Have you ever presented testimony on calculating cost of capital?

A No.

Q Now, in your cutover analysis, you also assume a 24-month average customer life?

A Correct.

Q What's the basis for that?

A Well, there was discovery on this. There's so much of it, I don't know that I can lay my hands right on it.

But basically, first off, you're dealing with a unique situation here, which is it's a customer who wants DS0 level service, and they want multiple DS0 level services. So realistically, you're talking about a customer who's right on the cusp. Depending on what the decision is, they're going to be defined as a mass market customer, or they're going to be defined as an enterprise customer, and it's effectively some sort of smaller business customer, if you will. And 24 months seemed to be a reasonable balance between the shorter customer lives that we're seeing for pure mass market customers and a slightly longer life for an enterprise

customer.

And then the other additional point I made in the discovery response is, it balances reasonably -- I don't believe a CLEC, and certainly Sprint would not in its course of business in its CLEC work, would not want to go place the capital at the customer prem location without at least a 24-month commitment from the customer. So for those reasons, we selected 24 months.

Q Did you do any written analysis to support your 24-month use prior to filing your direct testimony?

A Written analysis? What I did was I discussed the topic with people who are in the marketing area of Sprint relative to mass market, and I had discussions with people who are in the marketing area relative to enterprise customers to understand their expectations for customer lives. And then I also discussed it relative to what would they want in terms of a customer commitment in order to place this kind of equipment. That doesn't exactly lend itself to written analysis, but that's what I did.

Q Okay. Then is it fair to say there's no documents to support the --

A No, that's not fair at all.

Q What documents are there to support your 24-month average customer life?

A Well, I don't know that I've got my hands on them, but these people who I discussed it with were drawing upon their experience and expectations for customer lives between mass market and enterprise. So they potentially have documents that demonstrate what those customer lives are, but they relayed to me in the conversation what their expectations were.

Q Did you look at any documents in --

A Underlying this -- what I'm helping you understand is, underlying this is the reality of what those lives are. I don't think it required me to have a document in that area.

Q Did you look at any documents in your analysis of what average customer life to use?

A No. I did what I described to you.

Q Does Sprint require contracts with all its small business customers, written contracts that provide a specific term?

A Well, that's a really broad question. Do we require a contract with all of our small business customers? Probably not. I expect that we require a contract before we would go place the equipment that's necessary in order to Mux a DS1 to DSOs at the customer prem, however, which is the topic at hand here.

Q Do you know whether or not that's a fact?

A No. It's my reasonable expectation.
Q In your opinion, does a customer that has 12 voice grade lines have the similar characteristics of a residential customer?
A No. I think that's out of the norm of a residential customer.
Q In your opinion, does a customer that has nine, the equivalent of nine voice grade lines have similar characteristics to a residential customer?
A Well, do you want to define your term of "similar characteristics"?
Q However you understood me to use it in answering my first question.
A I'm not sure I did, and that's what why I'm asking you now.
Q In terms of the types of service they take, the types of contracts that they may or may not be required to enter into, the types of uses they put to their telecommunications services.
A So contracts and use of the telecommunications service is how you're defining it?
Q In part, yes.
A I do not expect most residential customers buy services under contract. That may be shifting, however, to the extent that the bundled offerings, that more

services may lend themselves, particularly if they include broadband, to contracts. But I would expect a lessened use of contracts in serving residential customers than a business customer.

And I would expect that a business customer uses their telecommunications in the course of their business. They're profit-motivated. That's why they're purchasing the telecommunications. I don't think that that profit motivation underlies the average residential customer's use of their telecommunications.

Q When was the first time that you heard about the BACE model? It may not have been named such at the time, but the model that's known now as the BACE model.

A I'm uncertain. It would have been -- you know, where I got into it in any depth or detail was in this Florida docket.

Q Were you aware of the existence of the BACE model prior to BellSouth filing its direct testimony in this case?

A I was aware that they had developed a model, yes.

Q And how did you become aware of that?

A I think there was a workshop, wasn't there?

Q Did you attend any workshops?

A No. We had Sprint personnel locally who

attended and forwarded -- the extremely high level documents were forwarded to me. And I also then had conversation with the people who attended.

Q And what time frame --

A It didn't provide any meaningful examination or understanding of the model, I can assure you of that.

Q What time frame did you learn about the existence of the BACE model in the manner you just described?

A It wasn't significantly before the filing of this docket.

Q Where was that workshop, in which state?

A I'm uncertain. It seems like there was one in North Carolina potentially, or South Carolina. I'm not for sure. It's not really important. The documents were forwarded to me. I had conversations with people who saw it. And as I said, it was a very superficial, high level presentation.

Q The documents were forwarded to you immediately or shortly after that workshop? Do I understand that correctly?

A The high level overview documents? Is that what we're discussing?

Q Yes, sir.

A Yes.

Q And who did you have -- you said you had conversations with the people who saw it. Who did you have those conversations with?

A There may have been -- was there a -- you know, I don't know if you want to help me out here. It may have been a NARUC presentation. I recall having conversations with Jim Sichter, our VP of Policy, for example.

Q And did that gentleman attend a workshop or a demonstration of the BACE model prior to the filing in this case? Is that sort of what you were referencing earlier?

A I think he attended one of these high level overviews that I'm discussing, yes.

Q Anybody else? Did you have discussions with anybody else internal to Sprint?

A Not that I recall.

Q And was it Mr. -- I'm going to butcher his name.

A Sichter?

Q Was it Mr. Sichter that forwarded you the high level documents that you referred to?

A I think maybe more than one person forwarded it. It was the same document. But, yes, Mr. Sichter was -- I did receive it from Mr. Sichter via e-mail, as

I recall.

Q Have you ever designed a business case model to seek to model what the BACE model seeks to model in this case?

A No.

Q Have you ever worked with any other models that seek to model what the BACE model seeks to model?

A Have I ever worked with one? Yes. I've seen some modeling efforts on the part of Sprint, yes. I was not personally responsible for them. It was more in the context of people in our decision support finance group, and they commonly come to us to understand key economics about this portion of the business.

Q Would those be inputs into the model that folks come to you to discuss?

A Yes, that would be fair.

Q Is it fair to say that you weren't involved in actually constructing a model to model CLEC entry? Is that a fair characterization?

A No, I don't think it is, because I think inputs are an integral part of constructing that model. So to say I had no involvement would not be accurate.

There's actually a little history here too. The financial calculations, the discounted cash flow valuations used in the finance group in their model

actually originated in my regulatory cost group, so there is some direct input in that area as well.

Q Have you ever designed a cost model of any type?

A Oh, absolutely.

Q Personally?

A Well, in my role as Director of Cost Support, absolutely.

Q What models have you designed?

A Well, it would be all the UNE models that Sprint used and presented in the UNE docket, which there's a lot of them there.

Q Any other categories of models?

A Well, I was heavily involved in the USF modeling efforts.

Q Okay. Anything else?

A Well, I've done a lot of work in the area of critiquing other industry models as well.

Q Right, but I'm asking you about designing models.

A Well, I think my critique heavily includes aspects of whether those other models were properly designed, so I don't dismiss that as inapplicable to the topic of designing models. I think it's absolutely applicable to it.

Q Okay. Any other model design work that you haven't told me about?

A Probably so. I didn't come with a list of my entire history of model development. I've done analytical work my entire career. I'm a CPA. I'm certain that I've done all types of modeling.

Q Other than the ones you've told me about, sitting here today, to your recollection, do you recall any others?

MR. PHILLIPS: Objection. Asked and answered.

BY MR. SHORE:

Q You can answer it, Mr. Dickerson.

A Well, I think I have answered it.

Q Well, let me ask it again. Do you recall any others other than the ones you've told me about already?

A Do I recall any other what? Let's restate your question, please.

Q Have you participated in designing any other models other than the things that you have testified about already today?

A Yes, absolutely.

Q List those for me, please.

A Well, as I said a moment ago, I don't think it's a reasonable request that I be able to list my entire career, my entire career spanning over 20 years,

my modeling efforts. I am a CPA. I've been involved in accounting and finance and analytical efforts my entire career. I've done taxation issues, I've done revenue projection and modeling issues, and I've done tariff filings which required modeling efforts. I've done price cap regulation for the FCC price cap. I have done analysis for access rebalancing plans relative to state regulation. I've done TSLRIC studies of all types and categories. Does that give you a flavor for the breadth of what I may have been involved in modeling?

Q I want to know what models you participated in designing other than the ones that you've told me about already.

A I think I've answered your question, sir.

Q Okay. You can't answer it any further?

MR. PHILLIPS: It has been asked and answered.

MR. SHORE: I agree that it has been asked.

BY MR. SHORE:

Q You were involved in Sprint's advocacy of the BCM model?

A BCPM?

Q Yes, sir.

A Yes.

Q And did that model go through several, or at least some iterations or versions?

A Yes. I discussed that in my direct testimony.

Q Did Sprint advocate adoption of the earlier generations of that model?

A Yes. And since you brought it up, I would like to point out that Mr. Stegeman's characterization of it is extremely misleading. The BCPM's calculations are wholly open and available to the public. The C-Plus code that Mr. Stegeman references in an extremely misleading manner was code that was used to develop an input, a geographic input to the BCPM, and that's an entirely different issue. All the calculations within the BCPM were open and available to the public.

Q You made some adjustments in your testimony regarding collocation and EEL costs. Did I get that right?

A No, you didn't. What I adjusted -- I didn't adjust anything, first off. What I pointed out was an external analysis, because we had unreasonably limited access to the BACE model, coupled with the admission that I mentioned earlier in the discovery that you can't even see the calculations within the BACE model. What we did was an external analysis that compared the collocation buildout costs of the BACE model to the necessary CLEC-incurred costs to build out a collocation and found it to be dramatically understated to the tune

of over 500%. I then did a related analysis of the ongoing costs and demonstrated that the ongoing costs of DC power alone were understated by about 200%. I then made the logical point that any optimization routine that attempts to use dramatically errant, understated figures in its comparison of two cost alternatives is going to yield inaccurate and unreliable conclusions. So that was what I did in the area of collocation.

Q And in your analysis that you did regarding collocation, you used costs that Sprint filed in Dockets 981834 and 990321 before the Florida Commission; right?

A In part. Where the costs were available in terms of what BellSouth's cost to the CLEC would be, we used those. And then to the extent that BellSouth did not -- their style of business, if you will, is to tell CLECs to hire their own contractors and perform their own work in the area of cross-connect and DC power cabling. In those areas, we used Sprint's cost to perform that work on behalf of the CLEC as the surrogate for the CLEC's cost to perform that work.

Q Those Sprint costs that you used and that you referenced in your testimony that Sprint filed in the dockets before the Florida Commission, did the Florida Commission adopt or approve the costs that Sprint filed in those dockets?

A I don't think the outcome of that is yet known. We don't have a final order in that docket.

I would not expect that it's conceivably possible that whatever adjustments the Commission might make in that area could negate 554% understatements or 198% understatements of DC power.

Q Do I understand you correctly that the Florida Commission, you're saying, has not yet approved rates in the two dockets you referenced? Did I understand that to be your testimony?

MR. PHILLIPS: Objection. Asked and answered.

THE WITNESS: Could the court reporter read back my answer to the attorney, please.

BY MR. SHORE:

Q Let me just ask you a question. Is it your testimony that in the two dockets you reference on page 12 of your rebuttal that the Commission has not set rates? Is that your testimony, yes or no?

A That was my testimony. But, of course, I went on to explain that I don't think that there's any reasonable expectation that whatever adjustments that the Commission might order to those rates could have a material impact on a 554% understatement or the 198% understatement on the ongoing costs of DC power.

Q For the elements where you say on page 12, the

DC cable costs --

A Did you mention a page, sir?

Q Page 12 of your rebuttal, lines 6 and 7. Because I can't see you, if you would just let me know when you get there.

A Yes, I'm there.

Q Okay. Do I understand correctly -- and you'll have to bear with me. I'm just a lawyer. Do I understand correctly your testimony that the Florida Commission has not established DC power cable costs for BellSouth?

A Yes. And let me repeat my testimony for you for the third time. BellSouth did not file costs for DC power. BellSouth tells the CLECs to hire their own contractors and to perform that work themselves. And as we discussed extensively earlier, that's integral to why I find it totally incredible for BellSouth to suggest that their in-plant factors could somehow cover those costs that they don't even incur.

Q Has any commission where Sprint has filed the power cable costs that you refer to on page 12 of your rebuttal adopted those?

MR. PHILLIPS: Objection. As far as other jurisdictions are concerned, they're not relevant to this proceeding. What Sprint's costs are outside

the State of Florida and what has been approved by other commissions again is beyond the scope of this proceeding. However, the witness can answer.

A I believe we've got prices that are materially similar to this in North Carolina and Nevada. I don't have those prices in front of me, but that's -- I know we have Commission-approved prices in North Carolina and Nevada.

Q Do you know whether those are higher or lower or equal to the costs that you reference filing in Florida on page 12?

A I think they're similar. I do not know whether they are precisely higher or lower or equal to. I have not reviewed those, had no reason to review those in the course of this Florida docket.

Q Let's talk about the purchase price adjustment you make. That's on pages 17 and 18 of your rebuttal.

A This would be the question that starts on line 15?

Q Please describe Sprint Scenario 7 "Sprint Base Case: Adjust Purchasing Power."

A Correct. Okay. I'm there.

Q Other than your testimony here on pages 17 and 18, have you presented in this docket, in discovery or otherwise, analysis to support your recommendation with

respect to the adjustment you advocate there?

A Not other than my testimony and discovery, no. However, as I discuss earlier, I will be bringing forward more evidence in this area, and the evidence I plan to bring forward is a very straightforward comparison of the investments that underlie Sprint's Florida Commission-approved UNE prices, and I'm going to demonstrate that the circuit-switched investment per line in the BACE model is dramatically lower, over 100% lower than what the Commission found to be reasonable and fair for Sprint's costs of circuit switching.

I'm also going to demonstrate in the area of digital loop carrier investment that the BACE model predicted costs of digital loop carrier is in the neighborhood of 200% understated to the same Commission-approved DLC investment in the Sprint UNE docket. And I think that relates to my testimony quite well, in that I don't think that -- if Sprint has costs this much higher than the inputs to the BellSouth model, I think it's entirely logical to expect a CLEC entering the market with zero customers would likely have that cost or higher.

As I explained in my testimony, I've seen BellSouth's costs. I've seen them in the course of USF proceedings, and I've seen them in the course of UNE

dockets. And every time I see them, I sign nondisclosure agreements that require that I protect those and that I do not divulge what those costs are. They also require me in the course of those nondisclosure agreements to sign that I would not use that knowledge in another docket.

All I'm saying here is that in the course of my broad work in the area of cost analysis, it is common and repetitive that RBOCs have lower vendor costs than Sprint does. And I think that a CLEC cannot be assumed to have the same volume purchase scale as an RBOC, who has in the neighborhood of 95% or higher market share and has been in existence for approximately 100 years.

Q Did you produce anything in discovery in this case that supports or that you say supports you changing the factor to 125, as you set forth on pages 17 and 18 of your rebuttal?

A Yes. I presented my testimony here that you and I are looking at.

Q Other than your testimony, have you presented anything else, in discovery, produced documents in response to discovery or interrogatories?

A The question that starts on line 15, page 17, through the Q and A and answer goes on to page 18 and runs through line 20, that's what I have presented. And

as I said, I will have more to say on this subject yet this week, and it will in fact shows that this 25% was way conservative and doesn't begin to get at the quantity increase that's necessary to put the BACE model investments into a reasonable range of costs. They're far more understated than what this testimony estimated at the time.

Q You personally assisted in the preparation of some interrogatory responses in this case; correct?

A Correct.

Q Do any of the responses that you provided to discovery in this case or any of the documents that you produced support that purchasing power adjustment set forth in your testimony that we're discussing?

A I believe there was discovery in the area of purchasing power, yes.

Now, to be clear, if you read my testimony, I can't walk in here in this docket and divulge what BellSouth's vendor cost is, so I am appealing in the testimony using a fact that we all know to be true, which is that in this industry, volume of equipment purchased directly affects vendor costs. And I'm appealing to the logical argument that this startup CLEC with zero percent market share in year one will not have the vendor negotiation power of BellSouth, and I'm

frankly confident that the Commission will agree with me.

Q When was the last time that you saw BellSouth's vendor cost information, I think was the phrase you used?

A In the UNE docket.

Q Here in Florida?

A Yes.

Q And what was the vintage of that vendor cost information? It was cost information from what year?

A I don't know. I don't have that memorized, sir.

Q Was it prior to 2000?

A I don't know.

Q Do you know whether Sprint asked BellSouth in connection with this proceeding for updated or more current vendor cost information?

A I don't believe we did. We were so overwhelmed with the lack of information in BellSouth's filing that we have worked night and day to try and get our arms around the gross lack of evidence in BellSouth's case, and we have exhausted ourselves trying to get our arms around this black box BACE model, as well as trying to drag out through a 20-day discovery process evidence that should have been included in their direct case

filing. So, yes, we may have missed that.

Q You used a different sales expense in running the BACE model, and that's what's set forth in Scenario 8 of your Exhibit 6?

A Yes.

Q And you say in your testimony -- I don't have the cite here. I can find it if you need it, but essentially what you say is that you increased Bell's expense to a level consistent with Sprint's actual CLEC experience?

A Correct.

Q What exactly did you change to make that modification for that run of the BACE model reflected in Scenario 8?

A I believe KWD-7 is responsive to your question.

Q Can you explain to me what you did mechanically to make that change? Don't divulge any of the numbers. That's not what I'm asking you to do.

A I think that staff POD 22, which was requested early in time for this deposition, is also material available to you in this area. It shows the input tables used, and it shows the values substituted. So I think if you'll take a look at that, you'll find the answer to your question.

Q Do you know what input tables you made

adjustments to sitting here today?

A Cost input operations.

Q Anything else with respect to this input change?

A Well, I'm looking through POD 22, the table which identifies for you the scenario, the table change, the field change, the row, the new value. So when you say anything else, I'm not sure what you mean with these wide-sweeping questions that you ask. But I think if you'll look at POD 22, you'll be able to see precisely the input changes we made in the area of all of our scenarios, including Scenario 8 for sales customer acquisition costs.

Q Did you undertake any analysis or any review of what CLEC sales expenses are in the industry?

A I missed a word in your question. Could you restate it, please.

Q Did you undertake any analysis or review of what CLEC sales expenses are in the industry generally?

A Yes. I think there was surrebuttal and a lot of discovery on that. We responded and demonstrated how Dr. Aron's characterization of the CLECs that she mentioned was wrong. We corrected her statements regarding Z-Tel as $50, and we showed that their actual expenses in the same document reads roughly $100 to

$120, and we clarified it doesn't have television advertising expense, and then showed in a precise and exact test market of Sprint's media advertising costs how much higher that would be. We corrected for the TalkAmerica sales expense using their 10K. And there's more. If you'll look through the discovery, yes, we did.

Q I would like to know what other CLECs' sales expense you looked at.

Let me back up a second. Did you rely on any CLEC sales expense data in formulating your proposed inputs or the inputs that you used in running Scenario 8?

A Yes. As we discussed, we relied on Sprint's CLEC experience primarily.

Q Yes, sir. Other than Sprint's CLEC.

A I have validated that against several other CLECs, and I've mentioned a few to you here.

Q Tell me --

A If you'll look in the discovery, I think you'll find more discussion on that.

Q Tell me who you validated the number you used against.

A I believe that the Z-Tel costs in the area of $100 to $120, coupled with our media advertising, puts

you right in the ballpark of our corrected input, for example. The TalkAmerica figure, I think it's $176, I think it puts you much more in the neighborhood of our input than the understated value purported by Dr. Aron.

Q What percentage of media advertising -- strike that. What percentage of Sprint's CLEC sales expense is made up of media advertising?

A Well, there's a very extensive set of discovery which shows how we computed that. For mass market customers, it's approaching maybe 40%. It's very material.

Q Prior to running Exhibit 6 and filing that with your direct testimony, did you undertake any review of any CLEC's actual sales experience other than Sprint's CLEC's?

A Well, yes. I think we had looked at Z-Tel and TalkAmerica because they were referenced in Dr. Aron's testimony.

Q Right. And what I'm trying to figure out, they were referenced in Dr. Aron's direct testimony, which was filed at the same time as your direct testimony --

A But you're discussing my rebuttal testimony. So between her direct testimony and my rebuttal, I looked at it.

Q And my question was prior to filing your direct

testimony, had you looked at any.

A Well, I didn't even discuss this topic in my direct testimony, and I could not have anticipated that BellSouth was going to file such an understated value in their direct testimony.

Q So the answer to that is no?

A The answer to that is no and more. There was no logical reason for me to be analyzing that at the time.

Q Could you point to me where in your rebuttal testimony you talk about TalkAmerica in detail?

A It's in my surrebuttal testimony, I believe.

Q So prior to filing your rebuttal testimony, then, where you made the recommendation for an input of sales expense, did you undertake any review of any CLEC other than Sprint's CLEC sales expense?

A Yes.

Q Okay. Who?

A It doesn't affect the timing. What I've already told you, sir, I'm under no obligation, you know, to get every piece of analysis that I get in -- I make the decision as to what's in my rebuttal testimony. It became a more pertinent topic of discussion, and so I provided more evidence as to the analysis I had performed in my surrebuttal. It in no way implies or

proves, as you apparently are trying to assert, that I didn't do the analysis earlier.

Q Just so I understand then, your testimony is that you looked at Z-Tel and TalkAmerica's sales expenses prior to filing your rebuttal testimony on January 7th? Is that what I hear you saying?

A Yes. We endeavored -- well, let's just be clear.

Q Right. If you would --

A We had to extract --

Q If you would answer first with a yes or no, and then provide any explanation you deem necessary.

A What's your yes or no question again?

Q My question is, is it your testimony that prior to filing your rebuttal testimony on January 7th, where you make or use an input for sales expense based on Sprint's CLEC sales expense, is it your testimony that prior to that time you looked at Z-Tel and TalkAmerica's sales expense?

A Yes. We started looking at it upon seeing the direct testimony of Dr. Aron. But what I would also point out again is that BellSouth's filing lacked a mountain of substantial competent evidence. It was nothing but conclusions and high level statements, and so Sprint was left to a 20-day discovery process to mine

out of BellSouth information that should have been available to it in BellSouth's direct case. So we had a significant time lag to get the testimony, get through it, and figure out what the most pertinent points of discovery were, and that took several weeks. We finally got the documents from BellSouth, and then we provided additional analysis in my surrebuttal.

But, yes, we started this issue at the outset. We knew it was obvious to us that the values that she spoke of in her direct testimony were dramatically understated, given other CLECs' experience and given Sprint's experience.

Q In your rebuttal testimony, Scenario 8, you used -- what you tell us in your testimony is that you used Sprint's actual sales expense.

A Correct.

Q You did not adjust that to reflect any analysis of any other CLEC; is that true?

A It wasn't necessary to adjust it, because I found it to be very supportive of the values that I used in that scenario, as well as very supportive of Sprint's experience in this area.

Q Let me try to ask this in a yes or no format. Did you adjust Sprint's actual CLEC number in any way, or did you just use the Sprint information as an input

to support your Scenario 8?

A No. I did not adjust it, because it was unnecessary. Again, I'll repeat it for you. It was unnecessary to adjust it because I found the actual experience of other CLECs to be very consistent with Sprint's experience, as well as the snippets of information that Dr. Aron is trying to rely upon do not provide all the necessary information, and I discuss that in my rebuttal testimony. She's attempting to oversimplify a fairly complex area of business.

And the Sprint analysis that we presented goes into much greater depth than anything that you can get from a publicly available 10Q or a snippet of an analyst's report on a CLEC business. We delved into all of the various marketing channels that Sprint uses and what our costs are in compensating these other marketing channels. We delved into Sprint's actual vendor costs that decline over volumes to use a third-party vendor to do certain order taking functionality. We looked at our actual media advertising test market costs.

So using the Sprint data allowed us to get to a thorough analysis of customer acquisition costs that would not be available using the snippets of analysts' reports that Dr. Aron is attempting to use, and in fact, as I demonstrated in my surrebuttal, has misused.

Q Other than the detailed sales expense information, TalkAmerica sales expense information, and Sprint's CLEC sales expense information, have you reviewed the sales expense data from any other CLEC in connection with your work in this case?

A I think I did some follow-up. I took a quick look at AT&T, the document that Dr. Aron referenced. But beyond that, no. I think that was an adequate level of information, and we provided all of that in our discovery responses.

Q Has Sprint had any reduction in workforce over the last two years?

A Yes.

Q Has that reduction in the workforce included Sprint's CLEC operations?

A I expect that it did in the course of the ION product that did not work. You know, that's basically an example of what we talked about earlier, where you seem to be concerned about my use of a startup CLEC venture being characterized as difficult or struggling. I think that ION venture provided evidence that it is difficult to go out into the marketplace and deploy technology on day one and build a market share and an entire operation from scratch and succeed. So, yes, I'm sure that associated with our ION venture that we

disbanded ultimately, there were layoffs associated with that.

Q In your opinion --

A But it was associated with discontinuing an operation. It was not associated with an operation getting more efficient. It was conceding that the venture failed.

Q In your opinion, the ability of a CLEC to make a go of it and succeed deploying its own facilities, in your opinion, is that affected by the availability of UNE-P to other CLECs?

A I wouldn't think so, from the standpoint that if it's available to other CLECs, it's available to all CLECs. And so to the extent a CLEC decides to not take advantage of a UNE-P vehicle that's available, but rather decides to go from day one, if you will, with a facilities-based play, I would assume that that CLEC has an approach -- a niche approach is what most commonly has occurred in those areas. They're going after a niche market application. I don't see any examples of a CLEC successfully deployed facilities-based approaches to serving mass market customers from day one, and in fact, the early attempts that we saw I believe have all ended in failure.

So I don't think it would affect it from the

standpoint that UNE-P is generally being used as the vehicle to build market share for res market customers, at which point presumably in the future when there's sufficient scale to overcome the overwhelming cost disadvantages of the startup phase of operation, they could be transferred to a switch-based network approach down the road. So I wouldn't expect a company to not make use of a UNE-P vehicle available to them at day one and disadvantage themselves vis-a-vis other CLECs who might be using UNE-P as an entry vehicle.

Q Assume that a CLEC did make a decision to deploy its own switching facilities, despite maybe the wisdom of that -- we don't have to debate that now for my question. Would it be your opinion that that CLEC deploying its own facilities to serve the same segment of customers -- let's assume that also, mass market customers. Is it your opinion that that CLEC deploying its own switches would be at a disadvantage or that the availability of UNE-P and the use of UNE-P by other CLECs would impact that switch-deploying CLEC's business?

A It would be my opinion that they would be at a disadvantage, yes, but not for the reasons you're implying in your question. I don't think their troubles come principally from the existence of other UNE-P

providers in the market. I think their troubles come principally from an overwhelming amount of complexity and costs in a startup phase of operation using your own facilities. You're building collocations everywhere, deploying digital loop carrier equipment in all of those collocations, providing adequate power and cross-connect cables, providing your own switches and engineering and maintaining those switches, providing your own OSS systems, tending to all the regulatory mandate requirements, which run into the hundreds of millions of dollars, by the way, for 1,000-number pooling, number portability.

I think they would be dramatically disadvantaged, and that is my point. The BACE model suggests that what has never been shown to be possible in the real world is not only possible, but wildly successful. So I think that they would be at a severe disadvantage because they would have an overwhelming, complex and costly scale that would take them under before they ever got to the long run. I think their cash flow losses in the early years of operation would drive them out of the market before they ever got to a sufficient scale such that they could be ultimately successful.

Q What's Sprint's CLEC bad debt percentage?

A There was a discovery response on this.
Q Do you have that there with you?
A Pardon?
Q Do you have that there with you?
A I've got them here. It may take me a little while to find it. Do you happen to know which one it is?
Q No. If I did, I would be happy to refer you to it.
A It's going to take me a little bit to find it here.
MS. MASTERTON: Kent, this is Susan. Is that -- that's confidential; right?
THE WITNESS: Yes.
MS. MASTERTON: Okay. I just wanted to make that clear. I guess we're handling this the same way we have in others, where we'll have an opportunity to identify that in the transcript.
MR. SHORE: That's my understanding, yes.
THE WITNESS: I think that I -- I haven't found the DR that exists. I think I have a fair recollection of it. Since I can't disclose the exact percentage anyway, maybe you could go ahead and ask your question, and I'm going to continue to look for it.
MR. SHORE: You can disclose it. Your lawyer

will just deem this part of the deposition to be confidential. My question --

THE WITNESS: I'm going to go ahead and find it then. If anybody else wants to help look for it, that would be helpful, but I'm going to continue to page through these until I find it then.

(Discussion off the record.)

THE WITNESS: By the way, as I flip through here, if you want to look back at DR 18, that's where all the evidence on Sprint's actual CLEC experience relative to customer acquisition costs appears.

Okay. I found it. It's in POD 18, or POD 14.

BY MR. SHORE:

Q Okay. What's the number?

A Fourteen.

Q No, what's the bad debt percentage?

A The 2003 average was [redacted].

Q And what services does that include?

Let me ask a slightly different question. Is that the Sprint CLEC overall bad debt?

A No. This is the bad debt associated with our mass market offering.

Q Is that just a retail number then?

A A retail number? It's Sprint's CLEC mass

market bad debt experience.

Q Okay. Before filing your rebuttal testimony in this case, did you undertake any review or analysis of CLECs' bad debt for mass market customers generally?

A I believe that we went out and took a look at Allegiance and TalkAmerica as well just to validate our internal analysis and experience, which was the predominant evidence that I used in my rebuttal testimony.

Q Where did you find Allegiance's bad debt numbers?

A In their 10Q that I mention in POD 14.

Q Other than Allegiance and TalkAmerica, did you look at any other CLEC?

A Excuse me. I misstated. Their 10K.

No, I believe that the Sprint experience is adequate evidence to demonstrate that the BACE model has unrealistically suggested a low level of bad debt experience.

Q So you're relying on the Sprint CLEC evidence alone then? Did I get that right?

A No, you didn't. As I mentioned, I looked at the two CLECs we just discussed and validated the Sprint experience. I saw nothing to support the level that BellSouth used in the BACE model.

Q Did you undertake to look at any other CLECs other than Allegiance, TalkAmerica, and Sprint?

A No. After a deep dive on the Sprint experience and a couple of external validations, I felt that was sufficient.

Q You've filed testimony in numerous cost dockets, haven't you?

A Yes.

Q When you file testimony in cost dockets, do you attach your work papers as an exhibit to your testimony?

A Yes, I often do. I certainly provide a fully visible model, sometimes under the necessary protections of a nondisclosure agreement, but I provide a fully visible model. I provide it with 100% visible inputs and calculations. I provide the inputs used, and to some extent, I provide work papers used to develop the inputs.

Q Do you typically file as an exhibit to your testimony all of the work papers that underlie the inputs used in your model?

A I do not provide all of them. I do provide support for some of the most major components. And it should not be overlooked in this context that BellSouth was attempting to overcome a national finding of impairment, and there was an extremely abbreviated

window that the FCC mandated the state commissions to get that work done, and then you overlay a 20-day discovery window. And in effect, BellSouth has not provided the substantial competent evidence required to overturn the national finding.

Q I didn't see this in your testimony, Mr. Dickerson. Do you have a law degree?

A No.

Q Let's talk about your Exhibit 4.

A Let me get to it, please.

Q Is it your testimony, before we get there, that the TRO requires that BellSouth -- places the burden in this case on BellSouth?

MR. PHILLIPS: Objection. As far as the burden is concerned, the TRO order speaks for itself.

MR. SHORE: I'm asking for his opinion.

MR. PHILLIPS: Wait. Hold on. The witness may answer the question.

A My testimony would be that the TRO concluded that there was a national finding of impairment for CLECs serving mass market customers with their own switches, and it offered the opportunity to present evidence that could overcome that national finding of impairment, and BellSouth chose to assert that they could overcome that national finding of impairment. And

I am then beyond that stating fact and my opinion, which is that they did not provide substantial competent evidence in their direct case filing, rebuttal, or surrebuttal.

Q And my question is, based on your reading of the TRO, is it your opinion as a lay witness, non-lawyer, that BellSouth has a burden in this case to prove that?

A Yes, in the context of -- to the extent that they want to file a case to overcome the national finding of impairment, yes. I think if they expect to succeed and convince the Florida Commission that the national finding of impairment in these markets was in fact wrong, I think that it is reasonable to expect -- if they expect to succeed, that they need to provide evidence to refute the national finding of impairment.

Q Do you have your Exhibit 4 in front of you?

A Yes.

Q How did -- there are six wire centers listed there; correct?

A Yes.

Q How did you choose those six?

A We assigned random numbers to the wire centers and selected six randomly.

Q What process did you employ to do that?

A I believe I just told you that.
Q Who did that?
A Jim Penfield on my staff.
MR. SHORE: Excuse me one second.
(Pause.)
BY MR. SHORE:
Q Sorry about that. My other phone was ringing. I apologize. Can you give me that name again?
A Jim Penfield.
Q Did you participate in that selection process, you personally?
A Yes. I participated at the level that a Director of Cost Support would participate. We got the testimony. We started to digest the areas of the model that we thought we should go take a look at. And in the course of that, early on, I directed my folks who are most knowledgeable in the area of collocation to perform some analysis.
It was reported back through interim discussion that you couldn't see anything going on in the model, that all you could see was some results. And so then we discussed, "Well, how can we test it?" And we went on to discuss that we could attempt to compare their collocation buildout costs, which I describe in my testimony, using the model documentation. We discussed,

"Well, what we can do is develop an external analysis and make a comparison of what we know to be true." We're in the business. We provide collocation. We've provided in excess of 300 of them nationwide in the Sprint local divisions. So we discussed how we could develop an analysis that would make that comparison.

I then cautioned my staff to ensure that it would be a random sample. And so from there, they took it that direction and brought some results back. We interacted further, and it resulted in the exhibit that you see here.

Q Did you or anyone working at your direction undertake the analysis set forth on your Exhibit 4 for any other wire center other than those listed on your exhibit?

A No. These were the ones we dove into. You know, we have worked night and day to try and get to the bottom of the facts in this BACE model, and time and effort would not allow us to cover everything. However, I don't think it's necessary, and this is the point I make in my testimony. If you look at column B on page 1 of seven of KWD-4, you see an entirely illogical and narrow variance in costs that the BACE model predicts, and as I discuss in my testimony, that's intuitively wrong. Collocation will have demand-sensitive cost

variations that are entirely absent in the column B BACE model results. So I don't think I would necessarily need to go to any more wire centers to continue this demonstration that the model dramatically understates the costs in this area.

Q Prior to filing your rebuttal testimony on January 7th, did you undertake any review of analysis of CLEC G&A costs other than Sprint's CLEC's?

A No. It wasn't until I saw the ludicrous approach taken by BellSouth in the BACE model that I had a need to go out and perform that analysis. I've done a lot of analysis on G&A costs. It certainly wasn't a start from scratch.

And a lot of my criticisms of the erroneous approach used in the BACE model were built upon my years of experience with all types of expenses and costs. My criticisms as to how illogical it is to suggest there's a linear relationship of this cost to revenues was based on my entire career, frankly, and my knowledge of how operating costs, the costs that I went through in detail earlier in this deposition, the network operations expense, the power expense, how illogical it is to suggest that those are (1) G&A costs, and (2) related to or managed as a direct variable cost relationship to revenues.

So I'm not relying on a narrow analysis of CLEC G&A costs to provide a whole lot of areas of criticism on this illogical approach that the BACE model has selected.

Q Let's talk about your Exhibit 6.

A Okay.

Q I talked to Dr. Staihr about this the other day, but just so we're all clear, what Exhibit 6 reflects is first Sprint changing the market definition in the BACE model to an MSA. That's sort of the baseline change reflected in column B; correct?

A Yes.

Q And column C, Scenario 1, reflects the NPV using BellSouth's input into the BACE model, but Sprint's market definition; correct?

A Yes, that's correct. But as you stated at the beginning of this line of questioning, you're basically asking me questions about Dr. Staihr's testimony. But you're correct so far.

Q And you say all these things in your testimony, don't you? You explain what is reflected on Exhibit 6?

A That's not exactly accurate, sir. I explain that Scenarios 2 through 7 are supported by Dr. Staihr.

Q Right. And I'm not going to ask you about the inputs that Dr. Staihr testifies about. I'm asking you

about the general nature of your exhibit.

A So that would be Scenarios 7 through 10?

Q Right. You were responsible for running the scenarios based on the input changes that Dr. Staihr recommended; correct?

A Yes.

Q Dr. Staihr doesn't run the BACE model. It was you who was responsible for making the runs that reflect the numbers set forth in your Exhibit 6?

A I present all the results. You don't have it exactly correct, no. Dr. Staihr participated with my staff in the running of Scenarios 2 through 6, so it's inaccurate to say he didn't participate in it. He did participate in it.

Q I'm not sure who said he didn't participate. Okay.

And you ran the BACE model, as I said, using BellSouth's inputs and Sprint's market definition, and that's reflected in Scenario 1; is that right?

A I did not -- that is owned by Dr. Staihr, so -- Dr. Staihr directed my staff, Christie Londerholm, who is present in Florida today looking at the BACE model, he directed her to redefine the market in the manner depicted in column 1 and to run Scenarios 2 through 6.

Q And the woman that -- I think it was a woman's

name.

A Yes.

Q She works for you?

A Yes.

Q Now, just so I understand what this model reflects before we get into any details of it, each scenario run takes Scenario Number 1 that we just talked about and does essentially a sensitivity analysis of Scenarios 2 through 10 just changing the one input referenced and showing the results reflecting Scenario 1 and then that particular scenario. Does that describe the exhibit accurately?

A I'm just reading my testimony. The answer is yes. I just wanted to take a look at my testimony as well.

Q Okay. Did --

A Yes. It says on page 17, "Sprint Scenarios 3 through 10 each reflect the stand-alone impact of their respective input modifications on a stand-alone basis overlaid upon Scenario 2 as the base case."

Q Did you or anyone working at your direction perform any sensitivity analysis of the BACE model, but without changing market definition? In other words, did you use BellSouth's market definition and then do sensitivity regarding the input changes that you and

Dr. Staihr recommend?

A I can't answer for certain. In the log that we filed, that log recorded 132 modelings of the BACE model that Sprint has performed thus far. So I cannot swear to you what each and every one of the 132 are. I could easily testify to you that we have presented these analyses in a manner that's consistent with Dr. Staihr's testimony as to how the market should be properly defined.

Q So I take it then you have not, at least you personally -- have you personally done any of the sensitivity analysis using BellSouth's market definition?

A No. I haven't requested scenario analyses inconsistent with Sprint's views as to how to define the market.

Q Okay. That was my next question also. You have not requested anyone else to do sensitivity analyses using BellSouth's market definition either?

A I haven't. Those questions would have been more properly directed to Dr. Staihr. I didn't --

Q That's funny. He said the same thing about you, that it would be properly directed towards you.

A No, I don't believe that, sir. I suspect you're mischaracterizing that. I don't believe that

Dr. Staihr would point towards me the responsibility for defining the market and how Sprint's analysis would approach the market.

Q Did you do the sensitivity analyses that are reflected on your Exhibit 6?

A I did the sensitivity analyses that are shown in columns 7 through 10, and I asked my staff to do a cumulative result which combined those scenarios owned by Dr. Staihr, 2 through 6, and those scenarios owned by me, 7 through 10, in one cumulative run. And I think my testimony is pretty clear on that, actually.

Q Do I understand correctly that Sprint filed a corrected Exhibit 6 just last Friday, I think it was?

A Yes. And to be clear, that resulted from the last-minute model release on the part of BellSouth on January 21st.

Q And the reason that you filed that revised exhibit last week is because there were errors in the MSA mapping in the prior exhibit?

A The primary reason was to demonstrate that our conclusions and analyses were unaffected by the revolving-door model releases during about a one-week period on the part of BellSouth. It also corrected for a minor MSA mapping error. But as we pointed out, and as you can easily see in the total on column 11, it does

not affect the total NPV values.

Q The error in the MSA mapping that you referenced, was that Sprint's error?

A That could be debated. It depends on how you want to use the details in the BACE model. Frankly, our realization in this area resulted from the incrementally improved access to the BACE model that became available to us after January 21st.

Q I don't want to debate it with you now at least, but in your opinion, was the error in the MSA mapping Sprint's error?

A I don't think I would accept that characterization, no. I think I would characterize it as we were provided a greater understanding on the issue out of the incrementally improved access to the BACE model post-January 21st, which allowed us to provide a more accurate mapping. And I would re-emphasize that it doesn't it materially affect our presentation on this topic in the least. It's a minor issue.

Q In your testimony, you state that the expense input category should have more than five inputs.

A Correct.

Q How many should it have?

A Well, if you want to go to the extensive discovery that we provided as to how we built that,

you'll see all the distinct components, and I think it would have made sense to have approached it at that level of detail. For example, there are the external vendor costs associated with order processing. There's media advertising. There are other direct sales expense which got into the -- the other sales channel costs. And that would be just for, you know, one category of customers. If you look at DR 18, page 6 of seven, you see all the different types of platforms we use to do marketing. And then you see -- on page 5 of seven, you see the distinct component for the external vendor cost of ordering, and then you see on page 4 of seven the distinct cost for media advertising.

And the point that comes from all that is that these costs are not directly manageable, particularly in the area of media advertising, to customers acquired. You go in and run your media advertising campaign, and you get what you get. So a cost model that would allow you to simply input a logical level of media advertising relative to the market that you're advertising in versus one that has to be matched to customers acquired would be a more accurate depiction for the cost characteristics of that area.

Q Do you have your surrebuttal testimony there with you?

A Yes, I do. Is there a particular page we want to look at?

Q Your surrebuttal testimony is about 10 and a half pages; right?

A If we need to verify that, I will.

Q You don't need to.

In your surrebuttal testimony, anywhere in there, do you specifically attempt to rebut any specific rebuttal testimony filed on behalf of BellSouth on January 7th?

A Yes.

Q Okay. Point me to where.

A Well, I expect that the rebuttal testimony of Dr. Aron discusses sales expense and G&A expense. But let's be clear on this too. This was directly related to the issue we've discussed several times, which is the complete lack of information in BellSouth's case, and therefore, the necessary but burdensome place that all participants in this docket were put in, which was mining information on the BACE model out of BellSouth through a 20-day discovery process, as well as attempting to make analyses of extremely complex computations with woefully inadequate access to the model.

Q Can you point me to any place in Dr. Aron's

rebuttal testimony that you seek to rebut in your surrebuttal testimony?

A Yes, I probably can.

Q Okay. Do you have Dr. Aron's testimony there?

A Yes. I see her discussing customer acquisition costs on page 17, so I think my surrebuttal in that area certainly continues to be applicable to that section of her testimony. I see her discussing bad debt on page 23.

Q What does she say on page 17 specifically that you address in your surrebuttal?

A Well, sir, let's just take this to a higher level. My surrebuttal provided additional critique of the BACE model computations, and was the direct result of the inadequacy of BellSouth's filing in their direct case and their inadequacy in disclosing their model throughout this process.

That inadequacy has been agreed to on the part of the Florida Commission. They wrote an order, and they released it Monday of this week -- no, Friday, that basically said that neither Sprint nor staff had had an ability to audit or verify the BACE model. So my surrebuttal was placed in the unavoidable position of having to present additional critique that, had I had adequate access to the model, some of those points

perhaps could have been placed in rebuttal. It was impossible due to the actions of BellSouth throughout the docket.

Q Do you anywhere in your rebuttal seek to specifically rebut anything that Dr. Aron -- excuse me. Do you anywhere in your surrebuttal testimony purport to rebut anything that Dr. Aron said in her rebuttal testimony?

A No. I think it's more a continued critique and presenting evidence on BellSouth's case in general.

Q Do you anywhere in your surrebuttal testimony purport to rebut anything said by any other BellSouth witness in their rebuttal testimony?

A Again, I would repeat my characterization. I think that Dr. Aron is attempting to continue to support her customer acquisition costs in her rebuttal testimony on page 17, and so I think it's a fair characterization that my surrebuttal continues to seek to continue to present evidence to refute Dr. Aron.

Q What point does she make on page 17 of her rebuttal that you address in your surrebuttal?

A She mentions on page 18 her recommendation of $95 for residential customers, and she says that this falls very close to the middle of the range for the Z-Tel experience. And in my surrebuttal testimony, I

examine Z-Tel's true statements on this topic, and I clarify that their statements are that it's 100 to $120, and I clarify that that excludes television advertising.

MR. SHORE: Is someone typing? Whoever is typing, can you put your phone on mute? If you can, that would be great. I'm having trouble trying to follow the witness.

BY MR. SHORE:

Q Okay. Other than seeking to rebut Dr. Aron's rebuttal testimony about customer acquisition costs in your surrebuttal testimony, are you purporting to rebut anything else in BellSouth's rebuttal case?

A No. As I've said repeatedly, the fact that BellSouth attempted to work through this entire proceeding providing grossly inadequate access to their model prevented any party from being able to do an adequate level of review throughout the proceeding. But, frankly, I'm pretty pleased with the level of evidence that Sprint persevered and provided in the docket, nonetheless.

Q Can you turn to your Exhibit 12?

A My Exhibit 12. Yes, I'm looking at it.

Q The BACE model runs reflected on your Exhibit 12, were they run with all the optimizations in the BACE model turned on?

A I believe that's correct. However, optimizations on or off could never explain the illogical results that are demonstrated on KWD-12.

Q I want to follow up on your response to staff's question --

A Pardon?

Q I want to follow up on a question, or at least an area of questioning that Mr. Susac asked you about. Or actually, I don't know if he even asked you about it, but at least that you testified regarding the toggle in the model with respect to using in-plant factors as they affect collocation costs.

A Correct.

Q What is the basis for your statement that BellSouth has it turned off in the model?

A Our examination of the BACE model as they filed it. It was set to "no."

Q Was that based on reviewing the manual that BellSouth provided along with it?

A No. It was based on the actual tables and the way they were set in the BACE model scenario run that we inherited as the starting point for our analysis.

Q Can you tell me where I can find that?

A I think you could find it in -- the BACE model documentation would point you towards the tables that

were set to N, as discussed in my testimony.

Q Your testimony is that you actually went and looked at the tables?

A Yes. We have what we call a smart board technology here on the Sprint campus, and it allows us to sit as a group -- and this is an important part of why it's necessary for Sprint to perform its analysis in Kansas City and not be limited sending one or two people two or three days prior to the hearing to do analysis on-site. But what we do when we're allowed to do it is, we will pull the model up, and we can project that onto the screen in a conference room, and we can sit there and move anywhere we want in the model, and we can discuss any topic we want. So, yes, in that manner, I viewed the toggle set to N.

Q What table did you look at to see that?

A It's on page 4 of my testimony, "ApplyLoadings, Network Cost table only."

Q And how do I get to that in the model?

A I was not controlling the keyboard at the time. Christie Londerholm was, so I'm not the foremost expert on how to navigate to that table. I'm not sure that it matters.

There's a specific table that exists that determines whether that's going to be applied to the

collo or not, and I saw it. I would be glad to provide a late-filed response to tell you exactly where we saw it if that's something you would like.

Q That would be great. Why don't we call that -- what do you want to call that exhibit, Mr. Dickerson?

A I don't know. I'll figure it out here.

Q "Collocation Table," just for our purposes of identifying the exhibit?

A "ApplyLoadings Indicator for ColloEquipment Items."

MR. SHORE: Okay. That sounds good.

(Late-Filed Deposition Exhibit 1 identified.)

BY MR. SHORE:

Q In your rebuttal testimony, one of the things that you're asking the Commission to do is to look at your Exhibit 6 and conclude that running the BACE model with Sprint's inputs is a basis for the Commission to conclude that CLECs are impaired; is that right?

A That would be a somewhat fair characterization. Actually, what I say in my testimony is that we just selected a few obvious examples to us where the inputs put forward by BellSouth in their effort to overcome the national finding of impairment were, from Sprint's experience and vantage point, obviously in error. And so to be clear, my testimony was correcting for but a

few of the complex areas of the model to demonstrate that it is in fact not possible to profitably serve the mass market from day one using your own network. It was not exhaustive, and it was presented to clarify that that was not an exhaustive list of the areas of concern, nor had we even attempted to get into every area in the time allowed.

Q In your opinion, would it be okay for the Commission to use the BACE model with the inputs that Sprint recommends, along with the market definition I guess that Sprint recommends, to conclude that CLECs are impaired in the markets where BellSouth says the model demonstrates that they are not?

A I think the Commission could be convinced through the testimony Sprint provided that there is not substantial competent evidence to overcome the national finding of impairment, yes.

Q But in your opinion, can the Commission use the BACE model with Sprint's inputs and market definition to reach that conclusion?

A No. The fact is that its calculations have been shown to be completely unreliable, as well as the fundamental methodology problems that the BACE model contains, for example, as I pointed out, the G&A expense loadings that are intuitively illogical and serve to

systematically understate costs from day one. No, I don't think it's an adequate tool for the task at hand. And further, I don't think the Commission could allow a tool that was hidden from view almost the entire course of this docket all through direct testimony, rebuttal testimony, surrebuttal, and discovery cutoff. I don't think they could conclude that that tool has undergone adequate review in order to overcome a national finding.

Q So your opinion then is that the Commission should not use the BACE model, no matter what inputs are used in it?

A I think that if they intend to overturn a national finding of impairment with it, they've got a whole lot more work to do.

Q I'm going to just try to get a clear answer to my question. Is it your opinion that the Commission should not use the BACE model in this proceeding no matter what inputs are used in the model?

A I don't think that the Commission can use the BACE model to reach any conclusions overturning any market's national finding of impairment.

Q Do you think the Commission can use the BACE model for any purpose in this case, in your opinion?

A I think that the Commission would require evidence in order to overturn a national finding of

impairment. And in the absence of that evidence, I think the national finding of impairment remains.

Q Okay. In your opinion, can the Commission use the BACE model in this case for any purpose?

MR. PHILLIPS: Objection. Asked and answered.

MR. SHORE: I just want a yes or no, and then he can explain. I haven't got a yes or no yet.

A I think you have. The answer was no, because it has gone through a woefully inadequate level of review. But I have clarified for you several times in this line of questioning that the national finding of impairment exists, and until evidence is brought forward to overcome it, it remains.

Q Do you have any corrections to make to your prefiled testimony or exhibits that you haven't already made?

A I've got one that I'm aware of.

Q What is it?

A I don't think -- I may have more. The one I'm aware of is on page 6 of my direct testimony, line 14. I think that the actual math of that would be that it would be up to 11 DSOs, not 12, and then I think that line 16 would be above 11 DSOs.

Q Okay. Any other corrections or revisions to any part of your testimony or exhibits that you're aware

of right now?

A No. But, of course, the last-minute access to the BACE model could yield understandings that could cause us to find other areas.

Q Other than the --

A We've had to work in the dark to a large extent throughout this docket.

Q Yes, I got that that was your feeling today.

Other than the additional analysis that we talked about earlier that you're undertaking that you said you will seek to file in this case, do you plan any other analysis?

A I plan to bring forward whatever we can learn in last-minute access to the model that's ongoing as we speak.

Q Do you have any particular analysis or issues that you're aware of right now that are not set forth either in your prefiled testimony --

MR. PHILLIPS: Objection. Asked and answered.

Q -- or that you have not told us about in your deposition today?

A No. But, you know, the field is wide open. We got this last-minute access to the model starting today, so every topic that's in the model is potentially a topic for additional evidence.

Now, realistically, what could we expect to accomplish in two or three days? Not a lot, particularly when limited to an on-site review where I can only include three of my staff, and we've got one computer in order to do it, and you can't save the scenario runs on the one computer.

Q Do you have your testimony that you filed in the loop/transport docket there with you?

A No, I don't. I'm not sure why that would be a topic of a deposition in a different docket.

Q Because the staff designated this deposition in both dockets, as I understood it.

A That wasn't my understanding at all, sir. I'm being deposed on Friday in the loop and transport docket.

MR. TEITZMAN: This is Adam with the Commission. That is correct. A separate deposition has been scheduled for 852.

MR. PHILLIPS: Thank you, Adam. I was about to clarify that.

MR. SHORE: When is that deposition?

MR. TEITZMAN: I don't have my schedule with me, but I believe, Mr. Dickerson, you said we scheduled you for Friday?

THE WITNESS: Yes.

MR. WAHLEN: I think it's at 9:30, Adam. This is Jeff Wahlen.

MR. TEITZMAN: Yes. I've scheduled a lot of them, so they're all jumbled together, but I believe that's correct.

MR. SHORE: Okay. This Friday, like two days from now, or three days from now at 9:30, telephonically?

MR. TEITZMAN: Yes.

MR. SHORE: Okay. Well, I'll save my questions on loop/transport for then.

MR. TEITZMAN: Please do. Thank you.

MR. SHORE: If you all will just give me -- if you want to take a two- or three-minute break, I want to look through my notes. I may have some more questions, but I may not.

(Short recess.)

BY MR. SHORE:

Q Mr. Dickerson, do you have an understanding of what the term "terminal value of a firm" in the business model is?

A What the value of a firm is in a business case model?

Q No, what the meaning of the term "terminal value" is.

A Yes.

Q Okay. What is that?

A It's often used to depict some value of the business that has been built up over the course of the period that has been modeled. It would not be a value that's directly extracted from the operation of that business, and it would be a value that would be, in effect, moving the business case even further out into time to suggest that there would be value beyond the period being modeled.

Q In your testimony, you recommend that no terminal value be reflected in the BACE model; is that right?

A That's correct. First off, I characterize it exactly the way the BACE model documentation describes it, which is on page 25 of the BACE model methodology manual, which reads, "Then BACE will include a multiple of net book value of the assets in the NPV calculation. The model assumes the CLEC business, including the assets, is sold, e.g., as an ongoing business, at the end of year 10 for a value equal to the net book value of remaining assets." And so if you're providing a quantification of selling the assets at the end of 10 years, my points would be several: (1) That's obviously not a value derived from the continuing operation; (2)

it's outside the 10-year period.

Q Is there a 3, or is that it? I don't want to interrupt you.

A You can ask your next question. There's probably more, but go ahead.

Q By turning off or flipping the toggle for terminal value to N or no terminal value, the result of that is to not reflect any value of any assets in the model beyond year 10; is that accurate?

A That's correct, because I believe that the valuation that we're looking for here is the valuation of the operation of the CLEC. We're not looking for if they operate 10 years and then they sell their business, which is exactly the way the model describes this, despite Dr. Aron's surrebuttal argument. I characterize it exactly as I've read it to you here. It's based on the sale of the assets, if they sell their business.

Q Do you know how many switches the BACE model in BellSouth's run models to be installed in the State of Florida?

A No, I don't know that right off.

Q Do you know --

A I think it puts one per LATA, I think is the way it designs at, and then it adds. If capacity requires it, it will add to it.

Q In your experience in working with vendor costs, do you think it would be reasonable to assume that if a telecommunications company purchased several switches at the same time, they would obtain discounts?

A I think that volume discounts -- yes, I think volume discounts are based on your purchase level. And as I stated in my rebuttal testimony, I don't find it logical that a company who's got 95% market share cannot leverage a better vendor cost than the company entering the market who has zero percent market share, and that would go well beyond switches.

If you compare the digital loop carrier device purchases of the CLEC for their collocations, it wouldn't begin to compare with the number of devices that would be present in BellSouth's network throughout the State of Florida. So I think it's intuitively obvious that the CLEC would purchase a much lower volume of that equipment than BellSouth would.

Q Do you have any understanding, based on your work with cost dockets or otherwise, where the prices of switches generally have gone as a general matter over the last three to five years?

A Yes. I think over five years, they have declined. In three years, they probably have declined slightly less than the five-year period would

demonstrate.

Q Do you have any understanding about how switch manufacturers have held up in this economy and whether or not they have suffered more than firms in general?

A I think the entire telecommunications industry has suffered. I think that goes to my higher points in this docket, which is to suggest that a CLEC is going to earn three times BellSouth's demonstrated returns by entering the market and going from zero percent market share to either 10 or 15, depending on whether you believe Sprint or BellSouth, no, I find that to be illogical. But in general, yes, I think it has suffered, and I think that's consistent with my testimony, which is that it's not easy, and it's certainly not wildly easy, as the BACE model would suggest.

Q You have read the BACE model user manual?

A Yes.

Q And you've personally run the BACE model?

A Have I personally run it?

Q I said you have personally run it, have you not?

A No. I have sat that and watched Christie Londerholm run it as I looked at it on the projected screen. I did not hold the mouse.

Q Are you qualified to run the BACE model, based on your observations and the materials you have read?

A I could be trained to run the BACE model. I'm confident of that. It's totally unnecessary, because I've got an excellent staff. And as the Director of Cost Support, my time is very much more wisely spent interacting with my staff and directing my staff as to areas of analysis that I think are necessary, interacting with them on what their analysis has brought forth, interacting with them on assigning discovery, looking at discovery, writing my testimony, and so on and so forth. For me to sink down to the level of effort to run the model would be a grossly inefficient use of my time versus all the tasks that a Director of Cost Support is expected to perform, so I leave that to the capable hands of my staff.

I have watched them run the model, and I've read the documentation, and I've seen it run in the Wizard format, and I've seen it run in the manual method. I'm familiar with the discovery responses that I sponsored. I've read all the testimony, and I am very familiar with the exhibits and analysis that I present.

Q Based on your observations of other folks running the model and the material that you've read, in your opinion, are you qualified today to sit down and

run the BACE model?

A I could be trained to run the BACE model.

Q All right. But that wasn't my question. I'm confident you could be trained to do that. Today, are you qualified to sit down, based on the observations you've made and -- (inaudible) -- sit down and run the BACE model?

A I expect I could run it in the Wizard format. Now, I would expect I could --

MR. TEITZMAN: The court reporter did not get that last question. I'm sorry.

BY MR. SHORE:

Q Mr. Dickerson, based upon the observations that you've made of other folks running the model and the materials that you've read, are you qualified today to sit down run the BACE model?

A I think I could get through the Wizard point and click. I expect I would require the help of my staff to run some of the more involved scenarios outside of the point and click Wizard format. But I would re-emphasize that it is not uncommon for a person of my level, and it would be, you know, grossly inefficient for me to attempt to develop my personal capabilities to run the model when I have capable staff to do that for me.

Q Who wrote your prefiled testimony in this case?

A I did.

Q And who prepared -- did you prepare all the exhibits to your testimony?

A I participated intimately in the preparation of all those exhibits. I have staff who helped develop the Excel spreadsheets and so on, but we discussed -- first of all, we discussed the topic, is this even a topic to be presented in the testimony, and then I provided direction and interaction on the areas of analysis. And then we come back together on an interim basis and talk about what are we finding out in that analysis, and then we reach conclusions that, yes, we have significant issues to bring to the Commission's attention in this area and that it would lend itself to discussion in the testimony and in exhibits to the testimony. And then I provide direction on how to lay that out in the exhibit, and then they will bring back to me an interim result, which in almost every instance requires revision based on my input on the subject. So I'm intimately involved in all those exhibits.

Q Based upon your experience to date with the BACE model and its documentation, would you be in a position right now today to sit down and adjust the purchasing power variable in the BACE model?

A As I recall, that one was a pretty straightforward one. I perhaps could handle that. But again, it's totally unnecessary. I've got an excellent person on my staff, Christie Londerholm, who I would be glad to make available to you in a deposition or at the hearing if you want to ask her any question you want to ask her about how she ran those scenarios. Sprint would be glad to put her forward as a witness. And I relied upon her superior expertise in running the model to do that, and I don't think that damages my testimony or my understanding of the results or the input changes that we made in the least.

Q Back to my original question. If I were to ask you right now, if we had the BACE model in front of us, could you sit down at the computer and adjust the purchasing power variable?

A Well, you're not putting any time frame on it. I think I could figure it out. Yes, I think I could figure it out. Could I go right to it and do it in five minutes? Probably not. I relied on my staff, and I think you understand that. I think I've answered your question.

Q Sitting here today, based upon your experience with the BACE model, could you sit down and adjust the sales cost inputs in the model?

A Those were outside of the Wizard, as I recall. I have POD 22. It points to the area of the table inputs, so I think I could figure it out. If I were placed in an illogical situation where a Director of Cost Support was not allowed to rely upon their staff to perform model runs, if I were placed in that illogical situation, I think I could figure it out.

Q Sitting here today, could you do it right now?

A Sitting here today, I think I could figure it out, sir.

Q How long would it take you to figure it out?

A I would have to try it to find out, I guess.

MR. SHORE: Fair enough. That's all I have.

MR. TEITZMAN: Okay. Verizon, do you have some questions?

MS. HYER: Yes. And for the court reporter, since I haven't actually mentioned my name before, it's Leigh, L-e-i-g-h, Hyer, H-y-e-r.

CROSS-EXAMINATION

BY MS. HYER:

Q Mr. Dickerson, hello. I'm Leigh Hyer with Verizon. I just have a few follow-up questions. I would like to direct your attention to your direct testimony.

A Okay.

Q And specifically beginning on page 3 where you talk about the crossover model.

A Yes.

Q In developing your crossover model in your direct testimony, you used weighted average costs; is that correct?

A What line are we on?

Q Well, I'm just speaking generally, but I can direct you to -- I think it's page 6 of your testimony where you discuss the weighted average cost.

A Yes. This is the discussion that clarifies that for the UNE prices for DS0 and DS1, we developed a weighted average based on the demand and the ILEC-specific prices that match up with that demand.

Q Okay. And the ILEC-specific prices were taken from the largest ILECs in Florida; is that correct?

A Yes, the ones shown on line 7 there.

Q BellSouth, Verizon, and Sprint?

A Correct.

Q And so what you calculated here is an average economic crossover; is that correct?

A That's correct. And Dr. Staihr discussed that in his testimony.

Q Okay. Now, this is sort of an obvious question, but Sprint is one of the three largest ILECs

that you have noted here; correct?

A Correct.

Q And Sprint does sell or lease UNE loops to competitors within its ILEC service territory; is that correct?

A Yes.

Q Okay. In developing your crossover analysis, did you conduct any studies to determine how many loops at a particular customer premises CLECs order within Sprint's service territory, ILEC service territory?

A No. We took the total demand for the wire center and used that versus going off on a speculative forecast of ILEC-specific penetration or demand for UNEs.

Q So you didn't actually look to see how many loops at a particular customer premises CLECs are actually ordering within Sprint's ILEC territory today; is that correct?

A No. And I don't think that would be necessary or advisable. That would introduce unnecessary complications in something that we view as pretty straightforward. All we're trying to solve for here is what are the economics for a CLEC who is trying to serve an end-user customer who has a demand for multiple DS0 level voice service, at what point would the economics

of that cross over.

It doesn't really matter what the actual demand is, because the economics are unaffected by the demand. If the demand is two and therefore it's cheaper to buy two DS0s than a DS1, then that's what the CLEC will do. If the demand is 15, and therefore it's more economic to serve that DS0 level demand of 15 with a DS1, that's what they will do. So I don't think you need to have a customer premise-specific analysis of the demand. The demand is what it is, as well as the mathematical economic crossover of DS0 Commission-approved prices with DS1s is what it is.

Q Let me ask my question again. Did you do any analysis of how many voice grade analog loops CLECs are currently ordering from Sprint?

A No. I've answered that no, and I went on to explain that I don't think that's necessary or even germane to the crossover analysis.

Q So as you sit here today, you do not know the maximum number of individual voice grade DS0 loops CLECs currently order to serve a single customer premises in Sprint's territory?

A That's not an analysis that I performed on this crossover, no.

Q And you also did not perform that analysis with

respect to Verizon's territory; correct?

A Correct. And I don't believe it's necessary or germane.

Q So you don't know as you sit here today whether or not there are CLECs that order more than 12 individual voice grade DS0 loops to serve a single customer premises within either Verizon or Sprint's territory; correct?

MR. PHILLIPS: Objection. Asked and answered.

MS. HYER: I don't think it was answered.

BY MS. HYER:

Q Do you know as you sit here today whether or not any CLECs order more than 12 individual voice grade DS0 loops to serve a single customer premises within either Verizon or Sprint's territory?

A No, I haven't looked at that. If they did, I presume they had a reason for doing so. But this suggests that on a statewide average basis, if they did that, it would hopefully be driven by some specific customer need, because otherwise they're making an uneconomic choice. And that's all the straightforward analysis is looking at, is what's the economics of it. What people do in the marketplace is what they will do.

Q Is it your position that a CLEC that orders more than 12 individual voice grade loops to serve a

particular customer premises is always making an uneconomic decision in doing so?

A No. I think what I said in the answer to your previous question directly preceding this is that there would presumably be something different or out of the ordinary at that customer premise if they did that, if you're willing to assume that they're making logical economic choices.

Now, if they're not making logical economic choices, then they've made an uneconomic one in that instance, because the economics of accounting for the necessary customer premise equipment amortized with a reasonable cost of money in a reasonable period, coupled with the relationship of DS0 to DS1 prices, suggests that they could have more economically served that customer by serving them with a DS1. If they haven't, I would say it's one of two outcomes. What I would suggest is that either they made the wrong choice, or they have additional facts relative to that customer's requirements at that location that caused them to do what they have done. It doesn't alter the fact that the economics suggested that it was cheaper to do it with a DS1.

Q With respect to additional facts at a particular customer premises, is it your testimony that

there are no additional facts with respect to particular customers that would alter your economic analysis of what the crossover point would be?

A No, I probably wouldn't want to get boxed into that position. My position is simply a reasonable man position. I think this was a reasonable approach to determining a crossover. If you want to get into ICB analysis on a customer-specific basis, I expect ICB analysis will show different outcomes for each ICB. That's the nature of ICB analysis.

This was suggested as a reasonable, practical approach for determining a crossover in Florida that would be workable from a CLEC perspective. We discussed in Dr. Staihr's testimony and in discovery responses that it's not really workable for a CLEC to deal with this, particularly on a customer premise-specific basis. That would be wholly unworkable if every time you walk up to a customer, you have no idea what your availability of DS0 order quantities are from the ILEC because you've got to be saddled with a customer-specific analysis.

Q So just to make sure that I'm clear about this, there could be individual facts on an ICB basis that would alter the economic calculus for a particular CLEC; is that correct?

A Yes, there could be, because as will be discussed in the loop and transport docket, the use of an estimate of a cost to place equipment at the customer prem could certainly turn out differently based on customer-specific analysis. What I'm suggesting is, I don't think that is a level of effort that is required, and specifically, I don't think that's workable in defining the availability for DS0 level UNE-P for mass market customers in Florida.

MS. HYER: Let me look over my notes and see if I have any other questions. Just a moment, please.

I don't think I have any further questions.

MR. TEITZMAN: I believe no other parties in this deposition had questions; correct?

MS. MCNULTY: MCI does not.

MR. TEITZMAN: Then that will conclude the deposition. Who would like to order transcripts? I think we should take that down now real quick.

MR. PHILLIPS: Sprint would.

MS. HYER: Verizon would.

MR. SHORE: BellSouth would.

MS. MCNULTY: MCI would.

MR. TEITZMAN: Let's go off the record a minute.

(Discussion off the record.)

MR. TEITZMAN: That is Adam. Can we just go over that once again so the court reporter can get that on the record? Can each person state that they have signed the agreement?

MR. SHORE: This is BellSouth, and we have signed the confidentiality agreement with Sprint covering the information that has been revealed.

MS. MCNULTY: This Donna McNulty with MCI, and MCI signed one nondisclosure agreement with Sprint and another one with BellSouth.

MR. PHILLIPS: And this is Ed Phillips with Sprint. We have signed all relevant confidentiality agreements in this docket.

MR. TEITZMAN: Verizon, Leigh from Verizon?

MS. HYER: I'm fairly certain that we have as well.

MS. MASTERTON: This is Susan Masterton. Yes, I can confirm that Verizon has executed one with Sprint.

MR. TEITZMAN: All right. That concludes the deposition.

(Deposition concluded at 1:07 p.m.)

CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, MARY ALLEN NEEL, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter transcribed under my supervision; and that the foregoing pages numbered 1 through 121 are a true and correct transcription of my stenographic notes.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, or relative or employee of such attorney or counsel, or financially interested in the action.

DATED THIS 20th day of January, 2004.

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Thanks

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ERRATA SHEET

I have read the transcript of my deposition, pages 1 through 122, and hereby subscribe to same, including any corrections and/or amendments listed below.

3/10/04
Date

Kent W. Dickerson
KENT W. DICKERSON

Page	Line	Correction or Amendment	Reason for Change
5	13	Change "Feerar" to "Farrar"	Incorrect
5	13	Change "Randy" to "Linda"	Incorrect
10	14	Change "available to" to "aware of"	Incorrect
27	3	Change "33" to "32"	Incorrect
54	14	Add the word "cables" after "power"	Incorrect

Deposition taken on 2/17/04, Docket No. 030851-TP.

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 20B
COMPANY/FPSC Staff (Staff's Late Filed Exhibit 1 KWD-2)
WITNESS:
DATE: 02/24 - 27/04

EXHIBIT NO. 20B

DOCKET NO.: 030851-TP

WITNESSES: Kent W. Dickerson

PARTY: Sprint

DESCRIPTION:

1. February 17, 2004, Deposition Transcript **CONFIDENTIAL** – Document No. 02561-04 (Redacted version not yet available.)
2. Late Filed Exhibit 1 – **CONFIDENTIAL** – Document No. 02510-04.

PROFFERING PARTY: STAFF

I.D. # KWD-D

EXHIBIT NO. 21

DOCKET NO.: 030851-TP

WITNESS: Milton McElroy, Jr.

PARTY: BellSouth

DESCRIPTION:

1. February 6, 2004, Deposition Transcript, page 1

2. Late Filed Deposition Exhibit, page 58

PROFFERING PARTY: STAFF

I.D. # MME-D

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 21
COMPANY/ FPSC Staff/ BellSouth
WITNESS: MME-D
DATE: 03/24-27/04

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030851-TP

In the Matter of

IMPLEMENTATION OF REQUIREMENTS ARISING FROM FEDERAL COMMUNICATIONS COMMISSION'S TRIENNIAL UNE REVIEW: LOCAL CIRCUIT SWITCHING FOR MASS MARKET CUSTOMERS.

_____/

TELEPHONE DEPOSITION OF:	MILTON MCELROY, JR.
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
DATE:	Friday, February 6, 2004
TIME:	Commenced at 2:34 p.m. Concluded at 3:53 p.m.
LOCATION:	Gerald L. Gunter Building Room 309 2540 Shumard Oak Boulevard Tallahassee, Florida
REPORTED BY:	MARY ALLEN NEEL, RPR Notary Public, State of Florida at Large

ACCURATE STENOTYPE REPORTERS, INC.
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APPEARANCES:

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LISA FOSHEE, ESQUIRE, and JAMES MEZA, ESQUIRE, BellSouth Telecommunications, Inc., c/o Nancy H. Sims, 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301-1566, appearing on behalf of BellSouth Telecommunications, Inc.

DE O'ROARK, ESQUIRE, MCI WorldCom Communications Inc. (GA), Six Concourse Parkway, Suite 600, Atlanta, Georgia 30328, appearing on behalf of MCI WorldCom Communications, Inc. (GA).

SUSAN MASTERTON, ESQUIRE, Sprint-Florida/Sprint Communications Company, P.O. Box 2214, Tallahassee, Florida 32316-2214, appearing on behalf of Sprint-Florida/Sprint Communications Company.

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ADAM TEITZMAN, ESQUIRE, FPSC General Counsel's Office, 240 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf of the Commission Staff.

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S T I P U L A T I O N S

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that objections, except as to the form of the question, are reserved until hearing in this case; 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

MR. TEITZMAN: We're now going on the record, and I would like to start off by taking appearances for this deposition.

MS. FOSHEE: Lisa Foshee on behalf of BellSouth.

MR. O'ROARK: De O'Roark representing MCI.

MS. MASTERTON: Susan Masterton representing Sprint.

MS. AZORSKY: Tami Azorsky representing AT&T.

MR. TEITZMAN: Adam Teitzman on behalf of the Commission.

MR. CRUZ-BUSTILLO: Jorge Cruz-Bustillo on behalf of Supra Telecom.

MR. TEITZMAN: Is that is everyone? Hearing no one speak up, I'll assume that that is everyone who wishes to make an appearance.

I would also like to start off by stating for the record that all parties have agreed to the usual stipulations.

Thereupon,

MILTON MCELROY, JR.

was called as a witness and, having been first duly sworn by Lynn Barclay, a notary public in the State of Georgia, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. TEITZMAN:

Q Good afternoon, Mr. McElroy.

A Good afternoon.

Q As I stated, my name is Adam Teitzman, and I'm an attorney with the Florida Public Service Commission. I'm going to be taking your deposition on behalf of the Commission, and this deposition is being taken in Docket No. 030851.

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

A That is correct, yes, sir.

Q All right. Before we begin, I just want to let you know that if you need me to restate a question or do not understand a question, if you would just let me know, I will either restate that question or try to rephrase the question. I will also ask that when you answer the question, if you could please begin your answer with a yes or a no, where appropriate, and then go into a further explanation.

Mr. McElroy, could you please state your full name and address for the record.

A My name is Milton McElroy, Jr. I actually do have an address change that's different from what was filed with my testimony. My current address, which has

just changed, is 575 Morosgo Drive, Atlanta, Georgia, 30324.

Q By whom are you employed?

A I'm employed by BellSouth Telecommunications.

Q And could you please provide a brief synopsis of your educational background?

A My educational background, I attended Clemson University and achieved a civil engineering degree in 1988 and received a master's in business administration from Emory University in 2001.

Q And have you previously filed testimony before the Florida Public Service Commission?

A Yes, I have.

Q And did you file testimony in Docket 030851?

A Yes, sir, I did.

Q Do you have copies of your testimony and exhibits that you filed with you today?

A Yes, sir, I do.

Q Okay. That concludes the preliminary questions. I'm now going to begin with some substantive questions.

Mr. McElroy, PricewaterhouseCoopers performed an attestation for BellSouth, according to your rebuttal testimony. Is PricewaterhouseCoopers under contract to BellSouth for other work as well as the attestation in

question?

A The answer to that question would be yes, they are under contract with BellSouth. I know they do our corporate reports. They're the auditor of our corporate reports, and I'm sure there are other engagements that they have here with BellSouth that I'm not aware of.

Q Did the FCC or any state commission play an oversight role in the batch hot cut attestation performed by PricewaterhouseCoopers?

A No, sir, they did not.

Q Did the FCC or any state commission have any input into establishing the scope of the hot cut attestation performed by PricewaterhouseCoopers?

A No, sir, they did not.

Q Mr. McElroy, did this Commission have input into the third party test used in the 271 proceedings?

A Yes, sir.

Q But this Commission was not included, or any commission, in the planning process for performance of the attestation performed by PricewaterhouseCoopers?

A Yes, sir, that's correct.

Q Why was this Commission not included in the planning process?

A The primary difference in this test and the test that was previously conducted in the 271 process is

that we're under a definitive time frame to produce results as ordered by the FCC. So we were within -- I believe it was a nine-month requirement after their test was ordered that this Commission and other commissions as well were supposed to render their decision on our batch processes. So due to the fact that we were under that time frame, we went forward and constructed this attestation engagement similar to the manner we had established the regionality assessment that PwC, PricewaterhouseCoopers, had conducted during the 271 proceedings.

Q How did BellSouth determine what the scope of the batch hot cut attestation should include?

A The scope was determined based on the CLEC information package that was posted out on the website, and it's entitled the "UNE Port/Loop Combination to UNE Loop Bulk Migration CLEC Information Package." We used that package as the basis of the scope for the test that would be conducted.

Q Did any BellSouth employees perform the pre-ordering and ordering activities in the PricewaterhouseCoopers study?

A Yes, sir. We performed all of the pre-ordering and ordering activities. BellSouth was the -- performed the role as the pseudo-CLEC.

Q I would like to direct your attention to page 6 of your testimony, lines 6 through 9.

A Did you say lines 6 to 9 on page 6 of my rebuttal testimony?

Q I'm sorry. Of your rebuttal testimony; that is correct.

A Okay.

Q Here you state, "The review of these processes for BellSouth's first assertion was very comprehensive, as evidenced by the quantity of time and number of individuals utilized by PricewaterhouseCoopers in testing." Could you please define quantity of time?

A Yes, sir. I can take you to my second attachment that was filed with my testimony, which is the affidavit of Paul M. Gaynor. I don't know if you have that handy. I can just tell you where it is and you can look later, whichever you prefer.

Q You can proceed.

A Okay. On page 2 of his affidavit, paragraph number 4, he describes personnel that they had involved, and I'll just read here. "A total of 17 PwC professionals spent over 2,500 hours performing the work described in the affidavit." And then he goes on to describe there were partners and directors and senior managers involved.

Q And is it your opinion that the amount of resources indicates whether the review was comprehensive?

A Well, the -- I guess I should answer that with a yes or a no. Could you restate the question? I'm not sure I'm clear on your question.

Q Basically, what I'm looking for, is the quantity of time and the number of individuals the only factors that are included in a comprehensive study, or something that you would deem comprehensive?

A No, sir, they're certainly not the only factors.

Q Could you please state additional factors?

A The factors that would be involved, obviously, when you bring an independent auditor in to assess a process or conduct a test, as we have done here, the auditors themselves have to establish the criteria that they are going to audit us upon and rely upon their professional standing and their associations that they have with outside organizations, such as the American Institute of Certified Public Accountants, and that's indeed what Pricewaterhouse has done here in this case. So the comprehensiveness of their audit was basically determined by the attestation standards established by that governing body.

Q The FCC Triennial Review Order has asked this Commission to establish a batch hot cut procedure that is more efficient than line-by-line migration. Your rebuttal testimony on page 6 says that the two processes are the same. How can you testify that the processes being proposed meet the intent of the FCC rules if the processes are the same?

A Yes, sir. I think what we're saying is that when you get to the physical provisioning of the two processes, when you actually are performing the wire work, when you are actually performing the physical hot cut and transferring the wires, that those processes are the same.

The processes are much different between a bulk and an individual -- submitting LSRs, creating the bulk ordering process, being able to establish from a provisioning standpoint more of a batch process so that we're able to enhance our efficiencies by having large numbers of UNE-P numbers to convert. We're able to gain some efficiencies if we have more of those to do at one time, so, in essence, you are having a batch process there.

But when it comes down to actually -- the movement of those wires, the connection of those wires from the BellSouth switch to the CLEC switch, it's a

physical activity that's performed, and it's done, you know, one at a time.

Q Can you identify for me the geographic locations of the central offices used in the PricewaterhouseCoopers attestation?

A Yes, sir. They were West Hollywood, Perrine, and Arch Creek.

Q And why were these offices chosen?

A They were chosen based on the -- when we chose those offices, we were trying to find some diversity of offices. We found one that had a cosmetic frame in it. Two did not. One had just more of a traditional frame. As I recall, two of the switches are 5E switches, and one of them was a DMS, I believe. So we got a variation of switch types, and a variation of frame types as well.

Q Were the technicians employed in these central offices by BellSouth aware of the presence of PricewaterhouseCoopers during the course of the test?

A Yes, sir, they were. During the test, PricewaterhouseCoopers was physically at the central office and making observations of the work conducted by the technicians.

Q On page 20 of your rebuttal testimony, you state that during the course of the test, there were issues with BellSouth technicians not following certain

hot cut procedures. Was anything specifically done to alleviate this problem in the future?

A The action that was taken was to retrain our technicians. Our process is a very comprehensive process that has multiple redundant steps in it to ensure that ultimately we are delivering a successful cut and delivering service to the customer. But having said that, when we missed process steps, obviously, we retrained our technicians and tried to re-educate them on the importance of those.

Q Can you please explain any observations done of the ordering process for the bulk hot cut process by PricewaterhouseCoopers?

A Could you explain to me a little more what you mean by ordering process?

Q Yes. Specifically -- I'll restate the question, and then I will specify more towards what I'm looking for.

A Okay.

Q The question was, please explain any observations done of the ordering process for the bulk hot cut process by PricewaterhouseCoopers. Basically, I'm asking specifically in submitting the order.

A Okay. PricewaterhouseCoopers did observe the ordering process. They observed us submitting the LSRs

into our systems. In fact, if you read through their affidavit where they describe the test, and somewhat in mine as well, they were there ensuring that we had edits in place so that you could submit an incorrect LSR and it would indeed reject back to the CLEC, to any CLEC, as it would to us as well. So they did observe that ordering process. And as I recall or look here, I do not see where they had any issues, I think is what you were looking for, with that process.

Q Were multiple ordering processes used or utilized?

A From a global perspective, there's really one ordering process, so we used the ordering process. Now, when we did that, we actually submitted orders in different manners. In other words, we submitted orders through LENS, and we submitted them through TAG and through EDI. So to that extent, there are some differentiations in how the orders could come through our systems, but those are the same differentiation options the CLECs have today. So a CLEC could go out and order those same services through LENS, EDI, or TAG.

Q Could you identify which ordering systems were utilized?

A The ordering systems that would have been utilized were LENS, EDI, and TAG. Those are the

up-front ordering systems. From there, those orders go through and ultimately create a service order in SOCS, which is the common point where both our retail and wholesale orders are created.

Q And were these submitted as a bulk request?

A Yes, sir. The majority of those, as PricewaterhouseCoopers has explained in their documents, as well as in mine, were. I think for the total, there were about 758 total individual telephone numbers or total telephone numbers that were tested, and of those, 724 originated from bulk requests. So the vast majority did originate from a bulk migration request.

Q And how many accounts would that constitute?

A I do not have an exact number for you on the accounts. I will tell you we established single-line accounts, two-line accounts, five-line accounts, all the way up to 25-line accounts, and migrated those. If I had to take a guess for you on the number of accounts, I would say it's probably close to 100.

Actually, let me restate that, because there were a lot of individual ones. It was probably closer to 300 or 400 accounts.

Q Could you verify that? Is there some -- how could the Commission verify the amount of accounts?

A The number of accounts?

Q Yes.

A We've got some -- I can go back and attempt to verify that, yes, sir.

MS. FOSHEE: Do you want to us provide that as a late-filed exhibit, Adam?

MR. TEITZMAN: Yes, I think I would.

MS. FOSHEE: So it's the number of accounts involved in the PwC test?

MR. TEITZMAN: Correct.

MS. FOSHEE: Okay.

MR. TEITZMAN: And could you have that to the Commission within one week's time?

THE WITNESS: Sure. Yes, sir.

MR. TEITZMAN: Okay. We'll identify that as Late-Filed Deposition Exhibit Number 1, and we'll title it "Accounts in the PwC Study."

(Late-Filed Deposition Exhibit 1 identified.)

BY MR. TEITZMAN:

Q Did PricewaterhouseCoopers do any testing to measure due date assignment intervals?

A No, sir, I'm not aware that they tested due date assignment intervals. They did observe the 14-day interval that's in our bulk migration process, so I know they observed that interval and are aware of that interval, but I cannot tell you that they actually

tested that interval.

Q Okay. This next series of questions will refer to your surrebuttal testimony.

A Okay.

Q This first question is page 5, lines 22 through 24. Here you state, "The immediate access to the lower rate should make the CLECs indifferent as to when the end user's loop is actually cut from BellSouth's switch to the CLEC switch." Could you elaborate? Could you explain that statement?

A Yes, sir, I can. If you'll look at page -- I'll pull that out. If you'll go to page 8 where there's a table -- and mine is laid out slightly different from yours, but there's a table at the top of page 8, possibly the bottom of page 7 for you. There's some negotiated time periods in there when BellSouth would offer to make these migrations, and for the first set of 500 to 2,000, there's 60 days, and for the second set of over 2,000 lines, it's a 180-day period.

The concern that we had perceived that the CLECs had over those extended time frames is that they would, in essence, quote, take too long. So to remedy that, what we've offered to do is immediately upon getting the spreadsheets from the CLEC and getting the service orders issued and ready to be cut, we would go

ahead and make that conversion and bill them as if they were already on that UNE loop rate and no longer paying the UNE-P prices. So the purpose of that is to eliminate their concern over the duration that that migration period may take.

Q Are you familiar with the testimony of witness Ainsworth?

A Yes, sir, I am somewhat familiar.

Q He references a batch migration process, and you discuss the mass migration conversion. Could you explain the difference between those two?

A Yes, sir. If you will turn back to page 4 of my surrebuttal testimony, I list out the three options for hot cuts or for migration. The first one, obviously, is individual conversion, which has been around for some period of time. The second option is the batch migration process, and that is the process that Mr. Ainsworth describes. And then the third one is this mass migration process that we've introduced here.

The batch migration process, in essence, has a good bit of CLEC involvement. The CLECs submit their own LSRs, their own bulk LSRs, which create service orders. They're involved in the coordination process with BellSouth to make these migrations or to convert these UNE-Ps over to UNE loops.

When you go to the third option, mass migration, in essence, all that the CLEC would do after a preplanning phase with us is provide us a spreadsheet of what telephone numbers they want moved from basically our switch to their switch, UNE-P to UNE loop. And when they do that, BellSouth would handle all ordering activities, pre-ordering activities, provisioning activities, and in essence, we would notify the CLEC when that port has physically been made and that customer is then on their switch.

Q Okay. And why are both processes necessary?

A Both processes provide -- the two processes provide options for the CLEC. The first option, which I've listed here as number 2, the batch migration process option, in essence leaves a good bit of the control on the CLEC side. With the mass migration process, you're in essence giving us the telephone numbers you want moved and letting us handle all activities, so that control moves back to the BellSouth side.

The other distinguishing factor, if you want to go with the batch process, there's a much shorter time frame. I think in Mr. Ainsworth's testimony, he talks about the time frame, and as I recall, it's a matter of days, eight or 10 days, somewhere in that range, whereas

the mass migration process, you know, is 60 days to 180 days.

So again, it's that movement of control of when those conversions occur from the CLEC over to BellSouth. And when we move that control over to BellSouth, it gains further and further efficiencies for us when we make these conversions, and thus we're able to offer deeper discounts on the nonrecurring charges.

Q Why did BellSouth see the need to present the mass migration conversion process at this point?

A We saw the need to present it to have an additional option that would allow for BellSouth to gain additional efficiencies. If you look across the embedded base of UNE-P services that exist today, most of those are relatively simple business or residential customers. And we perceived that when unbundled switch relief, if and when it's granted in the future, that there would be some very large-scale conversions that would occur. And when that opportunity presents itself, we wanted the CLECs to have a couple of options to look at, one where they would control the conversion process, or if they didn't need as much control and would like some deeper discounts, we developed this second option to meet those needs.

Q Okay. I just want to ask some clarifying

questions. So the mass migration process is more efficient; correct?

A No, sir, not really more efficient from the standpoint of the overall processing. It does allow BellSouth some additional efficiencies just from sheer volumes of orders that we're able to convert at one time. For instance, in the batch process, you as the CLEC could issue to us a batch request with as few as, in essence, two telephone numbers on it. If you're taking part in the mass process, we start off with 500.

So the efficiency gains are the efficiencies associated with us getting large volumes that we're able to control on our side and make conversions. But both processes are still efficient and effective. It really just depends upon how much control the CLEC would like to have during that conversion process.

Q Another question just to clarify. Does the mass migration process result in lower costs to the CLECs?

A Yes, sir. With the mass migration process, we have a lower or deeper discount in nonrecurring charges. And if you would like to see that, I can take you to that. If you'll go to my Exhibit MM-3 which was filed with that surrebuttal testimony and go over to page -- well, actually, it's in both places, but it's in

the middle of page 5 of that exhibit, the second to last bullet point on the page. We state that we would have a 15% discount for the conversions involving 500 to 2,000 telephone numbers and a 25% discount if it's over 2,000.

Q Can you please explain the purpose or relevance of designing the mass migration process for UNE zone cut by component economic area?

A Yes, sir. The thought there is that we would be potentially granted relief by those zones. So as we're granted relief by zone, we wanted to have an additional option that we could roll out for CLEC customers to use on a zone-by-zone basis.

Q So that would mean that specific geographic areas of the state will not have access to this mass migration process; correct?

A That would be correct, yes, sir, if those zones are not granted relief.

Q What is the current status of implementation of the mass migration process?

A The mass migration process by definition wouldn't be implemented until we gain relief. And quite honestly, I'm not sure of the dates next year, but I know those dates are in 2005 when the relief could potentially could occur. When I say the relief could occur, I guess it's more accurate to say when the relief

would occur and the expected transition period would begin would be in 2005.

Q Has the mass migration process been tested in any manner?

A No, sir, it has not.

Q So there have been no tests of the mass migration process by BellSouth?

A No, not that process in and of itself.

Q This next question refers to your surrebuttal testimony on page 2, and it also begins the questions referring to the testimony of witness Lichtenberg.

MS. FOSHEE: Okay. Adam, I failed -- can we put you on mute for one second while I go get her testimony for him?

MR. TEITZMAN: I only have a couple of questions.

MS. FOSHEE: Well, let's try it and see if he can answer them, and if he needs the testimony, I'll go get it. How about that?

MR. TEITZMAN: I think that's the best way to handle this. Thanks.

MS. FOSHEE: Okay.

BY MR. TEITZMAN:

Q Basically, what I have here is, MCI witness Lichtenberg states that no documentation has been

provided on how BellSouth's bulk migration process will work. In your testimony, you rebut this allegation by Ms. Lichtenberg by referring to BellSouth's on-line bulk migration CLEC information package.

A Yes, sir.

Q Now, this package contains an overview of the processes that shall take place in order for a CLEC to place a valid bulk migration order; is that correct?

A Yes, sir. It provides an overview as well as the process steps.

Q Aside from this detailed overview, what specific training is being provided to CLECs regarding the details of the process?

A There is no training at this point in time. There is a -- this process document describes the overall process for the bulk migration. It also points you back to our Local Ordering Handbook for instructions on how to submit your bulk LSRs through our electronic systems.

Q Are there any instructions on how to complete and submit the Excel spreadsheet?

A There's no specific instruction. Well, let me restate that. When you receive the spreadsheet, there are instructions on what information to place in which field, but that information is as simple as telephone

number, the loop USOC, the UNE-P USOC. I don't have one of those here in front of me, but it's very simple, very commonly used information.

Q Do you think it will be necessary at a later date to provide formal training for the CLECs, or will CLECs be able to receive all training necessary through the BellSouth on-line website?

A To answer your first question, no, sir, I do not think that -- I do not perceive the need for training for this process. It is a relatively simple process. When CLECs submit LSRs to us, obviously, that can be a little more complicated process, and certainly we have do have training for those, as is indicated on our website.

So if you did not know how to submit an LSR to us, there's a lot of training you would have to have before you got to that point in time. But our assumption with this process is that you've got an embedded base of customers, you've been using our ordering systems in the past, you are familiar with them, and you're at the point of migrating your customers from BellSouth's switch to your own switch or collocation space.

Q Witness Lichtenberg alleges in her testimony, in her surrebuttal testimony, that with an error rate of

11% in the PricewaterhouseCoopers study, it is clear that BellSouth's batch hot cut is flawed, and she alleges it would result in significant harm to consumers. Could you respond to that statement?

A Yes, sir, I can. I'm not sure where she's getting the 11%. When we conducted the test, if you'll look at the end result of all the conversions that were attempted, all the conversions were successfully completed.

We did have one issue with a system that's called ENDI, Enhanced Notice Delivery -- I'll have to look up -- I have it here in front of me -- what the acronym stands for. Bear with me one moment, please. Let me get to that acronym.

Q Please take your time.

A Okay. Enhanced Notice Delivery Initiative system, ENDI. We did have an ENDI, had an issue with ENDI on the first day of testing where notices were not being sent due to an issue we had with a downstream server. We corrected that problem the very next day, put some steps in place to ensure that problem did not reoccur, and were successfully able to submit the ENDI notices thereafter on the other days of testing.

So if you'll look at the broad range of what we tested, the various products that we tested that are

offered within that process, and look at the results we had, and particularly if you compare those to the standards established by this Commission -- for instance, with the coordinated hot cut, we're supposed to complete 95% of those within 15 minutes. If you'll look at three sets of deviations, the first three deviations that Pricewaterhouse lists and scores as deviations because they took over 15 minutes, there was a total of eight of those instances. Well, if you look at eight across the universe of 724, our performance was right at 99%, which is well above our standard of 95% established by the Commission.

So I'm not sure where her numbers came from or how she arrived at those, but we certainly considered the test a success.

Q Well, let me ask you this. Were there 724 orders placed? Is that a correct number?

A There were 724 telephone numbers that were converted that originated from bulk migration or bulk LSRs.

Q And were there not 81 problems noted with those orders by PricewaterhouseCoopers? And I could break them down if you would like.

A There may be. If you go through and look at a process step here, we had, for instance, 19 items that

were, in essence, artifacts of the test where we had some issues with dial tone on BellSouth's side when conversions began. So if you start counting those things up, you may count and find that number of -- I'm sorry. Did you say 81?

Q Yes.

A That doesn't mean those 81 items were failures. Those cuts were still successfully made.

Q Well, let me ask, how would you define error rate?

A Can you give me a little more --

Q Well, what I'm asking is, you just stated that it doesn't mean -- that there were 81 problems doesn't mean that those hot cuts weren't completed.

A Right.

Q And what I believe Ms. Lichtenberg was stating in her testimony is that 81 problems out of 724 orders equaled 11%.

A Right. And again, I think it's important to keep the items that PwC has mentioned and the count that has been made in perspective. For instance, we have a very thorough process that has redundant steps built into that process. As we mentioned earlier, or you mentioned earlier, we had technicians that didn't follow every step of the process for some of those items.

Although they didn't follow every step, we still made successful cuts.

For instance, on the day of a cut, it typically involves validating the telephone number three different times. They also validate the telephone number two different times on the day prior to the cut. So on the day of the actual hot cut, the technicians may have skipped one of the telephone number validations, but at the end, customer was still successfully converted.

So I don't consider those, even though they were mentioned as issues or deviations by PricewaterhouseCoopers, deviations in following the process. I don't consider those as material deviations that impacted the customer's service, because ultimately those cuts were made successfully. Those hot cuts or migrations were successful.

Q So let me clarify. If there was a problem during an order, but the order was eventually completed successfully, that problem should not be included in the calculation of an error rate?

A If you have an issue and that issue is resolved, particularly within Commission standards, and the cuts are successfully made, then certainly they should not be counted as true deviations or issues. In other words, the Commission here, as well as in other

states, typically does not hold us to a level of perfection in any of our measurements that we have.

And even when you step a step further beyond that, PwC looked at not only the end result and were we perfect or not perfect with the end result, but looked at the 10 or 15 or 25 steps that got to that result. And if we missed any of those 10 or 25 steps getting the result, they would mark it as a deviation, although the end result that have individual cut was successful.

Q I'm going to try this question again. Can you define for me error rate? Can you please define for me error rate?

A I'm not sure I -- I apologize. I'm not sure I understand what you're trying -- what would you like me to define here? Is your question -- can I ask you a question? Is your question what would be considered an error rate as a part of the test here or a true error with the test?

Q Yes. What do you think should be factored into an error rate with regards to the test?

A An item that would be considered an error, if we go, for instance, and look, there were three hot cuts that were made that took us over 15 minutes to make the hot cuts. Those three items would be considered errors. But if you look in the grand scheme of the

Commission standard of 95% and think about those three hot cuts that were not made in 15 minutes, we were well above the Commission standard. So although those may be errors, they're not material errors that affected the overall result of the test.

MR. TEITZMAN: Okay. Thank you very much. That will conclude staff's questions. Do any other parties have questions for this witness?

MR. O'ROARK: No questions for MCI.

MS. AZORSKY: AT&T has questions.

MR. TEITZMAN: Anyone other than AT&T with questions?

Hearing none, AT&T, you may begin.

CROSS-EXAMINATION

BY MS. AZORSKY:

Q Good afternoon, Mr. McElroy. It's Tami Azorsky for AT&T.

A Hello again. It's been a long time.

Q You were talking with staff counsel about (inaudible) --

MS. FOSHEE: Hello. Tami, are you still there? Tami, can you hear me?

MR. CRUZ-BUSTILLO: Tami, is that you?

MS. AZORSKY: Yes, it is.

MS. FOSHEE: Okay. I'm sorry. I thought we

had gotten cut off. Is staff still there?

MR. TEITZMAN: Staff is still here.

MS. FOSHEE: Okay. We've gotten cut off a couple of times, so I just wanted to make sure. Sorry to interrupt.

BY MS. AZORSKY:

Q Mr. McElroy, could you please turn to page 14 of MM-2?

A Of MM-2? Okay.

Q Looking at number 24, that first sentence that says that PwC observed BellSouth central office and field technicians (inaudible) --

MR. CRUZ-BUSTILLO: Tami? Staff?

MR. O'ROARK: Tami, you're cutting in and out. We've heard the first part of your question, and then you've faded out.

MS. AZORSKY: Okay. It sounds to me like someone is rustling papers or something close to the --

MS. FOSHEE: It's not that. You're going totally dead, so I don't know if it's your phone or -- we've missed the last --

MR. CRUZ-BUSTILLO: I agree.

MS. AZORSKY: Okay. Let me try again.

BY MS. AZORSKY:

Q Looking at MM-2, paragraph 24, it says that PwC observed BellSouth central office and field technicians and C1 service representatives as they completed bulk migration provisioning of 724 telephone numbers in three locations in Florida.

Mr. McElroy, does that mean what the PwC representatives watched in terms of wire work (inaudible) -- BellSouth switch (inaudible) --

MR. TEITZMAN: This is Adam Teitzman. I'm going to take it off the record real quick.

MS. FOSHEE: Okay. Thanks. We can't hear.

(Discussion off the record.)

BY MS. AZORSKY:

Q Mr. McElroy, when PwC observed the actual wire work, is the only thing they observed the actual movement of the loop from BellSouth's switch to the CLEC's collocation area on the frame?

A PwC observed the entire process. They observed the running of the new jumper. They observed the actual hot cut, the transfer of one jumper off the frame, one jumper to another from the frame at the point of cut, as well as the removal of jumper wires from the frame itself.

Q Okay. So they did observe both the prewiring work and the removing of the jumper wires after the loop

had been moved?

A Yes, ma'am.

Q How many technicians normally work (inaudible) -- offices that were used for the test?

MR. TEITZMAN: I'm sorry. This is staff. This is Adam Teitzman.

MS. AZORSKY: Let me try it, Adam, without the speaker phone and see. Can you hear me now?

MR. TEITZMAN: I sure can.

MS. AZORSKY: Can the court reporter hear me?

THE REPORTER: Yes, I can hear you.

MS. AZORSKY: Okay. Let's try it this way then. I'll just keep it off the speaker phone, and if this doesn't work, let me know.

MR. TEITZMAN: Okay.

MS. FOSHEE: Can you rephrase the question, Tami, repeat the question?

MS. AZORSKY: Yes.

BY MS. AZORSKY:

Q How many technicians normally work in each of the central offices that were utilized for the PwC attestation review?

A I do not know. I know we filed, or we just had a discovery request that asked that question. I think the question in the discovery or interrogatory was

around how many technicians worked on the day of the cut, and potentially another question was how many worked typically in the offices. I do not have that here with me, and I do not recall what those were. As I do recall, it varied. I can give you my recollection, but it's not going to be an exact number.

Q Well, why don't you give me your recollection.

A Less than ten, four to ten techs in those offices.

Q On the day of the cut or typically?

A The lower number would be -- on the day of the cut, there would have been more typically in that upper range, probably, depending upon the size of the office, in the four to ten range. More typically it's on the low end of that, four to six range, I would guess.

Q So you did bring extra technicians into the office for purposes of the PwC attestation review?

A I don't know for certain if we did or not. I know the potential is there that we could have brought technicians in, just as we would bring technicians in for any large-scale migration we had going on.

Q But the question, though, Mr. McElroy, is, on the day that the actual wire work was done in the central office, did BellSouth in each of the central offices reviewed for this test bring in more technicians

than are regularly assigned to that office?

A And my answer is I do not know. I don't recall.

Q Thank you. Do you know if during the day of the review of the wire work whether any non-hot cut work was being done in the CO that day?

A I am not personally aware of any work that was going on, but I am sure work was going on on those days. In other words, I was not there witnessing them doing any other work, but I do know that those are live central offices, and we install and repair and remove wire work in those offices each and every day.

Q And were there other technicians -- did you notice if there were other technicians doing that sort of work who were not involved in this PwC attestation review?

A Yes, ma'am, I do know that there were other technicians in the office during the test that were not involved in the test at all, just working in the office.

Q Okay. Thank you. You discussed earlier the three different hot cut processes, the individual hot cut process, the batch process in Mr. Ainsworth's testimony, and the mass migration process that is in your surrebuttal. Which of these processes is BellSouth suggesting that the Commission should adopt and

implement to satisfy the Triennial Review Order?

A BellSouth offers now three hot cut options. Obviously, the individual hot cut option would not apply here. The batch migration process is the process that BellSouth is offering to migrate those customers in an efficient, effective manner from our switches to a competitor's switches.

Q So the mass migration process is not what you are offering to satisfy the requirements of the Triennial Review Order?

A I guess what I'm saying here is that the batch migration process is sufficient in and of itself. We are offering the mass migration process to that set of CLECs who wouldn't mind, in essence, as I've explained earlier, moving control of the conversion process over to BellSouth, and at the same time, they would be able to experience a little deeper discount on the nonrecurring charges.

Q So do I understand you to be saying that in your view, either the batch migration process proposed by Mr. Ainsworth or the mass migration process proposed by you is sufficient to satisfy the Triennial Review Order?

A I'm not an attorney, so I don't know that I can answer the question that you've asked. But I do know

that based on our testing, the batch migration process is sufficient to enable a CLEC to migrate their customers.

Q So your testimony is that in your view, neither the process proposed in Mr. Ainsworth's surrebuttal nor the mass migration process you are proposing is necessary?

MS. FOSHEE: I'm going to object to that question. I don't think that's what he said at all.

BY MS. AZORSKY:

Q Please correct me if I'm wrong, Mr. McElroy.

A Could you -- I'm not following your question. Could you --

Q All I'm trying to figure out is which process. The way I see it is that there are three processes that you've discussed. One is the original batch process that was discussed in Mr. Ainsworth's original testimony, the second is the revised batch process that is discussed in Mr. Ainsworth's surrebuttal testimony, and the third is the mass migration process that is discussed in your surrebuttal testimony. And what I'm trying to figure out is whether or not BellSouth is proposing one or more of those as the process the Commission should adopt to satisfy the Triennial Review Order.

MS. FOSHEE: And I'm going to object to that question on the grounds that it has been asked and answered, but you can go ahead and answer.

A Our batch migration process as explained by Mr. Ainsworth and as tested by PricewaterhouseCoopers is the batch process that we have in place today, and it is sufficient to move those customers over from the BellSouth switch to a CLEC switch.

Q Thank you, Mr. McElroy.

Is it your view that the mass migration process is more seamless than the batch process?

A Would you define what you mean by seamless for me, please?

Q As seamless is used in the Triennial Review Order, in your view.

A In my view, both processes are seamless, and both processes are effective. The difference in the two processes again goes back to which party controls that conversion process. If it's on the batch process as described by Mr. Ainsworth, then the CLEC is more in control, whereas if it's a mass migration process, BellSouth is controlling when those conversion activities are occurring.

Q In terms of the actual cutover, the provisioning of the loop to the CLEC, the mass migration

process is no different than the batch process proposed by Mr. Ainsworth, is that correct, in terms of what happens?

A Your question is specific to the actual physical wire work?

Q Yes, sir.

A Then the answer to your question is yes. When it comes to the physical wire work, each individual wire has to be pulled from the CLEC CFA location plate or CFA location on the frame to the BellSouth cable pair location, and each one has to be cut individually for the individual cut, the batch cut, or the mass migration cut.

Q And similarly, the exact same prewiring has to occur for the individual cut, the batch cut, or the mass migration cut; is that correct?

A Yes. When it comes to physically pulling the wire, you obviously have to pull wire in the same manner. The only difference is that when you have a batch process, and then even more so with a mass process, you're able to gain more efficiencies because you've got more conversions you're attempting to schedule and complete on a single day. So you gain efficiencies through just the sheer numbers of orders that are expected to be completed for the hot cut.

Q But focusing on the physical work, you do agree that it's the same regardless of which one we're talking about?

A The physical work is the same, but you do gain efficiencies when you have more of that same physical work to do.

Q Could you turn to your surrebuttal, please?

A Okay.

Q Page 5, beginning on line 21, the sentence that reads, "In addition, BellSouth will provide the CLEC with the UNE-L rate when the conversion process begins with the service order creation." Do you see that sentence?

A Yes, ma'am.

Q Can you please explain to me exactly what you mean by "begins with the service order creation"?

A When BellSouth receives the spreadsheets from the CLEC after the preplanning process, BellSouth will create the service orders, and therefore those orders will be at a point of record within our systems. When those orders are created, we would, in essence, change the billing from -- or the amount that's charged from the current UNE-P price to the UNE loop rate.

Q And would that be for each line as the service order is entered into the system, you would switch it

from the UNE-P rate to the UNE-L rate?

A As I explain a little later on, our billing systems are established to bill at end of period, or after a cut or after a service order is completed. The way that is all effectuated is through credits and adjustments. But to answer your question, that is the intent, that as soon as that order is created and goes on record within our system, the CLEC gains the benefit of that lower rate, or the UNE loop rate compared to the UNE-P rate.

Q My question, though, went to would that be on a line-by-line basis, for example, let's say a bulk order?

Hello?

A I'm still here. I'm not sure who dropped.

MR. TEITZMAN: Did we lose BellSouth counsel?

MS. FOSHEE: No. We're here.

MS. AZORSKY: Has anyone joined?

MR. TEITZMAN: No. That was a drop.

MS. AZORSKY: Okay. I don't know the different noises.

MR. TEITZMAN: Supra?

MR. CRUZ-BUSTILLO: Supra is here.

MR O'ROARK: MCI is still on.

MR. TEITZMAN: Oh, well. We can continue.

BY MS. AZORSKY:

Q My question was, Mr. McElroy, you could have, say, 500 orders in one of these mass migration spreadsheets. And if the first order gets turned into a service order that is a one-line account, at the time that is turned into a service order, will the billing for that switch from UNE-P to UNE-L, or will it wait until the entire spreadsheet has been converted into service orders?

A No, ma'am. It's on an individual service order basis, so it's basically an account-by-account basis.

MS. FOSHEE: Tami, can I just interrupt real quick? Eric Fogle, you didn't join, did you?

Thanks, Tami. I'm sorry.

BY MS. AZORSKY:

Q How long will it take BellSouth to create the service orders under this mass migration process?

A The answer really is dependent upon the number of accounts and the differences in accounts that we receive. We believe we could -- if we had, for instance, a 500-line account, we would be submitting these through the -- in essence, using a tool similar to LENs and submitting these as bulk LSRs. So if we can get common types of services, common types of USOCs, then we can have these orders issued in a number of

days. That's the intent.

Q Does BellSouth intend in this process to commit to a certain number of days within which it will turn this spreadsheet into service orders?

A There is -- in our current process, there is no time frame to make that commitment, no.

Q Does BellSouth intend to propose a performance measurement which would set an interval to turn the entries on that spreadsheet into a service order?

A At this point in time, no measurements have been considered.

Q Okay. If I understand it, under the mass migration process, a customer, if it's in a group that is on an up to 2,000-line spreadsheet, could wait up to 180 days to be switched from UNE-P to UNE-L; is that correct?

A Yes, ma'am.

Q Now, let's say that AT&T has a UNE-P customer that is listed on one of those spreadsheets that is between 500 and 2,000. If the customer while that spreadsheet is pending calls AT&T and says, "I want to change my service to get call forwarding," can that change be made while that spreadsheet of orders is pending with BellSouth?

A Once the service order has been created on the

BellSouth side to initiate that conversion process, then that change could not be made.

Q So the order would be frozen?

A Exactly. The account would be like in a frozen state.

Q So from the time period the service order is created until the cut actually occurs, it would be frozen?

A Yes, ma'am.

Q And that period could be as long as up to 180 days?

A Well, you mentioned 500 and 2,000. That would actually be a period up to 60 days. Over 2,000 is a period of 180 days.

Q Okay. So if it was included in an order that was over 2,000, it could be up to 180 days?

A That's correct.

Q That the customer could make no changes to the account.

A That's correct.

Q Okay. Under the mass migration process, what information will you provide to the CLEC about the actual date and time you will do the cut?

A In essence, there's no information that's provided to the CLEC on a specific date and time of the

cut prior to the cut being made. That's part of the control that shifts on the conversion process from the CLEC to BellSouth.

So once we receive your spreadsheet and we create the service orders, we gain efficiencies by being able to group orders together or group those migrations together and cut those as we see it will allow us to more efficiently do so. So when those cuts are made, you would get a notification, which is commonly called a completion notification today, indicating that that customer has been migrated and it has now been moved, in essence, from the BellSouth switch over to the CLEC switch.

Q So in the mass migration process, once the CLEC submits the spreadsheet, the CLEC hears nothing until they get the completion notice?

A That is correct.

Q Okay. Now, speed dial is a feature that's provided by the switch; correct?

A I believe that's correct, yes.

Q So if a customer is moved from one switch to another switch, they would have to, for example, reprogram their speed dial; is that correct?

A I'm not sure I understand your question. You obviously can have speed dial on your telephone at home

or in your office, so I may qualify my previous answer. Speed dial can occur at multiple places.

Q If you have speed dial -- on most office phones or most home phones, if you have speed dial and your telephone service provider moves you from one switch to another switch, do you not have to reprogram those speed dials that you had programmed in your phone?

A I don't know that I can answer your question. I'm not aware that you would have to. That speed dial information is typically programmed on your set itself. So as long as your set keeps power, doesn't lose power and wipe out the memory on your set, then your speed dial options would potentially continue to work, because you're moving your same telephone number over. I'm not aware of an issue with speed dial.

Q Is call forwarding a feature that is provided by the switch?

A Call forwarding is a feature, yes.

Q If a customer is moved from one switch to another switch, will their call forwarding change?

A Their ability to call forward would not change.

Q Their ability to call forward would not change, in your --

A Assuming that the CLEC switch has that functionality as well or is able to provide that feature

as well.

Q The mass migration process that you have proposed applies only to the embedded base of customers that are currently served by UNE-P; is that correct?

A That is correct. It's the simpler versions of that. It's the simple residential, simple business type services.

Q So the embedded base of UNE-P serving mass market customers; is that correct?

A In general, yes.

Q So it is not your testimony that this mass migration process will render the hot cut process more efficient and reduce per line hot cut costs in a period of time after the embedded base is converted; is that correct?

A The intent for the mass migration or the focal point for the mass migration process is just that embedded base conversion period.

Q Now, this mass migration process does not include customers who are served by IDLC; is that correct?

A The answer to that question is yes, it would include customers served by IDLC, assuming that we have a facility to convert that customer, for instance, from an IDLC, integrated digital loop carrier, over to

universal digital loop carrier or copper facilities.

Q Could I ask you to turn to page 4 of nine of the exhibit to your surrebuttal testimony?

A Yes, ma'am.

Q I'm a little confused, because if I look at the middle of the page, it says "Eligible UNE-L Services."

A Yes, ma'am.

Q And it says two-wire unbundled voice loop, SL-1, two-wire unbundled voice loop, Service Level 2, and then two-wire unbundled copper loop, non-design.

A Right.

Q Am I misunderstanding this, and the two-wire loop could be a loop offered by IDLC as well?

A The IDLC versus UDLC versus copper is the type of facility that could serve, in essence, these types of loops. So those are the type of cable plant facilities BellSouth has in existence today, and when you're looking at these eligible UNE loop services, these are products.

Q So if the two-wire loop -- I'm still a little confused. Could you explain to me how this tells me that you are willing to do IDLC or -- strike that. Can you tell me the circumstances under which you will include a customer served by IDLC in the mass migration conversion process?

A If there is an alternative facility available for that customer in that specific location, then we would make that IDLC conversion.

Q Okay. I apologize. I misunderstood your exhibit.

Now, turning to page 7 of your exhibit, in the lower right-hand corner, you have in the diamond the words "coordinated conversion."

A Yes, ma'am.

Q You are not using the word "coordinated" there in the same way that Mr. Ainsworth uses it when he talks about a coordinated conversion, are you?

A No, ma'am, I'm not. In this case, the coordination would be slightly different.

Q Because you wouldn't have any coordination with the CLEC before. From the time the spreadsheet is submitted, you would have no coordination with the CLEC up until the time the cut occurs; correct?

A That's correct.

Q So you wouldn't have the 24 to 48 hour call that generally exists in a coordinated cut as described by Mr. Ainsworth?

A Yes, ma'am, that's correct.

Q And you wouldn't have the call with the CLEC to verify that the dial tone is present?

A That's correct.

Q How are the completion notices sent to CLECs under this mass migration conversion process?

A They're sent in the same manner that they're sent today. When that service order is completed, that completion notice is triggered and sent to the CLEC.

Q Either by e-mail or fax? It's not a telephone call? It's either by e-mail or fax?

A The completion notice, as I recall, comes back through the system that the LSR was originated.

Q So the completion notice -- it's your testimony that the completion notice would come back to the CLEC through whatever operational support systems they have?

A Let me qualify my answer. The completion notice would come back in the same manner it does today.

Q Okay.

A Quite honestly, I can't recall which manner that is today, so I can't tell you that, but our intent is to send it back in that same manner.

Q Okay. Let me get to you clarify that. When you say your intent is to send the completion notice back in the same manner, do you mean in the same manner that it is sent back today for a non-coordinated cut?

A Okay. I think you're confusing the

notifications we give on the actual conversions versus the completion of a service order. The completion notice I'm referencing here is a completion notice that's submitted to the CLEC after the service order is completed.

Q So that's the completion that would come back through ENDI?

A No, ma'am. That's the completions that come back on any service order. If you install just a regular UNE-P as a new install, we send you a completion notice when that order is completed.

Q Okay.

A I think what you're confusing is the type of notices that are sent on conversions. If it's a non-coordinated conversion, you get a notice today via ENDI. That notice today via ENDI on non-coordinated or the telephone call you would get on a coordinated conversion is your signal to go and begin your porting activity.

In this case of mass migration, BellSouth is going to conduct all that porting activity on behalf of the CLEC. So those notices that would come from ENDI or those telephone calls that would come from the CWINS Center on a coordinated conversion would not be needed, because BellSouth is handling all of those porting

activities on your behalf.

Q Okay. So all the CLEC gets is a service order completion notice, the same kind they would get on any kind of service order?

A Yes, ma'am.

Q Thank you. If there is a problem with CLEC dial tone when a conversion occurs under this mass migration conversion process, what does BellSouth do?

A We would follow the same jeopardy process we have in place today.

Q So it would be put in jeopardy?

A Yes, ma'am.

Q Does BellSouth have any proposal to measure the interval that the loop is not connected to either the BellSouth switch or the CLEC switch during the conversions that would occur during this mass migration?

A No, ma'am, we do not.

Q Does BellSouth have any proposal to measure the interval between loop connection to the CLEC switch and service order completion notice to the CLEC?

A For the mass migration?

Q For the mass migration conversion process.

A No, ma'am, we do not.

Q Does BellSouth have any proposal to measure the interval between loop connection to the CLEC switch and

number port activation under the mass migration conversion process?

A No, ma'am.

Q Does BellSouth have any proposal to measure the length of outages during conversion in the mass migration conversion process?

MS. FOSHEE: I'm going to object to this string of questions, in that Mr. McElroy has already testified that we don't have any measures associated with this process.

MS. AZORSKY: You can go ahead, Mr. McElroy. It's my last question.

A Okay. No, ma'am.

MS. AZORSKY: Thank you. AT&T has no further questions.

MR. TEITZMAN: This is Adam Teitzman with the Florida Public Service Commission. Do any other parties have questions?

Hearing none, I thank everyone, and this will conclude this deposition. Thank you.

(Deposition concluded at 3:53 p.m.)

CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, MARY ALLEN NEEL, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter transcribed under my supervision; and that the foregoing pages numbered 1 through 55 are a true and correct transcription of my stenographic notes.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, or relative or employee of such attorney or counsel, or financially interested in the action.

DATED THIS 10th day of January, 2004.

MARY ALLEN NEEL, RPR
2894-A Remington Green Lane
Tallahassee, Florida 32308
(850) 878-2221

State of Georgia)

County of Fulton)

CERTIFICATE OF OATH

I, the undersigned authority, certify that Milton McElroy personally appeared before me at 675 West Peachtree Street, NE, Suite 4300 and swore or attested to being the witness deposed via telephone on February 6, 2004 and to have responded truthfully in the matter.

WITNESS my hand and official seal in the City of Atlanta, County of Fulton, State of Georgia, this 6th day of February, 2004.

Notary Public

State of Georgia

Personally known ____ OR Produced identification ✓.

Type of identification produced BellSouth ID

FLORIDA PUBLIC SERVICE COMMISSION

Tyra J. Barclay
Notary Public, DeKalb County, Georgia
My Commission Expires August 13, 2006

McElroy Late Filed Deposition Exhibit
BellSouth Telecommunications
FPSC Docket 030851-TP
Accounts in PWC Study

Request: How many accounts were used during the Bulk Migration Test?

Response: A total of 390 accounts, ranging from single-line accounts to 25-line accounts, were migrated during the four days of testing the Bulk Migration Process.

EXHIBIT NO. 22

DOCKET NO.: 030851-TP

WITNESS: Michael P. Gallagher

PARTY: FDN

DESCRIPTION:

1. February 11, 2004, Deposition Transcript, page 1

PROFFERING PARTY: STAFF

I.D. # MPG-D

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 22
COMPANY/ FPSC Staff/ FDN
WITNESS: MPG-D
DATE: 02/24-27/04

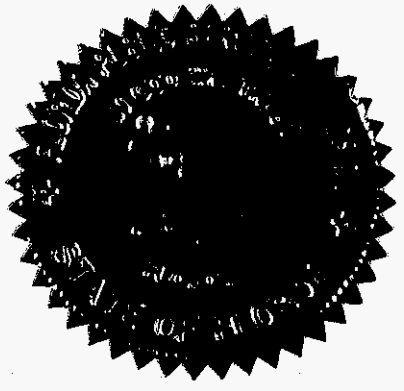
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030851-TP

In the Matter of

IMPLEMENTATION OF REQUIREMENTS ARISING FROM FEDERAL COMMUNICATIONS COMMISSION'S TRIENNIAL UNE REVIEW: LOCAL CIRCUIT SWITCHING FOR MASS MARKET CUSTOMERS.

_____/



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DEPOSITION OF: MICHAEL P. GALLAGHER

TAKEN AT THE INSTANCE OF: The Staff of the Florida Public Service Commission

PLACE: Gerald L. Gunter Building
Room 309
2540 Shumard Oak Boulevard
Tallahassee, Florida

TIME: Commenced at 2:10 p.m.
Concluded at 4:50 p.m.

DATE: Wednesday, February 11, 2004

REPORTED BY: JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and Administrative Services
(850) 413-6732

FLORIDA PUBLIC SERVICE COMMISSION

APPEARANCES:

DOUG LACKEY, ESQUIRE, BellSouth Telecommunications, Inc., c/o Ms. Nancy H. Sims, 150 South Monroe, Street, Suite 400, Tallahassee, Florida 32301-1556, appearing on behalf of BellSouth Telecommunications, Inc.

SUSAN MASTERTON, ESQUIRE, Sprint-Florida/Sprint Communications Company, P. O. Box 2214, Tallahassee, Florida 32316-2214, appearing on behalf of Sprint-Florida/Sprint Communications Company.

BILL MAGNESS, ESQUIRE, Casey & Gentz, LLP, 919 Congress Avenue, Suite 1060, Austin, Texas 78701, appearing on behalf of Florida Competitive Carriers Association.

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DONNA C. MCNULTY, ESQUIRE, MCI WorldCom Communications, Inc. 1203 Governors Square Blvd., Suite 201, Tallahassee, Florida 32301-2960, appearing on behalf of MCI WorldCom Communications, Inc.

ADAM TEITZMAN, ESQUIRE, FPSC General Counsel's Office, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf of the Commission Staff.

WITNESS

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Direct Examination by Mr. Teitzman	6
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EXHIBITS

NUMBER: ID.

(No exhibits.)

P R O C E E D I N G S

MR. TEITZMAN: This is Adam. I'm ready to get some of this preliminary stuff started.

MR. FEIL: All right.

MR. TEITZMAN: The witness still needs to be sworn in?

MR. FEIL: Yes. The notary is here when you're ready.

MR. TEITZMAN: Please go ahead.

(Witness sworn by Notary.)

MR. FEIL: For the record, also present on the call is our corporate representative. It is going to be Mr. Matt Blocka (phonetic) with FDN.

MR. TEITZMAN: Okay. Well, I'm going to go ahead and get us started. I'm going to start off by asking for appearances, please.

MR. FEIL: I'll start. This is Matt Feil with FDN. Also on the line may be Mr. Scott Kassman another attorney with FDN. Mr. Gallagher, the witness, is present. And FDN's corporate representative is going to be Mr. Matt Blocka (phonetic), who is FDN's chief technology officer.

MR. TEITZMAN: Could we go through -- those on the phone, could you please make an appearance on the record.

MR. LACKEY: Yes. This is Doug Lackey. I'm appearing on behalf of BellSouth.

MS. McNULTY: Donna McNulty appearing on behalf of MCI.

MR. MAGNESS: Bill Magness, Casey and Gentz, appearing on behalf of the Florida Competitive Carriers Association, or FCCA.

MR. TEITZMAN: If that is everyone, I will go ahead with myself. This is Adam Teitzman on behalf of the Florida Public Service Commission, and with me today is staff member Doris Moss. It is my understanding that FDN is objecting to the usual stipulations, is that correct?

MR. FEIL: That is correct, and in particular the stipulation that all questions will be answered subject to objection, depending on the nature of the questions asked. FDN believes in may be in the position where the witness should not have to answer, but I suppose we can deal with that issue when and if it arises.

MR. TEITZMAN: Who just added to the phone call?

MS. MASTERTON: This is Susan Masterton with Sprint.

MR. TEITZMAN: We will take that as your appearance.

MS. MASTERTON: Thank you.

MICHAEL P. GALLAGHER

was called as a witness and, after being duly sworn by the Notary, testified as follows:

DIRECT EXAMINATION

BY MR. TEITZMAN:

Q Good afternoon, Mr. Gallagher.

A Good afternoon.

Q As I stated, my name is Adam Teitzman, and I'm an attorney with the Florida Public Service Commission. I will be taking your deposition on behalf of the Commission, and this deposition is being taken in Docket Number 030851-TP. Before we begin, Mr. Gallagher, I just want to let you know that if you need me to restate a question or do not understand a question, if you would just let me know, and I will either restate that question or try to rephrase the question. I will also ask that when you answer the questions, if you could please begin your answer with a yes or a no where appropriate, and then go into a further explanation.

Now, Mr. Gallagher, is it correct that you have been sworn in?

A Yes, that is correct.

Q Great. Now, could you please state your full name and business address for the record?

A Michael P. Gallagher, my business address actually has changed since this testimony has been filed. It is now 2301 Lucian Way (phonetic), Maitland, Florida 32751.

Q And by whom are you employed?

A FDN Communications.

Q Could you please provide a brief synopsis of your educational background?

A I have a degree from Rollins College in mathematics.

Q Have you previously filed testimony before the Florida Public Service Commission?

A Yes, I have.

Q And did you file testimony in Docket Number 030851-TP?

A Let me just check on that. I don't see that I have. I think I have, yes.

Q Well, I can ask like this, did you file testimony in the local switching from mass market customers --

A Yes. I'm sorry, yes.

Q No, that's fine. And do you have copies of that testimony and the attached exhibits with you today?

A Yes, I do.

Q Okay. That completes my prelim questions. We will now get started with some of the more substantive questions.

Does FDN own switches that serve Florida customers?

A Yes, we do.

Q And which markets do your switches serve?

A We serve the Greater Miami, Fort Lauderdale, West Palm, and what we call Treasure Coast markets. We serve the Tampa, Clearwater, St. Pete markets. We serve the Greater Orlando markets, including the Space Coast area. We serve the Daytona Beach area, we serve the St. Augustine and Jacksonville area, and some contiguous geographies to those general areas.

Q Do any of your switches currently provide analog services?

A Yes, we do.

Q Now, Mr. Gallagher, do you have a copy of BellSouth Exhibit PAT-5 with you today?

MR. FEIL: Adam, this is Matt Feil. We would probably have to dig for that. Was it attached to Ms. Tipton's direct or rebuttal?

MR. TEITZMAN: Let me double-check. It is attached to the -- I have it here. This was attached -- I believe it was the direct.

BY MR. TEITZMAN:

Q Well, let me ask this. Are you familiar -- hold on. Are you familiar with the areas that BellSouth has deemed not impaired?

A I believe so, yes.

Q Are any of the FDN switches providing analog service to customers in an area designated by BellSouth as not impaired to the best of your knowledge, with regard to what BellSouth has deemed not impaired?

MR. FEIL: Objection, clarification. There are two different areas that BellSouth is going to deem nonimpaired. One would be the hard trigger, the other would be the potential deployment area, and I'm not sure whether or not your question covers one or both areas.

MR. TEITZMAN: The question refers to the trigger, the hard trigger.

A Could I understand the question again. Do we provide switching in those areas where BellSouth has said the hard triggers are met?

Q Correct.

A Let me just review that map. I am fairly certain that we do. Based upon the information that I have in front of me, yes, we do, we provide switching in all those areas.

Q In all the areas?

A Yes.

Q Do you provide switching to customers within BellSouth's territory outside of those areas?

A Let me see. I believe that we do. I believe we provide switching in some Zone 3 areas outside of where the triggers are met.

Q Are you familiar with the areas that Verizon has deemed not impaired with regard to the hard triggers?

A Yes.

Q Are any of FDN's switches providing analog service to customers located in the areas that Verizon has deemed not impaired?

A Yes, we are.

Q In which areas are those customers located?

A In the Tampa, St. Pete, Clearwater area.

Q Do any of those switches serve customers in Verizon's territory outside of those areas designated as not impaired?

A I believe it is possible that we serve some customers in Lakeland and down in Bradenton via those switches.

Q Do any of the FDN switches serve customers in Sprint territory?

A Yes, we do.

Q Which cities or which areas?

A The Orlando MSA, northern edges of Orlando, and the western portions of Orlando.

Q Does FDN have switches that do not currently provide analog service, but have been modified to carry voice service?

A That do not provide analog -- could you repeat that?

Q Sure. Does FDN have switches that does not currently provide analog service, but have been modified to carry voice service?

A No.

Q Does FDN currently market voice service to residential customers in Florida?

MR. FEIL: Objection, not relevant to the TRO. I mean, the whole question with the TRO is whether or not you are providing voice services to mass market customers. There is nothing in the TRO, really, that addresses voice, at least not as provided by FDN. But I will let the witness answer the question.

A Yes, we have about 2,900 current residential customers, lines.

Q And you market services to residential customers?

A We will, on occasion, serve residential customers.

Q Do you target isolated pockets of residential customers, or do you market your residential offering throughout Florida?

A No, it is pretty broad across our collocation footprint. If we receive, you know, a call as a result of advertising or general course of business and the customer meets certain credit requirements, then we will sign them up.

Q Do you advertise residential services on the Internet?

A Yes, on our website.

Q Does FDN currently market voice services to small business customers?

A Yes, we do.

Q And do you target isolated pockets, or do you market your business offering throughout Florida?

A Throughout all areas where we have our switching and collocation equipment.

MR. FEIL: Adam, could I interrupt for a second?

MR. TEITZMAN: Sure.

MR. FEIL: Were you saying all along voice or VOIP?

THE WITNESS: Were you saying V-O-I-P or voice?

MR. TEITZMAN: Voice.

MR. FEIL: Oh, I'm sorry. When I interjected my objection I thought you said VOIP, not voice.

MR. TEITZMAN: No, V-O-I-C-E.

MR. FEIL: All right. I'm sorry, I withdraw the objection.

THE WITNESS: We've got a voice problem up here.

MR. TEITZMAN: Did I ask the last question or did you respond to a question last. I don't know where we --

THE WITNESS: I think it's your turn.

BY MR. TEITZMAN:

Q I think what I asked was -- we might be repeating, but do you target isolated pockets, or do you market your business offering throughout the area. And that is with regards to small business customers.

A No, throughout the entire area that we serve. We typically put in collocations in a ubiquitous fashion inside of a LATA, so we will typically offer all the customers service.

Q Do you serve business customers with three or fewer DSL lines in Florida?

A Yes, we do.

Q And do you advertise small business service on the Internet?

A Yes, we do.

Q On the Internet, does it provide the method of entry

for -- strike that question. Let me think how to rephrase that.

Does your advertisement on the Internet which advertises residential service provide the method of entry for the residential services provided?

A You mean entry for the customer like how they sign up, or entry like UNE-P versus UNE-L?

Q UNE-P versus UNE-L.

A No, it doesn't talk about that at all. I mean, it doesn't tell them that they are going to do it one way or the other.

Q Well, in your opinion, is the consumer concerned about the method of delivery?

A No.

Q But it would be possible for a company to change from UNE-P to UNE-L without changing -- or it would be possible for FDN to change from UNE-L to UNE-P or UNE-P to UNE-L without changing the ad, correct?

A It would be possible without changing the ad, but there would be a lot of back office issues that we would have to face. But from the customers' standpoint, I don't see how it would change.

Q So it is possible for a carrier to use the same ad in areas they serve with UNE-P as well as in areas they serve with UNE-L?

A Oh, yes. Uh-huh.

Q Now, has FDN filed a notice to terminate service in any market which they are currently serving in Florida?

A I don't believe that we have.

Q And, in your opinion, is FDN likely to continue providing service in Florida?

A Yes, we are.

Q Could you please refer to your prefiled rebuttal testimony Page 3, Lines 7 through 10?

A Okay.

Q It's your testimony that switching has been and still is readily available to anyone willing to purchase a Class 5 type device, correct?

A That is correct.

Q Are any of the mass market customers that you serve in the areas deemed not impaired by an ILEC served by Class 5 switches?

MR. FEIL: Objection, clarification again. Are you referring to trigger areas, or potential deployment areas, or both?

MR. TEITZMAN: For this we will go with trigger areas.

THE WITNESS: Almost all of those customers are served by Class 5 switches.

BY MR. TEITZMAN:

Q You stated almost all, correct? I just wanted to clarify.

A Yes, that is correct.

Q If not served by a Class 5 switch, what type of switch does FDN use to provide service to a mass market customer?

A We have about one percent of our customers on UNE-P.

Q Have you made use of soft switch technology to provide voice services?

A We are using voice over IP right now as an access method, but are still switching with Class 5 switches. So I guess the answer is not yet, no.

Q In your opinion, are the current prices for UNE-P in the BellSouth Florida territory an encouragement or a discouragement for the migration from UNE-P to UNE-L?

A There is really no incentive to -- not much incentive to migrate from UNE-P to UNE-L because the switching prices are low, and the nonrecurring charges to hook-up a line are very low with UNE-P. You know, the down side of UNE-P is that there is no ability to innovate or bring a new product to a customer, like a DSL, or a bundled product. It is just pretty much whatever the phone company has. So it is almost -- based on the pricing right now, it's very attractive to do UNE-P.

Q In your opinion, are the markets identified by BellSouth and Verizon as not impaired with regard to the

triggers of sufficient size for CLECs to obtain economies of scale and scope?

A Yes.

Q And what is the basis of this opinion?

A Daily competitive forces in the marketplace, the fact that we believe we only have around a 5 percent penetration, and we believe we have achieved scale, and just our experience in the marketplace.

MR. FEIL: Adam, for the record, this is Matt Feil. Mr. Gallagher's prefiled doesn't really address a lot of those economic issues. So while the witness didn't really give me an opportunity to object, that would be my objection were that question asked at trial. But he has answered the question, so it is answered subject to the objection. Sorry to interrupt.

MR. TEITZMAN: That's okay. I'm looking at these next questions to see -- well, let me ask.

BY MR. TEITZMAN:

Q Has FDN invested in the telecommunications infrastructure?

A Yes.

Q Would you consider that investment to be significant?

A Yes.

Q Does UNE-P require a competitive investment in telecommunications infrastructure?

A No.

Q Is it true that with UNE-P the switching facilities are owned by the ILEC?

A Yes, that is true.

Q And is it true that with UNE-P the work force of the ILEC engineers constructs and maintains those facilities?

A That is correct.

Q Is it necessary for a CLEC solely dependent on UNE-P to develop the high technological skills required to engineer, construct, or maintain those facilities?

A No, it is not required by the UNE-P CLEC.

Q Is it true that those CLECs competing with self-provisioned switches provision the necessary engineering, construction, and maintenance of their facilities?

A Yes. If you're talking about a trigger company like us, we do repair, maintain, and engineer our switches.

Q In your opinion, is it true that increased facilities-based competition could provide the occasion for increases in the telecommunications work force?

A Yes.

Q In your opinion, is it true that increased facilities-based competition could lead to a situation that enhances the high technological skills of the telecommunications work force?

A Yes, it would.

Q I believe you testified that FDN develops systems and

software on its own to interface with BellSouth's customer records, correct?

A Yes, we do.

Q Would it be reasonable to expect that if a carrier solely relying on UNE-P were to leave that market that their customers could transition to another competitive carrier?

A Yes, there would be places for those customers to go.

Q If UNE-P is eliminated in a market where there are multiple UNE-L providers, would you expect the competitive position of those UNE-L providers to be improved?

A Yes.

Q Could you elaborate on that answer?

A Well, there is a scarce amount of -- you know, there is a finite amount of customers. And if a UNE-L competitor like myself is competing currently with a UNE-P type CLEC, we are almost at a competitive disadvantage because of the ability for those UNE-P CLECs to acquire install loops at a greatly discounted rate to divert what would be network expense, or NRCs paid to the ILEC to mass market advertising such as Danny Glover or, you know, James Taylor like the Neighborhood folks are doing. So the removal of that sort of false kind of competition would create better economics for a facilities-based provider.

Q Do you expect that if areas in which FDN serves are found not impaired that FDN is likely to gain in market share?

A It's possible.

Q One second, please. Do you have a copy of FCCA's Witness Gillan's testimony?

MR. FEIL: Adam, are you referring to his direct, rebuttal, supplemental rebuttal, or surrebuttal?

MR. TEITZMAN: Direct testimony.

THE WITNESS: Yes, I have it somewhere here. Hold on.

MR. TEITZMAN: Take your time. No problem.

THE WITNESS: I found it.

BY MR. TEITZMAN:

Q Page 56, Line 3 through 5, of Gillan's direct testimony. I will give you a second to get there.

A Okay.

Q Here Witness Gillan states, "A CLEC owning its own switch could offer the most price sensitive customers lower prices based on the incremental cost of service." Would you agree this implies service via UNE-L is economically beneficial for the customers?

A Let me read this. For a particular customer that that CLEC chose to price, you know, reduce the rate or reduce switching, it would be economically beneficial to that customer.

Q Would you characterize the FDN service offerings to be economically beneficial to consumers?

A Yes.

Q If carriers are serving mass market customers with the use of their own switch, then does this identify them as deploying actual competitive facilities serving the mass market?

A I believe that it does.

MR. TEITZMAN: If you hold or one second, I may have one or two more questions, or I may be done. One second.

(Pause.)

MR. TEITZMAN: Staff has no further questions. Which other parties are on line now?

MR. LACKEY: This is Doug Lackey from BellSouth.

MR. TEITZMAN: Do you have questions?

MR. LACKEY: Oh, no, I do not.

MR. MAGNESS: This is Bill Magness for FCCA. I do have some questions.

MR. TEITZMAN: And how long, how many questions?

MR. MAGNESS: I don't have a count. I would imagine perhaps an hour.

MR. TEITZMAN: An hour. Is there anyone else on the line with questions?

MS. McNULTY: This is Donna from MCI. I would just like to hear what Bill has to say first.

MR. TEITZMAN: So you may have some follow-up, that's fine. So we have FCCA to be followed by MCI. Anyone else?

Okay. Do we need a break or should we just go right into it?

MR. FEIL: We're ready to go into it, Adam.

MR. TEITZMAN: All right. FCCA, it's all yours.

MR. MAGNESS: Okay. Thank you, Adam.

CROSS EXAMINATION

BY MR. MAGNESS:

Q Mr. Gallagher, my name is Bill Magness. I'm with Casey and Gent. I'm one of the attorneys representing FCCA in this case. I think you have been doing a very good job on this phone deposition of stating your answers verbally, and I would just ask you to do that. I would also ask that if there is any question I ask you that you don't understand, or you would like me to clarify, I would like your agreement that you will ask me to do that before you answer any such question. Can we have that agreement?

A Sure.

Q Okay. And especially since we are on the phone, for the benefit the court reporter, and I know you have been doing a good job with this so far, if you could let me finish the question, and I will extend the same courtesy to you by letting you finish the answer so the court reporter doesn't have to deal with cross talk. Does that make sense?

A Yes, it does.

Q Okay. And just for information, I want to tell you

I'm calling from what I wish I could say is sunny Austin, Texas. I know that is one of your former stomping grounds, so --

A Great. Good place to be.

Q Yes. Okay. I would like to ask you to look at your testimony, that is your rebuttal testimony filed in this proceeding January 7th, on Page 7. And let me know when you are there.

A Okay.

Q Now, there at Line 9 through 10, you say FDN maintains that the Commission should critically evaluate the TRO trigger test embellishments advocated by various other witnesses, is that correct?

A That's correct.

Q And then further down on that page you say, for instance, both Gillan and Staihr -- and I believe that is how it is pronounced, it is S-T-A-I-H-R -- argue that any switch counted against the trigger must serve predominately mass market customers, not enterprise customers. Is that a correct reading?

A Yes.

Q Okay. And you disagree with that, right?

A Yes.

Q Do you have a copy of the Triennial Review Order there with you at the deposition?

A Yes, I do.

Q Okay. Could I ask you to -- I'm going to ask you to look at a few sections of it, and with each one of these I take you to, I would just ask that you let me know when you are there, and if you have had time to look at the paragraph I have referenced. Okay?

A Okay. You will have to excuse the page rattling in front of the phone. We're sorry if we make too much noise.

Q I understand. I asked for it. If you could turn to Paragraph 127. On the copy I've got -- I'm sorry, sir, actually Paragraph 124. On the copy I've got that is on (inaudible, phone interference) of the Commission's, FCC's order.

A Okay.

Q Okay. And I'm just going to read you the first sentence of Paragraph 124. "Based on the record before us, it is reasonable to distinguish these three classes of customers: Mass market, small and medium enterprise, and large enterprise for several reasons." Is that a correct reading?

A Yes.

Q And if you flip back over to the next page, to Paragraph 127. Before we leave 124, I mean, is it your understanding that the FCC asked the states in its analysis of impairment to examine impairment based on different customer segments?

A No, it is not my understanding that that is what the FCC asked.

Q Okay. Do you believe that the FCC found it reasonable to distinguish between classes of customers?

MR. FEIL: Objection. I'm not clear on what you mean by the words segment or class.

MR. MAGNESS: Okay. Well, let me try again.

BY MR. MAGNESS:

Q In Paragraph 124, the FCC -- and I will just quote again. It says, "It is reasonable to distinguish these three classes of customers, mass market, small and medium enterprise, and large enterprise, for several reasons." Is that a correct reading?

A Yes.

Q Okay. And so I guess I'm asking you do you agree that the FCC found it reasonable to make distinctions between these classes of customers, the mass market, small and medium enterprise, and large enterprise for purposes of the analysis in the TRO?

A Not really, because I focused in on the rules, the TRO rules defining the actual triggers.

Q Uh-huh.

A I also focused in on our experience in the marketplace where we, you know, we serve all facets of the market ourselves, you know, and it is not our experience that,

you know, we are suffering any impairment there.

Q Okay. And really all I'm asking you is not about your experience, but your understanding of what the TRO requires. And so I would ask you, do you quarrel with the idea that the FCC examined and asked the states to examine the mass market and the enterprise market differently?

MR. FEIL: I want to make a relevancy objection, because if you are asking him for whether or not he thinks the FCC acted reasonably, that is outside the scope of the proceeding. But the witness can answer the question.

A I mean, I'm not a lawyer, so I don't have a real good, you know, understanding of all the -- you know, I think all of these questions you are asking me here. I do believe that there was a distinction that the FCC made between enterprise customers and, you know, mass market. I think the enterprise was defined as T-1 level customers, and that is my understanding. After that, to me, you know, everyone else is a mass market customer.

Q Anything under a T-1?

A Yes.

Q Okay. Well, when you say you are not a lawyer and all, I understand you are not, but you did issue a rather strong critique of some of the witnesses in this testimony concerning their readings of the TRO, did you not?

A Yes.

Q Okay. So don't you believe it's fair for me to ask you a few questions about how it is you interpret the order?

A Sure. You can ask whatever you want.

Q Okay. You just may not be able to back up your critique, is that what you are saying?

MR. FEIL: Objection, characterizing the witness' answer inappropriately.

BY MR. MAGNESS:

Q Are you familiar enough with the TRO in order to answer questions about what you mean by an embellishment of the TRO?

A I think that I am, yes.

Q Okay. Well, in Paragraph 127, I'm just going to read you the first couple of sentences there. "Mass market customers consist of residential customers and very small business customers. Mass market customers typically purchase ordinary switched voice service (plain old telephone service, or POTS), and a few vertical features. Some customers also purchase additional lines and/or high speed data services."

Is that a correct reading of those sentences?

A Yes.

Q Okay. And would you agree with me that this appears to be where the FCC is providing some guidance on what it considers mass market customers to be?

A Yes.

Q Okay. And on Paragraph 128, the FCC says, "Small and medium enterprises are willing to pay higher prices for telecommunications services than the mass market. Indeed, they are often required to do so under business tariffs. Because their ability to do business may depend on their telecommunications network, they are typically very sensitive to reliability and quality of service issues. These customers buy larger packages of services than do mass market customers, and are willing to sign term contracts. These packages may include POTS data, call routing, and customized billing among other services." Sorry that was such a long reading, but did I read it accurately?

A Yes.

Q And you have had some experience in your career with selling services to larger enterprises, have you not?

A Yes.

Q And do you have any quarrel with the FCC's characterization that enterprises are typically more willing to sign long-term contracts?

A Yes.

Q You do quarrel with that?

A Yes. It has been our experience that small customers sign contracts, medium-sized customers sign contracts, and so do large customers.

Q Okay. Well, in your experience -- and I would like

to limit your experience to FDN and its services in Florida for the moment. Can we agree to that?

A Yes.

Q Okay. Do you offer -- do you require a contract for all services that FDN offers?

MR. FEIL: Objection, relevance. Go ahead and answer the question, though.

A Yes, we do. We offer -- no, I'm sorry, we do not require contracts, we offer contracts. We offer lower prices for longer term contracts, which is pretty much the standard offer in the marketplace.

Q Okay. And in your experience, does the size of the customer have anything to do with their willingness or unwillingness to sign a long-term contract?

MR. FEIL: Objection, relevance again. The TRO has already decided this question, but go ahead and answer.

A Not anymore. It used to be that way, but most of our customers when we originally started signed three-year terms, and a very large percentage of our customers are under two and three-year contracts. And we serve, again, customers from one line to, you know, 100 lines.

Q And no distinction as far as that between your customer base anyway, right?

MR. FEIL: Objection, I didn't understand the question.

A What was the question again?

Q And you haven't found any distinction as to a customer's willingness to sign a contract based on whether they are a one line customer or a 100 line customer, is that your testimony?

A I am not -- I haven't researched that on a daily basis, but it is my understanding that that correlation is not as strong as it maybe once was.

Q Okay. Well, could you explain that a little better? Do you still believe there is a correlation between how many lines the customer has and its willingness to take on a long-term contract?

A I think that large enterprises typically have a decision-maker that is very savvy and is going to be comfortable with a contract. Smaller customers and very small customers look to sign contracts for better prices and price protection guarantees, and that a large amount of our customers do that, and that is what I believe.

Q Okay. I ask you to turn now to Paragraph 441 of the order, and I think you will find that on Page 274.

A Yes.

Q And I direct your attention, as I said, to Paragraph 441.

A Uh-huh.

Q I'm going to read you something from the second half

of that paragraph. Of course, I would welcome you to read the entire paragraph, but I am going to focus your attention on the line that begins, "Thus, while we agree." It's about five lines from the bottom. Do you see where I am?

A Yes, I do.

Q "Thus, while we agree that deployment of an enterprise switch is one piece of evidence relevant to the possibility of serving mass market customers, and indeed our impairment analysis takes such deployment into account as discussed below, the fact remains that competitors using their own switches are currently serving extremely few mass market customers through enterprise switches or otherwise."

Did I read that correctly?

A Yes.

Q And they drop a footnote down, Footnote 1354 that says, "The dissent's assertion that enterprise switches should be considered in our mass market triggers ignores the substantial differences between the switches serving the different markets." Is that a correct reading?

A Yes.

Q Okay. Now, I take you to one more paragraph for the moment. It is Paragraph 508.

A Okay.

Q And I'm going to call your attention to just part of this paragraph. And, again, if you would like to read the

entire thing, I would welcome you to, but at the bottom of Page 322 there in Paragraph 508, do you see a sentence that begins, "Although," and then carries over?

A Yes.

Q Okay. And it reads, "Although switches serving the enterprise market do not qualify for the triggers described above." Now, this admonition from the FCC in Paragraph 508, as well as the language we read in Paragraph 441 just a moment ago, do you find that persuasive that the FCC did not believe that enterprise switches should be counted in the trigger analysis?

A It appears to read that way.

Q Okay. And if you are not going to count enterprise switches in an analysis, does it stand to reason that the Commission will need to make a distinction between switches that are enterprise switches versus mass market switches?

A No, I don't believe so, because I see competitive switches out in the market that serve enterprise customers that also do serve what you are calling mass market. So in our state, you know, we may be different than what the FCC is, you know, thinking of here.

Q Okay. But you would agree with me that the state commission in Florida needs to conduct the analysis that the FCC asked it to conduct, don't they?

A I think they need to do the hard trigger test

pursuant to what is asked for in the self-deployment test.

Q Okay. And since the language I read to you concerns the trigger and the self-deployment test, wouldn't you agree that the Commission needs to find a way to distinguish between enterprise switches and other switches for the trigger analysis?

A I don't personally believe that, no, because I believe what we are talking about here is switching, and the act of switching is not impaired if you own a switch.

Q Well, I know we are not supposed to talk about whether we disagree with the TRO or not, but are you stating a disagreement with what the FCC said?

A Could you repeat your question?

Q Okay, sure. I know we had some beeping and buzzing in there. I guess, and let me back up a minute just to be sure my point is clear. You would agree with me that those paragraphs indicate that enterprise switches are not to be counted in the trigger analysis, right?

A But it goes on -- I mean, you took a sentence out of context there. It goes on and says, "After implementation of a batch cut process, switches being used to serve the enterprise market are likely to be employed to serve this mass market, as well."

Q Okay. But doesn't the sentence say in the beginning, "Although those enterprise switches are not to be counted in

the trigger analysis"?

A Yes, it says that.

Q Okay. How is that -- well, I will withdraw that. So, do you agree that enterprise switches are not to be counted in the trigger analysis?

A By strict definition, yes.

Q Okay. Well, is there another way that we should be doing it besides the way the FCC defined it?

A Well, I don't think there is such a thing as a pure enterprise switch out there in the marketplace that I have experience with, so I think there is going to be a struggle with the definition of an enterprise switch. One party is going to say one thing and another party is going to say another.

Q So the Commission is faced with the task of determining what the appropriate way of distinguishing between those kinds of switches is, right?

A I suppose so.

Q Okay. So you may have one view of how to do that, and Mr. Gillan may have another view of how to do that, but that is a question for the Commission to ultimately resolve as part of its trigger analysis, isn't it?

A I suppose so.

Q Okay. So why would that be an embellishment on the TRO trigger test?

A Because I believe that the marketplace is not as perfectly defined between enterprise and mass market. You have people who have deployed switches who have served the mass market, who have served enterprise customers. Maybe they don't serve the mass market with UNE-L anymore as much because there is a more economical alternative out there that has been preserved called UNE-P, but I don't think that is a reason to cross that switch off of an analysis of a trigger.

Q And is there anywhere in the TRO that it says what you have just told us?

A I don't know. I would have to read it again.

Q And if there isn't anything that says that, that would be an embellishment on the TRO, would it not?

A Hold on. I'm reading my TRO.

Q We could be here awhile. Is there a particular paragraph you would like to refer us to?

A No, I'm just looking at the trigger rules.

MR. MAGNESS: Excuse me, is there a conversation going on?

THE WITNESS: No, I'm talking to myself.

MR. FEIL: And, I guess, for the record, this is Matt Feil. He was reading aloud to himself from the TRO.

MR. MAGNESS: Okay. We can agree that if there are any consultations amongst the parties on that end of the line we are going to get notice of that, are we not?

MR. FEIL: Not necessarily, but I can tell you it is a moot point in this instance.

MR. MAGNESS: Okay. Well, could I ask if there are any notes passed or discussions had that aren't, of course, subject to any privilege, that we would at least know that counsel is being consulted during this deposition?

MR. FEIL: I'm not promising anything in that regard, counsel, but I can tell that if I do direct the witness to a document, that I will let you know at least that. If it is, for example, you ask for him to be shown somebody's testimony, or a discovery response, or the TRO pages, or what have you, that if he doesn't have them in front of him, I will give those to him.

MR. MAGNESS: Okay. And if I ask that he answer this question here that is about something in the TRO and you are directing him to a particular provision there, would you let me know that, as well?

MR. FEIL: If I am flipping the pages for him so he can get to the paragraph, I will let you know that, counsel, sure.

THE WITNESS: I have my own copy, though, and I actually knew where you're talking about, I think.

BY MR. MAGNESS:

Q Great. Where is that?

A Well, I'm on the actual rules, the local switching

provisioning trigger. The state commission analysis, a local switching trigger.

Q Uh-huh.

A To satisfy the trigger a state commission must find that three or more competing providers not affiliated with each other or the incumbent LEC, including intermodal providers, with service comparable in quality to that of the incumbent LEC each are serving mass market customers in a particular market with the use of their own local circuit switches. That is my understanding of the trigger.

Q Okay. So is it your understanding that nothing that is in the actual text of the order is part of what the Commission's analysis should include, just the words that are in the rule?

A It seems to me that this issue was kicked to the states so that the states could, you know, make their own analysis of what was going on in the marketplace.

Q Okay. But what I asked you was is it your testimony that the Commission should only look at the words that are in the rule in 51.319, or that they should also consult with what is in the order and the guidance the FCC gives about application of its rules?

A I think they should give a lot of weight to the rules, but, of course, the other -- you know, all the other parts of what the FCC wrote should be obviously read.

Q Including the part where they say that enterprise switches shouldn't be counted in the trigger analysis, right?

A Sure.

Q Okay. And, for example, I will ask you to just look at Paragraph 498.

A Okay.

Q And I would just give this as an example here of this, where it says -- and you are probably familiar with this, that competitive switch providers should be actively providing voice service to mass market customers in the market. Do you see that sentence? I'm sorry, it begins with moreover. "Moreover, the identified competitive switch providers should be actively providing voice service to mass market customers in the market." Do you see that?

A No, I don't, I'm sorry. I'm looking at the 498, I just don't see that sentence yet.

Q It's a long paragraph. Let me give you a minute to find the sentence. It begins with moreover, it is probably midway through the paragraph. I don't want to rush you looking at it.

A 498.

Q Holy smoke, I've got you in the wrong paragraph. Paragraph 499. I'm sorry. Paragraph 499.

A You know I was educated in a Florida school here. Just kidding.

Q Well, I went to school in Texas, so don't talk to me.

A Okay. I see moreover. There we go. Okay.

Q Okay. So based on what you see here and read in conjunction with the rule, it would be fair to say that the trigger, that is the identified competitive switch provider, should be, number one, actively providing, right?

A Right.

Q And providing voice service?

A Right.

Q And providing voice service to mass market customers in the market, right?

A Right.

Q The trigger needs to be doing all of those things, right?

A Right. But I don't think there is a de minimis standard on that.

Q Well, I didn't ask you about that. They need to be doing all of those things. Those particular, all of those specific terms are not in the rule that you cited, right?

A Right.

Q Okay. You need to read the rule and the order together to understand how to analyze this thing, right?

A Right.

Q Okay. In the analysis you conducted you didn't include any analysis of whether switches were enterprise or

mass market, did you?

A No.

Q Because you don't think -- you think that is an embellishment, right?

A I do.

Q Okay. On Page 8 of your rebuttal --

MR. FEIL: Sorry, what page was that, counsel, 8?

MR. MAGNESS: Page 8 of the rebuttal testimony.

MR. FEIL: Yes.

MR. MAGNESS: Wait. I'm sorry, before we go there, I have one other thing I wanted to ask you on the last topic.

BY MR. MAGNESS:

Q I believe earlier in the deposition in response to staff's questions you referenced that DS-0 loops provisioned -- and I'm not going to frame this exactly, I'm not going to say you said this, because I don't remember exactly how you said it. So let me put it this way, do you think that the number of DS-0 loops, UNE loops that are connected to a switch is something relevant to look at when you are looking at the trigger inquiry?

A I think that as soon as you have any UNE-L loops in service, that should be what you look at. As soon as you do one, you are able to do a thousand. So, you know, I think that the fact that they exist and are out there is as relevant as how many of them there are. You know what I mean? In other

words, if there is no way for us to ever cut one over, then they wouldn't be useful. But if we do have them, then they indeed exist, and, therefore, they can be used.

Q Okay. When you talk about UNE loops, you understand the difference between a DS-0 loop and a DS-1 loop, right?

A Yes.

Q Okay. Now, I would ask if you have with you FDN Communication's answers and objections to FCCA's first set of interrogatories (Numbers 1 through 10), and first request for production of documents (Number 1)?

MR. FEIL: I am handing that to the witness.

MR. MAGNESS: Okay, thank you.

MR. FEIL: But I would caution in the event that we have to refer to any confidential information. By the way, for the benefit of the rest of counsel on the phone, the document that Mr. Magness is referring to was provided by e-mail to Vicki Kaufman about three or four hours ago. The copies to the other parties have not been circulated yet, but should be circulated by e-mail today sometime, I guess, when I get off this deposition. So other parties, including staff, may not have the benefit of these answers right now. Thank you.

THE WITNESS: Okay. I'm sorry, I have the document. Now, what were you asking?

BY MR. MAGNESS:

Q Okay. On Page 6, in one of the objections to an FCCA

request about midway through the paragraph the pleading says, "Mass market customers are defined in the TRO based on the number of DS-0 lines used to serve the end user with the cut-over determined by the state commissions." Is that an accurate reading?

A Yes.

Q And would you agree with that, that DS-0 information is vital to understanding whether mass market customers are being served?

A Okay, yes.

Q So you would agree with that?

A Yes.

Q Okay. And flip to Page 4.

MR. TEITZMAN: This is Adam Teitzman with the Commission. Just a quick question. The document that we are referring to right now, is that going to be entered as a deposition exhibit? I'm not exactly sure, or is this just something we are referring to right now?

MR. MAGNESS: At the moment, Mr. Teitzman, I am just referring to it. I guess depending on the extent of its use in the deposition we may want to include it as a deposition exhibit. If we do, I will assure the group, particularly the folks at FDN, I don't intend to refer to confidential numbers or require the sealing of the deposition for that reason as they are listed in these answers.

MR. FEIL: This is Matt Feil with FDN. Adam, you will have this document in a matter of hours anyway.

MR. TEITZMAN: But this is a confidential document?

MR. FEIL: No, it is FDN's response to FCCA's first set of discovery. Parts of the answers therein are confidential, parts are not.

MR. TEITZMAN: But the actual document has no confidential information on it?

MR. FEIL: It has appendices that are confidential, the document itself that Mr. Magness just read from is not.

MR. TEITZMAN: No, my concern only is that if you are sending something to me, that you cannot send me something confidential in e-mail, that's all.

MR. FEIL: All right.

MR. TEITZMAN: Because then it becomes a public record and it is no longer confidential.

MR. FEIL: Understood. Although I don't necessarily agree with your interpretation, I don't intend on sending you any confidential documents by e-mail.

MR. TEITZMAN: That's not my interpretation, that is the Commission's interpretation. But that's fine. Please go on, I'm sorry to interrupt.

MR. MAGNESS: Okay.

BY MR. MAGNESS:

Q On Page 3 there is an Interrogatory Number 4, and I

won't read the whole -- well, I guess I should since folks probably don't have this. Let me just read the interrogatory, since I am going to refer to it. Interrogatory Number 4 reads, "For each wire center identified in Interrogatory Number 1 above, please provide for the 12 months preceding the months for which Florida Digital Network has provided answers to Interrogatory Number 3;" and then at Subpart A, "The total number of in-service analog UNE loops purchased by Florida Digital Network at that wire center; B, the total number of in-service DS-1 UNE loops purchased by Florida Digital Network at that wire earlier; and, C, the total number of in-service DS-1 special access lines purchased by Florida Digital Network at that wire center."

Now, Mr. Gallagher, is that an accurate reading of that interrogatory?

A Yes, it is.

Q And you provided a response, in part it was an objection from counsel, and in part a response from you in which you complain that you did not want to have to provide DS-0 information as requested. Is that accurate?

A Yes, but we ultimately did provide all of our DS-0 accounts by wire center.

Q Okay. So your objection is not based on it being not relevant to the analysis, it was just something else?

A I think we interpreted the question as to you wanted

this stuff over time, or at a particular time certain, and we just -- we just, you know, just gave you a list of, you know, everything that, you know, we have right now.

Q Okay. Now, I would ask you to turn to Page 8. And you might keep the interrogatory responses handy, but I would ask you to turn to Page 8 of your rebuttal testimony.

A Okay.

Q I'm going to read you a sentence that starts at Line 20 and continues to Line 23 that is in one of your answers, where you state, "As a UNE-L based CLEC that performs over 200 hot cuts for DS-0 loops daily, and has performed more hot cuts than any other single CLEC in the state, FDN would be hard pressed to say that the hot cut process does not work well."

Is that a correct reading?

A Yes.

Q Okay. And in your response to FCCA Interrogatory Number 8, and you will see that in the document I have just been referring to, and your response to Interrogatory Number 8 is at Page 7, your response at Page 8, and I direct your attention to your response?

A Yes.

MR. FEIL: Okay. I know what you are talking about now, yes.

Q And there you provided some information, and I'm not going to refer to any numbers, and I ask you don't either,

because I think you have asserted confidentiality.

A Yes.

Q You provided some numbers, and you said in this answer, "More specifically and for clarification, FDN adds over 200 lines a day and has performed hot cuts for up to 200 DS-0s in a day." Is that correct?

A Yes.

Q And those numbers are not confidential, are they?

A I don't think so, no.

Q Okay. So, when you say that you have performed hot cuts for up to 200 DS-0s in a day, that is in all the wire centers where you operate in Florida, is that correct?

A Yes.

Q So you would total up all the hot cuts that were done in all the wire centers and they may have -- your assertion is, I'm sorry, your assertion is that they have totalled up to 200 DS-0s in a day?

A Yes. But I also clarify in there, my original testimony -- this clarifies my original testimony. We add over 200 lines a day doing what we, I guess, consider a hot cut. But by further clarification, an actual hot cut by definition coming from the ILEC, coming from a CLEC, not going on a T-1, by the time you filter those out, it would average less than that.

Q What would it average if you just were looking at the

ILEC hot cuts?

A You know, I did that. I did that this morning, and it looked to me like instead of 200 lines a day, if you just take the total amount we did over the year and averaged it over the year using business days, around 100 to 120. The answer is probably about 120. I came up with 118 hot cuts a day where the loops are not going onto T-1s is what we backed out. Though it is an analog customer, we are just choosing to put that customer on a T-1 loop instead of an analog loop.

Q Okay. And so that is 100 to 120 per business day, and how many COs in Florida does FDN do hot cuts in?

A I believe it is approximately 100.

Q Okay. And I should back up, I didn't ask that very well. I appreciate that you could answer at all. When I say do you do hot cuts, you understand I mean that hot cuts are performed for loop cut-over for FDN by the ILEC, right?

A Yes.

Q Okay.

A Well, this is where my definition got off. In my original testimony a hot cut for us meant we took a customer who was a DS-0 level customer from the ILEC, maybe he had eight lines, and we could put that customer on UNE loops, analog UNE loops, or we could put the customer on a T-1 and deliver them some data product, or something like that along with that. So what I did was I backed out all the customers that we cut over

on a day. On an average basis that we are writing T-1s, even though they were coming as analog customers, we decided to put them on a T-1. So when I did that, that is when I came out with that, you know, backing the 200 down to the 118.

Q And is that a way of at least for rough justice purposes backing out the larger enterprise customers?

A You know, not really, because we will put a customer that has four or five lines on a T-1.

Q Okay. So that the number of COs you ran, did you say it was 100 or more or less than a 100?

A Approximately 100, yes.

Q So that is averaging, if they were spread across all the COs, about one a day for each CO?

A Yes. It would average that way, but it usually doesn't work that way. Usually, you know, you have various COs on various days.

Q Okay. Have you done any calculations of what the average would be per CO?

A I have not, no.

Q Okay. You noted in this response to the interrogatory that FDN adds over 200 lines a day. How many lines does FDN lose per day?

MR. FEIL: Objection, relevance. I don't understand what that has to do with the TRO.

MR. MAGNESS: It has to do with churn on the hot cut

issue.

MR. FEIL: But churn is not -- churn on the hot cut issue, what do you mean? How is churn relevant to the hot cut issue?

MR. MAGNESS: Well, we could turn to the order if you like. I believe the TRO states that churn rates have a very significant impact on the CLEC ability to use the manual hot cut process.

MR. FEIL: As a potential deployment issue, which Mr. Gallagher does not address in his testimony. It is outside the scope of his testimony, and I'm not going to allow Mr. Gallagher to be used as a platform for either ILECs or ALECs to be addressing potential deployment issues when he doesn't address it in his testimony.

MR. MAGNESS: Well, Mr. Gallagher in the response to the FCCA interrogatory that he sponsored noted and believed it was relevant that FDN adds over 200 lines a day. I'm trying to just understand the other side of that transaction, which is how many lines a day did FDN lose.

MR. FEIL: You still haven't explained how it is relevant to the question of hot cuts, or to his testimony, or to that portion of his testimony that addresses the TRO subject matter. It is completely outside the scope of his testimony.

MR. MAGNESS: The question of hot cut performance is directly addressed in Mr. Gallagher's testimony.

MR. FEIL: Yes, not how many lines go the other way. He does not address that in his testimony. Unless you can point me to somewhere in his testimony where he addresses that.

MR. MAGNESS: The question of hot cut performance is affected by a number of factors according to the FCC in the TRO. Amongst the factors referenced by the FCC is CLEC churn, competitive churn, which increases the number of hot cuts that have to be performed using a manual process. So --

MR. FEIL: That is a potential deployment issue and a scale issue that is not addressed in Mr. Gallagher's testimony.

MR. MAGNESS: Well --

MR. FEIL: Adam, why don't we do this, and if it is acceptable to you, Mr. Magness, could we push that question off to the end and see whether or not you have any other questions which I may be in a position where I have to direct the witness not to answer, and we can deal with those at the end of the deposition. If that is agreeable to you.

MR. MAGNESS: This is agreeable to me. I would like to move on, so I will just keep -- I will keep a note of questions that you are instructing him not to answer.

MR. TEITZMAN: This is Adam. As long as you all go on, I'm happy.

MR. MAGNESS: Okay. Let's go on. Let me just make a note where that came up. Give me a moment, Mr. Gallagher, I will be right back with you.

MR. FEIL: All right. We are going to wait for you, I guess. Let us know when you are ready.

MR. MAGNESS: Okay.

(Pause.)

BY MR. MAGNESS:

Q Mr. Gallagher, I believe in response to staff's question, you had stated your belief that unbundled local switching prices are low. Is that your testimony?

A Yes.

Q Are the unbundled local switching rates that CLECs in -- let's say in BellSouth's territory in Florida, are the rates that they pay lower than the switching costs that FDN experiences using its own switches?

MR. FEIL: Objection, relevance. Outside the scope of his testimony.

A I mean, I would opine on that that what I was talking about is a couple of things. One, you know, for us to cut-over a UNE loop with all the -- you know, when you get done with all the charges, the BellSouth charges, you know, we are looking at around $70 a loop. And the UNE-P rate is a couple of dollars per loop. So we would like to be treated with those same economics.

Q And to pick up on what you are saying there, you, as a UNE-L provider, and another company as the UNE-P provider --

A Yes.

Q -- both of those companies rely on the unbundled network element that is called the UNE loop, right?

A Yes.

Q Okay. So does the UNE-P provider pay a different rate for the loop than you do?

A Yes, for the NRC, for the nonrecurring part.

Q Okay. What do you pay the -- what is your NRC for the loop?

A It varies, but it starts at $49 for the first and then you add a $23 coordination charge to that.

Q And what does the coordination charge pay for?

A Time and the coordinated cut-over.

Q So that is a hot cut related charge?

A It is an optional charge. We don't do it all the time, but we do it -- you know, I don't know if you would call it a hot cut charge. You can do a hot cut without coordination.

Q Okay. But when you talk about cut-overs, that is the cutting the loop over from the ILEC switch to your switch?

A That is correct.

Q Okay. And you say you pay that charge sometimes, but not others. Could you describe for me when you do and when you don't?

A You know, I would have to get our service delivery experts in here to advise me of exactly when and why, but I was

advised of that, so I'm just passing that on.

Q Okay. Well, I guess I'm not looking for specific cases from you as much as just are there particular circumstances that would have you go under one BellSouth rate or the other? I'm just not sure how those rates apply is what I'm trying to understand.

A Most of the time I believe we use order coordination just to make it easier on our scheduling and our ability to ensure a smooth cut-over.

Q Okay. So how much more expensive would that make the loop than what the UNE-P carrier provides, I mean, pays?

A Well, the UNE-P carrier -- okay. I pay $49 to install the loop, then there is a $23 order coordination charge. So, you know, you can add that up. What is that, $72. The UNE-P person for the loop and switching, it is my understanding for the loop and switching pays less than $5, or approximately $5. So if this Commission finds that switching isn't -- you know, for some reason what I'm doing is impaired, I'm going to have to take advantage of UNE-P. You know, we are self-interested here just like everybody else, so the economics are hugely tilted in favor of UNE-P.

Q I'm going to try and break it down and get it into its constituent elements, the argument you are making. The UNE loop itself -- and let's just focus on DS-0 loops, plain vanilla DS-0s, okay?

A Yes.

Q Is there a UNE loop rate just for the loop, just for the transmission path? Is there a UNE loop rate that you have to pay?

A A monthly recurring rate or nonrecurring rate?

Q Tell me everything you have to pay?

A Yes, there is a monthly recurring rate, and us and the UNE-P guy pay the same amount for that approximately.

Q Okay.

A All right. Then there is a switching rate that the UNE-P person pays, which is a fixed plus a per minute of use rate. We don't pay that because we have our own switches.

Q Okay.

A But on top of that in order to get the UNE loop installed, I have to pay that 70-some-dollars, and your clients don't pay anywhere near that. They pay $5.

Q Okay. And you have explained to me the loop installation charges and the different kinds of charges there, so let's set that aside for a moment, okay?

A Yes.

Q And then we have talked about the recurring charge for the loop, and that charge there is no difference between what BellSouth would charge a UNE-P and a UNE-L provider, correct?

A I'm pretty sure of that, yes.

Q Okay. Now, on the switching, the switching rate, is the amount that a UNE-P carrier pays for switching less than what you have to pay to self-provision the switching?

MR. FEIL: Objection, outside the scope of his testimony and not relevant to his testimony. I mean, to the extent that it is relevant to some sort of potential deployment analysis, Mr. Gallagher doesn't testify about any potential deployment analysis.

A I don't think I could answer that question anyway, Bill. I don't think I have those numbers anyway. I don't even know that I have them.

Q Okay. Well, I'm just trying to understand that when you say that -- well, let me take you to Page 6 of your rebuttal testimony.

A Okay.

Q And down in -- let's see. Let's start at Line 8. You say, "If contrary to the TRO, the Commission considers such arguments, FDN, as a UNE-L provider, which has invested significant sums of money in its own switching common network, infrastructure, and OSS, and which competes against UNE-P for limited capital in the emerging telecommunications sector and competes against UNE-P for customers, would naturally take an opposing stance."

Is that a correct reading?

A Yes.

Q And is it your belief that what is in your view unfair UNE-P competition, is that they are paying less than you have to pay for delivering services to customers?

MR. FEIL: Objection, asked and answered. He already said he didn't even know the answer to that question anyway.

Q Okay. Why is it that you would naturally take an opposing stance to the continuation of UNE-P?

A Because, you know, in my opinion, you know, we can provide switching. We can and do do it, so -- and we are, you know, we exist. So, you know, I know that it does work. When we started the company, we followed the Telecom Act which provided access to, you know, things that really were impaired like loops, where it would have been ridiculously impossible to overbuild the BellSouth loop copper network and dig up yards and that sort of thing and run a loop to everybody's house or business. That clearly is impaired. But anyone with a PowerPoint business, you know, Power Point and a little bit of CLEC experience could raise money to buy switches, so switching has never been impaired in my mind. That is where our stance comes from.

Q Mr. Gallagher, haven't you filed testimony before this Commission in the past advocating expanded unbundling of ILEC switching?

A Only as it relates to data switching.

Q So it is your belief that -- would it be your belief

that packet switches should be unbundled?

A Packet switches that are collocated in digital loop remote DLC, or digital loop carriers, you know, remote units should be, I believe, yes.

Q Isn't packet switching competitively available?

A I don't believe it is competitively available to drop packet switches in 15,000 remote terminals in Florida. No, I have studied that.

Q Did the FCC make any findings about whether CLECs were impaired with or without access to packet switching?

A I don't know the exact answer to that question. I know that we lost that case in Florida.

Q And did the FCC make a finding that as to circuit switching CLECs were impaired?

A In the context of the TRO?

Q Yes.

A Yes.

Q Okay.

A That's why we are here, right?

Q Yes, it is. And you believe that loops should still be unbundled, do you not?

A Yes.

Q Would it be your contention that in areas where a CLEC is self-providing its own loops that loops should no longer be unbundled?

MR. FEIL: Objection, I don't understand what that has to do with --

THE WITNESS: I'm not sure I understand the question, either.

MR. MAGNESS: Well, counsel, a lot of these questions go to the credibility of the witness, frankly. I mean, there is an analysis that has been provided, and critiques made of the testimony of other witnesses, and I'm trying to understand the basis for his conclusions, the basis for his testimony. And --

MR. FEIL: Unbundling of loops?

MR. MAGNESS: I'm asking him if it would be his position, he has explained that he doesn't think switching should be unbundled, I'm asking him if he believes on a similar basis that loops should no longer be unbundled. I believe it is a fair inquiry to ask if he is going to testify here as some sort of expert, or testify as to what the TRO does and doesn't do and whether the Commission should accept his policy recommendations.

MR. FEIL: My relevancy objection stands. If you want to re-ask the question so the witness understands it, please do so.

MR. MAGNESS: Okay. I wasn't sure that was the issue. I will try that.

BY MR. MAGNESS:

Q Let's take a hypothetical example, Mr. Gallagher, okay?

A Sure.

Q Okay. Let's say we have got a market where say a cable company is providing telephone service?

A Right.

Q They are using their own loops to do it.

A Okay.

Q Does that company's ability to provide service, mass market service using its own loops, would that be proof to you that loops should no longer be unbundled in that market?

A You mean ILEC loops?

Q Yes.

A No. The cable companies were built with at risk capital. The telephone companies were built with guaranteed rate of return money, and those loops are a national -- I believe a national treasure, and we should all have access to them. Just like a public park.

Q Okay. Well, why aren't the switches that were built with ratepayer capital also national treasures?

A Because they are not impaired. They are easy to get. They are cheap. We pay a tenth of what we once paid for a switch port now, and you can even do them with next generation switches that you don't even need to use a Class 5 PDM device anymore.

Q You mean like packet switches?

A I mean like a soft voice switch.

Q Would you include a packet switch in the category of switches that are so cheap and easy to get?

A Are you talking about a packet switch that is collocated in a BellSouth remote terminal, or are you talking about a Taqua-like (phonetic) or a Santera-like (phonetic) packet switch?

Q How do you define a packet switch?

A Well, if you are trying to dredge up our old case where we are contending that remotely collocated DSLAMs are packet switches, that is what I would call a packet switch. What I'm talking about in my testimony here is a soft switch or the next generation of Class 5 switches.

Q Okay. That testimony you say I'm trying to dredge up, that is just for reference, I believe, in Docket Number 990649A-TP, investigation into pricing of unbundled network elements. Does that sound right?

A That sounds right. I mean, I'm taking your word for it. I have been up to the Commission on the issue before.

Q Okay. And I'm sure you don't have it with you, but would you quarrel with me if I told you you had testified in that case, "As I stated previously, the Florida Commission can and should order unbundling of packet switching if it finds that CLECs would be impaired without such access pursuant to

the terms of FCC Rule 51.317." Does that sound like what you probably testified?

A Subject to checking on that, I would say okay.

Q Okay. And you continue, "Above all, the Commission should consider that the fundamental purpose of the FCC test is clearly to enable CLECs to offer high speed data services where the ILEC has deployed digital loop carriers," right?

A Yes.

Q Okay. So there your conclusion is BellSouth should be required to unbundle packet switched broadband loops in Florida, right?

A Yes.

Q Okay.

A Those switches that are -- you are taking it out of context. Those switches that are remotely collocated in a remote terminal unit where there is no collocation space for me or you or anybody, not in an end office where there is collocation space available.

Q Did the recommendation I just read limit it in that way?

A Well, the way the case was litigated, that was the intent of the case, so I don't know what you are reading.

MR. FEIL: I mean, counselor, are you suggesting that we just read the whole record in that case in order that we understand the context?

MR. MAGNESS: No, I'm not.

MR. FEIL: Okay.

BY MR. MAGNESS:

Q If we could go back to your testimony in this case, again, that sentence I read you where you say that FDN, as a UNE-L provider which has invested significant sums of money in its own switching network, infrastructure, and OSS. Did FDN pay significant sums of money for OSS?

A Yes, we did.

Q And when you say in that sentence infrastructure, tell me what you mean by infrastructure as distinguished from switching network or OSS?

A Fiberoptic network, collocations, associated electronics, data networks, routers, that sort of thing.

Q Okay. And you feel like that the sums you paid were substantial for those, as well?

A Well, we invested something.

Q Was the investment you made in switching an investment you consider to be significant?

A Yes. I mean, that is a relevant, a relevant issue. I mean, to some of your clients probably not, but to us it was.

Q Okay. And I believe in another case that the Commission -- and I can reference you to the testimony if you like -- there has been a representation that FDN has invested over $100 million in switching and collocation facilities in

Florida. Would you have any reason to quarrel with that?

A That would include all of our network, including fiber plant and whatnot, I would believe.

Q Okay.

A You know, predepreciation lifetime investment kind of thing.

Q Okay. And you have testified, I believe, in your rebuttal here that you own switches in Florida?

A Yes.

Q Were these switches obtained from Nortel?

A Yes.

Q Are all of your switches in Florida Nortel Class 5s?

A Our voice switches are, yes.

Q And how many of them are there?

A There are five.

Q And I know you and certainly Mr. Blocka, who is there with you, know a lot more about finance than I do, but when you say you own them, did you purchase them outright with money up front, or did you finance them?

A No, we purchased them outright.

Q Okay. And how were those funded?

MR. FEIL: Objection, relevance. I mean, what is the point? I mean, the switches are there, they are trigger switches, I don't understand how FDN or anybody else may have financed a switch has anything to do with the TRO.

MR. MAGNESS: Counsel, I would offer that it goes to whether FDN is likely to continue, and I believe it is relevant under the TRO, likely to continue to provide service. In addition, there are representations made concerning significant investment by FDN as credence for why the Commission should take its policy recommendations. In addition, there have been references in this deposition to UNE switching prices being too low. I'm trying to understand what the nature of the investment is, and --

MR. FEIL: I mean, investment is capital, capital is debt, equity capital is whatever it is.

MR. MAGNESS: And, counsel, you are now testifying. And if he would like to answer that as an answer to a question, that's fine, but if you are going to object, I understand your objection.

THE WITNESS: I can tell you that FDN is going to be serving customers here for a long, long, long time. As long as we can. And we have every intention to do so. But, you know, we started the company as Florida Digital, and that is our roots, and that is our big customer base, and that is where we are going to stay.

BY MR. MAGNESS:

Q Has it assisted in your ability to serve in Florida that you were able to become debt free as a company?

MR. FEIL: Objection, relevance. Again, this doesn't

have anything to do with whether or not FDN is a hard trigger company. But if the witness wants to answer the question, go ahead.

A What was the question again, I'm sorry?

Q Well, I will rephrase it. Is FDN debt free?

A Yes.

Q Okay. And as part of getting debt free, did FDN take any actions to reduce the amount it owed to certain creditors?

MR. FEIL: Objection, relevance. But answer the question.

A Yes.

Q And I believe that included an $80 million line of credit, correct?

A Correct.

Q And was FDN able to repay that debt instrument at much less than 100 cents on the dollar?

MR. FEIL: Continuing objection to all questions along these lines. This has nothing to do with the TRO or the trigger. And if you have any more questions along this line, we may want to reserve those for the end of the deposition when we can address any other questions I would instruct the witness not to answer.

MR. MAGNESS: Well, I would refer you to --

BY MR. MAGNESS:

Q Mr. Gallagher, do you have a set of materials that I

provided to counsel from your website?

A Yes.

Q Okay. And there is one I put some page numbers on the bottom. I didn't number them particularly --

A Yes.

Q They don't look pretty, but I think all the numbers are there. There is one that is Page 9?

A Yes.

Q Okay. And would you agree with me that is a reprint of a September 9th, 2002, Miami Herald article entitled, "Florida Digital Network Succeeds with Local Focus"?

A Yes.

Q And you are quoted in that article, are you not?

A Yes.

Q Is there anything where you believe you were misquoted in that article?

A Yes, there was some embellishment. There was a reporter kind of writing what they thought, you know, all happened. So, you know. You know, it had some sort of reporter embellishing on it.

Q Okay. Well, you have the article there in front of you, right?

A I do.

Q Okay. Could you point out to me the parts that you think were embellishments?

A Well, this we wouldn't be here right now, you know, part. You know, I could see that being taken out of context.

Q Show me where you are talking about?

A It's in the second sentence.

Q Okay. And just for the record, there is a quote in this Miami Herald article, "'We wouldn't be here right now,'" says Gallagher, who is CEO of the Orlando-based company." And it just says you offer service to businesses, et cetera, is that where you are talking about?

A That's right.

MR. TEITZMAN: While there is a momentary pause, this is Adam. How many more questions?

MR. MAGNESS: I have a few questions on this document, and I think if I had to count them, Adam, I would say I probably have about a dozen more questions.

MR. TEITZMAN: What are you thinking about -- I'm asking for the court reporter, not for myself.

MR. MAGNESS: Sure. I mean, I would be happy to take a break if we want to relieve the court reporter. To be safe, I would say its probably another 30 minutes if we started now.

MR. TEITZMAN: All right. Let's take a 10-minute break, just so the court reporter can rest for 10 minutes. And we will get started -- let's get started back at 4:00 o'clock.

MR. MAGNESS: Okay.

(Off the record.)

BY MR. MAGNESS:

Q Mr. Gallagher?

A Yes.

Q We are back on the record. I was asking you some questions about this Miami Herald article.

A Yes.

Q Do you recall where we were?

A Yes.

Q Would it be correct that what you were describing in this article was a transaction where FDN was able to reduce its debt by paying its lenders less than originally promised?

MR. FEIL: Objection, relevance. But the witness can answer the question subject to the objection.

A Yes, in a consensual transaction.

Q Uh-huh. And do you agree with the characterization in the article of how desperate banks were to get out of the telecom sector?

MR. FEIL: Objection, relevance. Go ahead and answer subject to the objection.

A You know, that was a little bit of drama added, I think, by the writer.

Q Okay. Do you disagree with that?

A No, they were eager to get out of the -- you know, to reduce their loan portfolio to certain emerging telecom companies, that's for sure.

MR. FEIL: And for the record I have a continuing objection to all the questions along this line.

MR. MAGNESS: Understood.

BY MR. MAGNESS:

Q Did this change in FDN's debt obligations have any impact on your company's costs?

A I think certainly in the long-run it would. In the short-run it did not really. You know, we still priced and operated the same way.

Q Okay. I'm not sure I understand your distinction between the short-run and the long-run. Correct me if I've got any part of this wrong, but it appears at least from the reading that you gave the Miami Herald that you owed a certain amount to -- was it banks?

A Yes.

Q Okay. And they agreed to take less than what they were owed, correct?

A That is a confidential settlement, so I really can't go into exactly what happened there, but, yes.

Q Okay. I'm just trying to understand your short-term and long-term distinction, because it sounds to me like you had certain obligations, that number -- and I am just picking hypothetical numbers, I'm not trying to get you to reveal any confidential numbers. But let's say you had a debt payment of $100, and it went down to $30, hypothetically. Why would that

not reduce your short-term costs?

A Yes, in the short-term it would reduce -- I thought you were implying like operating costs, like how much we paid for rent and things like that.

Q Okay.

A It did not. It would certainly impact interest expense paid to creditors. However, in order to fund what we weren't going to be able to draw from the banks, we had to issue equity. So, therefore, we had to issue -- you know, we have another financing expense. It's just not -- you know, it's not a pure debt expense.

Q Did the company convert any of its debt holders to equity holders?

MR. FEIL: Is this confidential?

A I think this is confidential, yes.

Q Okay. Well, I'm not going to ask you to go there. Didn't this reduction in the amount that you owed your creditors effectively reduce the amount that you had to pay for your switch?

A No, because switching prices, you know, they have been falling for quite sometime. The switch market, for example, we pay -- we used to pay, you know, where it would be $2 million for a switch, now you can buy that for a tenth of the price. We buy line cards for 1/10th of what they once were. So something else has affected the Class 5 switching

market, you know, beyond our control. There has just been a massive drop in switching expense and prices.

Q You said you paid $2 million, is that what you paid for each one of your Nortel Class 5s?

A No, we didn't. We got some of them for last than that. It depended when you bought them. It's a continuum. If you bought them in the late '90s, they were expensive. And then up until -- you know, they got cheaper and cheaper up until now and the prices are still falling. So your average cost is less than that.

Q What was your average per switch?

A You know, I don't have that information in front of me.

Q Was it more than a million dollars?

MR. FEIL: You know, aside from a relevancy objection, we are also talking about confidential information in terms of a price that we paid for equipment. I'm sure that Nortel, or whoever the switch providers were would probably deem that confidential information, as well.

A Yes, I do think that we do have confidential --

Q Well, I'm not asking you to reveal any confidential information. You referenced the $2 million number as an example and I pursued it. So if any of those numbers are confidential, I'm not going to ask you to reveal anything more.

A Okay.

Q Was the change in the status of your debt obligation part of your original business plan?

A Well, we intended to pay it off.

Q But, ultimately you didn't pay it off, right?

A We did pay a portion of it off.

Q Okay. Do you consider telling creditors that you are going to pay them in full, but then renegotiating later and not paying them in full part of the FDN business plan?

MR. FEIL: Objection to the characterization as well as relevance, but the witness can answer subject to the objection.

A We certainly didn't know, no. We certainly didn't intend for things to happen like they happened, no.

Q Okay.

A We raised too much debt and not enough equity, just like a lot of the other carriers out there.

Q Was that a mistake?

A That was my mistake, yes.

Q Do you believe it has been a mistake not to purchase services using UNE-P?

A You know, in retrospect we did not believe that UNE-P would persevere as long as it has been around, so in certain cases you could certainly argue economically we would be better off, FDN would be better off by purchasing UNE-P.

We were more concerned about the regulatory

uncertainty of it. We didn't believe that it was impaired, because we were obviously doing it, so we thought at some point the show would be over, and we knew that it was really the long distance carriers trying to perpetuate an entry strategy where they were unable to execute on a more local granular basis.

Q What do yo mean by that, "They weren't able to execute on a more local granular basis"?

A Well, for example, we were -- I was part of MCI WorldCom in Texas, and we were doing UNE-L as part of Brooks Fiber, as part of that acquisition WorldCom made. We were doing thousands of UNE-L hot cuts back in '96 and '97. When we were taken over by WorldCom, WorldCom did not want to perpetuate that platform. I guess it was not a -- too much one off type of state by state operating. It wasn't able to be done centrally, it wasn't as simple as a PIC change, so it was shut down. And we saw how profitable it was, and that is a big reason we started FDN. At that time UNE-P was not available, though.

Q So, are you saying that WorldCom as a business judgment determined not to do UNE-L anymore?

A Yes, they did at that point. Yes.

Q And would it be fair to assume that they made the business judgment because they didn't want to repeat the same mistakes they had made before?

A No, this was back in 1997/'98. This was probably

WorldCom not making a good business decision because of bad management, which has since been purged.

Q Okay. But you would agree that rational business people tend to not want to repeat the same business mistakes that have cost them money before, right?

A Yes.

Q Do you intend to purchase any more Class 5 switches?

MR. FEIL: Objection, relevance and confidential. I mean, that is a confidential business plan. I wouldn't want Mr. Gallagher to reveal that.

A Are you going to ask for my financial statements next or my budget?

Q No, as a matter of fact, I'm not. You said that the prices of Class 5 switching out in the marketplace have gone down dramatically, right?

A Yes, they are. They are very low.

Q Why do you think that is?

A There is a lot of gray market switching available. There is --

Q Wait, before you go on, what is that? Is that gray like the color gray?

A No, equipment that was bought once before and now is being sold by the company who bought it or an intermediary.

Q Okay.

A There is also competitive --

Q I'm sorry to interrupt you, Mr. Gallagher, before we move off that, you say there is gray market switching. Explain to me what you mean by that as a factor in reducing the price of switches?

A You know, for example, a company that has bought equipment and then decided they couldn't obtain financing for additional growth might decide to sell the equipment before they deploy it, or it could be sold after it has been deployed.

Q Okay. Out in the marketplace, do you see a lot of companies making new investment in Class 5 switching?

A I think companies face the same quandary we are. We can buy Class 5 switching extremely cheap or we can buy next generation soft switching. And it is to a point where, you know, the soft switches are very attractive technology-wise and we know that that is the future, but it is still so inexpensive to buy Class 5 switching ports that we are tempted to continue down the Class 5 path just for that reason.

Q What can the soft switches do that the Class 5 switches can't do?

A The soft switches have less footprint, for example. They don't take up as much space in a room. They are less proprietary in nature, they have more flexible interfaces. Instead of narrow band, or TDM interfaces, they have flexible interfaces. Packet interfaces, for example.

Q Are any of the switches that FDN is using to provide

mass market services in Florida what you would characterize as soft switches?

A No, not yet, but we expect they will be shortly.

Q What do you mean by that?

A We expect to deploy those soft switches, you know, rather than grow the Class 5, current Class 5s that we have anymore. So we will add additional customers to the soft switch platform.

Q Okay. And I wanted to ask you about one other thing I included in the packet of information from your website. It is Page 10 at the bottom. And for the record, I will identify it as an article from the Orlando Business Journal. It says exclusive report. This one says from the November 21st, 2003 print edition. Do you have that article, sir?

A Yes.

Q And the headline is, "FDN Moves in on Home Phone Biz," B-I-Z?

A Yes.

Q Okay. And in this article you are describing a residential offering of your -- of a unit of the company, is that correct?

A Yes. It is a subsidiary company.

Q Okay. What is it called?

A Broadline.

Q Broadline. Okay. And there is a sentence, it is

five paragraphs in on the copy I've got. It says it -- I think they are talking about FDN -- developed technology that allows it to link callers through the Internet without using a competitor's local phone line.

A That is correct.

Q Okay. What do you use for the loop component of this residential service?

MR. FEIL: For the record, I do have an objection to the relevance, but the witness can answer the question subject to the objection.

A We use the broadband Internet, the customer's Internet connection for the loop, and we use our own current Class 5 switching for the switching.

Q Okay. So for this residential offering the customer needs to have a broadband connection, is that right?

A That is correct. It can work on narrow band, but it works better on broadband.

Q Okay. So the traditional POTS customer isn't who this is aimed at I would say, right?

A No, it absolutely is. That is the base. For example, I have it at my house. I have a POTS line and a cable modem --

Q Uh-huh.

A -- so I disconnected the POTS line, and now my home phone voice, my residential voice runs over my broadband, my

broadband cable connection, and then eventually it is switched via FDN switches.

MR. FEIL: For the record, I do have a continuing objection to the questions along this line. But go ahead, Mr. Magness.

MR. MAGNESS: Okay. Thank you, counsel.

BY MR. MAGNESS:

Q So this service relies on the availability of either a cable modem, as you mentioned, or a DSL connection, is that fair to say?

A Yes, that is correct.

Q Okay. And does your ability to offer that persuade you that it may be time to stop unbundling ILEC loops?

A No. The main reason we are offering this is back to that, you know, just another disruptive technology. We have to pay -- in the UNE-L environment we have to pay the 70-something-dollars to hook-up a customer. A UNE-P provider doesn't pay anything, but is able to put James Taylor on the TV, so we are looking for an alternative disruptive method as a third way into the residence.

Q Do you think that BellSouth's loops are overpriced, unbundled loops?

MR. FEIL: Objection, outside the scope of his testimony. But the witness can answer the question.

A You know, I always want it to be a better price.

That's just the nature of being a business person.

Q And you have testified before the Commission in rate cases that you thought BellSouth was proposing prices that were too high for its loops, haven't you?

A Yes, I have.

Q And have you ever testified that the unbundled price BellSouth offers switching at is too high?

A You know, we haven't really testified about that, I don't believe. Most of our concern has been with the loops.

Q Okay. I just have a couple things more I want to ask you about and I will be done. One is -- let's see, you have a pending complaint case at the Commission against BellSouth, do you not?

A Yes.

Q And that is -- I just want to get the docket number right. For the record, Docket Number 030301, and that is a petition -- I'm just going to read it into the record. I'm sorry it takes so long. Just for the record it is a petition by Mpower, that is capital M, small p, O-W-E-R, Communications, Corp. and Florida Digital Network, Inc. for expedited temporary and permanent relief against BellSouth Telecommunications, Inc. for alleged anticompetitive conduct regarding Florida Digital Network, Inc.'s proposed acquisition of assets and customer base of Mpower Communications Corp. How about I call that the Mpower complaint?

A That sounds good.

Q Now, I could read the whole thing again if you like.

A No, I know which one you are talking about.

Q Okay, great. Now, in this Mpower complaint, are you aware that Mr. Blocka filed some testimony?

A Yes, I am aware that he filed testimony.

Q Okay. And I want to read a statement to you that I will represent to you is in Mr. Blocka's testimony, and ask you if you agree or disagree, basically. Mr. Blocka testifies, "To achieve sustainability and 'scale,' carriers like FDN must attain in a relatively short time frame significant growth in customers and customer revenues. The cost of customer acquisition, particularly for facilities-based carriers, can be high."

Could you describe for me if you agree with his statement if there are customer acquisition costs for facilities-based carriers that are higher than those for UNE-P carriers, what you mean?

A You know I have not read that testimony, but that sounds like what he is talking about, yes. Again, the UNE loop NRC charges.

Q Okay. So it is again the cut-over related charges?

A I believe that is what he would be referring to, yes.

Q Okay. And the sentence I read you before says, "To achieve sustainability and 'scale,'" and scale is in quotes.

And I believe you mentioned this earlier in questions from staff, do you believe FDN has achieved scale in the Florida market?

A I believe we have, yes. You know, obviously I am an FDN cheerleader, but I believe we have.

Q And in your view as a business person, is scale something that is needed to survive in the Florida telecom market?

A If you don't have scale, then you either need access to capital or a high growth disruptive technology. You know, new technology, I would think. One of any one of those things.

Q In your view, do carriers that are using UNE-P in Florida have scale?

A You know, there is a lot of them out there. It seems like there is a lot of UNE-P lines provisioned. I would imagine that, yes, they do.

Q And tell me what you mean when you say scale?

A Well, scale in my mind just means that you have achieved some sort of operating profitability.

Q So operating profitability is what you mean when you talk about a carrier having scale?

A In a broad sense, yes.

Q Okay. What else would you include in scale?

A Well, obviously geographic size could be part of scale.

Q Size of what?

A Size of your market, you know, footprint that you cover.

Q On this docket that I referenced, this Mpower complaint, can you just briefly describe what the allegations against BellSouth were as far as anticompetitive activity?

THE WITNESS: Am I allowed to do that?

MR. FEIL: Mr. Gallagher is asking me a question of whether or not he can answer that question, and to the extent that the complaint is a matter of public record, what is in the complaint is a matter of public record, yes, he can answer the question.

THE WITNESS: Okay. Yes, basically BellSouth is asking for a nonrecurring charge to transfer the customers over to FDN's Acnet (phonetic), which we believe to be too high.

BY MR. MAGNESS:

Q Okay. And judging from Mr. Blocka's testimony -- and tell me if I've got this wrong -- if BellSouth was able to get what it wanted for the customer transfer over to FDN from Mpower, it would cost over a million dollars to FDN, wouldn't it?

A I believe so, yes. It is around that number.

Q Okay. And would a swing like that in your expenses have a significant impact on your bottom line?

MR. FEIL: Objection, relevance again. But the

witness can answer the question subject to the objection.

A You know, it would hurt, but we certainly don't want to pay money that we don't think we owe, so in the big scheme of things it will not be that big of a deal. But it's just more of the principle.

Q Okay. And I believe a recent order filed in that docket indicates that you are in settlement discussions with BellSouth?

MR. FEIL: Again, continuing objection on relevancy grounds, but the witness can answer the question subject to the objection.

A Yes.

Q And are you at liberty to describe any of the terms of a potential settlement?

A No, I am not at liberty. I don't believe I can disclose that.

Q Okay. Do you have a confidentiality agreement with BellSouth concerning that topic?

A I think we do, yes. I mean, I think we are having confidential negotiations, and while they appear to be satisfactorily to us progressing, I don't want to disclose anything there.

Q Is there anything in particular that is keeping those discussions from closing and allowing that docket to be dismissed?

MR. FEIL: And, again, a continuing objection.

A No, I think right now almost everything has been moved out of the way and it should close soon.

Q Okay. I have just one other question and it does have to do with some testimony you filed in the past in, I believe, what is known in Florida as the winback case. I will represent that is Docket 020119-TP, consolidated with Docket 020578-TP. Do you recall filing testimony in a winback proceeding?

A Yes.

Q Okay. And you made a recommendation in that case that BellSouth should be barred from offering direct or indirect discounts of more than 10 percent off total bill basic and nonbasic telecommunication services. Does you remember making that recommendation?

A Yes.

Q And why, in your judgment, was that barring BellSouth from a discount of 10 percent or more the appropriate policy recommendation to make to the Commission?

A My view on that issue is that BellSouth should be treated very similar to AT&T post-divestiture, where once the dominant carrier is no longer dominant, they can price anyway they want. But while they still have monopoly power and they are dominant, and competitors like me are springing up, their ability to offer selective predatory type discounts should be

limited.

I did not have a problem with them lowering their praises 10 percent across the board, but that is not what we are talking about here. We are talking about them countering an FDN offer directly, and possibly even raising prices to another base of customers in what we would view as a predatory manner. And, again, that would extinguish competition and, therefore, not be good for the State of Florida.

Q And why did you choose the 10 percent threshold?

A I don't remember at the time where I came up with that.

Q And this monopoly power that you allege BellSouth has, in which markets are they able to operate that power?

A I believe BellSouth has monopoly power as a dominant carrier in all of their markets.

Q Including long distance?

A I don't really comment on long distance. I am more related to local.

Q Okay. So in the local markets you think BellSouth still exercises monopoly control over the local telecommunications market?

A Yes, I do.

MR. MAGNESS: Okay. That's all the questions I have. Thank you, Mr. Gallagher.

THE WITNESS: Thank you.

MR. FEIL: Before we move on with anyone else who might have some questions, I want to make sure I have correctly aggregated the questions that we did not get answered. The one regarding churn that Mr. Magness asked?

MR. MAGNESS: Yes.

MR. FEIL: Were there any other particular questions other than that one, or did all of them effectively get answered?

MR. MAGNESS: Yes, I think they either effectively got answered, or I understand you had continuing objections to some of them, but he was able to answer. So I think that is the only one that we didn't just handle by having the continuing objection on the record.

MR. FEIL: All right. Does anybody else have any other questions for Mr. Gallagher?

MS. McNULTY: MCI has no questions.

MR. TEITZMAN: MCI has no questions?

MS. McNULTY: MCI has no questions.

MR. TEITZMAN: Okay.

MR. FEIL: Susan, are you on the phone? Does Sprint have any questions?

MS. MASTERTON: Yes, I'm on the phone, but Sprint doesn't have any questions.

MR. FEIL: Mr. Lackey?

MR. LACKEY: No, I announced, I think, earlier that I

didn't have any questions for Mr. Gallagher. Thank you, though, for thinking of me.

MR. FEIL: Who else was on the phone? Was that everybody?

MR. TEITZMAN: I think if anyone had questions they would have spoken up by now. I think we are okay. Once again, this is Adam. And if there are no further questions, I will conclude this --

MR. FEIL: Hold on a second here, Adam.

MR. TEITZMAN: Yes.

MR. FEIL: Let's do this. Let me check my notes to see if I have any questions I wanted to ask in the way of followup, and since the only question that Mr. Magness had that wasn't answered concerned the churn out for FDN lines, then I am thinking that since there is just that one, I don't know that I would want to trouble the prehearing officer with ruling on just one question. So we probably should just answer that subject to the objection. But if you could give me a moment to review my notes, I would like to see if I had any followup I wanted to ask.

MR. MAGNESS: Okay. Should I go ahead for the record then, Matt, and just ask him the question I asked him before and he can answer subject to the objection?

MR. FEIL: Yes, let's do that now.

BY MR. MAGNESS:

Q And, Mr. Gallagher, just to be fair to you, let me take this back into context. In the discovery responses that FDN filed that I made reference to earlier, I believe it was the response to Interrogatory Number 8. There was a statement that said, "More specifically and for clarification, FDN adds over 200 lines a day." And then I asked you the question how many lines does FDN lose per day?

MR. FEIL: And subject to the objection, Mr. Gallagher, do you want to answer or can you answer that question?

THE WITNESS: I don't know that I can answer that exactly. I don't have that data, you know, in front of me. I would be willing, though, if the other carriers would also disclose their churn information, that we could perform that analysis, as well. And, you know, if it would help the Commission in this case, we would -- you know, in the context that UNE-L churn and UNE-P churn might be two different things, we would be willing to submit information as part of that sort of study.

Q Well, Mr. Gallagher, I guess I just have one followup, then. You believe that it is only relevant in this case how many lines FDN adds, but not how many it loses?

MR. FEIL: Objection as to what the witness thinks is relevant. The witness is not a lawyer.

MR. MAGNESS: No, but the witness sponsored an RFI

response that says, "More specifically and for clarification, FDN adds over 200 lines a day and has performed hot cuts for up to 200 DS-0s in a day." So I take it by his discovery response that he thought that made a difference to the analysis in the case. I'm just asking him if only the number of lines added makes a difference, or would the number of lines lost make a difference, as well?

THE WITNESS: No, I do think it is more -- you would put more weight on the added only because if you are adding them that means the ILEC is doing their job. If you are losing them, that could mean that the ILEC could be not doing their job, but it also could mean the CLEC was doing a bad job of providing care and, you know, wasn't answering their phones in a timely manner, or wasn't offering a competitive price. In that case, the CLEC would be processing a disconnect for that customer. That doesn't necessarily mean the ILEC did not do a UNE-L hot cut properly.

BY MR. MAGNESS:

Q And it is that number of customers lost that you don't have the data for, correct?

A No. Also, the 200 lines -- we add more lines than that across our footprint, and we add more lines that aren't hot cuts that are new line installations or data lines. So that was just, you know, a part of our overall daily installation, you know, production, and it was just as it

relates to the fact that, you know, some people in this case are saying UNE-L hot cuts don't work and we are just saying, hey, we do a bunch of them every day.

Q Mr. Gallagher, if you are only willing to tell the Commission how many lines you're adding, but not willing to tell them how many lines you are losing, isn't it going to make you look more likely to continue providing service in the state?

A I'm telling you that if everyone else will disclose their churn data, we will find a way to get that data and put that together.

MR. FEIL: But, for the record, I'm not willing to concede to the relevancy of that, and I'm not willing to concede that it is inside the scope of Mr. Gallagher's testimony.

A And I stand on what I said before. I think it is relevant that, you know, there is a lot of CLECs that blame the ILEC for their own internal problems. And, therefore -- you know, BellSouth certainly has its shortcomings, however, you know, I have witnessed CLECs that had poor internal proposes that resulted in disconnects, and that is, I think, irrelevant to the fact that an actual UNE-L hot cut can work.

MR. MAGNESS: I don't have any further questions.

MR. FEIL: I have a few quick questions on redirect.

CROSS EXAMINATION

BY MR. FEIL:

Q Mr. Gallagher, is it your understanding that -- does the TRO say anything about taking a switch, assigning percentages of the switch capacity to enterprise customers versus mass market customers?

A No.

Q Is it your understanding that the TRO has its own definition of what a hot cut is in Footnote 1409, for example?

A Yes, there is a definition there.

Q Mr. Magness asked you a question about whether or not the FCC found switching was impaired. Do you understand that the TRO delegated to the states a granular analysis to verify or to determine whether or not switching was impaired or not impaired?

A Yes.

MR. FEIL: That was all I had.

(Off the record.)

MR. TEITZMAN: Let me officially conclude the deposition.

MR. FEIL: All right.

MR. TEITZMAN: The deposition is now concluded. We are off the record.

(The deposition concluded at 4:50 p.m.)

ERRATA SHEET
DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE

IN RE: DOCKET NO. 030851-TP
NAME: MICHAEL GALLAGHER
DATE: February 11, 2004

PAGE	LINE	CHANGE

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 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 17th day of February, 2003.

JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

ERRATA SHEET
DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE

IN RE: DOCKET NO. 030851-TP
NAME: MICHAEL GALLAGHER
DATE: February 11, 2004

PAGE	LINE	CHANGE
5	21	Replace "Blocka" with "Blocha" throughout.
14	6	Replace "in after "believes" with "it."
10	11	After "yes" add "except for Pensacola."
11	23	Replace "voice" with "VOIP."
34	18	After "I suppose so," add "but any decision must comply with the TRO and rules."
34	23	After "I suppose so," add "but any decision must comply with the TRO and rules."
45	21	Delete "Mr. Feil:"
73	2	Replace "doing it" with "using our own switching."
74	11	Delete "A."
82	15	Replace Replace "ACNET" with "ACNA."
85	3	Replace "praises" with "prices."
90	20	Replace "proposes" with "processes."

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.

1/19/04
DATE

Michael Gallagher
MICHAEL GALLAGHER

EXHIBIT NO. 23.A

DOCKET NO.: 030851-TP

WITNESS: Joseph P. Gillan

PARTY: FCCA

DESCRIPTION:

1. February 13, 2004, Deposition Transcript, page 1.
2. Deposition Exhibit 1, page 211.
3. Deposition Exhibit 2 – **CONFIDENTIAL** – Document No. 02467-04.

PROFFERING PARTY: STAFF

I.D. # JPG-D

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 23
COMPANY/ FPSC Staff/ FCCA
WITNESS: JPG-D
DATE: 02/24-27/04

CONFIDENTIAL

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP EXHIBIT NO. 23
COMPANY/FPSC Staff/FCCA
WITNESS: JPG-D-ConF. Deposition Exhibit 1
DATE: 02/24 - 27/04 page 21

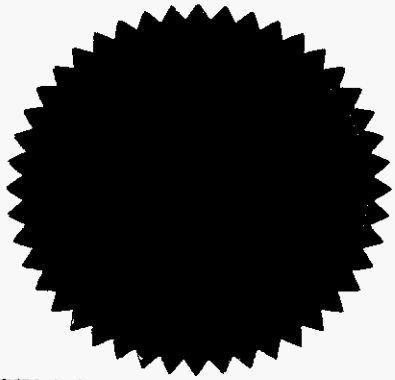
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030851-TP

In the Matter of

IMPLEMENTATION OF REQUIREMENTS ARISING FROM FEDERAL COMMUNICATIONS COMMISSION'S TRIENNIAL UNE REVIEW: LOCAL CIRCUIT SWITCHING FOR MASS MARKET CUSTOMERS.

_____/



DEPOSITION OF:	JOSEPH P. GILLAN
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
DATE:	Friday, February 13, 2004
TIME:	Commenced at 9:40 a.m. Concluded at 3:12 p.m.
LOCATION:	Gerald L. Gunter Building Room 309 2540 Shumard Oak Boulevard Tallahassee, Florida
REPORTED BY:	MARY ALLEN NEEL, RPR Notary Public, State of Florida at Large

VOLUME 1
Pages 1 - 121

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APPEARANCES CONTINUED:

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C. LEE FORDHAM, ESQUIRE, FPSC General Counsel's Office, 240 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, appearing on behalf of the Commission Staff.

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S T I P U L A T I O N S

IT IS STIPULATED that this deposition was taken pursuant to notice in accordance with the applicable Florida Rules of Civil Procedure; that objections, except as to the form of the question, are reserved until hearing in this case; 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

MR. FORDHAM: I'm Lee Fordham with the Florida Public Service Commission.

MS. MOSS: Doris Moss with staff.

MR. LACKEY: I'm Doug Lackey representing BellSouth.

MS. MCNULTY: Donna McNulty representing MCI.

MS. KAUFMAN: Vicki Kaufman, FCCA.

MR. MAGNESS: Bill Magness, FCCA.

MR. FEIL: This is Matt Feil with FDN Communications. Also dialing in as FDN's corporate representative will be Matt Blanca with FDN.

MR. PHILLIPS: This is Ed Phillips with Sprint.

MS. HYER: This is Leigh Hyer with Verizon.

MR. FORDHAM: Anyone else on-line?

MR. CRUZ-BUSTILLO: Yes, Jorge Cruz-Bustillo, Supra Telecom.

MR. FORDHAM: Okay. And, of course, our witness, Joe Gillan, is here, and a couple more staff members that did not sign on.

MR. DOWDS: Dave Dowds, Staff.

MS. LEE: Pat Lee, Staff.

MR. FOGELMAN: Craig Fogelman, Staff.

MR. FORDHAM: Okay. Is that it? Everyone signed on?

Now, let me just ask this. Is there anyone here who has not heard the message from the Commissioner, the introductory message from the Commissioner?

Based on the silence, I assume everyone has heard that, and therefore I will dispense with the reading of that message from Commissioner Davidson. Just know that it still exists and is sincere.

At this point, are there any preliminary matters before we swear in the witness?

Any stipulations that want to be announced on the record.

MR. CRUZ-BUSTILLO: We can have the normal stipulations with objections, except with respect to form, just the normal stipulations that we've had on every depo.

MS. KAUFMAN: What are those, Jorge?

MR. CRUZ-BUSTILLO: I don't remember. Just a stipulation to everything except to form.

MS. KAUFMAN: That would be fine.

MS. MCNULTY: The witness doesn't waive reading and signing.

MS. KAUFMAN: Right, the witness does not waive reading and signing. We usually do that at the end anyway.

MR. FORDHAM: Okay. Madam Court Reporter, would you swear the witness.

Thereupon,

JOSEPH P. GILLAN

was called as a witness and, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. FORDHAM:

Q Would you identify yourself on the record, please, your name and who you are representing in this proceeding?

A My name is Joseph Gillan. I'm representing the Florida Competitive Carriers Association.

Q And do you have a business address that we could use?

A My business address is P.O. Box 541038, Orlando, Florida 32854.

Q And you are here today at the instance of the Florida Public Service Commission?

A Yes.

Q Okay. Well, let's get started. First of all, are there difficulties and limitations that would be inherent in competition based on the shared use of infrastructure through network unbundling? Just the concept of shared infrastructure, can you discuss

briefly the difficulties and limitations?

A Well, there's no inherent difficulties or limitations. There's, of course, the incumbent's continuing objection to fulfilling its legal obligations, and that gives rise to a wide range of litigation and regulatory proceedings. But competition based on shared use of facilities is not unusual. And in the telecommunications industry, for instance, long distance competition occurs every day with carriers sharing the use of the same facilities.

My understanding is that BellSouth's and Verizon's provision of long distance service in the State of Florida relies primarily on the shared use of long distance facilities they've obtained from other carriers, and they've never had to register a complaint. BellSouth has currently gained regionwide a 30% market share. I can't recall when they finally got all their approvals, but I would say over the last two years, they've gained 30% of the market, which is a market share pretty much greater than -- certainly greater than either MCI or Sprint acquired individually after 30 years of competing with AT&T.

So there's no inherent difficulty in doing it. There's certainly problems created when there's an unwilling participant.

Q How about technical limitations or difficulties?

A There can be. For instance, in the local marketplace, there are two ways to gain access to the monopoly loop network of the incumbent. There's the UNE-L entry strategy, which requires manual migration of facilities and backhaul of those loops from the central offices where they currently terminate. And the second access method into those monopoly loop facilities is UNE-P, where you lease the capacity in the switch that currently serves those lines so that migrations can be electronic and can serve a broad area.

Now, in that instance, there are certain technical difficulties associated with using UNE-L, because the network wasn't designed for a multiple carrier shared environment acquiring individual loops one at a time. But on the other hand, those technical problems are resolved and corrected through UNE-P by having the entrant lease capacity in the switch as well.

Q Okay. Can unbundling requirements undermine the incentives of new entrants to invest in new facilities and deploy new technologies?

A It's conceivable when the question is directed at new and different facilities. I don't know that -- I don't think I would agree with it, but it's certainly

conceivable that if you had access to facilities that had not yet been built under an unbundling obligation, that might affect the incentive of the entrant to put in those facilities that have not yet been built, or it might affect the incentive of the incumbent to put in those facilities that have not yet been built.

In this proceeding, we're not talking about that circumstance. This proceeding is about whether or not traditional circuit-switched telephony should be provided to access traditional loop facilities to provide POTS service, which has been essentially standardized from a network engineering perspective over the past several decades. The local network is a commodity local network for this type of serving arrangement.

Clearly, there's nothing you can do to alter the incumbent's incentive to build that which is already built. And as a practical matter, you can't affect the entrant's incentive to duplicate that either, in that it has pretty well been demonstrated that attempting to duplicate the incumbent's network using the legacy architecture and capabilities that the incumbent has deployed is not economically viable.

What we do have is that if entrants are able to continue to complete in this marketplace using the

commodity network, I would expect to see over time -- you know, everyone is out there basically competing for POTS customers riding what is a standardized network. It's a commodity network. It doesn't matter that you got it from Bell or not. The reason you buy it from Bell is because it has certain character -- like the loop network is clearly a monopoly. The switch network is what gives you access into the monopoly network.

If over time carriers compete against each other, they will differentiate themselves based on price, on service packaging, and on customer support. At some point, an end will come to that form of a differentiation, and you will have to offer different advanced capabilities to customers to differentiate yourself from the incumbent. And if competition is still there, the incumbent will have to invest in different capabilities to differentiate itself from the other POTS providers as well.

So if you allow people to have access to the generic commodity network, I think you encourage incentives to invest in new technologies, because people will need to make those investments to differentiate themselves from everyone else who has access to the shared network.

Q You're addressing incentives to the competitive

carriers. How about the incentive to the ILECs?

A If competitors have access to the legacy POTS network, you also improve the incumbent's incentive to invest as well.

Think of it this way. Say the Commission doesn't allow UNE-P to be available, just for purposes of discussion. That means, for all practical purposes, Bell and Verizon retain their POTS monopolies. Well, if they have their POTS monopoly, they don't have the same incentive to try and differentiate themselves as they would if UNE-P continues to be available. Multiple providers are competing with them in the POTS marketplace, and so suddenly, because they have POTS competitors, they now have an incentive to try and differentiate themselves from those other POTS providers that are out there, and that would encourage their investment in new facilities. But if you take away that competition, they don't have a need to differentiate themselves from other POTS providers, because there would not be other POTS providers.

Q Okay. Distilling all of that down, you're saying that there is an incentive for ILECs, and you're saying there is also an incentive for CLECs?

A To invest in facilities, yes, as a result of access to the commodity POTS network to provide those

voice services.

Q Okay. Is it correct that total service resale is limited to reselling the incumbent LEC products with little opportunity to vary the products?

A Yes. That would be true even if it was economically viable. You overlay on top of that that the evidence suggests that it's not economically viable, and it's sort of a double whammy. You can't innovate, and you would lose money doing so.

Q And does leasing some parts of the network as UNEs provide greater flexibility to develop service than does resale?

A Leasing parts of the network?

Q Correct.

A It depends upon the service base and the service mix you're looking to attract and/or attack, depending on how you look at it. In the POTS marketplace, the difference between leasing capacity in BellSouth's legacy switching architecture, 5E, the Lucent 5E or Nortel switch, it doesn't really give you any lesser or greater ability to innovate than if you install your own Lucent 5E or Nortel. Those are standardized switching architectures. The software that controls them is largely in the hands of the manufacturer. The switch they put in and the switch you

buy are essentially the same.

So in that instance, the ability to buy pieces doesn't necessarily -- if you're going to just match up those pieces of the network with facilities that are identical to the facilities that the incumbent has already installed, there's relatively little room for innovation. On the other hand, if you're going to be, for instance, adding pieces to the network that perhaps the incumbent hasn't added or won't give you access to, for instance, if you add a packet switch and some sort of voice IP architecture, then what you're adding to the pieces that you bought is fundamentally different than what you could have gotten from the incumbent, and there would be greater opportunities for innovation in that circumstance. That part of the marketplace is largely considered the enterprise marketplace, and again is not the subject of this proceeding, which is limited to the POTS marketplace.

Q Is service provided by UNEs a more favorable form of competition than resale?

A Yes. What it allows you to do is lease the network facilities and then decide what services you're going to offer over them in terms of pricing. It's the closest parallel to what BellSouth and Verizon obtained in the long distance industry, where they lease for

resale the long distance networks of some underlying provider, but then put that capability together with the local service they're offering or whatever to form a package. And it has obviously been very, very successful for them, and when you lease local facilities, you have that same opportunity.

Q So do UNEs result in less network flexibility to add new services than does full facilities ownership?

A Again, it depends on what you're talking about adding to the mix. If the choice -- if the issue is I'm going to replace the BellSouth 5E switch with the CLEC 5E switch, then there's not a lot of difference. In fact, there's virtually no difference in the network configurations, and the service innovation is limited.

If, on the other hand, by facilities-based competition you mean I've replaced BellSouth's legacy architecture with some packet-switching architecture coupled with some electronic capability to derive additional channels on a loop plant so that I'm providing a broadband facility, now, by virtue of the architecture I've deployed, I've got a different product and a different degree of flexibility.

So the answer is dependent -- it really depends on what type of facilities-based competition and what type of facilities-based investment I've made. If the

facilities investment is the same as what's there, then there's very little change in the facilities investment. If it's something that's different than what's there, then, of course, you have a different type of product arrangement and product offering.

Fundamentally, in this proceeding, though, just to bring it back to that, we're talking about providing conventional voice POTS service to conventional voice POTS users. And in that arrangement, right now, the only architecture that appears suitable for providing the services that they want is the legacy architecture of the incumbent.

Q Does full ownership allow a competitive LEC to totally engineer its own -- you addressed that briefly, but could the competitive LEC totally engineer its own network fully owning the facilities?

A Well, if the competitive entrant owned all the facilities end to end, they're the ones who built the loop plant to the customer, they put whatever network termination device or edge device you put at the end of the -- at the customer, and you build out your network all the way to some other point where you interconnect it with other carriers, then perhaps you can engineer the entire thing.

The minute that you're trying to buy -- I mean,

again, for purposes of this proceeding, what you're trying to buy is analog access to analog POTS users. And because that's the product that the customer is buying and that's the connection that the customer sees, the network engineering consequences of that kind of follow all the way through in your network as well. Whatever you, the CLEC, install and interconnect to that plant has to be standardized and compatible with those facilities, because those are the facilities you're going to obtain from the ILEC.

Q Correct. But quite obviously, if a competitive LEC was looking for maximum control and flexibility, then obviously the full ownership allows them that more so.

A But it would have to -- my point is, it would have to be full ownership all the way to the customer, because that's -- in many ways, that's where the design criteria get determined, what did the customer want. And if what you're buying is -- if it's a voice customer and he's being served by an analog loop, and it's already set that that's the product the customer wants and that's the serving arrangement you're going to have to use to reach him, then the type of flexibility that the CLEC has is pretty limited, because he has got to install architectures that are consistent with voice

service over an analog loop to a small customer.

Q Recognizing the immensity of the challenge, though, that would be a positive thing if it happened.

MS. KAUFMAN: I'm sorry. What would be a positive thing?

THE WITNESS: If what happened?

MR. FORDHAM: For a competitive LEC to have full ownership to the extent that you just described.

MS. KAUFMAN: I guess -- well, Mr. Gillan can obviously answer if he understands. It's not clear what you mean when you say a positive thing.

MR. FORDHAM: For the marketplace. In other words, it would be a positive thing for the consumers, the marketplace, if a competitive LEC could have full ownership of the entire system.

A Well, yes and no. For consumers that don't want traditional voice services, then the competitor having full control of a different facility to reach that type of customer and being able to integrate that with a different architecture, maybe a voice-over-IP architecture or whatever, for that customer, that's a good thing. But for a customer that wants -- today, I can't recall the number for BellSouth, but say it's 4-1/2 million analog phone lines out there. If that's

product those customers want, then what matters to them is that they have competitive choice for that product, a lot more than whether the CLEC has control over some other architecture that delivers a different suite of services they're not yet interested in.

Certainly for the customer segment that is interested in a different suite of services, a fundamentally different, technologically different suite of services than the incumbent provides, the more alternative network plant the better. For customers that are not interested in a technologically different suite of services, then it's not clear to me that just having duplicate plant by definition improves the situation.

Again, I'll take it to the long distance example with BellSouth. BellSouth brought consumers benefit by offering long distance services, because consumers wanted to go to a single source for local and long distance. That benefit, however -- in order for that benefit to be sustainable in terms of customer savings, BellSouth has to face competition in the provisioning of that bundled service product. They were able to do that without any control, zero control over the network facilities. I mean, the customer doesn't know whatsoever that BellSouth has no control on the

network facilities that it purchased, or at least did not need any control on the network facilities that it purchased to provide long distance services.

The same exact condition applies in the local market. If you're looking to offer a product that only requires commodity access to the local exchange network, which is what we're really talking about with basic voice in this proceeding, then it's not necessarily -- you can't assume that somehow that acquisition of commodity access to that plant is improved by the duplication of facilities.

Q So basically, can the greatest benefit to the market be achieved through facilities-based competition?

A No, absolutely not. That's a total falsehood. In areas where new facilities bring new capabilities and new features, the statement is true. For the part of the marketplace that wants new features and new facilities and the capabilities that those new networks will provide, that is true. However, for the portion of the market that is not yet ready, for whatever set of reasons, for those new features and capabilities, then the way you gain benefit is to have as many people providing service as possible so that as many new applications can be offered on that network as possible.

What we have today is a completely

underutilized ratepayer-financed analog circuit-switched -- analog to the customer, not from that point on, circuit-switched network. Its utilization is retarded because it's under monopoly control.

For some of those customers who want something different than that network, then absolutely, facilities-based entry is the best way to get them something different. However, for those customers that are satisfied with the technological parameters of that inherited monopoly network, then the key to get them benefit is to ensure that there's competition and to wrest control of that inherited network from the incumbent monopoly.

Q Do you agree that resale has no effect on competitive investment in telecommunications infrastructure?

A A point of clarification. When you use the term "resale" in that question, do you mean resale as the term has come to be known because of the Telecom Act, where they have this very --

Q Correct.

A -- peculiar arrangement? That arrangement appears to have very little financial viability outside of the unique category of carriers that use it to provide services to economically disadvantaged groups

through prepay options and things like that. It appears to have very little commercial value for other carriers to enter and compete in this market.

Q Okay. Now, it is correct that UNE-P uses the ILEC's infrastructure?

A Well, it uses the infrastructure that the ILEC holds title to. I guess I'm just going to draw a small point about the fact that the ILEC inherited its position. That infrastructure is the product of decades of government protection. And while I recognize it's owned by BellSouth, I don't know that they're really supposed to enjoy some special access to it compared to the rest of the competitive industry, given the fact that it's largely the product of a historical circumstance more than BellSouth's business acumen. And the same would hold true for Verizon. But it is true they all use the same architecture.

Q Therefore, it would require no investment by a CLEC in infrastructure?

A No, I don't think that's true. Look at AT&T, for instance, or MCI. Both primary products that they offer with UNE-P are bundled local and long distance products. They have billions of dollars of network infrastructure involved in that proposition, albeit most of it is on the long distance side and less on the

local. BellSouth competes against them with a bundled local and long distance product. BellSouth has made no infrastructure commitment to the long distance network. There's nothing wrong with either scenario.

Q Recognizing that there are those who have their own infrastructure, the use of UNE-Ps would not actually require their investment in that infrastructure; would that be correct?

A I'm not sure I understood that question. I'm sorry, sir.

Q Okay. Obviously, some competitive carriers have an investment in infrastructure, but would that be essential, would it be required to have an investment in infrastructure to do business with UNE-Ps?

A Well, yes. There is no such thing as an investment-free entry strategy into the local telephone business. Even if you don't install a switch, you have to create a company. All right? That company has multiple layers in it and is quite costly, both in terms of ongoing expense and startup investment. You have to create billing systems, OSS systems, marketing systems, customer presence, customer care systems, financial systems.

If you look at BellSouth's total cost of -- if you look at the revenues, for instance, and you ask what

percentage of BellSouth's operation, who is as facilities-based as you can get, if you ask what percentage of its costs go to support non-network-related activities, it's going to be a very high percentage. It might be -- I can't recall the specific number for BellSouth, but numbers that I've calculated for ILECs in general are that they spend between 35 and 45 cents of every dollar on non-network-related cost items, all those items that can get glossed over in these discussions because they're not hard network assets.

Well, those investments are just important, in fact, at the end of the day, may be more important to customers being able to derive additional value and utility out of the phone network than people deploying additional duplicative facilities.

Q And quite obviously, facilities-based providers would require an even greater investment in infrastructure?

A Well, they might if they pay for it. They might. Most of the people, many of the people that use UNE-P today are carriers that also have facility infrastructure commitments and building plans that they've done, but those activities work for a completely different customer segment. They're either putting in

switches to serve enterprise customers, they're putting in DSL to serve broadband users, they're looking at VOIP products for enterprise customers with an integrated voice/data need. It is not as though there are people who use UNE-P and don't make investments, and people who make investments don't use UNE-P. The reality is that all UNE-P providers are making investments, and most carriers that are making facilities investments are also using UNE-P to compete in the customer segment at issue in this proceeding.

Q Is the ability of requesting carriers to use unbundled network elements a necessary precondition to the subsequent deployment of self-provisioned network facilities?

A As a general matter, yes, in the following way. In order for people to be able to profitably deploy facilities in the local marketplace, it's pretty clear they better have something else going on, some ongoing sustainable, profitable business activity to which the investment in local plant is an incremental add of some kind. Now, that may mean that they're a provider competing in the marketplace using UNE-P, and that is their ongoing business, and that has given them background and the expertise in billing, marketing, customer support, and everything else so that they can

then raise capital or use retained earnings to fund an expansion into other network assets. It may mean that they're a pre-existing long distance company that has an ongoing profitable operation that allows them to handle entry into the local market in some incremental way. It may be that they're a cable company and already making their profits on video and are able to do it in an incremental way.

What we have not yet seen is somebody able to start from scratch and profitably enter the local exchange marketplace, or if there is one, I can't think of any carrier that is able to start from ground zero and build its entire business plan on services and facilities that it has deployed from scratch.

Q If the use of UNEs is a precondition, does that imply an anticipated change in the condition?

MS. KAUFMAN: I'm sorry. Can you clarify what condition you're talking about?

MR. FORDHAM: If the use of UNEs is a precondition, does that imply some change in the condition?

MS. KAUFMAN: If you understand it, you can answer it.

A Well, I'm not entirely sure I understood the question perfectly, but I think I understand what you're

getting at.

Everything in the telecommunications industry is in transition, everything. Bell is in transition. The ITCs are in transition. People who lease UNEs are in transition. UNEs are in transition. What we don't know is how long the transitions last and where those transitions are ultimately taking us.

We know that there's a high level of transition from people buying POTS, circuit-switched services to growing greater demand for data-driven services. Okay? Now, right now that division is pretty much high end business versus small end business and res. But we know there's a general decay in the POTS marketplace as people become digital subscribers.

UNE-P is the entry strategy that allows you to compete in the POTS marketplace, but it does not allow you to compete, or at least in any meaningful way allow you to compete in the enterprise market and in the market of customers that want these integrated voice/data suites of services. So if nothing happened ever again on a regulatory front, we know that UNE-P has pressures on it in terms of providing a sustainable business plan for any entrant because the market is shifting.

Now, how long is that going to take? I don't

know. It's going to take a long time. Again, I wish I had this number on the tip of my tongue, but if you look at BellSouth, it's something like 4-1/2 million people want POTS service. It's a whole lot more than want integrated VOIP products. Is that going to be true a year from now? No. I mean, it's going to constantly be adjusting. But it's very conceivable that even five years or 10 years from now, the number of people in Florida that want voice POTS service is going to be in the millions.

Q Would a migration from sole dependence on UNEs to a self-provisioned network be considered growth?

A I'm sorry. Growth in what?

Q Just growth in general in the position of the provider.

A No. Just based on that alone, I don't think so. I think that the transition -- in order for the company to be seen -- I interpret your use of the word "growth" here to mean improving its competitive position. I think for the carrier to be really seen as improving its competitive position would be driven more by not the substitution of moving POTS customers from the incumbent to a circuit switch, although if they had circuit switch already, for those type of carriers, yes, that would be seen as growth and an improvement in their

position. But for carriers that have not invested in legacy technology, what they're going to be judged by I think is more by how well they are doing in deploying a new technology, a packet technology, and how well they're growing that packet technology base.

Now, that customer growth, some of it is going to come from customers they don't currently have, and some of it may come organically from customers they're serving on UNE-P as those customers choose to change the service they have, moving up and growing their voice/data base. I don't mean "data base" as one word. But just by virtue of -- unless you just happen to have a switch with some empty capacity, it is not necessarily true that just having less UNE-P and more switch-based lines improves your competitive position.

In fact, we know that isn't true, because if you think about it, if BellSouth really thought that the way to get stronger competitors was to have them all put in circuit switches, they wouldn't be encouraging them to do that; right? I mean, they would be open to a shareholder lawsuit if that was the best way to position these companies.

Q If a company fails to grow, does it risk becoming extinct?

A In this industry right now, that's probably the

case, yes, because customers are constantly adapting, and the market is adapting. If you stagnate, you're probably not going to be able to stay at a stable level for any extended period of time. Stagnation probably means the same thing as atrophy.

Q I think you have your testimony in front of you there. In your direct testimony at page 4, line 5, you state that --

A Hold on one second. Just finding things is going to take a minute. I apologize.

Q I understand. There's a lot of things to find.

A Yes.

Q Are you there?

A Yes.

Q Page 4, line 5. Your statement is that if UNE-P is eliminated prematurely, there will be no viable alternatives for Florida consumers. Is it true that the limits on unbundling obligations as proposed in the order are envisioned to be determined on a granular basis?

A Well, I think they're envisioned to be done with more detailed information than was available to the FCC. I don't think the word "granular" in that context is meant to be that you do it on a discrete customer-by-

customer or exchange-by-exchange basis necessarily. I believe that when the FCC used the term, to the extent they used the term "granular," it really reflected the fact that they had a limited amount of information in front of them and a limited amount of ability to test whether that information was true throughout the country, and so they asked the states to look at it on a more localized basis.

Q Is competition using UNE-P the only competition available in Florida?

A It depends on the customer segment. It's certainly the predominant means of competition for the mass market. It's also not a form of competition in the enterprise market. I'm not aware of any significant amount of DS1 level UNE-P activity in the State of Florida. So for some customer segments, it's certainly the predominant form, if not the only form. For other customer segments, it doesn't apply at all.

Q Does it exist in Florida again through means such as intermodal, facilities-based, or resale?

MS. KAUFMAN: When you say "it," to what are you referring?

MR. FORDHAM: Competition.

A My recollection of the statistics for Florida indicate that resale has been in decline for several

years and has reached a pretty low level. In fact, in my rebuttal testimony, as of June 2003, there were only 72,000 resale lines in the entire State of Florida, which would be about 10%, the level of UNE-P activity.

Intermodal activity in the State of Florida, I guess there's the claim that there is some Comcast activity in the state.

Q Are the federal triggers defined in the TRO a guide for the states to determine if specific conditions are met?

A You know, it's bad enough in a room where people get up and leave, but when you get the beep, you know.

I think that's a fair way of saying it. I think the TRO trigger analysis is a process that the FCC laid out for the states to apply.

Q If those conditions are met, would the UNE-P offering perhaps be no longer available in that particular geographic area for the mass market?

A It's possible, but I would argue and point out that the only way that would occur, as I understand the way the FCC laid out the trigger analysis, is if there really were significant competitive activity underway such that it demonstrated that there were no barriers remaining and UNE-P wasn't needed. The problem in this

state, obviously, or in this proceeding is that the ILECs maintain that the triggers are satisfied irrespective of the barriers that the CLECs -- that remain.

Q If those conditions are met, would the UNE-P offering perhaps no longer be available in that particular geographical area for the mass market?

A Well, no. Let me give you a caveat to all of our discussion about the TRO, and it's an important caveat. The TRO is useful with respect to switching, because if the Commission finds that carriers are impaired or that the triggers have not been satisfied, then the Commission removes a layer of uncertainty from the industry.

As a practical matter, however, BellSouth and Verizon are mandated under Chapter 364 to provide unbundled local switching and UNE-P to CLECs, period. The laws says "shall provide." Neither BellSouth nor Verizon has asked the FCC to preempt that law, and that law remains in effect and would continue to grant access to CLECs, irrespective of the Commission's finding under the TRO.

Second, on top of that, for BellSouth, BellSouth is obligated under Section 271 of the Act to continue to make UNE-P available to competitive

entrants, although there would be a disagreement over the price that entrants would have to pay.

So there are at least one, if not two more hurdles that an ILEC would have to overcome in order to withdraw UNE-P from any area in Florida, irrespective of the Commission's finding in this proceeding.

Q Well, understand that obviously in some situations we're extrapolating or dealing in hypotheticals, so bear with us in those, because no one knows exactly what's going to happen in the future, in this industry especially, so therefore we're looking at some scenarios which may be of a hypothetical nature.

A That's fine. I won't belabor the point, but I just want to put it out there one time.

Q Right, right. And I understand what you're saying. You're putting it in the snapshot of where we are today in Florida, the law and so forth, but you know that snapshot may not hold true for future decisions, and that's why we're deviating somewhat in that snapshot with some of our questions. I understand what you're saying, and I think you understand what I'm saying.

Could the absence of UNE-P cause an increase in competition through other forms of entry?

A No, I don't see how that's going to happen. This is not a question of if you take UNE-P away, you

get something else. This is just a question of if you take UNE-P away, you get less UNE-P-based competition.

If it made sense for a carrier to compete in a different way, they would already be doing it. Lord knows people have tried different mechanisms, and for varying customer segments, different approaches make more or less sense. But in terms of there being any widespread substitutability of serving the UNE-P customer base through an alternative to UNE-P, there's just simply no marketplace evidence that that should be expected.

Q In determining whether or not a market is not impaired, this Commission is charged first to examine whether competitors are using their own switches to serve voice customers to the relevant market. Is that correct, sir?

A That's a shorthand way of saying it, yes. There are other criteria and qualifiers, but, yes, that's a short --

Q Shorthand is good sometimes.

Subject to only limited exception, a state must find no impairment when three or more unaffiliated competing carriers each is serving mass market customers in a particular market with the use of their own switches. Is that your understanding, sir?

A Again, in a shorthand form, yes, but it would also include the criterion that they were actively providing, and then as I lay out in my testimony, there are various criteria that a commission must apply in determining whether or not the three-provider finding is valid.

Q And three is the lower limit of the floor; is that correct?

A That's my understanding, yes.

Q But there could be more?

A But there could be more, but they would all have -- you would have to have at least three to satisfy the requirements in the TRO.

Q Correct. Now, in addition to providers serving the mass market using their own switch, there may also be providers only using UNE-P; is that correct?

A Yes.

Q Now, would it also be true that those carriers serving that market using only UNE-P could decide to discontinue to provide service if the market is found to be not impaired?

A Well, if the market is found to be nonimpaired, that would be the outcome you should expect, subject to the other caveats that I listed in terms of the continuing litigation that would really occur.

Q If those carriers dependent solely on UNE-P were to leave a market after it being found to be not impaired, would their customers become available candidates for the existing self-provisioning carriers?

A Only in a theoretical sense. I mean, where they would end up going back to is the incumbent. Now, some percentage might ultimately end up with other providers. But let's face it, even right now UNE-P I think in Florida is 10 or 11% of the market, so the incremental change in the customer opportunity for the other, quote, self-providers would be pretty limited compared to the opportunity of attempting to win customers away from the incumbent.

Q Does a carrier need a presence in an ILEC's wire center to access those customers served by that wire center?

A Certainly for analog voice customers, yes.

Q But that presence could be achieved by collocation?

A That is how that presence would be achieved.

Q Can it also be achieved by the use of EELs?

A Not for an analog voice customer. There has been no demonstrating that EELs at the analog level provide an economic alternative.

Q In your response to staff's interrogatory

answer number 13A -- if you have that, let me know when you're there.

A Third set?

Q Yes.

A Yes.

Q Okay. It's probably not worth your effort to flip to it for one short question, but in any event, you describe in that response the deployment of VOIP architecture as an evolutionary path. Do any CLECs offer VOIP in Florida today?

A I don't know that it has been introduced in Florida. I spent most of my time preparing for this deposition and for this proceeding from the perspective of developments in the mass market. I think as a practical matter, VOIP is going to first be introduced, almost by definition, to the enterprise marketplace, and it will be only after sort of organic growth in that marketplace that we would expect to see -- let me back up.

I'm not sure we will ever see VOIP applications made available to the mass market in the way the mass market is defined in this docket, because the mass market is defined for these purposes as analog phone customers, and I think VOIP almost by definition requires that customers leave the mass market and become

part of the enterprise market with a digital connection before they can reasonably take advantage of VOIP as a product offering.

Q What would you expect the method of entry to be to provide VOIP?

A Bearing in mind that I haven't -- what I would expect to see is that carriers that entries VOIP to a marketplace will, in the first instance, go after the same sort of DS1 and above based enterprise customer segment that other carriers are serving today, because what I would do as a VOIP based entrant, my first set of customers would be the people for whom I can immediately provide some sort of efficiency in scale. That would be, for instance, if you're today a customer and you have a voice and data need at your premise, and you're buying today what's called an integrated T from a CLEC, which means they've run a DS1 pipe out to you and they have your voice and your data lines connecting to that DS1, and then the CLEC is bringing it back to its premise, to its location, and it's taking the voice traffic and bringing it back into its legacy architecture and then taking the data traffic and putting it off on some data network.

Well, as a VOIP provider, I can come to you and take that same sort of digital connection, but instead

of having it sort of segmented into voice pipes and data pipes, I'll just take all your traffic, packetize it on your premise, and on a very real-time basis, whenever the pipe is not busy carrying voice packets, it's there in its full capacity to carry data packets, so it gives you additional bandwidth that you would enjoy as a customer. And then when it comes to whatever edge device I've located on my premise to handle this pipe that has these voice and data packets interspersed, I can carry them as far in the network as possible on my data network before ultimately having to take your voice packets and break them into a voice composition of some kind and interconnect them back into the telephone network.

So that whole efficiency allows me to go to you as a customer and say, "Hey, compared to this integrated T type serving arrangement, I've got an arrangement that allows all these different transport facilities to be used more efficiently and an arrangement that allows you to have more bandwidth for the buck out of that DS1 that we're going to have to connect you to my network." That would be where you start. And until you've sort of gone down a path of serving all those customers, which are sort of the core of the enterprise market, you'll go through that before you start really figuring out

different ways to try and exploit other market niches with the technology.

Q Would you anticipate that method of entry to increase in the future?

A Yes. But as I think I tried to say earlier, I expect it to happen in the enterprise market, and then as enterprise type services get cheaper and cheaper and cheaper with voice technology -- and I'll use the word "enterprise services" here to mean services that give the customer a voice/data connection that they can use interchangeably -- then more and more customers will leave the POTS marketplace and go over to the enterprise marketplace to get that VOIP product.

I don't know that it ever changes fundamentally competitive conditions in the POTS marketplace, other than the fact that the POTS marketplace will continue to shrink and will shrink more rapidly with VOIP available as people leave POTS and go to VOIP than would otherwise occur. But however big the POTS marketplace is, I don't think it changes competitive conditions inside that marketplace significantly.

Q If an ILEC is not required by regulation to offer UNE-P in some specific markets, does that preclude them from volunteering to do so?

A It doesn't preclude them, but they're not going to. As a practical matter, they've got no economic reason, other than their legal obligation, to make this inherited network available to competitors. I mean, their actions throughout the entire course of the Telecom Act have demonstrated that as a preference, they would prefer we were all gone, and nothing is going to change that in the near term.

Q Well, I said we would do some extrapolating. I didn't say how wild.

You had alluded earlier to this in response to an earlier question, but is it your testimony that Section 364.16, the unbundling and resale provision of Florida Statutes, requires that the incumbent make available its local network to entrants? That's your understanding of it; is that correct?

A Yes.

Q You had mentioned that earlier.

A And having done this, I think if you go back and do some article searches in the '95 time frame when the incumbents got that law and got their profits deregulated, it was quite clear that they were telling the world, "Well, we're going to share our network, and that's why it's okay to deregulate our profits."

Q And I think you also alluded to the fact in

that earlier response that it's your opinion that that requirement would still be in effect even in areas where a finding of no impairment was found. Was that your answer earlier?

A Yes.

Q Now, is the purpose of requiring that an incumbent make available its local network to entrants so local competition can develop? Is that your understanding of the purpose?

A Local competition and bundled services competition. I think you have to keep in mind the fact that -- you know, when this Legislature passed 364, the bet fundamentally was, "We're going to let BellSouth and Verizon have their profits deregulated, because we're going to bet that local competition comes into play and keeps their prices in check." But when the federal Telecom Act was passed, Congress sort of bet all forms of competition on local competition coming to pass, because they basically said the Bell companies and Verizon can go back into the long distance business and offer those packages.

Now, those packages are enormously successful in terms of customers going to a single provider to get local and long distance service. And what that means is that not only does the future of local competition

depend on the ability of people to provide local services, but I think it also as a practical matter means the future of long distance competition depends on people's ability to provide local services, because the idea of there being a long distance business is rapidly going away, and if you can't compete with a bundle, you can't compete. I think that same sort of philosophy holds true for DSL service as well, so you have now kind of DSL competition sort of riding on the fate of local competition as well.

Q So if competition were found to be developed, would the purposes of the requirement of that statute be fulfilled?

A No, because that -- which statute are you referring to, the federal act or the --

Q No, our state, 364.16.

A I don't believe that there's any limitation in Chapter 364 on the requirements of unbundling. It is that the ILEC shall, not shall until some event occurs. The only event that occurs that removes the "shall" is the Florida Legislature sitting down and deciding that the policy of the State of Florida has changed.

Q Have you read the prefiled rebuttal testimony of FDN witness Gallagher?

A Yes.

Q Do you have that with you, by the way?
A Not with me, no.
MR. LACKEY: I may have a spare copy if you would like to use it.
MR. FORDHAM: I can just quote from it.
BY MR. FORDHAM:
Q He states that, quote, "The FCC did not leave the door open for states to consider policy arguments." That was on page 6, lines 6 through 8, of his testimony.
MS. KAUFMAN: Lee, if I can just interrupt, if Doug does have a copy, it might be easier if Mr. Gillan can look at it if you have a question about it.
MR. FORDHAM: Sure.
MR. LACKEY: That will be fine. Don't look at my notes, if you don't mind.
MS. KAUFMAN: We'll be writing them down --
MR. LACKEY: Is it the rebuttal testimony?
MR. FORDHAM: Rebuttal testimony, yes.
MR. LACKEY: It doesn't have the lines down the side, but it's got the page numbers.
THE WITNESS: Is this the draft, Doug?
MR. LACKEY: You just keep nursing that theory.
MS. KAUFMAN: It might take Mr. Gillan a minute

to get to where you are, because --

MR. FORDHAM: Page 6, lines 6 through 8.

MS. KAUFMAN: -- this doesn't have the line numbers.

THE WITNESS: This is going to be paginated different too, isn't it?

MR. LACKEY: It's going to be paginated differently. Just give him the first line of the paragraph.

THE WITNESS: Yes, I'm going to need the first line of the paragraph, because mine is a question.

MR. FORDHAM: Well, regrettably, I didn't bring it either. I just have a quote from it.

THE WITNESS: That's okay. Go ahead with the quote.

MR. FORDHAM: Yes. It's simple enough. David, we won't need it. It's very simple. I just wanted to see if there's a yea or nay agreement.

BY MR. FORDHAM:

Q The quote again that I would be referring to is, "The FCC did not leave the door open for states to consider policy arguments."

Now, if you remember having read the testimony once, is he referring there to argument concerning incentive, rights, and benefits to competitive LECs?

MS. KAUFMAN: I just want to interpose an objection, and then Joe can answer. I don't know how he would be able to tell you what Mr. Gallagher's intent was in that statement, but he can tell you what he thinks.

BY MR. FORDHAM:

Q Well, that's basically what I'm asking. Is it your understanding that he's referring to arguments concerning incentive, rights, and benefits to the competitive LECs? And if you don't know, that's fine.

A I don't know. Actually, I thought he was using the term "policy arguments" to actually try to dismiss the criteria that the FCC laid out on how the states should conduct a trigger analysis, but he may have also been referencing discussions about the incentives various providers have in the marketplace.

Q I understand you can't get inside of his mind there, but as you understand that quote, would you agree with him?

A Not as I understood the quote, no. I think he takes an absurdly narrow interpretation of the TRO, and one in which you would have to effectively write out of the TRO massive chunks of the text with a claim that somehow the FCC didn't direct the states to perform some sort of analytical review of trigger candidates.

I mean, the FCC was pretty clear that enterprise switches do not cap. The FCC was clear in rejecting ILEC claims. I don't believe that the FCC created a trigger analysis that was designed to reverse its findings, even when a state looked at data that was identical to the data that the FCC looked at. I think that the TRO, as I described in all my testimony, doesn't give the states carte blanche, but it certainly lays out for the states a variety of things that they want the states to look at in conducting what is a very critical decision.

Now, that goes to the trigger criteria.

I think discussions in this docket about why the incumbents have the incentive to eliminate UNE-P are useful for the Commission to better judge the claims that they make. Obviously, the Commission understands why CLECs want UNE-P, because it's necessary for them to survive and to continue to provide jobs and to continue to serve customers in the State of Florida. I think the Commission understands that.

I think what the Commission also needs to understand, however, is how absurd it is that the ILEC really is out there trying to encourage companies to duplicate their networks and permanently devalue their networks and devalue their own businesses, and that the

Commission needs to understand that the ILECs' position in this case, if straightforward, are contrary to their own financial interests, which should make the Commission wonder why these companies are advocating positions that are contrary to their own financial interests.

Q Okay. We'll leave that.

It is correct that UNE-P is offered at TELRIC prices; is that correct, sir?

A Yes. But what that means is that the loop is offered at the same -- at effectively, but not quite, but essentially the same prices that would be offered under UNE-L, and switching is also offered at TELRIC. And I make this distinction because the issues surrounding TELRIC for switching, which is the issue in this case, are very different than issues that might involve TELRIC for loop pricing. Whether you do UNE-L or UNE-P, you get TELRIC on the loop. This only goes to what price you pay for the switch.

Q Now, if UNE-Ps are priced at or below cost, could that encourage maybe overconsumption of UNE-Ps by the competitive LECs?

A I guess as a theoretical matter, that would be true. Obviously, based on my analysis and my testimony, local switching is not priced below cost in Florida. I