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September 1, 1995

Mrs. Blanca S. Bayo  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

RE: Docket No. 950737-TP

Dear Mrs. Bayo:

Enclosed are an original and fifteen copies of BellSouth Telecommunications, Inc.'s Direct Testimony of Frank R. Kolb. Please file these documents in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

Sincerely,

*Nancy B. White*  
Nancy B. White (2)

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- CMU  Taylor R. G. Beatty
- CTB  R. D. Lackey
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Nancy B. White (02)

1                   BELLSOUTH TELECOMMUNICATIONS, INC.  
2                   DIRECT TESTIMONY OF FRANK R. KOLB, JR.  
3                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
4                   DOCKET NO. 950737-TP  
5                   SEPTEMBER 1, 1995

6  
7                   FLORIDA TEMPORARY NUMBER PORTABILITY

- 8  
9 Q. Please state your name, business address and  
10 occupation.  
11
- 12 A. My name is Frank R. Kolb, Jr. My business address  
13 is 3535 Colonnade Parkway, Birmingham, Alabama. I  
14 am a Director in the Economic Cost organization of  
15 BellSouth Telecommunications, Inc. My area of  
16 responsibility is Economic Analysis Planning.  
17
- 18 Q. Please state your educational background.  
19
- 20 A. I received a Bachelor of Science degree in  
21 Electrical Engineering from Louisiana State  
22 University and am a Registered Professional  
23 Engineer. I have approximately twenty years  
24 experience in coordinating the development of  
25 economic models for application in

1 telecommunications cost for pricing studies and in  
2 general costing of telecommunications resources.

3

4 Q. What is the purpose of your testimony?

5

6 A. The purpose of my testimony is to address issues 3,  
7 4, 5, and 8 concerning the Remote Call Forwarding  
8 (RCF) solution for temporary number portability.

9

10 Q. What are the advantages and disadvantages  
11 associated with the RCF temporary number  
12 portability arrangement stipulated to by the  
13 parties that will be available by January 1, 1996?  
14 (Issue #3)

15

16 A. The number portability standards group stipulated  
17 to the availability of RCF on January 1, 1996. The  
18 following are the significant advantages and  
19 disadvantages of the RCF alternative:

20

21 Advantages:

22

23 RCF will be provisioned using existing translation  
24 routines and can be delivered directly from an end  
25 office to the ALEC. RCF is also a known and well

1 understood offering generally available.

2

3 Disadvantages:

4

5 Two directory numbers are required for each  
6 portable number arrangement using RCF. Remote Call  
7 Forwarded calls would not allow for full CLASS  
8 feature transparency, and a potential call set-up  
9 additional delay of .5 to 5 seconds is possible  
10 depending upon the network configuration and  
11 signaling protocols. The engineered capability of  
12 a given switch may pose a problem in regard to the  
13 number of call forwarded calls the switch can  
14 handle at a given time. Finally, certain call flow  
15 scenarios would require additional trunking.

16

17 Q. What costs have been identified for the RCF  
18 temporary number portability solution? (Issue #4)

19

20 A. Three major categories of Long Run Incremental Cost  
21 (LRIC) have been identified:

22

23 (1) Service implementation

24

25 (2) Central office equipment and software

1

2 (3) Interoffice networking

3

4 Q. What uncertainties exist relative to the costs for  
5 the RCF arrangement for temporary number  
6 portability?

7

8 A. Various methods and procedures have yet to be  
9 defined (e.g., demand, ALEC billing, handling calls  
10 to E911, etc.). The costs were developed based on  
11 a uniform distribution of demand across BST's  
12 network. Further, the costs assume that RCF is an  
13 interim solution and will not be utilized for the  
14 long term.

15

16 Q. Please describe the costs associated with service  
17 implementation.

18

19 A. Service orders are written by a service  
20 representative who takes the order from the  
21 customer (ALEC). The orders then flow through the  
22 various mechanized systems to the departments  
23 involved in establishing the service. Upon receipt  
24 of the order, the Network department must perform  
25 translations in the central office to forward the



1 affected calls to the ALEC's central office.

2

3 Q. Please describe the central office costs.

4

5 A. The central office requirements include software,  
6 use of the processor and dedicated equipment.  
7 Specific software is required to obtain the feature  
8 functionality from the processor. Processor memory  
9 is used to store information which correlates the  
10 BellSouth and ALEC telephone numbers. Processor  
11 time is consumed when calls are received which  
12 require forwarding to the ALEC office. Also,  
13 dedicated line terminating equipment is required  
14 for forwarding numbers.

15

16 Q. Please describe the interoffice networking costs.

17

18 A. Forwarded calls are routed through additional local  
19 interoffice trunking facilities in order to reach  
20 the ALEC's central office. Costs incurred in the  
21 local interoffice network include trunk  
22 terminations, transport facilities, and signaling  
23 functions.

24

25 Q. What are BST's best cost estimates of the remote

1 call forwarding solution for temporary number  
2 portability?

3

4 A. The non-recurring costs have been estimated to be  
5 \$24.84 and the recurring monthly costs have been  
6 estimated to be \$1.11.

7

8 Q. What is the appropriate method to recover the costs  
9 associated with the temporary number portability  
10 solution? (Issue #5)

11

12 A. BellSouth believes that the long run incremental  
13 costs of the RCF arrangement for temporary number  
14 portability should be recovered directly from the  
15 carriers or customers who make use of these  
16 arrangements. The prices established for the RCF  
17 arrangement for temporary number portability  
18 solutions should be LEC specific. The above long  
19 run incremental cost should be used to establish a  
20 price floor, however, it should be noted that the  
21 long run incremental cost does not include  
22 contribution to the shared and common cost.

23

24 Q. How should the appropriate price for the RCF  
25 arrangement for temporary number portability be

1       determined?

2

3 A.   The Florida Statute provides that "The prices and  
4       rates shall not be below cost." Section 364.16(4).

5       This same portion of the Statute provides that  
6       "[i]f the parties are unable to successfully  
7       negotiate the prices, terms and conditions of a  
8       temporary number portability solution, the  
9       Commission shall establish a temporary number  
10      portability solution by no later than January 1,  
11      1996." This clearly means that, in the first  
12      instance, the parties should be allowed to  
13      negotiate the price. These negotiations are  
14      underway and only if these negotiations are not  
15      successful, will the Florida Public Service  
16      Commission be required to set the price.

17

18 Q.   Should this docket remain open ? (Issue #8)

19

20 A.   No. While BellSouth supports a continuing effort  
21      by the number portability standards group to  
22      investigate and develop the appropriate costs,  
23      parameters, and standards for a permanent number  
24      portability solution, a new docket should be opened  
25      for this purpose.

1

2 Q. Does this conclude your testimony?

3

4 A. Yes, it does.

5

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