			666	
1	BEFORE THE SCANNED FLORIDA PUBLIC SERVICE COMMISSION			
2	DOCKET NO. 000731-TP			
3	In the Matter of			
4	PETITION BY AT&T ( CATIONS OF THE SO			
5	D/B/A AT&T FOR ARE CERTAIN TERMS AN	BITRATION OF		
6	A PROPOSED AGREE BELLSOUTH COMMU	MENT WITH	MAN AND AND AND AND AND AND AND AND AND A	
7	PURSUANT TO 47 U.S.C. SECTION 252.			
8				
9 10	ARE A CO	NIC VERSIONS OF THIS TR NVENIENCE COPY ONLY AI CIAL TRANSCRIPT OF THE	ND ARE NOT	
11		NOT INCLUDE PREFILED TE		
12		VOLUME 5		
13	P	AGES 666 THROUGH 802		
14	PROCEEDINGS:	HEARING		
15 16	BEFORE:	CHAIRMAN E. LEON JACO COMMISSIONER BRAULIO COMMISSIONER MICHAEL	L. BAEZ	
17	DATE:	Thursday, February 15, 20	01	
18	TIME:	Commenced at 9:00 a.m.		
19	PLACE:	Betty Easley Conference ( Room 148	Senter	
20		4075 Esplanade Way Tallahassee, Florida		
21	SEDARTER DV.	·		
22	REPORTED BY:	JANE FAUROT, RPR FPSC Division of Records Chief, Bureau of Reporting		
23	APPEARANCES:	(As heretofore noted.)	•	
24				
25				
			DOCUMENT NUMPER-DATE	
			02674 FEB275	
	FLORII	DA PUBLIC SERVICE COMM	ISSION FORD FRONTIN	

		667
1	INDEX	
2	WITNESSES	
3	WITNESSES	
4	NAME:	PAGE NO.
5	STEVEN E. TURNER	
6	Direct Examination by Ms. Ockleberry	669
7	Prefiled Direct Testimony Inserted Cross-Examination by Mr. Edenfield	672 716
8	Cross Examination by Mr. Fordham Redirect Examination by Ms. Ockleberry	744 757
9	RON LINDEMANN	
10	Direct Examination by Mr. Lamoureux Prefiled Direct Testimonay Inserted	763 767
11	Prefiled Rebuttal Testimony Inserted	783 793
12	Cross-Examination by Ms.White Cross-Examination by Mr. Fordham	795
13	Redirect Examination by Mr. Lamoureux	800
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
	FLORIDA PUBLIC SERVICE COM	MISSION

Į	I			668
1		EXHIBITS		
2	NUMBER:		ID.	ADMTD.
3	14	SMT-1 through SMT-11	671	673
4	15	(Late-Filed) Rates for Line Splitting From The Other		
5		ATT-BST Arbitrations	753	
6	16	RDL-1 through RDL-3	766	801
7				
8				
9	CERTIFIC	ATE OF REPORTER		802
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
		FLORIDA PUBLIC SERVICE	COMMIS	SION

	669
1	P R O C E E D I N G S
2	(Transcript continues in sequence from
3	Volume 4.)
4	CHAIRMAN JACOBS: Good morning.
5	We will go back on the record. And I believe we
6	were on the next AT&T witness.
7	MS. OCKLEBERRY: Yes, Mr. Chairman. Good
8	morning. Good morning, Mr. Commissioners.
9	AT&T calls Mr. Steve Turner to the stand.
10	STEVEN E. TURNER
11	was called as a witness on behalf of AT&T Communications of the
12	Southern States and, having been duly sworn, testified as follows:
13	DIRECT EXAMINATION
14	BY MS. OCKLEBERRY:
15	Q Mr. Turner, would you please state your full
16	name?
17	A It's Steven E. Turner.
18	Q And would you please provide your business
19	address?
20	A It's 400 Preston Glen Circle, Suite 101, Canton,
21	Georgia, 30114.
22	Q And how are you employed?
23	A I am self-employed. I have my own consulting
24	business, Kaleo Consulting.
25	Q On whose behalf are you testifying here today?
	FLORIDA PUBLIC SERVICE COMMISSION

	670
1	A AT&T.
2	Q Did you are you adopting the direct testimony
3	of Greg Follensbee on Issue 33? I believe it is Pages 23
4	to 31?
5	A Yes, I am.
6	Q And did you also cause to be filed 39 pages of
7	rebuttal testimony?
8	A Yes, I did.
9	Q And do you have any additions, deletions or
10	subtractions to either the prefiled direct testimony of
11	Greg Follensbee or your own rebuttal testimony?
12	A I have one correction that I need to make on
13	Page 18 of my rebuttal testimony. In Footnote 14, the
14	next to the last line, there is a page reference, Page 4,
15	that needs to be changed to Page 1. And February 15th
16	needs to be changed to March 3rd.
17	<b>Q</b> And if I were to ask you the same questions that
18	were in the prefiled direct testimony of Greg Follensbee
19	and in your rebuttal, would your answers be the same?
20	A Yes, they would.
21	Q There were 11 exhibits to your rebuttal
22	testimony?
23	A That's correct.
24	MS. OCKLEBERRY: Mr. Chairman, we would ask
25	that those be marked as and I'm not sure what exhibit
	FLORIDA PUBLIC SERVICE COMMISSION

	671
1	number we are on. AT&T's Exhibit 14.
2	CHAIRMAN JACOBS: Correct. So we will mark
3	those as Composite Exhibit 14.
4	(Exhibit 14 marked for identification.)
5	MS. OCKLEBERRY: We would also ask that Mr.
6	Follensbee's direct on that issue as well as Mr. Turner's
7	rebuttal, be entered into the record as if it were read
8	from the stand.
9	CHAIRMAN JACOBS: Very well. Without objection,
10	show Mr. Follensbee's direct only as Issue 33, correct?
11	MS. OCKLEBERRY: Yes, Mr. Chairman.
12	CHAIRMAN JACOBS: And Mr. Turner's rebuttal as
13	amended entered into the record as though read.
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
	FLORIDA PUBLIC SERVICE COMMISSION

1		BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2		<b>REBUTTAL TESTIMONY OF STEVEN E. TURNER</b>
3		ON BEHALF OF
4		AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.
5		AND TCG SOUTH FLORIDA, INC.
6		<b>DOCKET NO. 000731-TP</b>
7		JANUARY 3, 2001
8		
9		I. BACKGROUND AND EDUCATION
10		
11	Q.	PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.
12	A.	My name is Steven E. Turner. My business address is Kaleo Consulting, 400
13		Preston Glen Circle, Suite 101, Canton, Georgia 30114.
14		
15	Q.	BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?
16	A.	I head my own telecommunications and financial consulting firm, Kaleo
17		Consulting.
18		
19	Q.	PLEASE DESCRIBE YOUR EDUCATION BACKGROUND.
20	A.	I hold a Bachelor of Science degree in Electrical Engineering from Auburn
21		University in Auburn, Alabama. I also hold a Masters of Business
22		Administration in Finance from Georgia State University in Atlanta, Georgia.

.

Í

#### 1 Q.

#### . PLEASE DESCRIBE YOUR WORK EXPERIENCE.

2 Α. From 1986 through 1987, I was a Research Engineer for General Electric in 3 its Advanced Technologies Department developing high-speed graphics 4 simulators. In 1987, I joined AT&T and, during my career there, held a 5 variety of engineering, operations, and management positions. These 6 positions covered the switching, transport, and signaling disciplines within 7 AT&T. From 1995 until 1997, I worked in the Local Infrastructure and 8 Access Management organization within AT&T. In this organization, I 9 gained familiarity with many of the regulatory issues surrounding AT&T's 10 local market entry, including issues concerning the unbundling of incumbent 11 local exchange company (incumbent) networks. I was on the AT&T team 12 that negotiated with Southwestern Bell Telephone Company ("SWBT") concerning unbundled network element definitions and methods of 13 14 interconnection. A copy of my resume is attached as Exhibit SET-1.

15

## 16 Q. HAVE YOU PREVIOUSLY TESTIFIED OR FILED TESTIMONY 17 BEFORE A PUBLIC UTILITY OR PUBLIC SERVICE 18 COMMISSION?

A. I have testified or filed testimony before commissions in the states of
 Arkansas, California, Colorado, Delaware, Georgia, Hawaii, Illinois, Kansas,
 Massachusetts, Michigan, Minnesota, Missouri, Nebraska, Nevada, New
 York, Ohio, Oklahoma, Pennsylvania, Texas, Washington, and Wisconsin.
 Additionally, I have filed testimony before the Federal Communications

1		Commission ("FCC"). A list of testimony that I have previously filed is
2		attached as Exhibit SET-2.
3		
4		II. PURPOSE AND SUMMARY
5		
6	Q.	WHAT IS THE PURPOSE OF YOUR TESTIMONY?
7	A.	First, my testimony confirms that I am adopting the Direct Testimony of
8		Gregory R. Follensbee on behalf of AT&T of the Southern States, Inc. and
9		TCG South Florida, Inc. (collectively hereafter as "AT&T") as it pertains to
10		issue number 33. Second, my testimony responds to the Direct Testimony of
11		John A. Ruscilli on behalf of BellSouth Telecommunications, Inc.
12		("BellSouth"). Mr. Ruscilli incorrectly characterizes the present state of
13		regulation to conclude that BellSouth has no obligation to provide line
14		splitting, or said alternatively, that BellSouth "is under no obligation to offer
15		line sharing on the UNE Platform." <sup>1</sup> My testimony will review the relevant
16		FCC decisions that indicate that BellSouth does have an obligation to provide
17		for line splitting. Moreover, my testimony will focus on the need for contract
18		provisions that requires BellSouth to provide access to the high frequency
19		spectrum (HFS) portion of an unbundled loop to a UNE-P voice provider.
20		This "line splitting" option is not currently offered by BellSouth in any
21		interconnection agreement, despite the FCC's requirement that all ILECS
22		have an obligation to permit ALECs to engage in "line splitting" over the

-

j

<sup>&</sup>lt;sup>1</sup> Direct Testimony of John A. Ruscilli on behalf of BellSouth Telecommunications, Inc., November 15, 2000, p. 53.

UNE-P. See FCC's Texas 271 Order dated June 30, 2000, ¶325. My 1 2 testimony describes ways in which BellSouth is unlawfully hindering AT&T 3 and other new entrants from providing advanced services even as BellSouth 4 is aggressively and successfully deploying its own advanced services 5 throughout Florida. Specifically, BellSouth refuses to permit AT&T to 6 provide xDSL service on the loop that it has purchased as part of the UNE-P. 7 It is important to bear in mind that AT&T is not requesting access to the 8 high-frequency spectrum of the loop as a separate unbundled network 9 element, in accordance with the Line Sharing Order. See FCC's Third Report and Order in CC Docket No. 98-147 and Fourth Report and Order in 10 CC Docket No. 96-98, FCC 99-355, rel. December 9, 1999. Rather, AT&T's 11 12 objective is to exercise its pre-existing right to utilize all the capabilities of the loop that it has already purchased, including the capability to provide 13 xDSL service.<sup>2</sup> BellSouth's failure to give ALECs the right to do so in 14 15 definitive contract language is a plain violation of the Telecommunications Act of 1996 ("1996 Act"). 16 17 Moreover, BellSouth provides itself, and in connection with the

Ì

675

implementation of the <u>Line Sharing Order</u> has agreed to provide to carriers
seeking to offer only ADSL service over BellSouth's voice service, the
ability efficiently to combine voice and ADSL service over the existing,
functioning loop. BellSouth's refusal to permit AT&T to obtain the same

<sup>&</sup>lt;sup>2</sup> <u>See 47 C.F.R. 51.307(c)</u> ("An incumbent LEC shall provide a requesting telecommunications carrier access to an unbundled network element, along with all the unbundled network element's features, functions and capabilities, in a manner that allows the requesting telecommunications carrier to provide any telecommunications service that can be offered by means of that network element").

capability for a UNE-P loop – particularly when the technical procedures to enable AT&T to do so are exactly the same as BellSouth will use for itself or the data ALECs – is a blatant violation of Sections 201 and 251 of the 1996 Act.

5 BellSouth's refusal to cooperate with ALECs who seek to add xDSL 6 capabilities to the combination of network elements known as UNE-P is 7 competitively significant because, even though xDSL is certainly important 8 as a standalone service, particularly for some business customers, the greater 9 public policy concern is that BellSouth is exploiting the growing consumer 10 demand for high-speed data services over existing voice lines to undermine 11 competition for such services throughout the residential market. In 12 particular, it is increasingly apparent that an ALEC's ability to offer xDSL 13 service has a powerful effect on its ability competitively to provide 14 residential customers voice services and "bundles" of voice and data services. 15 Even if BellSouth fixes any recurrent problems in provisioning stand-alone 16 xDSL-capable loops and properly implements the requirements for line-17 sharing with data-only ALECs, that would do *nothing* to address the key 18 issue: BellSouth is aggressively pursuing a strategy calculated to ensure that 19 BellSouth - and no one else - can efficiently offer combined voice and data 20 service that consumers want.

21

l

1

2

3

4

22

23

-- 5

1		III. BELLSOUTH CAN AND SHOULD PROVIDE AT&T WITH
2		NONDISCRIMINATORY ACCESS TO THE LOOPS AND SUPPORT
3		NEEDED TO PERMIT AT&T TO EFFICIENTLY PROVIDE VOICE
4		AND ADVANCED SERVICES OVER THE LOOP FACILITIES IT
5		PURCHASES AS PART OF UNE-P.
6		
7	Q.	WHAT TYPE OF ARRANGEMENT IS AT&T SEEKING?
8	A.	As a preliminary matter, it is important to distinguish among three distinct
9		competitive xDSL-related strategies, all of which are covered by Section 251
10		of the federal Telecommunications Act of 1996. First, there is the use of
11		stand-alone, or "second," loops by carriers that want to provide data service
12		only. For the most part, this is economically viable only in portions of the
13		business market. Second, there is the use of the customer's existing loop by
14		data ALECs who seek to provide data but not voice service. This is called
15		"line sharing." Third, there is the use of the customer's existing loop by an
16		ALEC to provide (either by itself or in conjunction with a cooperating
17		carrier), both voice and data service, which the FCC refers to as "line
18		splitting". <sup>3</sup> In its Order dated June 30, 2000 in the Texas 271 Proceeding, CC

ν

<sup>&</sup>lt;sup>3</sup> AT&T seeks "line-splitting," not line-sharing. AT&T has generally used the term "line sharing" as the FCC does, to refer to an arrangement where a ALEC that does not otherwise have rights to the use of a loop purchases from the ILEC the right to use only the HFS portion of the loop, while the incumbent provides voice services over the low-frequency spectrum of the loop. Under the arrangement sought by AT&T, the ALEC would purchase (or already has purchased) the entire loop from BellSouth, which would then be used to provide both voice and data services, consistent with the legal requirement that the purchaser of an unbundled network element must be permitted to exploit the full features, functions, and capabilities of that element. Moreover, the FCC in paragraph 324 of the Texas 271 Order makes clear that "line splitting" is an approach the FCC developed and is to be provided by the incumbents.

1		Docket No. 00-65, the FCC expressly concluded that ILECs have an
2		obligation to permit ALECs to engage in line splitting over the UNE-P.
3		
4	Q.	WHAT POSITION IS BELLSOUTH TAKING?
5	A.	Effectively, BellSouth appears intent on requiring AT&T to either disconnect
6		the existing UNE-P arrangement, or alternatively, to use a second line to
7		provide voice and data services, rather than enable AT&T to use the line it
8		has already purchased as part of the UNE-Platform. <sup>4</sup> This is no "solution" to
9		anything but rather a collateral attack on the usefulness of UNE-P as a
10		competitive market entry mechanism. For most customers, especially in the
11		residential market, this proposal is inconvenient, inefficient, and uneconomic.
12		The FCC has expressly acknowledged this in its Line Sharing Order.
13		BellSouth, however, has refused (i) to permit AT&T access to the
14		architecture it makes available to its separate affiliate and data-only ALECs,
15		(ii) to agree to other arrangements that permit AT&T to provide voice and
16		data services over the same loop in a nondiscriminatory manner relative to
1 <b>7</b>		itself, and (iii) to cooperate in negotiating ancillary administrative processes.

<sup>&</sup>lt;sup>4</sup> Mr. Ruscilli does not address the question of how to provide for line splitting directly in his testimony, instead ignoring the issue under the guise that line splitting is not required by the FCC. However, BellSouth in an Ex Parte Submission from Kathleen B. Levitz to Magalie Roman Salas, Secretary, Federal Communications Commission, CC Docket No. 96-98, (August 15, 2000) (attached hereto as Exhibit SET-3) makes perfectly clear that it is BellSouth's intent to require the complete reconfiguration of UNE-P service via a collocation arrangement if an ALEC desires to utilize the high frequency portion of the loop. Moreover, as will be discussed in more detail infra, BellSouth has been less than forthcoming in discussing this issue with AT&T. During arbitration negotiations, BellSouth essentially refused to discuss the issue, taking the position that it was not required to support such arrangements. The few details that BellSouth provided were provided in connection with an ex parte presentation before the FCC on August 15, 2000.

6	А.	Yes. The 1996 Act and the Commission's implementing rules require
7		BellSouth to provide nondiscriminatory access to the local loop, including all
8		of its features, functions and capabilities. <sup>5</sup> Since August 1996, BellSouth,
9		like all other incumbent LECs, has been under an obligation to provide
10		unbundled access to loops capable of transmitting digital signals, such as
11		xDSL. Local Competition Order ¶ 380. Additionally, BellSouth is required
12		to "take affirmative steps to condition existing loop facilities to enable
13		requesting carriers to provide services not currently provided over such
14		facilities such as ADSL." Id. ¶ 382 (emphasis added). The FCC has
15		consistently reaffirmed these fundamental requirements, most recently in the
16		BA-NY Order and the UNE Remand Order. <sup>6</sup>
17		All AT&T seeks is access to the same network capabilities – and to
18		the same efficiencies and reliability – that result when BellSouth provides
19		combined voice and data service or shares its loop with a data ALEC.
20		Whether AT&T deploys all of its own assets (digital subscriber line access
21		multiplexers ("DSLAMs") and other packet switches) to provide advanced

<sup>&</sup>lt;sup>5</sup> See, e.g., 47 U.S.C. §§ 251(c)(3); 271(c)(2)(B)(ii), (iv); 153(29) (defining "network element" to include "features, functions, and capabilities that are provided by means of such [network element]").

<sup>&</sup>lt;sup>6</sup> <u>BA-NY Order</u> ¶ 271; <u>UNE Remand Order</u> ¶¶ 166-67.

services or obtains those capabilities through voluntary commercial
 arrangements with a third party, what AT&T needs is simple: access to the
 same configuration, functionalities, and support BellSouth provides to itself
 or to data ALECs when they decide not to compete for BellSouth's voice
 services on that loop.

6

## 7 Q. ARE LINE SPLITTING ARRANGEMENTS TECHNICALLY 8 FEASIBLE?

9 Yes. To my knowledge, no incumbent, including BellSouth, has tied its A. 10 opposition to line splitting to issues of technical feasibility - nor could they. 11 For example, examination of SBC's recent filings with the FCC in 12 connection with SBC's Texas 271 application demonstrates that SBC can and 13 will provide precisely the equipment configuration that AT&T is seeking 14 when the requesting carrier does not seek to compete for the voice services that SBC provides over the loop.<sup>7</sup> Moreover, BellSouth's own witnesses in 15 16 North Carolina and Tennessee have indicated that there is not a technical feasibility issue associated with providing access to line splitting.<sup>8</sup> AT&T 17

has been wholly unsuccessful in obtaining the necessary cooperation from

19

18

BellSouth that would enable AT&T to provide advanced services in the high-

See Cruz Section 271 Supplemental Affidavit on behalf of SBC, Attachment B, Figs. 2, 4 attached hereto as Exhibit SET-4.

<sup>&</sup>lt;sup>8</sup> See Testimony of W. Keith Milner before the Tennessee Regulatory Authority, In re: Generic Docket to Establish UNE Prices for Line Sharing Per FCC 99-355 and Riser Cable and Terminating Wire as Ordered in TRA Docket 98-00123; Docket No. 00-00544, November 28, 2000, Transcript Volume II D, p. 246 attached hereto as Exhibit SET-5. See Testimony of W. Keith Milner before the North Carolina Utilities Commission, In the matter of: Generic Proceeding to Determine Permanent Pricing for Unbundled Network Elements; NCUC Docket

frequency spectrum ("HFS") of the local loops that AT&T leases from
 BellSouth. Accordingly, AT&T remains unable to provide an integrated
 bundle of voice and data services to retail customers though the UNE-P
 architecture.

5

Ń

## 6 Q. WHAT RATIONALE DOES BELLSOUTH USE IN DENYING AT&T 7 SUCH ARRANGEMENTS?

- 8 A. BellSouth bases its opposition on two incorrect interpretations of the Act and 9 FCC actions implementing the Act. *First*, BellSouth asserts that when AT&T 10 buys a UNE-P loop in combination with the switch and other UNEs, AT&T has purchased only the voice band of that loop. In particular, BellSouth 11 12 asserts that the UNE Platform may only be used to deploy voice grade 13 service. See Ex Parte Submission from Kathleen B. Levitz to Magalie 14 Roman Salas, Secretary, Federal Communications Commission, CC Docket 15 No. 96-98, p. 3 (August 15, 2000). Second, BellSouth asserts that insertion 16 of an ILEC-owned splitter into a local loop carrying voice service is a 17 voluntary act on the part of BellSouth (which also permits blatant 18 discrimination among carriers) rather than a legal obligation.
- 19

## 20 Q. IS BELLSOUTH'S RATIONALE CONSISTENT WITH THE 1996 21 ACT?

A. No. BellSouth's assertions are foreclosed by the 1996 Act and the FCC's
rules. The 1996 Act itself defines the term "network element" to include the

No. P-100, Sub 133d, September 27, 2000, Transcript Volume 4, p. 38 attached hereto as Exhibit

1	"features, functions, and capabilities that are provided by means of such
2	[network element.]" 47 U.S.C. § 153(29). The Act also requires ILECs to
3	provide "nondiscriminatory access" to their network elements so that ALECs
4	can provide the "telecommunications service" they seek to offer. 47 U.S.C. §
5	251(c)(3). Synthesizing these statutory requirements, the FCC's unbundling
6	rule 307(c) states that:
7	An incumbent LEC shall provide a requesting
8	telecommunications carrier access to an unbundled
9	network element, along with all of the unbundled
10	network element's features, functions, and capabilities,
11	in a manner that allow the requesting
12	telecommunications carrier to provide any
13	telecommunications service that can be offered by
14	means of that network element. 47 C.F.R. § 51.307
15	(emphasis added).
16	
17	The FCC has repeatedly held that this duty applies directly to ALECs'
18	use of unbundled loops to provide advanced services. Since August 1996,
19	BellSouth, like all other ILECs, has been under an obligation to provide
20	unbundled access to loops capable of transmitting digital signals, such as
21	digital subscriber line (DSL). Local Competition Order, 11 FCC Rcd 15499,
22	15691 ¶ 380.

J

1	What AT&T is seeking is entirely consistent with the FCC's prior
2	decisions and with the FCC's (and the 1996 Act's) overarching goals. As the
3	FCC has previously recognized, "For effective competition to develop as
4	envisioned by Congress, competitors must have access to incumbent LEC
5	facilities in a manner that allows them to provide the services that they seek
6	to offer" <u>UNE Remand Order</u> ¶ 13. The FCC has expressly recognized
7	the importance of the UNE Platform in enabling competitors to address the
8	residential mass market. UNE Remand Order ¶ 12. The FCC has an explicit
9	statutory duty to "encourage the deployment on a reasonable and timely basis
10	of advanced telecommunications capability to all Americans" Section
11	706(a) of the Telecommunications Act. All of these goals and findings will
12	be jeopardized if AT&T is precluded from providing both voice and data
13	services over UNE-P, as is the practical outcome of BellSouth's current
14	policy.
15	

÷

16	Q.	WHAT PROVISIONING ARRANGEMENTS SHOULD BELLSOUTH
17		BE REQUIRED TO SUPPORT TO PROVIDE LINE SPLITTING?
18	A.	In order to enable AT&T to provide voice and advanced services over a
19		UNE-P loop in a prompt, efficient and nondisruptive manner, just as
20		BellSouth now does when it combines voice and data over a single loop,
21		AT&T needs BellSouth to insert a splitter into the UNE-P loop/port
22		combination. Splitter insertion simply involves terminating the loop on the
23		splitter and wiring the high-frequency (DSL) output of the splitter to a cross-

--12

583

.

1	connect running to the DSLAM, and wiring the low-frequency (analog voice)
2	output of the splitter to the UNE-P local switching element. <sup>9</sup> Naturally,
3	BellSouth must also provide nondiscriminatory operational support that
4	facilitates the provision of voice and data services over a UNE-P loop – just
5	as it does when BellSouth provides both voice and data service and when any
6	other data ALEC provides data services and BellSouth provides the voice
7	service. <sup>10</sup>
8	As I stated earlier, BellSouth's own statements before state
9	commissions demonstrate there are no technical impediments to satisfying
10	the request by AT&T. There are no physical differences between ILEC-
11	provided "line-sharing" that enables a data ALEC to provide data service
12	over a loop on which BellSouth provides voice service and the "line-
13	splitting" required to enable a UNE-P carrier to provide both voice and data
14	service on the same loop. In both cases, BellSouth's deployment of the
15	splitter is essential to permit the efficient delivery of services on a single
16	loop. <sup>11</sup>

<sup>9</sup> Please note that the splitter is not a new UNE, but is instead a part of the unbundled loop. As such, it is not necessary to justify its existence under a "necessary and impair" analysis. This will be discussed in more detail later in the testimony. Also note that the insertion of the splitter does not "disrupt" the pre-existing combination any more than adding or removing other loop electronics to the local loop creates a new "combination" of sub-loop elements.

<sup>10</sup> The Commission should be aware that simply ordering BellSouth to support line splitting would likely not be sufficient. The Commission should take the further step of clarifying that: (1) there must be no diminishment of the quality of the voice services when the voice ALEC provides service via UNE-P or UNE-P+DSL, due to action or lack of action by BellSouth; (2) that BellSouth must provide this support immediately due to the close parallel between the support required for line splitting and line sharing; and (3) BellSouth must be required to demonstrate that it has not required that UNE-P ALECs engage in unnecessary modifications of their existing UNE-P interfaces in order to take advantage of BellSouth ultimately supporting UNE-P+DSL.

<sup>11</sup> Please note, AT&T does not claim that the splitter is itself an unbundled network element. Rather, as demonstrated below, such splitters are part of the loop element.

.

## 2 Q. WHAT IS THE IMPACT OF BELLSOUTH DENYING AT&T 3 ACCESS TO LINE SPLITTING?

4	A.	Because BellSouth enables the efficient addition of DSL capabilities to the
5		loops it uses to provide its own voice services to itself and data ALECs, its
6		refusal to permit AT&T to enjoy comparable efficiencies on loops over
7		which AT&T provides voice services as part of UNE Platform is plainly and
8		unreasonably discriminatory. The Line Sharing Order does not authorize this
9		discrimination. Indeed, the FCC explicitly recognized in the Line Sharing
10		Order that competitive carriers are entitled to "obtain combination of network
11		elements and use those elements to provide circuit switched voice service as
12		well as data services." Line Sharing Order ¶ 47 (emphasis added).
13		Moreover, the practical impact of BellSouth denying AT&T and other
14		ALECs access to line splitting is that customer service and choice will be
15		negatively impacted. BellSouth has made it perfectly clear that if a customer
16		who is currently line sharing between BellSouth and a data ALEC chooses to
17		change voice providers, BellSouth will give the data ALEC an opportunity to
18		purchase the entire loop (and have the customer use a different loop for
19		his/her voice service); however, BellSouth will not permit the customer to
20		maintain his/her voice service on the existing loop using the splitter in
21		conjunction with a UNE-P arrangement. <sup>12</sup> The bottom line is that
22		BellSouth's policy is to have the end user customer's service disrupted for no

<sup>&</sup>lt;sup>12</sup> Testimony of W. Keith Milner before the North Carolina Utilities Commission, In the matter of: Generic Proceeding to Determine Permanent Pricing for Unbundled Network Elements; NCUC

justifiable reason than BellSouth's desire to thwart the effectiveness of UNE-

2

Ρ.

3

## 4 Q. SHOULD BELLSOUTH BE REQUIRED TO PROVIDE SPLITTER 5 FUNCTIONALITY ON A LINE-BY-LINE BASIS?

A. Yes. AT&T strongly believes that line at a time splitter functionality should
be provided for ILEC deployed line splitters. Such line at a time splitter
capabilities have already been ordered by other state commissions such as in
Illinois and Michigan.<sup>13</sup> AT&T also believes that ILEC provided line

- 10 splitters should be available in both a line sharing arrangement (as proposed
- by BellSouth) as well as in a line splitting arrangement where AT&T has
- 12 purchased the entire loop (which includes the high frequency spectrum). To
- 13 the extent that BellSouth has made this capability available to data ALECs
- 14 for line sharing, no delay should be tolerated in extending this capability to
- 15 AT&T, or any other UNE-P ALEC, seeking to fully utilize the capabilities of
- 16 the UNE-loop that it has purchased as part of the UNE-P combination.
- 17 Q. WHAT IS THE IMPACT OF BELLSOUTH'S REFUSAL TO
- 18 **PROVIDE THE SPLITTER TO AT&T?**

19 A. Without BellSouth's insertion of the splitter, the ALEC is practically

20

precluded from competing for BellSouth customers who wish to obtain voice

Docket No. P-100, Sub 133d, September 27, 2000, Transcript Volume 4, pp. 28-30 attached hereto as Exhibit SET-7.

<sup>&</sup>lt;sup>13</sup> Please see Arbitration Order dated August 17, 2000 in ICC Docket Nos. 00-0312/0313 in the arbitration between Ameritech Illinois and Covad Communications Company and Rhythms Links, Inc. at page 18 for support that Ameritech must provide both line at a time and shelf at a time line splitting capability when Ameritech chooses to deploy line splitters. To be provided as Late Filed Exhibit SET-8.

1and advanced services over a single local loop. As noted below, in the2former case, the FCC has found that the costs of collocation and the prospects3of hot cuts represent a clear impairment to voice service competition. In the4latter case, the FCC found in the Line Sharing Order that competing via a5second line resulted in impairment to data service competition. Thus, all6options that BellSouth has offered have previously been found to have7significant impairments for the prospects of competition.

8

## 9 Q. WHY SHOULD BELLSOUTH BE REQUIRED TO PROVIDE THE 10 SPLITTER?

11 As the FCC's UNE Remand Order determined, "attached electronics," with Α. 12 the exception of DSLAMs, are regarded as part of the loop and therefore 13 must be provided by BellSouth as part of the loop. UNE Remand Order at ¶ 14 175. While BellSouth simply asserts in its ex parte to the FCC that the 15 splitter is not part of the loop, what BellSouth fails to note is that the splitter 16 is a passive electronic filter that is attached to the loop in order to split or 17 separate signals on the basis of their transmission frequencies. In short, the 18 splitter falls precisely under the definition of "attached electronics" and as 19 such requires the splitter to be a part of the loop and not a separate unbundled 20 element. In fact, the functions of frequency splitting and packet switching 21 are entirely different. The splitter enables the low-frequency voice signals on 22 the loop to be directed to a circuit switch and the high-frequency data signals 23 on that loop to be delivered to a packet switching network (including

1		DSLAMs). In contrast, packet switching refers to protocols in which
2		messages are broken up into small packets before they are sent. Each packet
3		contains header information about the source, destination, sequencing, etc.,
4		that governs the process in which packets of information are independently
5		transmitted from point to point between source and destination and
6		reassembled into proper sequence at the destination. A splitter is incapable of
7		reading a header, or even of distinguishing between analog and digital
8		transmissions, and does not implement routing instructions based upon
9		transmitted information from the customer. The fact that a splitter can, as a
10		matter of design convenience, be combined with a DSLAM does not mean
11		that stand-alone splitters are involved in packet switching or that BellSouth
12		should be excused from providing them as "attached electronics" to the
13		loop. <sup>14</sup>
14	Q.	WHAT RATIONALE DOES BELLSOUTH PROVIDE FOR NOT
15		PROVIDING THE SPLITTER FUNCTIONALITY TO UNE-P
16		ALECS?
17	А.	BellSouth indicates in Mr. Ruscilli's testimony that AT&T should not be
18		entitled to the splitter functionality because BellSouth deployed splitters can
19		only be used for line sharing and not for line splitting. BellSouth seems to
20		base this position on its interpretation of paragraphs 325 and 327 of the

<sup>&</sup>lt;sup>14</sup> SBC's position taken in a pending proceeding relating to implementation of the SBC/Ameritech merger conditions underscores this point. In conjunction with its request for interpretation of the SBC/Ameritech merger conditions, SBC argued that it should be entitled to retain control and ownership of line cards placed in remote terminals that have an integrated splitter functionality because the equipment "is not used solely in the provision of Advanced Services." See Letter from Paul K. Mancini, Vice President and Assistant General Counsel for SBC, to Lawrence E.

1	FCC's Texas 271 Order dated June 30, 2000. <sup>15</sup> This rationale is flawed. The
2	FCC in evaluating SBC's application for 271 relief only evaluated the current
3	set of requirements associated with line sharing and line splitting and
4	determined that SBC did not have a present obligation to provide the splitter
5	for line splitting. Moreover, from reading further in paragraph 328 of the
6	same order, the FCC makes clear that the present state of regulation on
7	splitters did not even require SBC to make the splitters available for line
8	sharing. However, the FCC also noted that this issue had yet to be fully
9	evaluated by the FCC and that it should be in short order (see paragraph 328).
10	The issue in Florida is one of discrimination. BellSouth has decided to
11	provide access to the splitter when BellSouth is the voice provider. But,
12	BellSouth, in its continued effort to undermine the utility of the UNE-
13	Platform has determined that it will not make access to the splitter available
14	when another carrier is the voice provider. It is in this regard that the Florida
15	Public Service Commission should act to prevent BellSouth from unilaterally
16	determining who its competition will be and how its competition will provide
17	service.

Strickling, Chief, Common Carrier Bureau, Federal Communications Commission at 4 (Feb. 15, 2000) to be provided as Late Filed Exhibit SET-9.

<sup>&</sup>lt;sup>15</sup> Mr. Ruscilli's Direct Testimony on behalf of BellSouth in Florida is silent as to BellSouth's reasoning to denying ALECs access to splitters for use in UNE-P configurations. However, the Direct Testimony of Thomas G. Williams on behalf of BellSouth Telecommunications, Inc., November 13, 2000, pp. 15-16 in Georgia makes clear the basis for BellSouth's objections to the splitter access for UNE-P. It is this basis that I will respond to here.

#### 1

2

#### Q. ARE BELLSOUTH'S ARGUMENTS AGAINST PROVIDING THE SPLITTER CONSISTENT WITH BASIC ENGINEERING

#### 3 **PRINCIPLES?**

4 No. BellSouth's argument that the splitter is not part of the loop is Α. inconsistent with principles of telephone engineering.<sup>16</sup> It is indisputable that 5 6 bridge taps are routinely installed in the ILEC's loop plant, and the FCC has 7 expressly recognized the right of a purchaser of a loop element to insist that 8 bridge taps be removed, even where the ILEC does not ordinarily perform 9 such removals for itself, because it is not providing advanced services to 10 those customers. It is likewise indisputable that load coils - which in fact are 11 nothing but low-pass filters – may be part of a loop, and the FCC has 12 expressly recognized the right of a purchaser of a loop element to insist that load coils be removed.<sup>17</sup> Yet BellSouth denies its obligation to provide a 13 14 splitter, claiming it cannot be part of a loop, even though the insertion of a 15 splitter is effectively nothing more than a bridge tap that derives two 16 transmission paths from a single copper facility and provides filtering and 17 electrical protection for the transmissions on each derived path.

18 Q. IS AT&T'S REQUEST THAT BELLSOUTH PROVIDE THE

19

#### SPLITTERS SUPPORTED BY FCC ORDERS?

A. Yes. Just as the FCC has recognized that competitors must be able to access
the loop and all of its "features, functions, and capabilities" by requesting the
removal of accreted filtering devices from the loop, UNE Remand Order ¶

<sup>&</sup>lt;sup>16</sup> Ex Parte Submission from Kathleen B. Levitz to Magalie Roman Salas, Secretary, Federal Communications Commission, CC Docket No. 96-98, p. 3 (August 15, 2000).

1 173, so too must competitors be entitled to request that filtering devices (*i.e.*, 2 the splitter) be added to the loop to enable a requesting carrier to use the full 3 functionality of the loop. In either case, the removal or attachment of 4 filtering devices that are necessary to enable voice and data transmission over 5 a single loop simply gives effect to the FCC's determination that Section 6 251(c)(3) requires ILECs to provide modifications to their facilities to the 7 extent necessary to accommodate access to network elements. Local 8 Competition Order ¶ 198. Thus, the question of whether the ILEC performs 9 such modifications for itself is irrelevant to this determination. 10

### 11 Q. DOES THE FACT THAT AT&T PLANS TO UTILIZE THE UNE 12 PLATFORM AFFECT THAT ANALYSIS?

No. BellSouth seems to think that when it provides the UNE Platform its 13 A. 14 obligation is solely to deliver the existing combination of elements as is, and 15 that if any modification or adjustment is required, the UNE-P must be 16 disassembled and individual network elements must be reordered and 17 connected by the ALEC. See Ex Parte Submission from Kathleen B. Levitz 18 to Magalie Roman Salas, Secretary, Federal Communications Commission, 19 CC Docket No. 96-98, p. 3 (August 15, 2000). But, even as BellSouth resists 20 allowing AT&T to access additional features, functions, and capabilities of 21 the loop obtained as part of UNE-P, BellSouth does not deny the right of a 22 ALEC to order additional features, functions, and capabilities of the *switch* 23 that is provided as part of that same combination of network elements. UNE-

<sup>&</sup>lt;sup>17</sup> <u>UNE Remand Order</u> **¶** 172-173.

1		P carriers routinely order vertical features (e.g., call waiting, Caller ID, call
2		blocking) for their customers and, where necessary, BellSouth quite properly
3		accommodates such requests by doing the "physical work" (see id. at $\P$ 19) of
4		modifying software instructions of the switch to ensure that the additional
5		features, functions, and capabilities are activated. Moreover, BellSouth also
6		does not deny the right of an ALEC to order loops combined by BellSouth
7		with dedicated transport to create extended loops or other similar
8		combinations such as loops for multiplexing, dedicated transport to DCS, or
9		dedicated transport to multiplexing. In short, BellSouth has selected the
10		connection of the loop to the splitter as a particular technical modification
11		that it will not make available for ALECs using UNE-P because BellSouth
12		has a strategic competitive advantage that would be undermined by this
13		connection.
14		
15	Q.	IS AT&T'S REQUEST THAT BELLSOUTH ENABLE THE USE OF
16		UNE-P LOOPS FOR ADVANCED SERVICES SUPPORTED BY THE
17		DOJ?
18	Α.	Yes. In the DOJ's recent Evaluation filed in connection with SBC's revised
19		application for interLATA authority in Texas, the DOJ noted that:
20		AT&T asserts a related concern that its ability to
21		compete with SBC using UNE-P will be impaired if
22		SBC is not required to permit DSL providers to access
23		UNE-P loops for providing DSL service in conjunction

-

-

--21

1		with AT&T's voice service in the same manner that
2		SBC's voice loops may be accessed for line sharing. A
3		prompt resolution of the issues surrounding AT&T's
4		complaint is needed to prevent UNE-platform carriers
5		from being at a competitive disadvantage to SBC. <sup>18</sup>
6		
7		Clearly the DOJ recognizes this as a legitimate concern that if left
8		uncorrected places the UNE-P ALECs at a significant competitive
9		disadvantage. Until resolved, residential customers in Florida will lack a
10		legitimate alternative to BellSouth for the provision of bundled voice and
11		data services. This situation was clearly not the intent of the 1996 Act and is
12		not justified by any technical limitation.
13	Q.	WHAT ARE THE LIKELY CONSEQUENCES OF BELLSOUTH'S
14		PROPOSED APPROACH?
15	А.	Right now, customers in the BellSouth service area who seek voice and
16		advanced services provided over a single line have no practical option other
17		than to take voice services from BellSouth. More specifically, the
18		Commission should be vigilant to assure that BellSouth does not set forth a
19		process – which will result from its current proposal – that will require a
20		voice ALEC to obtain collocation it would not otherwise require and to
21		subject the customer to a total reconfiguration of its service. Moreover,

-

<sup>&</sup>lt;sup>18</sup> Ex Parte Submission from Donald J. Russell of the U.S. Department of Justice to Magalie Roman Salas, Secretary, Federal Communications Commission, CC Docket No. 00-65, at fn 17 (June 13, 2000) attached hereto as Exhibit SET-10.

1	unnecessary extended interruption of the customer's service is a likely
2	consequence of BellSouth's approach of requiring the disconnection of
3	working service and re-termination of that service through a collocation
4	arrangement. Because of its steadfast refusal to negotiate with AT&T,
5	BellSouth has not specified what procedures would apply or what intervals
6	would be applicable, but it has said that the UNE-P arrangement would need
7	to be dismantled (and a new UNE loop and switch port provided) before the
8	new combination could be constructed. Nevertheless, it is reasonable to
9	conclude that in order to minimize service outages for the customer,
10	coordination of the following procedures is required: (1) disconnection of the
11	UNE-P, (2) connection of the loop to collocation, (3) connection of the
12	switch port to collocation, and (4) associating the switch port with shared
13	transport. <sup>19</sup> If any of these steps becomes disassociated from the others, or is
14	worked at a different time than the others, the customer will suffer. <sup>20</sup> If such
15	events occur with any regularity, the customer's carrier will be destined for
16	failure in the marketplace.
17	BellSouth has not shown that it stands ready to provide all of the
18	necessary coordination, with a sufficient degree of reliability, to avoid such

<sup>&</sup>lt;sup>19</sup> Although BellSouth provides few details regarding this procedure, it appears that ALECs would be required to submit *separate* LSRs for the xDSL loop and for the unbundled switch port with shared transport – and, quite possibly, a third, separate LSR to disconnect the existing UNE-P arrangement. Although an ALEC could itself physically disconnect the UNE-P network arrangement, BellSouth might well insist on performing the disconnection itself (pursuant to the ALEC's request).

<sup>&</sup>lt;sup>20</sup> While it is theoretically possible to utilize a second loop to the customer's premises, from a practical standpoint the option is not viable. For example, SBC testified that the lack of a second loop to customers' premises that is DSL capable is a major barrier to the data CLECs' ability to compete. See Pfau/Chambers Section 271 Supp. Decl. at II 33-34, (citing 4/13 TPUC Workshop Transcript at 347), Chapman/Dysart Section 271 Supp. Aff. II 35-36, 38.

1 problems. Nor has it shown that the process BellSouth proposes would be 2 remotely as reliable as those that are followed when a BellSouth voice 3 customer adds BellSouth data service, or even when a BellSouth voice 4 customer adds a data ALEC's data service. BellSouth has certainly never 5 provided evidence that it had developed procedures to ensure that these steps 6 are properly coordinated. In the final analysis, BellSouth has not made any 7 showing, nor could it, that the UNE-P ALEC would be afforded a reasonable 8 opportunity to compete if BellSouth's proposed alternative to UNE-P line 9 splitting is implemented.

10

### 11 Q. ARE THERE OTHER POTENTIAL PROBLEMS ASSOCIATED 12 WITH BELLSOUTH'S PROPOSED APPROACH?

13 A. Yes. Other related problems are suggested by experience with the initial 14 offerings of UNE-P by BellSouth and other ILECs. Although the conversion 15 of an ILEC's POTS customer to a UNE-P carrier's POTS service is largely a 16 matter of record keeping rather than physical rearrangement, experience has 17 taught that these conversions were plagued by problems like customers losing 18 their telephone numbers, directory listings being dropped, and E-911 19 databases being populated with incorrect information. Customer-impacting 20 problems resulted from multiple but related orders failing to be executed in 21 their proper sequence. The same sorts of problems (or even new ones) could 22 arise if UNE-P arrangements need to be torn down and then reassembled with

2

-

-

new orders of individual network elements, using new procedures that have yet to be disclosed, much less tested.

3	BellSouth's sole proposal of disconnecting existing voice
4	arrangements and rerouting them through ALEC collocation cages and back
5	to the switch presents the same problems here for UNE-P as it did during the
6	time that the FCC's Rule 315(b) was vacated. During that time, BellSouth
7	flatly refused to provide UNE-P, and insisted that ALECs obtain access to
8	combinations of UNEs exclusively through a collocation-based method that
9	was patently discriminatory and in essence no different than what BellSouth
10	is now trying to impose on ALECs seeking to add DSL to UNE-P. Now, as
11	then, BellSouth seeks to destroy the viability of UNE-P by forcing the UNE-
12	P ALECs to recombine unbundled elements using collocation. Just as was
13	the case when BellSouth initially sought to disable UNE-P, the imposition of
14	a mandatory collocation requirement not only imposes a requirement that the
15	ALEC obtain collocation space but after that (1) increases the necessary
16	degree of coordination and manual work and, accordingly, increases both the
17	likelihood and duration of service interruptions; (2) introduces unnecessary
18	delays required for space applications, collocation construction, and
19	equipment installation (in this case, the splitter); (3) requires additional
20	central office and frame space, both of which are scarce and valuable
21	resources; (4) increases the overall number of points of connection (or
22	"points of failure") where the loop connection is most likely to fail due to
23	human error; and (5) imposes additional costs on ALECs.

1	Additionally, a customer receiving BellSouth's voice service and a
2	data ALEC's data service via an ILEC/data ALEC line sharing arrangement
3	(in which the ILEC owns the splitter) would not be able to migrate to such
4	services provided over the loop purchased by AT&T in a prompt, efficient,
5	and non-disruptive manner, even though it is technically feasible to do so.
6	The BellSouth/data ALEC service arrangement would utilize the network
7	configuration set forth in an exhibit ("CO-Based Line Sharing Functional
8	Block Diagram") to Mr. Williams's Direct Testimony on behalf of BellSouth
9	in the Georgia line splitting docket, Docket No. 11900-U, which I have
10	attached as Exhibit SET-11. <sup>21</sup> An AT&T service arrangement would utilize
11	exactly the same logical configuration. Yet, in order for the customer to
12	migrate to AT&T as a voice carrier, while retaining data service provided
13	through the use of the same data ALECs' facilities, BellSouth's approach
14	would: (1) require AT&T to place an order to disconnect the working
15	combination; (2) permit BellSouth to remove its splitter; (3) force AT&T to
16	provide its own splitter (or obtain the functionality from a D-ALEC); and (4)
17	require AT&T to reconfigure the service by ordering an unbundled DSL-
18	capable loop, an unbundled switch port, shared transport, and the necessary
19	cross-connects between the collocation space and both the switch and the
20	distribution frame.

<sup>&</sup>lt;sup>21</sup> Please note that I would have used a diagram from Mr. Ruscilli's testimony. However, he did not attach a diagram illustrating how BellSouth intends to provide for line sharing. As such, I used a comparable diagram provided by BellSouth from Mr. William's testimony in the Georgia line splitting docket. This diagram is attached as Exhibit SET-11.

## Q. DOES BELLSOUTH'S PROPOSED APPROACH PRESENT POTENTIAL IMPACTS TO AN END-USER CUSTOMER'S VOICE SERVICE?

4 A. Yes. AT&T is concerned that BellSouth's approach would affect its ability 5 to ensure the reliability of the customer's voice service. Today, when AT&T 6 obtains UNE-P from BellSouth, BellSouth assures the integrity of the voice 7 path – loop, switch, and transport. When problems arise, AT&T can secure 8 Mechanized Loop Testing ("MLT") from BellSouth, which enables 9 sectionalization - and more rapid remediation - of faults. If BellSouth, for 10 example, refuses to provide MLT access for loops that traverse collocation 11 space and equipment supplied by a competitor, a position initially taken with 12 the data ALECs when they requested such access in a line-sharing 13 configuration, clearly there will be an opportunity for finger pointing because 14 the collocation requirement creates the potential for unnecessary and 15 expensive technician dispatches to definitely isolate trouble sources. Again, 16 because BellSouth has chosen not to disclose the details regarding how its 17 alternative for UNE-P ALECs will operate, there is no evidence or assurances 18 that UNE-P carriers' customers will be afforded the same treatment as 19 customers who obtain both voice and data from BellSouth, or voice service 20 from BellSouth and data service from a data ALEC.

21

#### **Q**.

1

#### **COULD THESE PROBLEMS BE AVOIDED?**

2 A. Yes. In contrast to all these problems that can be expected if BellSouth's rip-3 it-apart-and-rebuild-it approach were to be permitted, these problems would 4 all be minimized if BellSouth merely cooperated to permit UNE-P ALECs to 5 fully utilize their loops in an efficient manner. Another virtue of the 6 approach AT&T advocates is that ILEC provision of the splitters facilitates 7 additional customer choice in the future. When BellSouth provides the 8 splitter used in a line-sharing situation, moving a single jumper can change 9 the DSL supplier and the voice service need not be disrupted at all. On the 10 other hand, if the splitter is integrated in the DSLAM or the splitter is 11 separate but owned by the data ALEC, change of the DSL provider (or 12 change of the voice provider) requires both services to be disrupted. Clearly 13 this is a disincentive for change by customers who have existing voice and 14 data service.

15 In short, competition will be seriously hindered if competitive voice 16 providers (using UNE-P) are required to own splitters and purchase 17 collocation, thereby needlessly engaging in the destruction of the UNE-P 18 combination.

19

# Q. SHOULD BELLSOUTH BE OBLIGATED TO CONTINUE THE PROVISION OF DATA SERVICES ON THE HFS PORTION OF A LOOP UPON WHICH AT&T HAS BEEN SELECTED TO BE THE VOICE PROVIDER?

5 Α. Yes. AT&T should have the right to provide voice service to any customer 6 who elects AT&T as their voice service provider using the same loop that 7 BellSouth is using to provide voice services to the customer. At least until 8 BellSouth supports line splitting in a nondiscriminatory manner, BellSouth 9 should not be permitted to discontinue advanced data services that it provides 10 to that customer when the voice service provider is changed. Data services 11 provided by BellSouth should continue to be provided, on a prospective 12 basis, to any customer that chooses AT&T (or any other UNE-P ALEC) as 13 their local service carrier for voice services if the retail customer desires 14 continuation of such service. Because BellSouth must meet its legal 15 obligation of enabling ALECs to provide both voice and data over a single 16 UNE-P loop, as long as BellSouth fails to meet this duty, by denying its own 17 DSL service to customers who choose AT&T's voice service, BellSouth 18 engages in unreasonable discrimination.

19

#### 20 Q. WHAT MAINTENANCE REQUIREMENTS SHOULD BELLSOUTH

21 BE REQUIRED TO SUPPORT FOR LINE SPLITTING?

A. Establishing non-discriminatory terms and conditions for maintenance and
 repair are of paramount importance. From a technical perspective, there are

no physical differences between ILEC line sharing and a UNE-P ALEC
taking advantage of line splitting, when the ILEC owns and deploys the
splitter. Thus, the maintenance procedures should be virtually
indistinguishable from those that BellSouth is already providing to its
affiliate and data ALECs, and should be provided to a UNE-P carrier in a
nondiscriminatory manner. There is no justification for BellSouth to either
withhold or delay support for UNE-P ALECs.

8

#### 9 Q. WHAT TERMS AND CONDITIONS SHOULD GOVERN PRE-

#### 10 ORDERING AND ORDERING FOR LINE SPLITTING?

11 Α. Provisions to support pre-ordering and ordering for line splitting must of 12 course be nondiscriminatory and provide for a meaningful opportunity to 13 compete. BellSouth must provide AT&T with all necessary information to 14 identify the locations where BellSouth deployed splitters are available and 15 any associated equipment information necessary to determine if the splitters 16 are compatible with the advanced services deployment planned by AT&T or 17 its authorized Advanced Services Providers (which are discussed later in my 18 testimony). The implementation of nondiscriminatory ordering procedures 19 includes the necessity of BellSouth providing complete documentation and 20 technical assistance necessary for AT&T to understand order format, 21 information content, business rules and all system/network interface 22 requirements necessary for AT&T to access the HFS of the loop.

23

1		IV. IN THE EVENT THIS COMMISSION DOES NOT PROVIDE
2		ACCESS TO LINE SPLITTING WITH BELLSOUTH OWNED
3		SPLITTERS, THIS COMMISSION SHOULD PROVIDE ACCESS TO
4		UNE-P+DSL COMBINATIONS IN COLLOCATION.
5		
6	Q.	IF THIS COMMISSION WERE TO NOT PROVIDE ACCESS TO
7		UNE-P+DSL IN THE MANNER DESCRIBED ABOVE, WHAT
8		ALTERNATIVE WOULD YOU WANT THIS COMMISSION TO
9		PROVIDE?
10	A.	BellSouth must support the ALEC combining the loop and port UNEs within
11		its collocation arrangement in conjunction with the splitter and associated
12		DSL electronics so that the ALEC can provide a UNE-P+DSL combination
13		for voice and data services.
14		
15	Q.	WHY SHOULD BELLSOUTH BE REQUIRED TO SUPPORT LINE
16		SPLITTING WHEN THE LOOP AND PORT ELEMENTS
17		TERMINATE IN ALEC COLLOCATION?
18	A.	First, BellSouth supports this configuration for line sharing so there is no
19		reason to reject the requirement due to technical feasibility considerations.
20		Second, requiring such support encourages competitive carriers to begin the
21		process of facilities based competition in a rational manner. Third, it permits
22		competition for voice and advanced services bundles by allowing competitors
23		to deploy innovative advanced services without a concomitant requirement

•

•

--31

- that they engage in extensive investments including for the OSSs necessary to
   support the voice service.<sup>22</sup>
- 3

# Q. DO YOU HAVE ANY CONCERNS ABOUT HOW BELLSOUTH MIGHT IMPLEMENT A COLLOCATION-BASED COMBINING OF AN UNBUNDLED LOOP AND SWITCH PORT IN CONJUNCTION WITH A DSL APPLICATION?

8 A. Yes. If the ALEC utilizes collocation to combine the loop and the port, 9 BellSouth should not be permitted to then assert that the UNE-P combination 10 no longer exists and that BellSouth is absolved of its obligation to provide 11 nondiscriminatory support. Such an outcome would be contrary to the Act's 12 objectives of simultaneously encouraging local service competition and 13 advanced service deployment. Please note that this is not a hollow concern. 14 BellSouth, in its August 15 ex parte before the FCC, explicitly stated the 15 following: "Consequently, if a splitter is on a loop or is to be attached to a loop, a loop and port will lose its status as a UNE-P.<sup>23</sup> The concern here is 16 17 quite obvious. This Commission cannot permit BellSouth to walk away from its nondiscriminatory support of unbundled loops and switch ports (meaning 18 19 the performance BellSouth provides for its own use of these same elements) 20 simply because they pass through a collocation arrangement. Said

<sup>&</sup>lt;sup>22</sup> Should the voice ALEC opt to obtain collocation and then combine the loop and port in the collocation, BellSouth should not be permitted to then assert the UNE-P combination no longer exists and that it is absolved of it obligation to provide nondiscriminatory support. Such an outcome would be contrary to the Act's objective of simultaneously encouraging local service competition and advanced service deployment.

<sup>&</sup>lt;sup>23</sup> Ex Parte Submission from Kathleen B. Levitz to Magalie Roman Salas, Secretary, Federal Communications Commission, CC Docket No. 96-98, p. 3 (August 15, 2000), Exhibit SET-3.

alternatively, BellSouth should provide the same level of support to these 1 unbundled elements in combination through the collocation arrangement as 2 3 BellSouth would provide to its own voice customer that was being "line 4 shared" with another ALEC's data service. 5 When and if an ALEC uses collocation to provide UNE-P, this 6 approach requires more co-ordination between the ALEC and BellSouth. 7 Therefore, in order for BellSouth to demonstrate compliance in supporting 8 line splitting, it should be required to show that it stands ready to provide all 9 of the necessary coordination, with a sufficient degree of reliability, to avoid 10 service disruptions when the ALEC provides UNE-P through its collocation. 11 At present, BellSouth has acknowledged that its does not have these operational procedures in place.<sup>24</sup> Moreover, as a general consideration, 12 13 BellSouth must be required to show its operational processes are as reliable 14 as those that are followed when a BellSouth voice customer adds BellSouth 15 data service, or even when a BellSouth voice customer adds a data ALEC's 16 data service. BellSouth has certainly never provided evidence that it has 17 developed procedures to insure that these steps are properly coordinated. 18 Furthermore, BellSouth has not demonstrated that its interface requirements 19 (for exchange of information between the ILEC and ALEC) will avoid 20 needless overhaul (or replacement) of ALEC OSS that have taken four years 21 to construct. In the final analysis, BellSouth has not made any showing, nor 22 could it, that the UNE-P ALEC would be afforded a reasonable opportunity

704

--33

<sup>&</sup>lt;sup>24</sup> Ex Parte Submission from Kathleen B. Levitz to Magalie Roman Salas, Secretary, Federal Communications Commission, CC Docket No. 96-98, p. 2 (August 15, 2000), Exhibit SET-3.

1		to compete if BellSouth's proposed alternative to UNE-P line splitting is
2		implemented. <sup>25</sup>
3		
4		V. THIS COMMISSION SHOULD ADOPT THE TERMS AND
5		CONDITIONS PROPOSED BY AT&T TO ALLOW UNE-P
6		PROVIDERS TO PROVIDE VOICE AND DATA SERVICE
7		
8	Q.	SHOULD AT&T BE ALLOWED TO DESIGNATE ONE OR MORE
9		DATA ALECS WITH WHICH TO PARTNER TO PROVIDE A
10		COMBINED VOICE AND DATA OFFERING TO AT&T'S END-
11		USER CUSTOMERS?
12	A.	Yes. AT&T should be allowed to identify one or more ALEC contractors as
13		an AT&T authorized Advanced Service Provider, which has been authorized
14		by AT&T to add, change or delete advanced services capabilities within the
15		HFS of a UNE-loop employed or ordered by AT&T. In such instances,
16		AT&T's contractors will follow agreed-to procedures to identify themselves
17		as being authorized to access the HFS portion of an AT&T UNE loop.

<sup>&</sup>lt;sup>25</sup> Again, it is important to note that BellSouth must support the reassembled combination passing through collocation in the same manner as it would a combination where it performed the "connecting." To permit otherwise, would relegate an otherwise technically feasible option of the ALEC a practically useless alternative.

1	Q.	WHAT TERMS AND CONDITIONS SHOULD GOVERN AT&T'S
2		ABILITY TO AUTHORIZE ADVANCED SERVICES PROVIDERS
3		TO PERFORM PROVISIONING, MAINTENANCE AND REPAIR OR
4		TESTING ACTIVITIES IN THE HIGH FREQUENCY SPECTRUM
5		PORTION OF LOOPS THAT AT&T LEASES FROM BELLSOUTH?
6	A.	AT&T is committed to work with advanced service providers who abide by
7		the requirements of the Florida Public Service Commission, such as being
8		certificated providers in Florida for the services they are authorized to
9		provide. BellSouth should not be allowed to dictate the terms on which
10		AT&T contracts with a data ALEC. Given that the indemnity and liability
11		provisions of the General Terms and Conditions of the AT&T/BellSouth
12		Interconnection Agreement will continue to apply, any concerns regarding
13		the possible negligence and willful acts of AT&T's authorized service
14		providers are groundless.
15		
16	Q.	SHOULD BELLSOUTH BE PROHIBITED FROM UNILATERALLY
17		DISRUPTING AN END-USER'S SERVICE IF AT&T'S
18		AUTHORIZED ADVANCED SERVICES PROVIDER FAILS TO
19		PERFORM UNDER THE AGREEMENT?
20	A.	Yes. BellSouth should not have the ability to unilaterally disconnect an end
21		user's data service without AT&T having the ability to work with its
22		advanced services provider to resolve any potential conflict which arises.
23		AT&T is the voice and data provider in these circumstances and has

•

--

--35

706

1		purchased the entire loop as part of the UNE-Platform, and BellSouth should
2		not be taking any actions with respect to the loop without first contacting
3		AT&T. In fact, unless there is a clear possibility of harm to the network of
4		BellSouth, it should have no authority to intervene in the situation.
5		Nevertheless, preserving the end user customer's service in these situations
6		would be a priority for any carrier expecting to maintain the goodwill of its
7		customers. Any disputes that BellSouth has with an advanced services
8		provider performing services on AT&T's behalf can be resolved in
9		accordance with applicable dispute resolution procedures.
10		
11	VI.	COSTING AND PRICING IMPLICATIONS FOR LINE SPLITTING
12		
12 13	Q.	WHAT ARE SOME POTENTIAL POLICY CONCERNS THIS
	Q.	WHAT ARE SOME POTENTIAL POLICY CONCERNS THIS COMMISSION SHOULD BE AWARE OF IN DETERMINING THE
13	Q.	
13 14	Q. A.	COMMISSION SHOULD BE AWARE OF IN DETERMINING THE
13 14 15		COMMISSION SHOULD BE AWARE OF IN DETERMINING THE COSTING AND PRICING FOR LINE SPLITTING?
13 14 15 16		COMMISSION SHOULD BE AWARE OF IN DETERMINING THE COSTING AND PRICING FOR LINE SPLITTING? <i>First</i> , this Commission is in the process of establishing an approach to
13 14 15 16 17		COMMISSION SHOULD BE AWARE OF IN DETERMINING THE COSTING AND PRICING FOR LINE SPLITTING? <i>First</i> , this Commission is in the process of establishing an approach to provide for lower UNE prices for loops and switch ports that are combined in
13 14 15 16 17 18		COMMISSION SHOULD BE AWARE OF IN DETERMINING THE COSTING AND PRICING FOR LINE SPLITTING? <i>First</i> , this Commission is in the process of establishing an approach to provide for lower UNE prices for loops and switch ports that are combined in a UNE-P configuration than those that are stand-alone. Without debating the
<ol> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> </ol>		COMMISSION SHOULD BE AWARE OF IN DETERMINING THE COSTING AND PRICING FOR LINE SPLITTING? <i>First</i> , this Commission is in the process of establishing an approach to provide for lower UNE prices for loops and switch ports that are combined in a UNE-P configuration than those that are stand-alone. Without debating the relative merits of that decision, the important point going forward is whether

-

-

### 1 Q. WHAT IS YOUR POSITION IN THIS REGARD?

2 Α. As an initial matter, the loop and switch port should continue to be priced as 3 they are in a UNE-P combination. From a cost perspective, there will be 4 additional assets that come into place in a line splitting scenario such as the 5 line splitter itself and additional frame appearances. However, the price for 6 the splitter will fully recover the incremental cost associated with these 7 assets. There are no new investments (and therefore no new costs) associated 8 with the loop and switch port that were part of the UNE-P arrangement and 9 therefore the rates charges for these elements should remain unchanged.

10

# 11 Q. WHAT OTHER POTENTIAL POLICY CONCERN DO YOU HAVE 12 REGARDING THE PRICING FOR LINE SPLITTING?

13 Α. I have recently participated in a Line Sharing cost proceeding in Texas for 14 Southwestern Bell where one of the issues in question was Southwestern 15 Bell's recovery of OSS costs associated with Line Sharing. There are three 16 points from the Southwestern Bell proceeding in Texas that this Commission 17 should be aware of in determining BellSouth's cost recovery in Florida. 18 First, both Southwestern Bell and BellSouth are using Telcordia for the 19 systems development that is required to support the DSL initiative. Thus, the 20 costs for Southwestern Bell and BellSouth should be similar. Second, 21 Southwestern Bell has acquired this system development work at a 22 significantly lower cost than has BellSouth. In particular, Southwestern Bell 23 has obtained this software development work for \$28 million while BellSouth

--37

1		is presumably having similar development work done for a significantly
2		higher cost of \$41 million. Third, and this is most striking, Southwestern
3		Bell has acknowledged that its cost recovery of the OSS development work
4		should be spread across all users of DSL – including its own DSL subscribers
5		through its data affiliate. However, BellSouth has sought to only have
6		ALECs pay for this software development when, in fact, BellSouth and its
7		retail customers will benefit as well. The end result is that Southwestern Bell
8		is seeking a rate of \$0.61 per DSL line per month whereas BellSouth is
9		seeking a rate of \$7.49 for presumably the same item. In short, BellSouth's
10		request is clearly discriminatory against new entrants in Florida and will
11		provide a significant deterrent to the development of DSL by any other
12		provider than BellSouth.
10		
13		
13 14		VII. CONCLUSION
		VII. CONCLUSION
14	Q.	VII. CONCLUSION PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.
14 15	<b>Q.</b> A.	
14 15 16	-	PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.
14 15 16 17	-	PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY. BellSouth's behavior constitutes a breach of its obligation to provide the
14 15 16 17 18	-	PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY. BellSouth's behavior constitutes a breach of its obligation to provide the functionalities and processes needed to enable UNE-P carriers to provide
14 15 16 17 18 19	-	PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY. BellSouth's behavior constitutes a breach of its obligation to provide the functionalities and processes needed to enable UNE-P carriers to provide voice and advanced services using the full features, functions, and
14 15 16 17 18 19 20	-	PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY. BellSouth's behavior constitutes a breach of its obligation to provide the functionalities and processes needed to enable UNE-P carriers to provide voice and advanced services using the full features, functions, and capabilities of the loop. BellSouth's refusal to accommodate the addition of

.

-

--38

1 defined option involving collocation, BellSouth artificially limits the ALEC's 2 choice of a viable means (UNEs) for addressing the market. By limiting 3 ALEC choice in this manner, BellSouth is discriminating in favor of data 4 service from its own retail DSL operations and that of ALECs electing not to 5 compete for the voice portion of services. Companies like AT&T who wish 6 to compete with the voice services BellSouth provides, as well as the bundles 7 that only BellSouth can now efficiently offer and provide, are clearly 8 disadvantaged. The value of UNE-P as an entry strategy will be seriously 9 undermined if a UNE-P carrier such as AT&T cannot efficiently add advanced services to its voice offering, whether by having BellSouth deploy 10 11 the splitter a line-at-a-time or by combining the loop and port in its 12 collocation, without abrogating BellSouth's obligation to support the UNE-P combination as it had before. 13

14

×

# 15 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

16 A. Yes.

	71
1	BY MS. OCKLEBERRY:
2	Q Mr. Turner, did you prepare a summary of your
3	testimony?
4	A Yes, I did.
5	Q Would you please give that?
6	A Good, morning. My name is Steven Turner, and I
7	have been asked by AT&T to address the issue of line
8	splitting. Before I outline what the issues are related
9	to line splitting, though, I would like to first explain
10	what line splitting and line sharing are and what is the
11	difference between the two.
12	Line sharing is where BellSouth retains the
13	customer and continues to provide voice service in the
14	splitter so that BellSouth or another carrier can provide
15	high speed data service over the same line.
16	A splitter is just a device that allows one
17	phone line to be split in two so that the line can carry
18	both voice and data to a customer's home.
19	Line splitting is almost identical to line
20	sharing. The main difference is that the ALEC provides
21	the voice service rather than BellSouth. All other
22	aspects of the service arrangement, the splitter and the
23	ability to provide high speed DSL service can remain the
24	same.
25	It is very easy in discussing the details of
i	FLORIDA PUBLIC SERVICE COMMISSION

line splitting to forget what customers are looking for. Customers, particularly residential customers, want to get 3 voice and high speed data service over the same line. The 4 splitter, in conjunction with DSL technology, makes this 5 possible.

1

2

6 Additionally, customers would like for this 7 service to be provided with the minimum disruption to the 8 phone service when adding high speed data service to their 9 phone line. Line splitting is ideal for making this 10 possible.

11 In essence, this Commission only needs to make 12 two key decisions related to line splitting to help 13 Florida customers have access to high speed DSL services. 14 First, this Commission needs to confirm that ALECs can use 15 the UNE platform to provide voice and data service to a 16 customer. BellSouth will tell you that it already does 17 this. This is not true.

18 BellSouth's position, as outlined in its ex 19 parte to the FCC, is that a combined unbundled loop and 20 port use their UNE platform status if the CLEC chooses to 21 provide data service over that loop. The FCC has made it 22 perfectly clear that BellSouth must make line splitting 23 available with the UNE platform. But more importantly, 24 customers in Florida need for you to make this available 25 so that they can have access to high speed DSL services

2

3 Second, this Commission needs to require that BellSouth make its own splitters available to ALECs that 4 5 want to utilize line splitting. Presently BellSouth has 6 agreed to provide splitters whenever ALECs are engaged in 7 line sharing. This is when BellSouth retains the voice 8 portion of the customer service. But BellSouth will not 9 provide splitters when the ALEC wants to engage in line 10 splitting and BellSouth does not provide the voice service 11 for the customer.

12 Let me translate this into the customer's 13 perspective. If an ALEC only wants to compete with 14 BellSouth for data service, but BellSouth continues to 15 provide the voice service, such as in a line sharing 16 arrangement, BellSouth is quite willing to provide this 17 competitor with access to a BellSouth splitter. However, 18 if the ALEC wants to compete with BellSouth for both voice 19 and data service, such as in a line splitting arrangement, 20 and by the way, the service combination that customers in 21 Florida want, BellSouth refuses to provide access to a 22 BellSouth splitter. This is a clear case of 23 discrimination and should not be permitted especially in 24 light of the Federal Telecommunications Act's provisions against discriminatory treatment of ALECs. 25

BellSouth wants to pick and choose how its
 competitors are able to compete and how its customers can
 obtain service. If this Commission wants to encourage the
 development of competition in Florida, BellSouth should
 not be permitted to select which type of carriers, data
 only versus data and voice, are able to acquire
 BellSouth-owned splitters.

8 Moreover, it is precisely this type of 9 competition, combined voice and data service from a single 10 provider, that customers, particularly residential 11 customers, are seeking. BellSouth's discrimination is 12 just another attempt to reserve this market for itself. 13 Unless BellSouth provides nondiscriminatory access to the 14 splitter in support of line splitting, BellSouth will 15 dominate this new market just as BellSouth presently 16 dominates the voice-only market. The bottom line for this 17 arbitration is that if BellSouth intends to provide 18 splitters to some ALECs, BellSouth should have to provide 19 splitters to all ALECs.

Earlier I mentioned that customers are looking for combined voice and data service over the same line with a minimum of impact to the existing voice service. The FCC has recently directed incumbents to facilitate this goal, as well, especially related to the issue of splitter access. The FCC has said that there should no central office wiring changes to go from line sharing to
 line splitting, and that the ILEC should make sure that a
 customer changing from line sharing to line splitting does
 not have a disruption of service.

There are two important points from this FCC 5 6 direction. First, the only practical way for there to be 7 no central office wiring changes from migrating between a 8 line sharing and a line splitting arrangement is for 9 BellSouth to provide the splitter. In other words, the 10 same splitter BellSouth provides for line sharing must be provided for line splitting. Again, this Commission 11 12 should not condone discrimination between line sharing and 13 line splitting.

14 And, second, the FCC wants to avoid both voice 15 and data service disruptions when migrating between a line 16 sharing and line splitting arrangement. To avoid any 17 voice disruption in changing the service to a line 18 splitting arrangement, the FCC is directing ILECs, 19 including BellSouth, to convert that voice service the 20 customer currently receives on the loop to the competing 21 carrier using the UNE platform on that same loop with the 22 same splitter that is already in place. Nothing needs to 23 be changed. Specifically, BellSouth would only have to 24 make some routine changes in its local switch.

The bottom line is clear. BellSouth must

25

715

	716
1	provide nondiscriminatory access to splitters that it
2	deploys for line sharing available for line splitting, as
3	well. This Commission should confirm that BellSouth has
4	this requirement in this present proceeding for Florida.
5	And this concludes my opening statement.
6	MS. OCKLEBERRY: The witness is available for
7	cross-examination.
8	CHAIRMAN JACOBS: Mr. Edenfield.
9	CROSS-EXAMINATION
10	BY MR. EDENFIELD:
11	Q Good morning, Mr. Turner, how are you?
12	A Good morning.
13	Q I am well, not actually me, on my behalf, I'm
14	passing out a copy of portions of the Texas 271 order and
15	the FCC's recent order on reconsideration in the xDSL
16	docket so we can have those in front of us.
17	Mr. Turner, will you agree with me that in the
18	Texas order that the FCC has ruled that the incumbent does
19	not have an obligation to provide the splitter in either a
20	line sharing or line splitting situation?
21	A Yes, I would agree with you.
22	Q Now, as I understand the complaint that AT&T has
23	in this proceeding, is that BellSouth is providing the
24	splitter in what you have defined as the line sharing
25	situation, but is refusing to provide it in what is known

	717
1	as the line splitting situation?
2	A That is correct.
3	Q Have I incapsulated what is really the problem
4	here or what really the issue is?
5	A That is one of the two issues that I outlined.
6	Q What is the other issue?
7	A The other issue is that it is BellSouth's
8	position, as it made clear in its ex parte to the FCC,
9	that when a service provider that uses a combined loop and
10	port wants to provide line splitting over that
11	arrangement, that the combined loop and port uses UNE
12	platform description and, therefore, because of that, you
13	leave open to the CLEC that wants to use combined loops
14	and ports in the UNE platform the potential of having
15	discrimination occur against them in the use of those
16	elements.
17	Q Okay. Let's talk about the first one first
18	then. And it is your contention that when BellSouth
19	provides the splitter in a line sharing situation and does
20	not provide it in a line splitting situation, that that
21	is, in fact, discriminatory conduct by BellSouth?
22	A Yes, it is.
23	Q Take a look with me, if you would, at the and
24	I believe both of these are on the official recognition
25	list, so I don't think I need to have them marked. But
	FLORIDA PUBLIC SERVICE COMMISSION

	718
1	take a look, if you would, at the excerpts I have got from
2	the Texas 271 order. And if you would, look at Paragraph
3	329, which is on Page 164. Just take a second and read
4	that paragraph, and I've got a couple of questions for
5	you.
6	COMMISSIONER PALECKI: What page was that?
7	MR. EDENFIELD: I'm sorry. It's Page 164,
8	Paragraph 329.
9	COMMISSIONER PALECKI: Thank you.
10	THE WITNESS: I have read the paragraph now.
11	BY MR. EDENFIELD:
12	Q Have you ever read that paragraph before?
13	A Yes, I have.
14	Q Now, you will agree with me that in the context
15	of the Southwestern Bell's 271 application for Texas, that
16	AT&T raised this precise issue about Southwestern Bell
17	voluntarily providing the splitter in a line sharing
18	situation, and for that reason had incurred the obligation
19	to also provide it in a line splitting situation?
20	A That is correct.
21	Q And you will also agree with me by reading this
22	that the FCC said that that position lacked merit. Will
23	you agree with me that that is what the FCC said?
24	A Well, it says this argument would lack merit and
25	would, in any event, be unripe for our review here.

Q Okay.

1

25

2 A And I think it is important to understand that 3 in the context here, that in the 271 evaluation what the 4 FCC is doing is looking at the current state of the 5 interconnection agreement, the current state of FCC rules 6 and regulations, and evaluating whether at that point in 7 time the incumbent is complying with the requirements of 8 the Act, the FCC rules, and with the interconnection 9 agreement that the incumbent is using to file for 271 10 relief.

Q So you have taken a position that you have run
by the FCC, they, at least looking at Paragraph 329, say
this argument would lack merit, and now you are asking the
Florida Commission to do precisely what the FCC has said
would have no merit; is that basically where we are?

16 Α No, I don't believe that is where we are at. 17 You also handed me FCC Order 01-26, which I refer to as 18 the line splitting order, if we can call it that for just 19 the sake of simplicity. But in this order the FCC notes 20 that the question of line splitter ownership is one that 21 it is still reviewing. It is going to have -- that it has 22 developed that further in another proceeding and that it 23 is going to render an order in that other proceeding later 24 on.

But in Paragraph 22 of this order it makes it

7

1

pretty clear that the direction that it is leaning, or what I have explained in my opening statement and in my rebuttal testimony, the only way that you can implement this requirement that there not be any wiring changes is for the splitter that BellSouth is perfectly willing to provide for line sharing be made available also for line splitting.

8 So the problem here is when you look at a June 9 order in the Texas 271 proceeding, for which the 10 information that went into that proceeding was pretty much 11 concluded by November of '99, because you have to close 12 the -- effectively close the record as to what is the 13 filing from Southwestern Bell in Texas. And then, of 14 course, there is many rounds of testimony or affidavits 15 that come after that. But by June the FCC evaluated that 16 at this time the issue did not have merit in that 17 proceeding and was not yet ripe for discussion there. And 18 so they granted relief.

19But the FCC has said a lot since then that makes20it pretty clear that there is definitely an issue here of21discrimination when the incumbent is willing to provide22the splitter for one class of competitors but not willing23to provide it for another class of competitors.

Q Show me in Paragraph 22 of the Third Report and
Order on reconsideration where it says it is going to

	721
1	evaluate providing the splitter for one class of people
2	and not another.
3	A It's at the top of what would be your Page 14.
4	It doesn't say that, but you have to use a little
5	interpretation, which I think is reasonable to do here.
6	But look at the top of Page 14. It says, "Furthermore,
7	because no central office wiring changes are necessary in
8	a conversion from line sharing to line splitting, we
9	expect incumbent LECs to work with competing carriers to
10	develop streamlined ordering processes for migrations
11	between line sharing and line splitting that avoid
12	voice"
13	Q I don't see where you are, sir. I'm sorry. I'm
14	not even sure where you are.
15	A It's at the top of Page 14 in Paragraph 22.
16	Q Well, my paragraph don't tell me I have
17	A The one that you handed out to me.
18	Q Okay. I'm sorry, mine is actually I must
19	have copied the one I've got here from somewhere else.
20	I'm sorry. Now, tell me where you are.
21	A I'm at the top of Page 14.
22	Q Furthermore?
23	A "Furthermore"
24	Q Okay.
25	A " because no central office wiring changes are
	FLORIDA PUBLIC SERVICE COMMISSION

	722
1	necessary in a conversion from line sharing to line
2	splitting, we expect incumbent LECs to work with competing
3	carriers to develop streamlined ordering processes for
4	migrations between line sharing and line splitting that
5	avoid voice and data service disruption and make use of
6	the existing xDSL capable loop."
7	They have defined in here what line splitting
8	is, they define in their line sharing order what line
9	sharing is. The only way that you can implement that
10	sentence is by the incumbent providing access to their
11	splitter.
12	Q Okay. Just so I'm clear on this, it is your
13	position that Paragraph 22 of the order on remand is
14	addressing the same topic as Paragraph 329 in the Texas
15	order, that is AT&T's position?
16	A There is more in the line splitting order, FCC
17	01-26 that addresses Paragraph 329 than just this
18	paragraph. But
19	Q I'm sorry.
20	A I think it is pretty clear that the
21	technology that is available, the way that it is being
22	implemented by BellSouth, lend itself to being migrated to
23	CLECs that want to use line splitting without any wiring
24	changes. And the FCC has indicated that incumbents, such
25	as BellSouth, must work with competing carriers to do that

	723
1	without any unnecessary disruption to voice or data
2	service.
3	<b>Q</b> Are you assuming that BellSouth is going to own
4	the splitter in your analysis?
5	A Yes.
6	Q In all instances?
7	A It's not going to be in all instances. My
8	discussion with CLECs is that in most instances they are
9	using the BellSouth-owned splitter.
10	Q There is nothing preventing AT&T or any other
11	ALEC that wants to compete in Florida from buying its own
12	splitter, is there? I mean, BellSouth doesn't have the
13	patent on that.
14	A No, BellSouth doesn't have a patent on it.
15	Q And there is nothing that stops AT&T from buying
16	one?
17	A No.
18	Q Now, throughout your testimony you refer to the
19	splitter as being part of the unbundled loop. Do l
20	understand what you are saying correctly?
21	A Yes. It's my position that the splitter
22	represents attached electronics to the unbundled loop.
23	Q Okay. While we have the Texas order out, take a
24	look, if you would, at Paragraph 327. And, hopefully, my
25	pagination is the same as yours on this one. I'm on Page
	FLORIDA PUBLIC SERVICE COMMISSION

Q Okay. If we have the same thing, look down to the last sentence on that page that carries over to the next page. It says, "We did not identify." Do you see where I am?

8

1

2

3

4

5

6

7

163.

A Yes.

9 0 Will you agree with me that when this same 10 argument was presented to the FCC about the splitter being 11 part of the unbundled loop, that the FCC said we did not 12 identify any circumstances in which the splitter would be 13 treated as part of the loop. And they go on. I mean, as 14 distinguished from being part of the packet switching 15 element. Will you agree with me that this is another 16 issue that AT&T has raised in this proceeding that the FCC 17 has specifically taken the opposite position?

A Well, the context of this paragraph is talking
about an integrated splitter and with a DSLAM. And it
almost appears when you read this paragraph that the FCC
failed to recognize that in many instances that a splitter
is simply a passive device that you attach to the loop.

Q I understand you think the FCC may be wrong, but
will you agree with me that that is what they said?

25

Α

If I could just finish.

Q Oh, I'm sorry. You paused. I'm sorry. 1 2 Α I just took a breath. 3 But if you look at the preceding sentence, it 4 says, we observed that, quote, "DSLAM equipment sometimes includes a splitter," unquote. And that, quote, "If not, 5 6 a splitter device separates voice and data traffic," 7 unquote. 8 So it is almost as if they were thinking of the 9 splitter as part of the DSLAM and, therefore, said it had 10 to be packet switching equipment that therefore would be 11 something separate from the loop. But even Southwestern 12 Bell, in conjunction with its Ameritech merger went back 13 to the FCC and started saying, no, we need you to not 14 think of that as advanced services equipment, because they 15 needed to keep it in the incumbent company's assets, if 16 you will, because they saw it as part of the loop. 17 So, I mean, I understand where you are coming

18 from in terms of trying to interpret it this way, but the 19 reality is is that the FCC was looking at an undeveloped 20 record in the 271 proceeding in Texas. Southwestern Bell 21 itself undeveloped in this issue -- and responding to your 22 frown, but undeveloped on this issue in the 271 proceeding 23 in Texas, Southwestern Bell itself went back to the FCC to 24 try and resolve the question of who could own the splitter 25 and indicating that the splitter was not attached -- or,

2

3

You know, a splitter is simply a passive device
that is attached to the loop to allow you to have access
to the high frequency portion of that loop. Southwestern
Bell, BellSouth, all incumbents frequently have to add
electronics to the loop to make it do certain things that
it needs for it to do.

In the case -- for instance, I talk about this
in my testimony. In the case of moving between an 8 DB
and a 5 DB loop, often referred to as a line conditioner,
they will attach that electronics to the loop without any
complaint to give you the ability to have a cleaner loop,
if you will.

But in this case, where it is an attached piece
of equipment to the loop, they don't want to provide it,
and they don't want to provide it in one case. That is
when you want to provide both voice and data service to
customers in Florida.

Q Done?

21

22

A l'm done.

Q Okay. I have forgotten what the question was.
 Because something can be attached to a loop does
 not necessarily mean it is part of the loop, will you

agree with that statement?

2 I would, but that is not a very clear Å 3 definition. You can attach a switch port to a loop, but 4 we don't consider the switch port a part of the loop. But 5 there are many different pieces of equipment that make up 6 the loop plant. The FCC has a definition for the loop and 7 it seems to me that the splitter fits into that definition 8 of the loop.

9 Q Is AT&T of the opinion that it should not have 10 to pay for the splitter, that it is part of the loop, and 11 therefore, already included in the price of an unbundled 12 loop?

13 Δ Absolutely not. AT&T believes that it should 14 pay for the splitter, just as if you pay for conditioning 15 on a loop, you would pay an extra price for the 16 conditioning. If you pay for -- if you ask for a splitter 17 to be on the loop, you should pay a higher price for that 18 splitter. It should be a cost-based price, but AT&T has 19 no problem with paying a cost-based price for the splitter. 20

21 Q You, also -- if I understand your testimony 22 correctly, you complain that if an end user in a line 23 sharing arrangement changes voice providers, that 24 BellSouth will give the data ALEC the opportunity to 25 purchase the entire loop. And you complain that that is

1 discriminatory activity by BellSouth, or have I

2 misunderstood your testimony?

A I think you are misunderstanding. I may need you to restate what you said, but that is not the point I was trying to make.

6 Q All right. We can do it this way. Take a look 7 at Page 14 of your rebuttal testimony, and take a look at 8 Line 15 through 21. And I believe what you are saying is 9 a customer who was currently line sharing between 10 BellSouth and the data ALEC chooses to change voice 11 providers, in other words, they are not going to use 12 BellSouth anymore as their underlying voice provider, 13 **BellSouth will give the data ALEC an opportunity to** 14 purchase the entire loop. I mean, do you have a -- is 15 there some particular -- are you just stating a fact or do 16 you have a problem with that?

17 A In a line sharing arrangement BellSouth is the18 voice provider.

Q Tha

19

That is correct.

A And what you have indicated, your company has indicated is that if the customer changes their voice service to another provider, that you would go to the data carrier and basically tell them they have to go buy the whole loop. But the data carrier may not want to be in the business of provisioning voice service. So, it puts the customer in the position of potentially having to risk
 losing the combined service offering simply because they
 did not keep the voice service with BellSouth. That is
 what I am complaining about.

Q All right. So you are equating BellSouth
telling the data ALEC that it has to have the whole loop
with forcing the data ALEC into the voice business?

Α Effectively, yes, if from the customer's 8 perspective they want to keep combined voice and data 9 service. Because, again, think about the perspective that 10 I'm looking from. The data ALEC is using a BellSouth 11 12 splitter but they are continuing to use BellSouth voice 13 service. Let's say that they then want to change 14 BellSouth voice service to AT&T voice service, or Birch 15 (phonetic) voice service, or some other ALEC in the State 16 of Florida.

17 If in the process of doing that all the customer 18 does is they order a change that would require a recent 19 change in your switch to do that, it is your policy that 20 you won't permit the customer to make that simple change. 21 So, for instance, COVAD might be providing them with the 22 data service. They could continue to have a transaction with COVAD to buy the data service. But what your policy 23 position is is that the customer could not then switch 24 25 their voice service to another carrier in that easy way

without COVAD basically having to buy the whole loop and
 disrupting the service for the customer. You will no
 longer provide the splitter to COVAD.

Q Isn't what BellSouth is doing is basically
telling COVAD in the situation you are talking about, if
you want to continue to provide DSL services to that end
user, you are going to have to take the whole loop to do
that?

9 A You are telling them more than that, though.
10 You are telling them they can't have access to your
11 splitter any longer, either.

Q Well, let me ask you this. You were pointing to
Paragraph 22 of the advanced services order on
reconsideration -- I will try to work through the
pagination problem here. For what I handed out to you it
would be on Page 13, beginning at Paragraph 22. Take a
look at that first sentence, if you would.

18

A

Yes, I have read it.

Q Would you agree with me that what the Commission
is saying here is it is acknowledging its previous order
wherein it said that in the event that a customer
terminates incumbent LEC provided voice service, in other
words, if you have got COVAD and BellSouth, the customer
says BellSouth, I don't want you to be the voice carrier
anymore, that the competitive data carrier, which would be

730

3

COVAD, is required to purchase the full stand-alone loop network element if it wishes to continue providing DSL service.

In other words, if COVAD in your hypothetical
wants to continue to provide DSL service, the FCC has said
COVAD is required to buy the entire loop and this seems to
be what you have a problem with.

A You're reading just one sentence out of this
paragraph. The first sentence says that if the voice
service -- the voice customer terminates their voice
service so that they are only now buying data, COVAD now
has to buy the whole loop. That's not -- I'm not
disagreeing with that at all.

14 But you have to read the next two sentences as 15 well that says, "We note, however, that the formerly line 16 sharing data carrier also could enter into a voluntary 17 line splitting arrangement with a new voice carrier. We 18 expect competing carriers to cooperate in such an 19 arrangement in order to avoid service disruption for their 20 shared end user customer." And I have already read the 21 next part, which says the incumbent also has to cooperate. 22 So all I'm -- you should recover the full cost 23 of your loop. I'm not saying that. What I'm saying is 24 that when a customer in the first sentence terminates

25 || their service, their voice service, COVAD should pay for

the entire loop. That's been clear since the line sharing 1 2 order. But if they want to migrate their service from 3 BellSouth as their voice provider to AT&T as their voice 4 provider, then BellSouth and COVAD, but COVAD in this particular case would not have to do anything, but 5 6 BellSouth and COVAD need to work cooperatively so that 7 that service migration can take place without any service 8 disruption. That's what this order is saying.

9 And the way that you would do that is that you 10 would have to stop taking the policy position that you can 11 basically tell COVAD, I'm sorry, but we no longer are 12 providing you this splitter because we are no longer 13 providing the voice service. That is the policy question 14 this Commission needs to resolve, is that you cannot offer 15 the splitter to one class of competition and deny it to 16 another class of competition.

17 Q Okay. Well, let's take a look at that last 18 sentence that you are fond of. It talks about we expect 19 incumbent LECs to work with competing carriers to develop 20 streamlined ordering processes for migrations, da-da-da. 21 What it is talking about there is when COVAD in your 22 hypothetical wants to transition or migrate to AT&T as the 23 voice carrier, that in that instance BellSouth's 24 obligation is to develop streamlined ordering processes 25 for migrations between line sharing and line splitting.

1 Line sharing being when BellSouth is the voice provider, 2 line splitting when BellSouth is not the voice provider. 3 That is what BellSouth is obligated to do, ordering 4 processes. Do you agree with that? 5 A You said that COVAD is migrating the voice 6 carrier, but that is not what is happening here. 7 Q Well, the end user is migrating and BellSouth is --8 9 Α The end user has a relationship with BellSouth 10 for voice service. They now want to have a relationship 11 with AT&T for voice service. They also have a separate 12 relationship with COVAD for data service. And what this 13 says is that when that customer wants to migrate from 14 BellSouth to AT&T for voice service, BellSouth has to 15 facilitate that in a line splitting arrangement without 16 any disruption of service to the customer. 17 0 Actually, what it says is develop streamlined 18 ordering processes. 19 Δ And read the rest of it. 20 Q And avoid data and service disruption as best we 21 can. I mean --22 It doesn't say as best you can. It says "that Α 23 avoid voice and data service disruptions." And read the 24 beginning of that sentence, "because no central office 25 wiring changes are necessary." I mean, this is as simple

5 Q All right. Well, let's make it as simple as we 6 can. When BellSouth is no longer the voice carrier you 7 are in a line splitting situation. I assume you would 8 agree with that?

A That is correct.

9

10QAnd you have also agreed that in a line11splitting, as well as line sharing, BellSouth is under no12legal obligation to provide the splitter, and you will13agree with that statement?

A You are under no legal obligation to provide the
splitter, but you are under a legal obligation not to
discriminate.

Q I'm under no legal obligation to provide the
splitter, but I'm under -- okay.

So by BellSouth not providing something it is
not legally obligated to provide I am discriminating, is
that the gist of what you are saying?

A No. You can't decide that you will provide
splitters to COVAD and Rhythms, but not to AT&T. Or you
can't say I'm going to provide splitters to COVAD,
Rhythms, and AT&T, but only if AT&T will only compete with

me for data service.

2 0 All right. Let's turn to the last topic that I 3 want to talk about in your rebuttal. And if I understand 4 what you are saying -- I am referring to Page 29 of your 5 rebuttal. Do I read your testimony correctly to say that BellSouth is engaging, and I think the quote you use is 6 unreasonable discrimination when BellSouth discontinues 7 xDSL service to a customer that has stopped using 8 9 **BellSouth as the voice provider?** 

In other words, in situations where BellSouth is
both the data and voice carrier, and the end user says I
no longer want BellSouth to do my voice, that it is
unreasonably discriminatory for BellSouth in that instance
to say I am no longer going to provide the data. Is that
your position?

16

A Yes.

Q Let's take a look at Paragraph 26. Since I have
got two different versions here, let me see if I can get
you the right page. Page 16 in the handout. Have you
read that yet, Mr. Turner?

A I haven't reread it, but I am very familiar with
this paragraph.

Q Okay. In the middle of that paragraph it
starts, "Although the line sharing order obligates
incumbent LECs to make the high frequency portion of the

1 loop separately available to competing carriers on loops 2 where incumbent LECs provide voice service, it does not 3 require that they provide xDSL service when they are no longer the voice provider." Is the FCC saying here that 4 5 although we have an obligation to let companies such as 6 COVAD, AT&T, use the high frequency portion of the loop 7 which is the part used for the DSL service, although we have an obligation to allow you to use that part of the 8 9 loop, we are under no obligation to provide that service 10 ourselves when we are not the voice provider? Is that 11 what they are saying in Paragraph 26?

A They are saying that, as best I can understand
this, that as far as they are concerned from the line
sharing order that incumbents do not have an obligation to
continue providing data service if the customer terminates
their voice service.

Q Okay. And, in fact, it was AT&T who would ask
for clarification of that very issue and was turned down
in Paragraph 26.

A We do not, however -- if I could just read the relevant sentence here -- "considering this order whether as AT&T alleges the situation is a violation of Sections 201 and/or 202 of the Act." What that means to me is that they did not make a determination here as to whether or not this was discriminatory. What they are saying here is

as far as they are concerned from their evaluation of the
 line sharing order, and I guess probably looking at
 Section 251 of the Act, they are saying that they are not
 going -- that there is no reason that you have to continue
 providing data service.
 What they are saying here is that they have not

7 made a determination as it relates to 201 and 202 of the
8 Act. To the extent that AT&T believes that specific
9 incumbent behavior constrains competition in a manner
10 inconsistent with the Commission's line sharing rules
11 and/or the Act itself, we encourage AT&T to pursue
12 enforcement action. That is with the FCC.

This Commission, I believe, has the authority to
make its own decision in this area, as well. And the
problem from the customer's perspective, if I might just
take one brief moment to explain that.

Q Actually, I wish you would just answer the
question. If it is responsive to the question --

A I have answered. I believe I have answered your
question, but now I would like to explain why this is so
important to this Commission.

22 Q Well, if you have answered the question, then I 23 will move to the next question.

24 Has AT&T --

25

MS. OCKLEBERRY: Well, Mr. Chairman, I believe

he has a right to finish explaining his answer before the
 other question.

MR. EDENFIELD: Mr. Chairman, he just said he
has answered the question and now he would like to explain
something different. He has answered my question, and I
am ready to move on to the next question. He had a chance
to have a summary; he gave a summary.

8 MS. OCKLEBERRY: I don't think he was explaining
9 something different. I think he was trying to explain his
10 answer to the Commission, that was all.

11 CHAIRMAN JACOBS: Here is what I would like to
12 do. I believe it is consistent that he was continuing an
13 explanation of his answer, but I would ask you to just be
14 concise with the question that was originally asked.

15 THE WITNESS: I will be very brief. The concern 16 that I have from a customer's perspective is that when 17 they sign up for voice service with BellSouth, and we are talking like residential customers, they don't sign a term 18 19 agreement with BellSouth. But when they sign up with BellSouth for data service, frequently they do sign up for 20 a term contract that has financial penalties, if you will, 21 22 if they terminate it early. So the problem that I have is 23 that if the customer, who -- we are talking about people 24 who don't spend every day studying regulatory rulings from 25 the FCC.

If a customer has BellSouth today for voice 1 2 service, and they see an ad where they can change to 3 another company for voice service, I don't think it is in 4 the best interest of the development of competition here 5 for them to suddenly get a call from BellSouth saying we 6 are shutting off your data service and you owe us a term liability. So that is the concern here. And why I think 7 8 this is discriminatory is that it puts your customers in 9 this state in a bad situation because they are not every 10 day spending time studying regulatory law, and it makes it 11 difficult for customers to migrate between different 12 carriers.

13

14

CHAIRMAN JACOBS: Good. Thank you. BY MR. EDENFIELD:

Q Let me see if I understand this, Mr. Turner.
Are you suggesting that if BellSouth decides to stop
providing service to an end user that BellSouth is going
to then try to assess the end user a termination charge
when BellSouth is stopping the service, not the end user?

A I think that your contracts permit that. I don't know for sure. If you want to say clearly today that you would not do that, you still have the problem that the customer signed up for data service and they are going to have it disconnected for a reason that they probably didn't even realize when they signed up with you

1 that they had to keep your voice service to be able to 2 have your data service. 3 But I'm afraid that that potential exists that 4 you could charge them for a term liability. But even if 5 that wasn't the case, and you were to say, no, we 6 absolutely would not do that, you still have the problem 7 that the customer in many cases waits a long time to get 8 their data service set up and then suddenly has it cut off 9 because they chose a different voice provider. 10 Well, I certainly appreciate all of AT&T's Q 11 heartfelt concern for BellSouth's end users who have 12 signed up for DSL. 13 MS. OCKLEBERRY: Mr. Chairman, I'm sorry. I'm 14 just going to object to the unsolicited comments. I mean, 15 he has got the witness on cross-examination. 16 CHAIRMAN JACOBS: I assume he's getting to a 17 auestion. 18 MR. EDENFIELD: I was just about to get there. 19 CHAIRMAN JACOBS: Help us out with that 20 question. 21 BY MR. EDENFIELD: 22 0 Can you point to one specific, single, solitary 23 instance that you know of that you have brought back-up 24 for where BellSouth has charged an end user for a 25 termination liability charge when BellSouth is the one who

1 on its own decided to unilaterally stop providing the 2 service? 3 Α I don't have that. MR. EDENFIELD: I'm done. I have nothing else. 4 5 Thank you. **COMMISSIONER PALECKI: I have one matter of** 6 7 clarification. You have agreed with BellSouth that AT&T 8 is well able to provide its own splitter. Could you 9 explain whether that is something that is less efficient 10 or why is it that you would prefer that BellSouth make its 11 splitter available rather than providing your own splitter? 12 13 THE WITNESS: If you are able to utilize a BellSouth splitter, what that enables you to do is to have 14 15 less of a disruption when you are converting the customer between BellSouth's service and AT&T's service. For 16 17 instance, if that customer already had data service with 18 another provider, then the wiring for that splitter into 19 the loop has already been done. BellSouth, at this 20 time -- you have got to understand from a provisioning 21 process, BellSouth right now has that customer for voice 22 service. 23 So the only thing that has to be done to convert 24 them from a BellSouth voice customer to an AT&T voice 25 customer is to make what is called a recent change in the

switch. It's a programming change. That is the simplest way to do it, and the FCC has said that BellSouth should work with competing carriers to do that in a way that 4 doesn't disrupt customer service.

1

2

3

22

5 When it is a completely new setup for data 6 service with a customer, it takes fewer cross-connects if 7 it is a BellSouth-owned splitter than it does if it is a 8 CLEC-owned splitter to put that in place. And it is my 9 opinion from working in central offices and seeing this 10 type of application done that you can coordinate the voice 11 cutover, and that is where my main concern is here, is 12 that you can coordinate the voice cutover much more 13 carefully if it is one carrier that is being responsible 14 for the cross-connects through the splitter to the voice 15 port than if it is having to go between a collocation cage 16 and the splitter to then the collocation cage over to the 17 voice port.

18 And if you want me to draw some diagrams, I can. 19 But it ends up creating many more points of coordination 20 that have to be done just to keep that customer's voice 21 service established.

23 THE WITNESS: Just one last thing that makes it 24 less efficient is that now every place that you would want 25 to do this combined voice/data offer, you are going to

742

#### FLORIDA PUBLIC SERVICE COMMISSION

COMMISSIONER PALECKI: Now, you have --

have to collocate if you insist that the CLEC provide its 1 2 own splitter. But for a COVAD or these other companies 3 that choose not to acquire their own splitter, that want 4 to use BellSouth's splitters, BellSouth is willing to 5 provide them with a splitter. And so it's a question then 6 of why should AT&T be required to do something that 7 BellSouth doesn't require other competing carriers to do that want access to a splitter. 8

9 COMMISSIONER PALECKI: Now, you have stated that
10 AT&T would agree to pay for the BellSouth splitter. Is
11 there a cost difference that we are talking about between
12 what AT&T would pay for a BellSouth splitter under this
13 more efficient arrangement that you have described than if
14 AT&T made its own splitter available?

15 THE WITNESS: When you say a cost difference,
16 you mean will it cost AT&T more to provide its own
17 splitter versus buying one from BellSouth?

COMMISSIONER PALECKI: Yes.

18

19 THE WITNESS: It would cost slightly more to
20 provide the splitter -- for AT&T to provide it themselves.
21 The splitter is a very inexpensive piece of equipment. So
22 it would cost slightly more because there is more cabling
23 that has to be done than if BellSouth used its own
24 splitter. But it's not so much the cost there. It would
25 be the cost associated with collocation. But the real

Į	744
1	issue is the provisioning impacts that it causes.
2	<b>COMMISSIONER PALECKI:</b> So it is an efficiency
3	matter more than a cost issue?
4	THE WITNESS: Yes.
5	COMMISSIONER PALECKI: Thank you.
6	CHAIRMAN JACOBS: Staff.
7	MR. FORDHAM: Just a few questions, Mr.
8	Chairman, primarily clarification.
9	CROSS-EXAMINATION
10	BY MR. FORDHAM:
11	Q Mr. Turner, I'm Lee Fordham. If the Commission
12	determined that BellSouth is not obligated to provide line
13	splitting, would it be AT&T's position that line sharing
14	should be required?
15	A Well, that's kind of a hard one to answer in the
16	sense that line sharing is already required under the line
17	sharing order. And the FCC has said that in its opinion
18	line splitting and line sharing are effectively identical.
19	And its line splitting reconsideration order was simply
20	confirming that its orders related to line sharing applied
21	to line splitting, as well.
22	So, I think if you were to be consistent with
23	the kind of mind-set that the FCC had on this, if you
24	ordered line sharing, the FCC would say effectively you
25	have also ordered line splitting.

	74
1	Q So you would treat them identically under the
2	same order, in essence?
3	A I think from an architecture standpoint, from
4	cost for the splitter, cost for nonrecurring cost of
5	establishing the splitter, things of that nature, you can
6	treat those identically.
7	Q Has AT&T filed any rates for line splitting?
8	A They have. I don't know about in Florida, but
9	they have in other states where I have testified on their
10	behalf.
11	Q Are you aware of whether BellSouth has filed
12	rates for line splitting?
13	A i don't know. I mean, BellSouth's position up
14	to this point has been so different from the CLECs, or
15	ALECs, excuse me, that I don't know that they would say
16	that they have filed rates for line splitting. Many of
17	the rate elements that are associated with line sharing
18	can be used for line splitting, as well.
19	And so to the extent that they have filed line
20	sharing rate elements, if you ordered them to provide
21	access to the splitter, for instance, for line splitting,
22	they would have effectively then provided rates for line
23	splitting, as well.
24	Q You indicated that AT&T has filed rates for line
25	splitting in other states. Would you be able to make
	FLORIDA PUBLIC SERVICE COMMISSION

	746
1	those rates available to us?
2	A Yes, I could.
3	Q Okay. Have you reviewed the BellSouth rates for
4	line sharing?
5	A No, I have not.
6	Q If the Commission approved the line splitting,
7	would the line sharing rates be the appropriate rates?
8	A You know, the key elements that you have with
9	line splitting is, for instance, if AT&T wanted to have
10	access to the high frequency portion of the loop, they
11	would have to order a splitter from Bell. Normally, there
12	are nonrecurring and recurring charges associated with the
13	splitter, and so those rates would apply to AT&T in that
14	instance. Normally, there are rate elements associated
15	with doing loop qualification. And, I mean, I could go
16	through them all. All those same elements would be
17	applicable in line splitting as well to the extent that
18	what AT&T is ordering is to use the high frequency portion
19	of the loop.
20	Q Referring to Mr. Follensbee's direct testimony
21	on Page 27 of his direct testimony, is it AT&T's position
22	that the splitter is part of the basic local loop?
23	A Yes, it is.
24	Q And is the splitter necessary for carriers to
25	provide basic telephone service?

**FLORIDA PUBLIC SERVICE COMMISSION** 

A If by basic telephone service you mean just regular POTS service, plain old telephone service?

**Q POTS**, yes, sir.

1

2

3

4

5

6

7

A Then, no, the splitter is not necessary for that. But there is other examples of equipment that I could give to you that are also not necessary that Bell is willing to consider as part of the loop.

Q Do you have an estimate of what percentage of
9 basic local loops have splitters on the loop?

10ANo, I don't have a percentage. BellSouth has11indicated that it alone will have approximately 600,00012DSL customers by the end of this year. Each of those13customer's loops would have to have a splitter on it. Any14loops that the -- any CLECs are providing data service15over, those would also have to have splitters on them.

16QIn your rebuttal testimony beginning at Page 6,17you were referring to the Texas order that we have18discussed here a great deal in your testimony, Order1900238. And you stated in your rebuttal testimony that the20FCC expressly concluded that ILECs have an obligation to21permit ALECs to engage in line splitting over the UNE-P.

Would you agree that further in Paragraph 325 of that order the FCC determined that line splitting is required where the competing carrier purchases the entire loop and provides its own splitter?

1 I'm sorry, could you just repeat the question Α 2 that you asked there right at the end? 3 Q Yes. Would you agree that in Paragraph 325 of 4 the Texas order, the FCC determined that line splitting is 5 required where the competing carrier purchases the entire 6 loop and provides its own splitter? 7 Α That is what Paragraph 325 would indicate. But as I explained under cross-examination, the record has 8 9 been developed further since this order was issued in June 10 of 2000 to make it clear that there are other 11 circumstances under which BellSouth would have to make 12 line splitting available without the CLEC having to 13 provide its own splitter. 14 Q Are you familiar with any FCC order that 15 requires BellSouth to provide the splitter? 16 Α No. As I said earlier, there are no orders that 17 require them to provide the splitter. But once they have 18 made a choice to provide it, the Federal 19 **Telecommunications Act precludes them from discriminating** 20 over who they will provide it to. 21 Q To your knowledge, are line sharing arrangements 22 provisioned on a per line basis, a per 24 line basis, or 23 some other basis? 24 My understanding in Florida is that I believe Α 25 you are doing a shelf at a time line splitter

	749
1	provisioning. That is not technically required. Other
2	states have ordered shelf at a time and line at a time
3	splitting, such as Illinois. In Texas they are doing it
4	line at a time. And my opinion is that it would probably
5	be most efficient to provide line at a time splitting
6	access, but shelf at a time will also work.
7	Q Now, by "shelf," you are referring to a 24
8	line
9	A Twenty-four lines at a time.
10	Q Correct.
11	A You strand a lot of capacity when you order or
12	require the ordering of 24 at a time, but it can be done
13	that way.
14	<b>Q</b> Which is AT&T seeking in Florida, per line or
15	per shelf?
16	A To be honest with you, I don't know. And that
17	was not an issue that I was asked to testify to
18	specifically in this proceeding. I know that when I have
19	testified for AT&T in other states we have asked for line
20	at a time splitting capability, because that tends to be
21	what is the more controversial question.
22	The incumbents are normally willing to provide
23	shelf at a time. But I believe it is more efficient,
24	frankly, for both the incumbent and the CLEC if they
25	provide it line at a time.

1 Q Is there an FCC order that you are aware of 2 which would entitle AT&T to the per line basis? 3 Α To my knowledge there is no order that tells the 4 states what to do in that regard. It is something the states can decide. 5 6 Q Can you point out any significant testimony that 7 has been presented to this Commission, which was not 8 presented to the FCC, that would be persuasive on this 9 Commission to require BellSouth to provide splitters? 10 Α To provide splitters for line splitting or 11 for --12 Q For splitting, yes. In other words, anything 13 given to this Commission which was not already presented to the FCC? 14 15 Well, I think that what I would consider or ask Α 16 you to consider is that when -- if you are comparing the 17 Texas 271 order that we were looking at earlier, what is 18 new since then, you have the line splitting 19 reconsideration order, which is 01-26. That, I think, has 20 a fairly substantial amount of information in it that 21 indicates that incumbents should provide access to the 22 splitters for line splitting. 23 The State of Texas shortly after this order came 24 out -- this order meaning 00238, the FCC's approval of 25 Southwestern Bell's Texas 271 application, the Texas

	751
1	Commission subsequently provided access to splitters for
2	line splitting. Determining that it was in the public
3	interest to do that, determining that the commission in
4	Texas had the authority to make that decision. They
5	determined that it would be in the best interest of the
6	public switched network even for 911 access. That was one
7	of the things that they evaluated, that that not be
8	passing through a data LECs cage that they have no
9	interest in the effectiveness of the voice path between
10	the loop and the port.
11	So I would point you to what the Texas
12	Commission did shortly after the FCC said that, you know,
13	it's really the record is not well developed. The
14	Texas Commission completed the development of that record
15	and concluded that the splitter should be made available
16	to line splitting use.
17	COMMISSIONER PALECKI: Could you provide this
18	Commission with that order please, the Texas order?
19	THE WITNESS: Yes, I could.
20	COMMISSIONER PALECKI: Thank you.
21	BY MR. FORDHAM:
22	Q You are not saying that 126 requires the
23	providing of the splitter, are you?
24	A No, it doesn't say that. It says that it is
25	still at the incumbent's option. But the only way, I
	FLORIDA PUBLIC SERVICE COMMISSION

	752
1	believe, that you can implement Paragraph 22 of that order
2	is for the incumbents to provide access to the splitters
3	that they are providing for line sharing. So it is one of
4	these where the FCC says they are still considering it,
5	but they have given indications that if you were to
6	actually do if BellSouth were to actually do what it
7	says in Paragraph 22, they would have to utilize the
8	existing splitters that they are providing for line
9	sharing and make them available for line splitting.
10	MR. FORDHAM: Mr. Chairman, I have no further
11	questions. But we would, of course, need permission for a
12	late-filed exhibit for that Texas order.
13	CHAIRMAN JACOBS: Do we need to make it an
14	exhibit or can we just add it to the official recognition
15	list?
16	MR. FORDHAM: We can add it to the official
17	recognition list with the Chair's permission, but it will
18	have to be submitted by Mr. Turner.
19	MR. EDENFIELD: BellSouth has no objection to
20	that.
21	CHAIRMAN JACOBS: Okay.
22	MR. FORDHAM: And, also, Mr. Chairman, we had
23	asked for the rates from the other states during our
24	cross, and that would be a late-filed exhibit, I believe.
25	CHAIRMAN JACOBS: Okay. We will make that
	FLORIDA PUBLIC SERVICE COMMISSION

Exhibit 15. 1 2 MR. FORDHAM: Yes, that would be 15. 3 (Exhibit 15 marked for identification.) **CHAIRMAN JACOBS:** As the line splitter rates? 4 5 **MR. FORDHAM:** Line splitting rates from other 6 states where they have been filed. THE WITNESS: And then you wanted me to provide, 7 also, the decision that was made in Texas regarding line 8 9 splitting, as well, right? 10 **MR. FORDHAM: Correct.** 11 **CHAIRMAN JACOBS:** Very well. 12 MR. FORDHAM: Mr. Chairman, I think that is 13 already part of the official recognition list. 14 **CHAIRMAN JACOBS: Very well.** 15 MR. FORDHAM: So we just need that Exhibit 15, the rates from the other states. 16 17 MS. OCKLEBERRY: It's my understanding, Mr. 18 Chairman, they wanted the Texas Commission order granting 19 or requiring the ILEC to provide the splitters which was 20 different from the Texas 271 order. 21 **CHAIRMAN JACOBS:** Okay. **MS. OCKLEBERRY:** That was what Commissioner 22 23 Palecki requested. CHAIRMAN JACOBS: I think that is correct. 24 **COMMISSIONER PALECKI: Yes. And I have a** 25 FLORIDA PUBLIC SERVICE COMMISSION

question of clarification. On the bottom of Page 164 on 1 2 the June 30th, 2000 FCC order, the next to the last 3 sentence in Paragraph 329 states, "In any event, the parties' entire dispute on the question of line splitting 4 5 is a recent development and is subject to the further 6 negotiation, and, if necessary, arbitration before the Texas Commission." Is that the subject of the Texas order 7 8 that you are referring to? 9 THE WITNESS: Yes, it is. Yes, sir. 10 COMMISSIONER PALECKI: Yes, I would be very 11 interested in receiving that particular order. 12 THE WITNESS: Right. And Footnote 916 indicates 13 that even SWBT, Southwestern Bell Telephone Company, 14 excuse me, affirmed that, quote, "It is interested in 15 exploring the use of SWBT's splitters in line splitting arrangements." And that it views this, guote, "as a 16 17 potential business opportunity." So, I mean, one of the 18 things that they were looking at there -- now, I will be 19 candid with you, between when they said that and when I 20 actually walked into the arbitration, they had changed 21 their position on that. 22 But one of the concerns that they had is that 23 they have a low utilization on their splitters. And so 24 one of the things that they initially were looking at is 25 if they opened this up to line splitting it could

	755
1	potentially allow more of their splitter ports to be used.
2	And I don't know what your situation is in Florida, if
3	your splitters are being if BellSouth's splitters are
4	being used readily or not. But that was part of the
5	arbitration, as well, was seeking to gain access to ports
6	that BellSouth or, excuse me, Southwestern Bell was
7	saying that they at present did not have a high
8	utilization of.
9	MS. OCKLEBERRY: Mr. Chairman, would that
10	exhibit, then, be Exhibit 16, and that would be the Texas
11	arbitration order?
12	CHAIRMAN JACOBS: Well, I thought we had agreed,
13	and BellSouth had agreed that we could simply add it to
14	the official recognition list.
15	MS. OCKLEBERRY: Okay.
16	CHAIRMAN JACOBS: And there would be no need of
17	making that a specific exhibit. Is that agreeable?
18	MS. OCKLEBERRY: Yes, sir.
19	MR. EDENFIELD: If we could request that AT&T
20	just provide copies of that to everybody, that would be
21	great.
22	MS. OCKLEBERRY: That would be fine.
23	MR. FORDHAM: Great.
24	CHAIRMAN JACOBS: I had a question on Page 23 of
25	your rebuttal testimony.
	FLORIDA PUBLIC SERVICE COMMISSION

THE WITNESS: Yes, sir.

1

25

CHAIRMAN JACOBS: You have a position that you
can live with the process of reconfiguration, but you
would need to have a prescribed procedure set out. And
this procedure is what you would propose here, what you
have set out on Page 23? I will give you a moment to
review that.

8 THE WITNESS: What I was talking about here on 9 Page 23 was operational concerns and procedures that would 10 have to be worked out to make BellSouth's approach work.

11 CHAIRMAN JACOBS: Right. Your preference,
12 though, is that -- your preference is that you get access
13 to the splitter?

14THE WITNESS: Right. The preference is to get15access to the splitter.

16 CHAIRMAN JACOBS: Okay. But as a fallback
17 measure, if you work through these procedures, then albeit
18 it would be less efficient, but you would minimize
19 disruption to the consumer.

20 THE WITNESS: Right. Your second choice would
21 be having a very tightly controlled process that steps
22 through those four steps.

23CHAIRMAN JACOBS: Okay. And there is no24agreement on that at all?

THE WITNESS: I'm sorry?

	757
1	CHAIRMAN JACOBS: There is no agreement on that.
2	THE WITNESS: No, those steps have not been
3	worked through.
4	CHAIRMAN JACOBS: Okay. Those are all the
5	questions I have.
6	Any other questions, Commissioners?
7	Redirect.
8	MS. OCKLEBERRY: Just a few.
9	REDIRECT EXAMINATION
10	BY MS. OCKLEBERRY:
11	Q Mr. Turner, do you know if other states have
12	required the ILEC to own the splitter other than Texas?
13	A Yes. Michigan has, I'm pretty certain, and New
14	York has I am definitely certain.
15	Q Are you aware of Indiana, Oklahoma, and
16	Wisconsin requiring the ILEC to own the splitter?
17	A Yes, those I am also aware of.
18	Q Are you aware of anything that prohibits this
19	Commission from requiring BellSouth to provide the
20	splitter in line splitting as it does in line sharing?
21	A No, there is nothing that would prohibit this
22	Commission from ordering that.
23	Q Do you know if BellSouth has a legal obligation
24	to provide the splitter for line sharing?
25	A No, they do not have a legal obligation to
	FLORIDA PUBLIC SERVICE COMMISSION

provide it for line sharing. They have chosen to, but they did not have a legal obligation to provide it.

Q If this Commission does not require BellSouth to own the splitter, what is the practical effect if a customer wants to change voice providers when they have data service from BellSouth to AT&T or any other ALEC?

7 Α The practical implication is if the Commission does not make BellSouth splitters available for line 8 9 splitting is that the customer's voice service and data 10 service will be disrupted. The voice provider will have 11 to work out an arrangement with the data provider to 12 utilize their splitter, have that data provider order the 13 appropriate interconnection cable so that a port can be 14 brought into their collocation cage, the loop can be brought into their collocation cage, and that it will be 15 cross-connected for voice service. 16

And potentially anytime that happens you are
going to be dealing many times with data carriers that
don't want to be involved in the provision of voice
service. And so the bottom line is you are going to have,
I believe, very lengthy disruptions of voice service for a
customer that wants to make that kind of conversion.

Q If BellSouth is required to provide the splitter
for line splitting, would collocation be required?

25

1

2

No.

A

	759
1	Q If the ALEC has to provide the splitter for line
2	splitting, is collocation required?
3	A Yes, it is.
4	Q Do you know what the costs are for collocation
5	in Florida?
6	A No. I have not looked at them, but I'm pretty
7	familiar with I testify all over the country on
8	collocation costs, so I know they can be significant.
9	MS. OCKLEBERRY: I have nothing further.
10	CHAIRMAN JACOBS: Exhibits.
11	COMMISSIONER PALECKI: I have just one follow-up
12	on that.
13	CHAIRMAN JACOBS: Sorry.
14	COMMISSIONER PALECKI: We heard testimony
15	yesterday about a condominium cross-connect arrangement
16	where the same building is being shared by AT&T and
17	BellSouth. When you have that situation, and if the
18	Commission allows this cross-connect arrangement in the
19	condominium situation, would collocation be required if
20	AT&T were to provide the splitter?
21	THE WITNESS: In that instance, and I believe
22	there are only a handful of offices in the State of
23	Florida that fall into that category, but in those handful
24	of offices collocation would not be required.
25	COMMISSIONER PALECKI: I think we heard
	FLORIDA PUBLIC SERVICE COMMISSION

	760
1	yesterday it was six offices.
2	THE WITNESS: Right.
3	COMMISSIONER PALECKI: What portion of the state
4	would those six offices give AT&T, if you know?
5	THE WITNESS: Off the top of my head I believe
6	there is 240 central offices in the State of Florida, so
7	six out of 240 would be approximately three and a third
8	percent. Just to give you some sense of what happens in
9	the data world, most data CLECs when they go into a state
10	to begin providing service, they tend to go into many,
11	many of the offices. Like, I am mostly familiar with
12	Southwestern Bell states. But in Texas they are
13	probably data CLECs are already deployed into 300 or
14	400 central offices out of a total of 700 or 800. So
15	approximately 50 percent of the offices.
16	The only reason I say that is six out of 240 is
17	not going to it would be nice to deal with those six
18	offices, but you have to have a solution to this problem
19	that allows data services to be deployed across hopefully
20	the entire state, but at least a large proportion of the
21	state in a rapid fashion.
22	COMMISSIONER PALECKI: Now, in those 240 offices
23	of which only six you have the condominium arrangement,
24	wouldn't you expect to be collocating in most of those 240
25	offices anyway?

THE WITNESS: When you say would I, you mean --1 COMMISSIONER PALECKI: Would AT&T. 2 3 THE WITNESS: Potentially what AT&T could do is 4 it could continue to provide voice service and then 5 partner with a data CLEC to provide the data service. And 6 so AT&T may not necessarily be able -- or not necessarily 7 need to collocate in all 240 offices, they could instead work with a data CLEC that is already collocated there. 8 9 And the benefit to that data CLEC is that it would bring 10 more volume to their network, their data network. 11 Which I don't know, again, how familiar you are 12 with this industry right now, but the desperate need that 13 the data carriers have is to get more customers onto their 14 network because it is predominately a fixed-cost business. 15 So I am confident that AT&T would be able to enter into 16 those types of arrangements, know that they have in some 17 instances already, so it would provide an opportunity for 18 these data carriers that have already invested in 19 collocation to actually begin to get more traffic on their 20 networks. 21 **COMMISSIONER PALECKI:** Thank you. 22 CHAIRMAN JACOBS: Exhibits. 23 MS. OCKLEBERRY: Yes, Mr. Chairman. AT&T would 24 move into evidence their Exhibit 14, and I guess I need to 25 move in the Late-filed Exhibit 15 into the record, too.

	762
1	CHAIRMAN JACOBS: Very well, show Exhibit 14
2	Mr. Edenfield.
3	MR. EDENFIELD: The only well, two issues. I
4	mean, I haven't seen what exactly it is they are going to
5	be providing, so I would like to reserve the right to
6	object if, in fact, it looks like they are providing
7	something that is different than what has been requested.
8	The other practical issue is we have briefs to
9	write, and could we get some kind of time limit? I don't
10	see any reason why AT&T couldn't provide this by the end
11	of business Monday so it doesn't interfere with the
12	briefing schedule.
13	CHAIRMAN JACOBS: Okay. Do you have an idea of
14	the time within which you could provide the late-filed
15	exhibits?
16	MS. OCKLEBERRY: If we could have until Tuesday,
17	Mr. Chairman, to file those exhibits.
18	CHAIRMAN JACOBS: Very well. And Mr. Edenfield
19	will reserve objection until they can review that exhibit.
20	MR. EDENFIELD: I did. I doubt seriously I'm
21	going to have one, I just you know, without having seen
22	it, I think it would be premature for me to waive an
23	objection. But I don't anticipate one, I would just like
24	to reserve it in case I need it.
25	CHAIRMAN JACOBS: Very well. So those are
	FLORIDA PUBLIC SERVICE COMMISSION

	763
1	admitted and you are excused, Mr. Turner. Thank you.
2	(Exhibit 14 admitted into the record.)
3	THE WITNESS: Thank you.
4	CHAIRMAN JACOBS: We will take a break for 15
5	minutes and come back.
6	(Recess.)
7	CHAIRMAN JACOBS: We will go back on the record.
8	You may proceed.
9	MR. LAMOUREUX: AT&T calls as its next and final
10	witness Ron Lindemann.
11	
12	RON LINDEMANN
13	was called as a witness on behalf of AT&T COMMUNICATIONS
14	OF THE SOUTHERN STATES, INC. and TCG SOUTH FLORIDA,
15	INC, and, having been duly sworn, testified as follows:
16	DIRECT EXAMINATION
17	BY MR. LAMOUREUX:
18	Q Mr. Lindemann, I believe that you were sworn in
19	yesterday with all the witnesses, is that correct?
20	A That is correct.
21	Q Could you please state your full name and
22	business address for the record?
23	A My full name is Ron Lindemann. My business
24	address is 600 North Pine Allen Road, Plantation, Florida.
25	Q And are you testifying on behalf of AT&T in this
	FLORIDA PUBLIC SERVICE COMMISSION

procee	din	g?
--------	-----	----

Α

2

6

1

l am.

Q Did you cause to be prepared and filed direct
4 testimony consisting of 15 pages filed on November 16th,
5 2000?

A Yes, I did.

Q And do you have any changes or corrections to
8 make to that testimony?

9 A Yes, I do. I would like to extract a sentence
10 in that testimony. On Page 4, Lines 14 through 17, the
11 sentence starts with the phrase, "I should add that
12 consistent with policy," and ends with the end of the
13 paragraph, BellSouth.

14 Q Can you briefly explain why you are deleting
15 that sentence from your direct testimony?

A Well, it was originally meant to be a reflection of the way that BellSouth and AT&T has cooperated in the past and that was with a trial that we had some 3-1/2 or four years ago in an apartment complex that MediaOne at that time prewired. And we laid up terminals and we intercrossed between the two. It didn't mean that it was exactly the same as we are looking for in this situation.

Q Do you have any other changes or corrections to
make to your direct testimony?

25

A

Yes. Likewise, that same statement appears in

	765			
1	the rebuttal.			
2	Q If you could hold on a second, I was just asking			
3	anymore on your direct testimony?			
4	A Oh, I'm sorry. No, nothing more on the direct.			
5	Q And you also had, I believe it was three			
6	exhibits to your testimony, is that correct?			
7	A That is correct.			
8	Q Now, did you also cause to be prepared and filed			
9	rebuttal testimony consisting of 7 pages filed on January			
10	3rd, 2001?			
11	A Yes.			
12	Q And do you have any changes or corrections to			
13	make to that testimony?			
14	A Yes. Like in kind, same phraseology, Page 4,			
15	Lines 12 through 14.			
16	Q Any other changes or corrections to make to your			
17	rebuttal testimony?			
18	A None.			
19	MR. LAMOUREUX: Mr. Chairman, I would move at			
20	this time that Mr. Lindemann's direct and rebuttal			
21	testimony be entered into the record as if read from the			
22	stand.			
23	CHAIRMAN JACOBS: Without objection, show the			
24	testimony entered into the record.			
25	MR. LAMOUREUX: And I would like to have his			
	FLORIDA PUBLIC SERVICE COMMISSION			

	766
1	exhibits to his direct testimony, which are RGL-1 through
2	3, marked as Composite Exhibit, I believe, 16 we are on?
3	CHAIRMAN JACOBS: Yes.
4	(Exhibit 16 marked for identification.)
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	
i	
	FLORIDA PUBLIC SERVICE COMMISSION

1		DIRECT TESTIMONY OF
2		RON LINDEMANN
3		ON BEHALF OF
4		AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.
5		AND
6		TCG SOUTH FLORIDA, INC.
7		DOCKET NO. 000731-TP
8	Q:	PLEASE STATE YOUR NAME AND ADDRESS.
9	A:	My name is Ron Lindemann, and my business address is 600 N Pine
10		Island Road, Plantation, Florida, 33324.
11	Q:	By whom are you employed and in what position?
12	A:	I am employed by MediaOne, a subsidiary of AT&T Corp. In Florida
13		MediaOne operates under the name of AT&T Broadband. My job title is
14		Director of Operations and New Product Launch for the Florida market.
15		My responsibilities include overseeing overall operations of the Telephone
16		and High Speed Data lines of business. Additionally, I am responsible to
17		launch these new products in recently rebuilt and acquired properties of
18		AT&T.
19	Q:	PLEASE RELATE YOUR EXPERIENCE IN THE TELECOMMUNICATIONS
20		INDUSTRY.
21	A:	Since 1970, I have held a variety of positions in the telecommunications
22		industry principally with my former employer NYNEX New York. Most

ı ,

of my experience is in field operations although I have also held positions
in sales, marketing, and various staff positions. I retired from NYNEX in
1996 and began a new career with Continental Cablevision. I assisted in
the launch of the telephone business for Continental Cablevision in South
Florida. Continental Cablevision was acquired by MediaOne. MediaOne
was, in turn, recently acquired by AT&T.

7 Q: IN WHAT CAPACITY ARE YOU APPEARING IN THIS PROCEEDING?

A: Although I am an employee of AT&T Broadband, I have an expertise in providing facilities based telephone service over coaxial cable and am familiar with MDU arrangements. As such, my services have been requested by AT&T Communications of the Southern States, Inc. and TCG South Florida (collectively "AT&T").

13 Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?

,

My testimony will address issue 8 with respect to the terms and conditions A: 14 which should apply for AT&T to gain access to use BellSouth facilities to 15 serve multi-unit installations. I will present the proposal AT&T has 16 advocated in the negotiations and explain why that proposal will create 17 parity among all local exchange carriers ('LECs") who serve MDU 18 residents, without jeopardizing any customer's service. I will describe the 19 proposal BellSouth has advocated in its interconnection negotiations with 20 AT&T for the provision of unbundled network terminating wire (NTW) 21 for residential apartments and intrabuilding network cable (INC) for 22 residential and business unit buildings (I will refer to both types of 23

1		buildings as "MDUs"). I will also describe the problems BellSouth's
2		proposal creates for alternative local exchange carriers ("ALECs") who
3		wish to serve MDU customers.
4	Q:	How important is the mdu market in Florida?
5	A:	The MDU market in Florida constitutes a significant segment of the local
6		telephone service market. If you consider the main metropolitan Florida
7		markets – Miami-Dade, Broward, Palm Beach, and Orlando, for example,
8		MDUs are very prevalent; in fact in some service areas 40% or more of
9		households are apartments. The ability to access this market is crucial to
10		the development of competition in the telecommunications industry.
11	Q:	WHAT IS AT&T'S POSITION WITH RESPECT TO BUILDING ACCESS IN THIS
12		PROCEEDING?
13	A:	For MDU situations, AT&T believes that there should be a single point of
14		interconnection for ALECs and that this single point of interconnection
15		should be fully accessible by AT&T technicians. This single point would
16		permit AT&T to have direct access to the end user customer, thus enabling
17		us to provision service quickly, easily, and on equal footing with
18		BellSouth. Furthermore, AT&T should have access to the first pair of
19		network terminating wire ("NTW") when a customer is acquired in an
20		MDU environment. Finally, the AT&T position is consistent with what
21		other incumbent LECs ("ILECs") offer to AT&T and other competing
22		local carriers in other regions.
23	Q:	WHAT POSITION HAS BELLSOUTH TAKEN ON THIS ISSUE?

**ر** د

769

.

A: BellSouth continues to argue that AT&T should have access to inside wire 1 by means of a superfluous intermediate "access terminal." In other words, 2 in addition to the BellSouth and AT&T or other ALEC terminals, there 3 would be an extra terminal installed by BellSouth through which each 4 carrier would connect to have access to each end user customer (through 5 NTW or INC). With respect to the first pair of INC, BellSouth will permit 6 use of the first pair only if BellSouth is not currently using it (i.e., only if it 7 is "available"). The practical effect is that AT&T would not have access 8 to the first pair, thus forcing AT&T to incur the cost of rearranging the 9 wire and jacks inside the unit. for a multi-office, multi-line customer in a 10 high rise building, this could precipitate substantial cost and substantial 11 delay in the provision of service. 12

,

# Q: HAVE YOU PREPARED AN EXHIBIT REFLECTING THE POSITIONS OF AT&T AND BELLSOUTH?

Yes. Exhibit RL-1 is a schematic that shows AT&T's position regarding A: 15 wiring closet and garden terminal scenarios. It shows that AT&T could 16 interconnect with the NTW or INC directly at an existing BellSouth 17 My exhibit RL-2 is a copy of the "BellSouth Unbundled terminal. 18 Network Terminating Wire, CLEC Information Package" that provides 19 additional information regarding BellSouth's approach. Under Bell's 20 proposal, AT&T would connect its terminal to the intermediary access 21 terminal to then reach the NTW or INC. (RL-2, p. 6 & 7) I have also 22 attached as Exhibit RL-3 a copy of a hearing exhibit from the Georgia 23

AT&T-BellSouth Arbitration that purports to demonstrate BellSouth's proposal. It appears that these two BellSouth documents are inconsistent with each other on some parts, but in either case are still inappropriate and in violation of the requirements I describe more fully below.

#### 5 Q: WHY DOES AT&T OBJECT TO BELLSOUTH'S PROPOSAL?

6 A: BellSouth's proposal is unnecessary, inefficient, costly, and it 7 discriminates against the ALECs. It indeed makes an ALEC's use of 8 inside wire virtually impossible and it is not logical or reasonable.

BellSouth is pretty much the only ILEC that continues to refuse to 9 provide access to MDUs in the manner proposed by AT&T in this 10 proceeding. ILECs such as SBC, Verizon, Quest, and Sprint all provide 11 MDU access consistent with AT&T's proposed approach. Indeed, the 12 FCC's order on subloop unbundling creates a presumption that if one 13 ILEC provides service in a particular manner, then all should. I should 14 add that consistent with this policy, MediaOne in Florida has made MDU 15 access available to BellSouth and other carriers in the same manner as 16 17 AT&T now recommends for BellSouth.

### 18 Q: How would BellSouth's proposal hinder AT&T's efforts to 19 MARKET TELEPHONE SERVICE TO MDU CUSTOMERS?

A: Under BellSouth's proposal, only BellSouth has access to existing crossconnect blocks on which the inside wire terminates. If BellSouth has its way, provisioning an inside wire pair for an ALEC will require BellSouth to send out a technician to connect tie cable pairs between the existing

1 inside wire cross connect block and the new access terminal and also remove its original jumper between the inside wire cross connect block 2 and the BellSouth distribution facilities cross connect block. 3 When BellSouth provisions service for one of its own retail MDU customers, it 4 has no need to call out an ALEC technician, even if it is disconnecting 5 ALEC service. Indeed, BellSouth can often provision service without 6 7 dispatching a technician; yet, its proposal would always require the presence of a BellSouth technician, at ALEC expense, when the ALEC 8 provisions service. 9

# 10 Q: How would this proposal impede AT&T's ability to serve MDU 11 customers?

12 A: The disparity between BellSouth's provision of inside wire to its 13 competitors and its own use of those facilities imposes significant and 14 totally unnecessary burdens on ALECs in at least three ways.

First, the ALEC must pay BellSouth every time BellSouth sends a 15 technician to provision an inside wire pair for the ALEC. It is true that the 16 ALEC could reduce these charges by ordering "available" inside wire 17 pairs to every unit in the building, but it then must pay BellSouth a 18 monthly charge for each pair, whether it has a customer for that pair, or 19 Either way, the ALEC's costs would be driven up without it 20 not. receiving any benefit, and thus ALECs would be placed at a competitive 21 disadvantage to BellSouth. Moreover, because a significant proportion of 22 AT&T's customers purchase two lines, obtaining only one pair per MDU 23

5

773

unit would still require AT&T to pay BellSouth for dispatching a 1 technician in many instances to install the second pair. Obtaining two 2 inside wire pairs to each unit in an MDU (if they are available) doubles the 3 monthly cost to the ALEC, regardless of whether it has any customers. 4 Alternatively, the ALEC can choose to order inside wire only as it 5 acquires customers, but then it must pay BellSouth every time (after the 6 first time) BellSouth dispatches a technician to connect tie cable pairs to 7 the new access terminal and remove existing BellSouth jumpers between 8 the original BellSouth cross-connects. Again, the ALEC's expenses are 9 increased dramatically, and particularly so in comparison to BellSouth's 10 expenses. Second, unless the ALEC chooses to pre-wire inside wire pairs 11 to all units, it will need to coordinate visits by its own technician and a 12 13 BellSouth technician to ensure that BellSouth has completed its work before the AT&T technician arrives, or else the service will not work. 14 Coordinating our own technicians' schedules with our customers' 15 schedules is a significant task; coordinating a visit by a BellSouth 16 technician as well complicates this matter even further. 17

Finally, BellSouth's proposal does not include a network interface device (NID). Therefore, unless BellSouth provides access to the "first" pair (the pair connected to line 1 of the inside wire within a given unit), the ALEC must undertake the task of locating the "first" jack within the residential or business unit – the point at which BellSouth's facilities enter the unit. As I will explain below, this is a significant task, and it would

add significantly to the ALECs' costs. Again, BellSouth's proposal would 1 2 put the ALECs at an enormous competitive disadvantage as they attempt to serve MDU customers. First, the ALEC must arrange and pay for the 3 dispatch of a BellSouth technician to rearrange the inside wire. Second, 4 5 unless BellSouth is willing to give ALECs access to the first inside wire pair at the SPOI, an ALEC technician must locate the first jack in the unit 6 and rearrange the wiring there. These tasks are not at all necessary; they 7 8 simply inflate the ALECs' costs and make it more difficult for the ALECs to win customers in MDUs. I would add that in other proceedings 9 BellSouth has expressed its concern that allowing access as proposed by 10 AT&T would present unnecessary risk and could result in incorrect 11 12 inventory and difficulty in maintaining records. Those simply are not legitimate concerns and I will address those later in my testimony. 13

#### 14 Q: WHY DO YOU SAY THESE TASKS ARE UNNECESSARY?

.

A: They serve no useful purpose. As I will explain below, ALEC technicians are fully capable of rearranging inside wire without disrupting other customers' service or otherwise harming BellSouth's facilities. And, if the ALECs can use the first pair to serve an MDU customer, there is no need to rearrange the wiring inside the unit. Without access to the first pair, AT&T's cost to provide service would be driven up substantially.

### 21 Q: WHY DO YOU SAY THAT THE TWO BELLSOUTH CONCERNS YOU CITED 22 ARE NOT LEGITIMATE CONCERNS?

First, BellSouth considers that access by a non-BellSouth technician may

775

present unnecessary risk to the BellSouth network because of a mistake by the technician. Second, BellSouth expresses concern that unless they have a technician present they would not know what changes are made; thus their records will not be accurate. BellSouth's solution to both concerns is to add an intermediary access terminal. This proposed "solution" does not answer these concerns, but only adds another layer to the system.

A:

1

## 8 Q: How does BellSouth address alec access to the first pair or 9 Spare NTW pairs?

BellSouth proposes to relinquish the first INC pair and make it available to 10 A: AT&T unless BellSouth is using the first NTW pair to concurrently serve 11 the end user requesting service from AT&T. Therefore, BellSouth 12 proposes that the SPOI provide access only to those pairs that they define 13 as available, that is, the pairs not being utilized by BellSouth. This implies 14 that pairs already in use will not be run through the SPOI. The problem 15 with this position is apparent in the case where AT&T wins a customer 16 who has one existing line from BellSouth, AT&T would still need to rely 17 on coordination with the BellSouth technician not only to provision that 18 19 customer to AT&T at the cross connect panel, but also to attach the now available inside wire pair to the SPOI (which is not truly a SPOI because it 20 does not offer access to all pairs). Not only does this create an anti-21 competitive environment for AT&T, but it also leaves the customer with 22

1		the real risk of losing service during the coordination time as both
2		companies re-work the facilities.
3		This proposal by BellSouth defeats the intent of the FCC in
4		promulgating the SPOI concept to ensure that ALECs have complete
5		access to all inside wire pairs in an MDU setting. In addition, this
6		position makes it economically prohibitive for an ALEC to serve
7		MDU customers.
8	Q:	WITHOUT THE ABILITY TO ACCESS ALL INSIDE WIRE PAIRS, HOW WOULD
9		AT&T SERVE MDU CUSTOMERS?
10	A:	Unless AT&T can access the first available pair, the "available" inside
11		wire would have to be rearranged at the "first jack" or a NID at the
12		customer's point of demarcation. BellSouth defines the NID to include
13		"modular plug and jack and jack connectivity that facilitates an end user's
14		access to either or both carriers' services," and argues that this type of
15		"condominium" NID can be used by AT&T and others to provide service
16		without rearranging inside wire. However, this approach is subject to
17		significant limitations that which severely limit its usefulness.
18	Q:	PLEASE ELABORATE.
10	Δ٠	In the MediaOne/BellSouth arbitration proceeding in Florida (FPSC

,

٠

A: In the MediaOne/BellSouth arbitration proceeding in Florida (FPSC
Docket No. 990149-TP), BellSouth claimed that the Siecor INI-200 is a

9

"condominium NID", and that it could be used to facilitate access to two carrier's services.<sup>1</sup>

Essentially, the Siecor device is a two-line jack that enables the 3 customer to access either of two wire pairs where they enter the premises.<sup>2</sup> 4 5 If AT&T cannot access the first available pair, the device could be connected to inside wire Pairs One and Two. The customer could then 6 switch his or her service from Pair One to Pair Two by unplugging the 7 telephone set from the Pair One jack (on the front of the device) and 8 9 plugging it into the Pair Two jack (on the side of the device). Unfortunately, this will only work on the actual Siecor device itself, which 10 will be installed as the first jack, where the inside wire enters the premises. 11 If the customer has additional telephones (as most people do), she or he 12 13 cannot simply plug them into other jacks on the premises; doing so will simply connect the telephone back to Pair One, which is now inactive. In 14 order to gain access to Pair Two at these jacks, the customer must have 15 "splitters" installed at each jack (other than the first jack) they wish to 16 plug into. 17

18

1

<sup>&</sup>lt;sup>1</sup>Although BellSouth apparently believes the Siecor device is a "condominium NID", it fails to meet BellSouth's own definition of a NID. Thus, it is not clear that BellSouth would actually agree to allow the device to be utilized or that it would qualify as a point of demarcation. BellSouth's proposed contract language includes a definition of "network Interface Device," which states that it "provides a protective ground connection." The Siecor device provides no protective ground connection, so it is not a "NID" as BellSouth defines that term. (as an aside, AT&T notes that it is not necessary to have a grounded NID; so long as the premises wiring is properly grounded at the MPOE where it enters the building, there is no need to ground the facilities at each unit.)

<sup>&</sup>lt;sup>2</sup>The Siecor device also provides test access back toward the network for either of the pairs connected to it.

**IS THAT A PROBLEM?** 

**Q:** 

1

778

- A: While splitters are easily plugged into the jack, they do raise concerns. 2 First, AT&T must provide the splitters at its expense. They cost about 3 \$3.50 each, so AT&T's cost of provisioning service to a new customer 4 increases by \$3.50 times the number of additional jacks the customer 5 6 wishes to plug into. Whatever that amount turns out to be, it is a cost BellSouth does not have to bear to serve its own customers. Moreover, 7 AT&T will likely lose whatever it has paid for splitters in the event that 8 9 service to the unit reverts back to BellSouth. When that happens, the customer no longer needs the splitters, and they will likely disappear in a 10 drawer or in the trash. The splitters are also somewhat inconvenient for 11 customers to use. They typically have a jack for line one, a jack for line 12 two, and a jack for both lines (for two-line telephones); though the jacks 13 are labeled, the labeling is small and can be difficult to read, so that 14 customers will frequently find the right jack only by trial and error. 15 Finally, the splitter sticks out from the wall about an inch, which gives the 16 installation a "jerry-built" appearance some customers might find 17 objectionable. Again, BellSouth's proposal would free BellSouth - and 18 only BellSouth - from all these problems. 19
- 20 Q: WHAT BENEFIT WOULD AT&T OBTAIN FROM INSTALLING THE SIECOR 21 DEVICE IN EXISTING MDUS?

22 A: None.

23 Q: PLEASE DESCRIBE AT&T'S INSIDE WIRE PROPOSAL.

AT&T proposes that, where feasible, all LECs - including BellSouth -A: 1 should obtain access to all inside wire pairs via a SPOI at the MPOE. In 2 most MDUs, we believe that the cross-connect facility on which the inside 3 wire now terminates can serve as the SPOI. This means no additional 4 device needs to be installed by BellSouth in order for ALECs or BellSouth 5 to gain access to all inside wire pairs. In MDUs where it is necessary to 6 install new equipment to have a SPOI that is accessible by all LECs, 7 8 BellSouth would be responsible for the necessary rearrangements and installations, and it would then charge ALECs for the use of the SPOI as a 9 part of its charges for inside wire. In some MDUs (such as certain garden 10 11 apartment complexes), there may be no suitable location for a SPOI. In such a case, all LECs – again including BellSouth – would get access to 12 inside wire at BellSouth's existing garden terminals, if those terminals are 13 14 suitable for access by multiple carriers. If the existing terminals are not suitable for such access, BellSouth could meet its SPOI obligation by 15 installing accessible garden terminals for use by all LECs, including 16 17 BellSouth.

Under AT&T's proposal, all LECs – including BellSouth – would
have equal access to inside wire at the SPOI, enabling all of them to
provision service quickly, easily and on an equal footing. AT&T's
proposal is depicted schematically on my Exhibit RL-1.

22

Q: How would BellSouth and an ALEC access inside wire?

Assume there is an existing BellSouth customer with service in an MDU.

780

If ALEC-1 wins that customer's business, its technician will simply disconnect BellSouth's jumper and connect a new jumper between ALEC-1 and the SPOI, thereby connecting its facilities to the first inside wire pair. If another ALEC, or BellSouth, subsequently wins the customer, it can provision its service in the same manner.

7 Q: IS THIS A DIFFICULT PROCEDURE?

1

A:

8 A: Not at all. Any competent technician can perform these tasks in minutes.

9 Q: How will the ALECs' technicians know which terminations to 10 DISCONNECT AND THEN RECONNECT?

A: The short answer is that they should be able to ascertain this the same way 11 BellSouth does. BellSouth should have the information in its Design 12 Layout Records ("DLRs"), which indicate exactly which pairs serve which 13 units. I recommend that the Commission adopt AT&T's proposal and 14 require BellSouth to provide ALECs with copies of its DLRs. 15 If BellSouth's DLRs do not indicate which pairs serve which units, the 16 Commission should require the parties to establish a method of marking 17 that information on the SPOI. Otherwise, LEC technicians would be 18 forced to enter the premises and connect a test-tone generator to a jack 19 within the unit, and then identify the associated termination of inside wire 20 at the wiring closet cross-connect block. This is obviously a very labor-21 intensive undertaking. The Commission should understand, however, that 22 all LECs – including BellSouth – would be faced with this difficulty. 23

Unlike BellSouth's NTW/INC proposal, AT&T's inside wire A: Yes. 3 proposal would provide all ALECs and BellSouth with the same access to 4 the SPOI, thus enabling them to provision service to a customer without 5 involving the customer's current LEC. That eliminates the cost 6 disadvantage imposed on the ALECs by BellSouth's proposal. It also 7 eliminates the need to coordinate the scheduling of technicians from the 8 two companies. Finally, it establishes the single point of interconnection 9 to inside wire at the MPOE, rather than at multiple intermediate points, or 10 within the individual units. That means customers need not suffer the 11 inconvenience of having technicians enter their homes to install or rewire 12 a NID every time they change local providers. Indeed, under AT&T's 13 proposal, an ALEC or BellSouth technician can provision service to a unit 14 without ever having to enter that unit. AT&T's proposal puts all ALECs 15 and BellSouth on an equal footing, and it will finally bring real 16 competition to the MDUs in BellSouth's serving territory. 17

# 18 Q: YOU MENTIONED THE FLORIDA MEDIAONE ARBITRATION. WHAT DID 19 THIS COMMISSION DECIDE IN THAT PROCEEDING?

A: With respect to the issue I address, the Commission was reluctant to require the interconnection as requested by MediaOne, which is similar to that requested by AT&T. The commission did, however, require BellSouth to relinquish the first NTW pair and make it available.

- WOULD AT&T'S PROPOSAL JEOPARDIZE THE SERVICE OF OTHER Q: 1 **BELLSOUTH CUSTOMERS?** 2 No. AT&T's technicians can effect the necessary rearrangements in A: 3 moments, with no jeopardy to other customers' service. The arrangement 4 proposed by AT&T is very similar to rearrangement and maintenance 5 access found between certified carriers at IXC/LEC points of presence, 6 and connection activities between local exchange carriers. Both 7 certificated parties are responsible to safeguard customer service and 8 networks. 9 IS AT&T'S PROPOSAL ANY DIFFERENT WHETHER THE PARTICULAR MDU Q: 10 IS A GARDEN-STYLE APARTMENT OR A HIGH RISE CONDOMINIUM OR 11 **OFFICE BUILDING?**
- No. What AT&T is proposing fits into all types of complexes where more A: 13 than a single family resides or a single business operates. 14

**DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?** Q: 15

Yes. 16 A:

12

15

1		REBUTTAL TESTIMONY OF RON LINDEMANN
2		ON BEHALF OF
3		AT&T COMMUNICATIONS OF THE
4		SOUTHERN STATES, INC.
5		AND
6		TCG SOUTH FLORIDA, INC.
7		DOCKET NO. 000731-TP
8	Q.	PLEASE STATE YOUR NAME AND ADDRESS.
9	А.	My name is Ron Lindemann, and my business address is 600 N Pine Island
10		Road, Plantation, Florida, 33324.
11	Q.	BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?
12	А.	I am employed by MediaOne, a subsidiary of AT&T Corp. In Florida
13		MediaOne operates under the name of AT&T Broadband. My job title is
14		Director of Operations and New Product Launch for the Florida market. My
15		responsibilities include overseeing overall operations of the Telephone and
16		High Speed Data lines of business. Additionally, I am responsible to launch
17		these new products in recently rebuilt and acquired properties of AT&T.
18	Q.	HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS DOCKET?
19	A.	Yes. I filed direct testimony addressing Issue 8 of this proceeding.
20	Q.	WHAT IS THE PURPOSE OF THIS TESTIMONY?
21	А.	I will address those portions of Mr. Milner's testimony in which he addresses
22		Issue 8.
23	Q.	WHAT DOES ISSUE 8 ADDRESS?
24	А.	Issue 8 relates to the terms and conditions which should apply for AT&T to

•

1		gain access to use BellSouth facilities to serve multi-unit installations. Multi-
2		unit installations can be multi dwelling units ("MDUs") if it is a residential
3		unit or multi tenant units ("MTUs") if it is a business unit. Issue 8 pertains
4		to both types of multi unit installations.
5	Q.	IN HIS TESTIMONY MR. MILNER SAYS THAT YOU ARE ASKING
6		THE COMMISSION TO READDRESS THIS ISSUE, DO YOU
7		AGREE?
8	А.	No, I do not. Mr. Milner is correct that this Commission has heard this issue
9		before in the MediaOne docket, but the Commission has not addressed the
10		issue with AT&T. Further, in the MediaOne docket the Commission
11		addressed the issue prior to the FCC decision in the UNE remand case, and
12		the position which BellSouth continues to advance is at odds with this
13		decision and with actions in other jurisdictions.
14	Q.	BRIEFLY, WHAT IS THE AT&T POSITION ON THIS ISSUE AND
15		HOW DOES IT DIFFER FROM BELLSOUTH'S?
16	А.	In an multi-unit arrangement, AT&T believes there should be a single point
17		of interconnection accessible by AT&T technicians which permits AT&T to
18		have direct access to the end user. Also, AT&T should have access to the
19		first pair of network terminating wire (NTW). BellSouth continues to assert
20		that AT&T should have access by means of an intermediate "access terminal"
21		which is really just an additional terminal which is simply not necessary.
22		With respect to the NTW, BellSouth will permit its use only if it is not
23		currently being used by BellSouth.

•

`

1Q.WOULDN'T YOU HAVE ACCESS TO CUSTOMERS IN A MULTI-2UNIT ENVIRONMENT UNDER BELLSOUTH'S PROPOSAL?

3 Α. Eventually, yes, but BellSouth would require AT&T, and I assume other 4 competing carriers as well, to make a connection through a new access terminal rather than through the existing terminal. The requirement to install 5 6 this intermediate access terminal requires an additional and unnecessary 7 device that simply adds additional impediments to the ability of a competing 8 carrier to gain access to MDU customers. The position that BellSouth takes 9 is not consistent with the FCC UNE remand decision or the decision of the 10 Georgia PSC with respect to a MediaOne arbitration.

11Q.MR. MILNER SAYS THAT THIS INTERMEDIATE ACCESS12ARRANGEMENT IS NECESSARY FOR SECURITY AND RECORD13KEEPING PURPOSES. DO YOU AGREE?

14 A. No. I agree that security and record keeping are important concerns for all 15 carriers, but neither issue is resolved by the position that BellSouth is taking. Under AT&T's proposal, which is consistent with the UNE remand order, 16 AT&T would have access to customers through an existing facility. We 17 18 would coordinate any changes with BellSouth and both local carriers would 19 have records of the transaction. Under BellSouth's proposal, we would have 20 to go through an intermediate access point to get to a customer, but the same 21 security and property inventory issues would remain. Indeed, there is no 22 evidence to suggest that there is any more likelihood of outages or 23 interruptions if AT&T has direct access than if access is through another 1layer of equipment. Moreover, it is possible that BellSouth's position would2increase the potential for interruptions because more cabling and more3equipment would be added, introducing more opportunities for problems.4Thus, BellSouth's proposal fails to resolve the problems BellSouth identifies5under AT&T's proposal while providing an inferior and more costly access6proposal.

Q. DOES MR. MILNER GIVE ANY TECHNICAL REASONS WHY
8 YOUR PROPOSED METHOD OF ACCESS IS NOT FEASIBLE?

9 A. No he does not.

10 Q. HAVE YOU HAD ANY EXPERIENCE WITH ACCESS TO MDUs IN
11 THE MANNER YOU PROPOSE?

A. Yes. As I stated in my direct, the AT&T proposed method of access is
consistent with the manner in which MediaOne has made MDU access
available to BellSouth. We have not encountered the problems suggested by
Mr. Milner. Further, other ILECs provide MDU access consistent with our
proposed approach.

## 17 Q. WHAT OTHER CONCERNS DOES AT&T HAVE WITH 18 BELLSOUTH'S PROPOSAL?

19A.If access terminals have to be placed at every separate building that AT&T20wants to access, and such placement is dependent on first requesting such21access, as BellSouth's proposal requires, then AT&T will be delayed in being22able to provide service to customers in Florida. Based on the very limited23experience to date with this process in Georgia, it has taken months to get one

1	property fitted with these "access terminals." Based upon this experience, it
2	would be years before competition would occur in the residential market in
3	Florida for those customers who reside in multi unit buildings.

### 4 Q. MR. MILNER SAYS THAT THEIR POSITION HAS BEEN 5 APPROVED BY GEORGIA. DO YOU AGREE?

6 No, I do not. Mr. Milner says in his testimony that the Georgia PSC A. 7 "required the use of an access terminal, but concluded that a BellSouth 8 employee did not have to be present" when loops are moved from one 9 terminal to another. (Page 12, Milner Direct Testimony) The statement is misleading because of a difference in the way terms are defined. Mr. Milner 10 refers to existing terminals as "BellSouth terminals" and to the intermediate 11 terminals as "access terminals," whereas the Georgia Commission required 12 13 access to the <u>BellSouth</u> terminals. In any event, Georgia did not order that access to MDU customers be through a separate, additional terminal, 14 15 irrespective of what you call it nor do they require that a BellSouth technician be present. This decision was entered after the FCC UNE remand decision 16 and we believe it correctly applies the requirements in this instance. The 17 Florida MediaOne decision referenced by Mr. Milner was prior to the UNE 18 Remand Order. 19

# 20Q.WITH REFERENCE TO ACCESS TO THE FIRST NTW PAIR, AT21PAGE 9 OF HIS TESTIMONY, MR. MILNER SAYS BELLSOUTH22BELIEVES THIS ISSUE TO BE SETTLED. DO YOU AGREE?

#### 23 A. Not entirely. It still appears that BellSouth will only make available any pair

	that does not have working service on it. If a customer is currently receiving
	service from BellSouth, the pair serving that customer does not become
	available until taken out of service. That would require AT&T to rewire the
	premises, thus incurring additional, unnecessary costs. I would add that in
	the Florida MediaOne case, this Commission directed that MediaOne should
	have access to the first pair.
Q.	HOW WOULD AT&T PROPOSE THAT NTW BE ACCESSED?
А.	It is our proposal that all carriers should be able to access all inside wire pairs
	at a single point at the MPOE. All carriers, including BellSouth, would have
	the same access and customers can be served more efficiently.
Q.	ON PAGES 18-20, MR. MILNER REFERENCES TESTIMONY
	GIVEN RECENTLY BY MS. BRENDA KAHN AS SUGGESTING
	THAT AT&T HAS ALTERNATIVES TO USING BELLSOUTH'S
	FACILITIES IN GARDEN STYLE SETTINGS. ARE YOU
	FAMILIAR WITH THIS TESTIMONY?
А.	Yes, I have reviewed Mr. Milner's statements and those of Ms. Kahn. I agree
	that in some situations there are alternatives available to AT&T, but that does
	not relieve BellSouth of its obligation to provide access to its facilities nor
	does it justify the position BellSouth is taking. Further, alternatives that may
	be available in a garden apartment scenario may not be — and probably are
	not — available in a high rise situation. In that environment, space is much
	not — available in a night fise situation. In that environment, space is inden
	more limited and confined than in a garden apartment scenario where the
	А. Q.

•

•

1agreed that it is more important to address the high rise situation, but I would2add that in either scenario, we believe that access to customers should be3through one point. That is consistent with existing decisions and4requirements and is the most efficient and effective method of access.

#### 5 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

6 A. Yes it does.

٠

٠

.

	790
1	BY MR. LAMOUREUX:
2	Q Mr. Lindemann, do you have a summary of your
3	testimony?
4	A Yes, i do.
5	<b>Q</b> Could you provide that now, please?
6	A Yes.
7	Q Chairman, Commissioners, ladies and gentlemen,
8	good morning. I am here today to relate to you some of
9	the roadblocks and issues that I face each day in Florida
10	attempting to compete and grow my subscriber base of local
11	telephone subscribers. More specifically, the impending
12	roadblocks that would be built and the effects on the
13	constituents should you decide to adopt BellSouth's
14	proposals relative to Issue 8 in these proceedings.
15	Allow me to provide you a little background for
16	my experience in the Florida MDU marketplace. In South
17	Florida, Broward and Dade Counties, roughly 50 percent of
18	my total serviceable footprint is comprised of MDUs. I
19	think it is a foregone conclusion that competition in the
20	Florida residential telephone arena is moving at a snail's
21	pace. To date nearly all of my subscribers are
22	transitioning from BellSouth to AT&T that is, they are
23	current established residents rolling their service over
24	from BellSouth to AT&T. Attempts to capture brand new
25	subscribers as they move into MDU complexes are hampered

ns and
ive
scribers.
on.
ice tag
ler, I
st.
outh's
call the
e could not
vice
engineer
e MDU.
have to be
n be
nt and
ment
would be
iate an
be
n order

FLORIDA PUBLIC SERVICE COMMISSION

.

to provide seamless service transition. Apartment access
 would be required in order to rewire jacks in the
 apartment because the first available pairs will probably
 not be available.

5 The entire debacle, this entire debacle could be 6 avoided if the ALECs could just have direct access to the 7 distribution terminal and the first pair available to each 8 apartment as recommended in my previous testimony. In 9 this manner all ALECs would be afforded the same 10 opportunities to provide service in the MDU marketplace as 11 the current ILEC now enjoys.

Expeditious service provisioning after the point of sale is key to success in this marketplace. Please remember that there is absolutely no value added with the placement of an additional terminal in the network and it imposes delay in the provisioning of service, to say nothing of the cost of burden -- the cost burden to the ALECs attempting entry into the marketplace.

19The two issues I have just mentioned certainly20do nothing to hasten the pace of competition. Adding21layers of complexity and procedures that are destined to22fail will do nothing to encourage competitors in the local23service industry and may actually spell the demise of some24others. The residents of Florida have been told that they25have choices in local phone service. They deserve those

	793
1	choices. They also deserve the assurance that their
2	Public Service Commission has reviewed all the issues,
3	considered all the evidence, and is prepared to take
4	measures necessary to foster an environment that invites
5	competition in the local service arena. Please don't deny
6	your constituents this choice simply because they reside
7	in an MDU. Thank you.
8	MR. LAMOUREUX: Mr. Lindemann is available for
9	cross.
10	CHAIRMAN JACOBS: Ms. White.
11	MS. WHITE: Thank you, Chairman Jacobs.
12	CROSS-EXAMINATION
13	BY MS. WHITE:
14	Q Mr. Lindemann, my name is Nancy White, and I do
15	know today that I work for BellSouth Telecommunications
16	Company.
17	A Good morning.
18	Q Good morning. You are employed by MediaOne, is
19	that correct?
20	A MediaOne, yes.
21	Q Okay. And were you here yesterday when Mr.
22	Follensbee was on the stand?
23	A I was.
24	Q And did you hear him testify and I may not
25	say this exactly correctly, but that in Florida AT&T has
	FLORIDA PUBLIC SERVICE COMMISSION

	794
1	three companies, TCG in South Florida, MediaOne and AT&T
2	of the Southern States?
3	A I did.
4	Q Now, you are aware that MediaOne raised this
5	same issue in Docket Number 990149 before this Commission,
6	isn't that right?
7	A That is correct.
8	Q And MediaOne put forth the same position as AT&T
9	is raising today, isn't that correct?
10	A Yes. But since that time I think the FCC has
11	ruled in the UNE remand order. In that UNE remand order I
12	think that they said that there should be an elimination
13	of multiple demarcation points, and that is why I am back
14	to this Commission at this time.
15	Q And the Florida Commission rejected MediaOne's
16	position in Docket Number 990149, did it not?
17	A I'm sorry?
18	Q Did not the Florida Commission reject MediaOne's
19	position in that Docket Number 990149?
20	A It had.
21	Q Now, you are aware that AT&T raised this same
22	issue and position in the generic UNE docket, which is
23	990649, are you not?
24	A lam.
25	Q And there has been no staff recommendation
	FLORIDA PUBLIC SERVICE COMMISSION

	795
1	issued on that docket yet, isn't that correct?
2	A I believe not.
3	Q I'm sorry?
4	A I don't believe so, no.
5	Q Okay. Now, if this Commission reaches the same
6	decision on this issue in the generic UNE docket as it did
7	in the MediaOne arbitration, is AT&T willing to accept
8	that resolution for this proceeding, as well?
9	A We are bound by the decisions of the PSC, but I
10	will tell you at a great hardship it would place on my
11	particular market in South Florida. I have just testified
12	and just told you that over 50 percent of my market is
13	MDU. If I have to come up with an alternative means to
14	serve that outside of this, then I will have to do that,
15	but it's a terrible hardship.
16	MS. WHITE: Thank you. I have no further
17	questions.
18	CHAIRMAN JACOBS: Staff.
19	CROSS-EXAMINATION
20	BY MR. FORDHAM:
21	Q Mr. Lindemann, in reference to Issue Number 8,
22	we have heard your concerns about terms and conditions.
23	We have not heard much about rates. Can you explain your
24	concern about the rates?
25	A My concern is not so much about the monthly
	FLORIDA PUBLIC SERVICE COMMISSION

rates for the rental of the cable pairs and so forth, my
concern is about even the need to place that extra
terminal and then having to pay for it. For example, in
BellSouth's rebuttal they would recommend that I lay up an
entire terminal for an apartment complex with the
inauguration of one customer in that MDU. That is so
ridiculous. I just can't fathom it.

8 I don't waltz into MDU apartments and take over
9 the entire complex and win over all the residents'
10 service. I might get five percent at best of that entire
11 MDU. Why should I wire up an entire terminal at my cost,
12 AT&T's cost, and expose all of those facilities to another
13 terminal and give it free to the rest of the ALECs that
14 might want to use it at my expense. It's asinine.

Q Has AT&T filed or proposed certain rates inother states?

17

Δ

I'm not familiar with it.

18 Q For this particular issue, have you filed for19 rates in any other states?

20

**A** Sorry, I'm not following your question.

Q Well, in Issue 8 that we are discussing, Issue 8
reads, "What terms and conditions and what separate rates,
if any, should apply for AT&T to gain access and use
BellSouth facilities to serve MDUs," and so the issue
involves rates as stated. So I'm just asking if AT&T has

	797
1	filed rates in other states for the method that you are
2	proposing?
3	A I'm not familiar with them if they have, sorry.
4	Q Okay. Has AT&T filed in Florida rates for this
5	method of interconnection?
6	A If they have, I'm not familiar with them.
7	MR. FORDHAM: I don't have any further
8	questions, Mr. Chairman.
9	CHAIRMAN JACOBS: Commissioners.
10	COMMISSIONER PALECKI: I just have one question.
11	Under your scenario if there is a single point of
12	interconnection that is fully accessible by AT&T
13	technicians, is there any risk as far as BellSouth is
14	concerned if an AT&T technician makes an error on wiring
15	or anything else, is this something that creates a
16	situation that would perhaps jeopardize a BellSouth
17	customer?
18	THE WITNESS: I'm not going to deny that
19	something like that could happen. As we know when we went
20	into the when the CPE business was opened up, do you
21	recall the '70's and '80s when all the equipment
22	marketplace was opened to vendors? These vendors went
23	into 66 blocks, punch down blocks as we are talking about
24	here day-in and day-out as we opened up that entire
25	market. We all know where that has ended up right now.

1 That is a tremendous business because it was opened up to 2 competition. We all benefitted from that. This is the 3 same type of frontier that we face now. We're talking about going into a 66 block, 4 5 removing a connection, and replacing it with ours. We do 6 this day-in and day-out. Many of my technicians are 7 ex-Bell technicians or ex-Bell managers. We helped train 8 the technicians that we use. We are certainly competent at pulling off a crossbar and replacing it with another. 9 10 I don't see it as a big risk. 11 **COMMISSIONER PALECKI:** So you say there is the 12 possibility that an error could occur, but it's not a 13 major concern? 14 THE WITNESS: It's not a major concern. It's no 15 more a concern -- let me put it this way. It was an equal 16 risk when I afforded the facilities to BellSouth and their 17 technicians came through and started ripping out cross 18 connections in my apartment house that I had prewired. We 19 got through that. It happens. Once you understand the 20 wiring scheme and everything that is there, you get 21 through it. 22 **COMMISSIONER PALECKI:** Thank you. 23 CHAIRMAN JACOBS: I believe I saw somewhere that 24 you provide access in installations where you -- let me 25 see if I can find it real quickly. I can't find it

quickly, but do I recall in your testimony where you say
 there are buildings where you are the primary provider and
 you allow BellSouth access?

THE WITNESS: Yes.

4

25

CHAIRMAN JACOBS: And how does that work? 5 THE WITNESS: It works well, it really does. We 6 7 cooperate between one another. We lend pairs of wires 8 back and forth amongst one another. If one provider --9 for example, we might have two inside wiring schemes 10 parallel to one another. If the need for facilities 11 exceeds the wiring that that particular company is 12 afforded, we use one another's wire back and forth. We do 13 it all the time. This is not gene splicing, believe me. 14 It's wire, tip and ring.

15 CHAIRMAN JACOBS: And you indicated that 50 16 percent of the market here is MDUs. In other -- I have 17 heard of the prominence and the prevalence of CLEC hotels 18 to address an issue that they have in their arena. It 19 sounds like there would be some kind of an MDU box that 20 would emerge here. Is there a prohibition on something of 21 that sort or could something of that sort work?

THE WITNESS: No. I think under my proposal if
we just open up that network terminating wire distribution
box, that could become the single point of interface.

CHAIRMAN JACOBS: Okay. Very well. Thank you.

	800
1	Any other questions? Redirect.
2	MR. LAMOUREUX: Just two questions to clarify a
3	couple of things.
4	REDIRECT EXAMINATION
5	BY MR. LAMOUREUX:
6	Q Mr. Fordham asked you about rates. Now,
7	Ms. White talked to you about a prior docket to this one,
8	the UNE cost docket. Have you looked at some of the
9	testimony that AT&T filed in that proceeding?
10	A I have a little.
11	Q And is the testimony dealing with how to gain
12	access to network terminating wire that AT&T filed in that
13	proceeding consistent with the same process that you have
14	recommended here in this arbitration as to how AT&T should
15	gain access to the network terminating wire?
16	A Yes, exactly.
17	Q If I told you that AT&T had proposed rates in
18	that prior UNE case, given that the process for gaining
19	access is the same in that proceeding that you recommend
20	in this proceeding, do you have any belief as to whether
21	the rates that AT&T proposed in that prior proceeding
22	would reflect what you are recommending here today?
23	A Yes.
24	<b>Q</b> Just one question about risk. You had a
25	question from Commissioner Palecki about risk. Is the
	FLORIDA PUBLIC SERVICE COMMISSION

intermediary access terminal that BellSouth is proposing, 1 2 would that do anything to ameliorate any risk that might exist? 3 4 A Contrarily, I think it would propose more 5 opportunity for risk because you are adding another point 6 of termination, another point of failure, another point of 7 cross-connection into the entire network to the customer 8 and you're just complicating matters. It's a simple 9 matter of terminal, yes, terminal, no. And we certainly 10 know how to work in the other terminal. 11 MR. LAMOUREUX: That's all I have.

12CHAIRMAN JACOBS: Very well. Exhibits.13MR. LAMOUREUX: AT&T would move for the

14 admission of Exhibit 16.

15 CHAIRMAN JACOBS: Show it admitted. Thank you,
16 you are excused, Mr. Lindemann.
17 (Exhibit 16 admitted into the record.)

18 CHAIRMAN JACOBS: Next witness. Tyhat's right,
19 Mr. King is not testifying, is that correct?

20 MR. LAMOUREUX: That's right. The issue that
21 Mr. King was testifying on has been removed from this
22 proceeding, so Mr. Lindemann is AT&T's final witness.
23 (Transcript continues in sequence with

24 Volume 6.)

	802
1	
2	STATE OF FLORIDA )
3	: CERTIFICATE OF REPORTER
4	COUNTY OF LEON )
5	I, JANE FAUROT, RPR, Chief, FPSC Bureau of Reporting
6	FPSC Commission Reporter, do hereby certify that the Hearing in Docket No. 000731-TP was heard by the Florida Public
7	Service Commission at the time and place herein stated.
8	IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed
9	under my direct supervision; and that this transcript, consisting of 137 pages, Volume constitutes a true transcription of my notes
10	of said proceedings and the insertion of the prescribed prefiled testimony of the witnesses).
11	I FURTHER CERTIFY that I am not a relative, employee,
12	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
13	the action, nor am I financially interested in the action.
14	DATED THIS 27TH DAY OF FEBRUARY, 2001.
15	C. And
16	JANE FAUROT, RPR
17	FPSC Division of Records & Reporting Chief, Bureau of Reporting
18	(850) 413-6732
19	
20	
21	
22	
23	
24	
25	
	FLORIDA PUBLIC SERVICE COMMISSION

• •