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April 23, 2001

RECORDS AND
REPORTING

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RECEIVED-FPSC

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 001797-TP (Covad Arbitration)

Dear Ms. Bayó:

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Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Direct Testimony of Cynthia K. Cox, Jerry Kephart, Wiley G. (Jerry) Latham, Ronald M. Pate, W. Bernard Shell, and Thomas G. Williams, which we ask that you file in the captioned docket.

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

Sincerely,

James Meza III
James Meza III (LRA)

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All Parties of Record
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Latham
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CERTIFICATE OF SERVICE
Docket No. 001797-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

Federal Express this 23rd day of April, 2001 to the following:

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1 BELL SOUTH TELECOMMUNICATIONS INC.
2 DIRECT TESTIMONY OF CYNTHIA K. COX
3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
4 DOCKET NO. 001797 - TP
5 APRIL 23, 2001
6

7 Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELL SOUTH
8 TELECOMMUNICATIONS, INC. ("BELL SOUTH") AND YOUR
9 BUSINESS ADDRESS.

10
11 A. My name is Cynthia K. Cox. I am employed by BellSouth as Senior Director
12 for State Regulatory for the nine-state BellSouth region. My business address
13 is 675 West Peachtree Street, Atlanta, Georgia 30375.

14
15 Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR EDUCATIONAL
16 BACKGROUND AND EXPERIENCE IN THE TELECOMMUNICATIONS
17 INDUSTRY.

18
19 A. I graduated from the University of Cincinnati in 1981 with a Bachelor of
20 Business Administration degree in Finance. I graduated from the Georgia
21 Institute of Technology in 1984 with a Master of Science degree in
22 Quantitative Economics. I immediately joined Southern Bell in the Rates and
23 Tariffs organization with the responsibility for demand analysis. In 1985 my
24 responsibilities expanded to include administration of selected rates and tariffs
25 including preparation of tariff filings. In 1989, I accepted an assignment in the

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1 North Carolina regulatory office where I was BellSouth's primary liaison with
2 the North Carolina Utilities Commission Staff and the Public Staff. In 1993, I
3 accepted an assignment in the Governmental Affairs department in Washington
4 D.C. While in this office, I worked with national organizations of state and
5 local legislators, NARUC, the FCC and selected House delegations from the
6 BellSouth region. In February 2000, I was appointed Senior Director of State
7 Regulatory.

8

9 Q. WHAT IS THE STATUS OF THE NEGOTIATIONS BETWEEN COVAD
10 AND BELLSOUTH?

11

12 A. BellSouth has negotiated in good faith with DIECA Communications, Inc.,
13 d/b/a Covad Communications Company ("Covad") both before and after
14 Covad filed its Petition for Arbitration with the Florida Public Service
15 Commission (the "FPSC" or "Commission") on December 15, 2000. Covad's
16 Petition listed thirty-five unresolved issues. The parties have resolved thirteen
17 issues since then, and twenty-one issues remain for this Commission to
18 arbitrate.

19

20 Q. WHAT IS THE PURPOSE OF THE TESTIMONY THAT YOU ARE FILING
21 TODAY?

22

23 A. The purpose of my testimony is to present BellSouth's position on many of the
24 unresolved issues in the negotiations between BellSouth and ("Covad").
25 BellSouth witnesses Jerry Kephart, Jerry Latham, Ron Pate, Bernard Shell and

1 Tommy Williams are also filing testimony in this proceeding. Specifically, my
2 testimony addresses Issues 1 – 3, 6, 8, 11(a) and (b), 12, 24, 25, 29, 31 and
3 32(a). Mr. Kephart addresses Issues 7(a) and (b), and 30. Mr. Latham
4 addresses Issues 5(a) – (c); Mr. Pate discusses issues 13 and 21; Mr. Shell
5 addresses the cost issues associated with Issues 24 and 29; and Mr. Williams
6 addresses Issues 16, 18, and 21 – 23. It is BellSouth’s understanding that
7 Issues 4, 9, 10(a) and (b), 14, 15, 17, 20, 26, 27, 28 and 32(b)-35 have been
8 closed and Issue 19 has been changed to 11(b). These issues, therefore, will
9 not be discussed in the testimony being filed today.

10

11 ***Issue 1: What limitations of liability, if any, should be included in the Parties’***

12 ***Interconnection Agreement?***

13

14 Q. WHAT IS BELLSOUTH’S POSITION WITH REGARD TO INCLUDING
15 LIMITATION OF LIABILITY IN THE INTERCONNECTION
16 AGREEMENT BETWEEN BELLSOUTH AND COVAD?

17

18 A. It is BellSouth’s position that this issue is not an appropriate subject for
19 arbitration. BellSouth does not dispute that parties may include in the
20 negotiation process, any issue that they choose to discuss. Section 252(a) of
21 the Telecommunications Act of 1996 (“the Act”) allows parties to negotiate
22 and enter into a binding agreement for interconnection, without regard to the
23 standards set forth in §251(b) and (c) of the Act. That is, the parties can agree
24 to terms that create obligations that are not statutorily required.

25

1 When such negotiations fail, and arbitration is sought, however, Section 252(e)
2 of the Act constrains the Commission to resolve any “open issues” in a manner
3 that meets “the requirements of section 251, including the regulations
4 prescribed by the [FCC] pursuant to section 251 . . .” None of the
5 requirements of Section 251 addresses limitations of liability.

6
7 Q. WHAT IS BELLSOUTH'S POSITION WITH REGARD TO LIMITATIONS
8 OF LIABILITY?

9
10 A. Although I am not a lawyer, and without waiving the position stated above,
11 BellSouth has proposed that each parties' liability to the other arising out of
12 any negligent act or omission should be limited to a credit for the actual cost of
13 the services or functions not performed or improperly performed. BellSouth is
14 willing to exclude from this limitation losses resulting from gross negligence
15 or intentional misconduct, and indeed such language is found in Section 8.3.4
16 of the General Terms and Conditions of the Interconnection Agreement.

17
18 BellSouth, however, is not willing to simply do away with any limitation of
19 liability and is not statutorily obligated to do so. BellSouth also is not willing
20 to agree to language that can be the subject of ongoing disputes such as a
21 provision that the limitation of liability would not apply to “material” breaches
22 of the agreement.

23

1 Q. SHOULD BOTH BELLSOUTH AND COVAD BE LIABLE IN DAMAGES,
2 WITHOUT A LIABILITY CAP, TO ONE ANOTHER FOR FAILURE IN
3 PERFORMING ANY MATERIAL PROVISION OF THE AGREEMENT?
4

5 A. No. The parties' liability should be limited as described above. It is common
6 for parties to an interconnection agreement to agree to limited liability.
7 Additionally, limitations of liability are standard in the telecommunications
8 industry. The tariffs of BellSouth and other telecommunications service
9 providers, for instance, commonly limit the service provider's liability.
10

11 Q. YOU STATED ABOVE THAT "LIMITATIONS OF LIABILITY ARE BEEN
12 STANDARD IN THE TELECOMMUNICATIONS INDUSTRY." PLEASE
13 GIVE SOME SPECIFIC EXAMPLES.
14

15 A. Both BellSouth's Florida Access Services Tariff and General Subscriber
16 Service Tariff ("GSST") include limitations of liability. With regard to access
17 customers, Section E2.1.3 of the Access Services Tariff states in part:

18 *the Company's liability shall not exceed an amount equal to the*
19 *proportionate charge for the service for the period during which the*
20 *service was affected.*

21 Also, with regard to business and residential customers, Section A2.5.1 of the
22 GSST, in part, sets forth the following:

23 *The liability of the Company for damages arising out of impairment of*
24 *service provided to its subscribers such as defects or failure in facilities*
25 *furnished by the Company or mistakes, omissions, interruptions,*

1 *preemptions, delays, errors or defects in the provision of its*
2 *services..., occurring in the course of furnishing such facilities or*
3 *services and not caused by the negligence of the subscriber, or of the*
4 *Company in failing to maintain proper standards of maintenance and*
5 *operation and to exercise reasonable supervision shall in no event*
6 *exceed an amount equivalent to the proportionate charge to the*
7 *subscriber for the period of service during which such mistake,*
8 *omission, interruption, preemption, delay, error or defect in*
9 *transmission or defect or failure in facilities or services occurs.*

10 More recently, this Commission approved an additional limitation in reference
11 to BellSouth's Y2K liability. Section A2.5.12C of the GSST states:

12 *The Company's liability for errors or damage resulting from the*
13 *inability of the Company's systems to process unusual date*
14 *requirements, shall be limited to an amount equal to the proportionate*
15 *amount of the Company's billing for the period of service during which*
16 *the errors or damages occur.*

17

18 Q. HAS THIS COMMISSION RECENTLY MADE A RULING ON THIS
19 ISSUE?

20

21 A. Yes. In its Order No. PSC-01-824-FOF-TP, issued March 30, 2001 in Docket
22 No. 000649-TP *In re: Petition by MCI metro Access Transmission Services*
23 *LLC and MCI WorldCom Communications, Inc. for arbitration of certain*
24 *terms and conditions of a proposed agreement with BellSouth*
25 *Telecommunications, Inc. concerning interconnection and resale under the*

1 *Telecommunications Act of 1996* (“MCI Order”), the Commission found, in its
2 decision in Section XLVI, that while it is obligated to arbitrate “any open
3 issue”, it “may only impose a condition or term required to ensure that such
4 resolutions and conditions meet the requirements of Section 251.” The FPSC
5 went on to find that, in the case of MCI, it was “appropriate not to impose
6 adoption of any disputed terms contained in the limited liability provision
7 whereby the parties would be liable in damages, without liability cap, to one
8 another for their failure to honor in one or more material respects any one or
9 more of the material provisions of the Agreement.” (Emphasis added.)
10

11 Q. WHAT IS BELLSOUTH ASKING OF THIS COMMISSION?

12
13 A. We ask this Commission to reach the same conclusion as it did in the MCI
14 Order referenced above. None of the requirements of Section 251 addresses
15 limitations of liability. If, however, this Commission decides, as it did in the
16 MCI Order, that the issue is appropriate to be heard in this arbitration
17 proceeding, BellSouth respectfully requests that BellSouth’s position should be
18 adopted and the parties ordered to include language limiting their respective
19 liability. Covad’s proposal represents a drastic departure from this standard
20 practice. There is no reason for the Commission to allow Covad to seek more
21 damages as a result of a mistake made by BellSouth than BellSouth’s retail and
22 wholesale access customers would be allowed to seek as a result of the same
23 mistake by BellSouth. Covad’s proposal, therefore, should be denied because
24 it is inconsistent with standard practices and it would result in preferential
25 treatment of Covad.

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Issue 2: What should BellSouth's obligations be under this Interconnection Agreement in the event that BellSouth's workforce, or the workforce of its suppliers and vendors, engage in a work stoppage?

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

A. As with Issue 1, it is BellSouth's position that this issue is not an appropriate subject for arbitration.

Q. IF THE COMMISSION CHOOSES TO ARBITRATE THIS ISSUE, WHAT IS BELLSOUTH'S POSITION?

A. BellSouth's position is that it should not be required to include Covad's proposed language with regard to work stoppage in the parties' Interconnection Agreement. Covad is not entitled to special treatment in the event of a work stoppage, or to dictate what the limited BellSouth workforce will do during such a work stoppage.

Q. WHY IS BELLSOUTH TAKING THIS POSITION?

A. BellSouth believes that this is the only position that makes sense. Although BellSouth hopes that neither it, nor its vendors, will experience a work stoppage during the period covered by the Interconnection Agreement between itself and Covad, such a result is not predictable with certainty. If such an

1 event does occur, BellSouth would be obligated to organize its work force to
2 ensure the provision and continuation of service to all of its retail and
3 wholesale customers, which includes all ALECs - not just Covad. In this
4 regard, what Covad is entitled to receive, and what BellSouth proposes to
5 provide, is interconnection and access to unbundled network elements on a
6 nondiscriminatory basis during any work stoppage.

7

8 Further, if BellSouth is required to incorporate Covad's proposal into the
9 parties' Interconnection Agreement, which can be adopted by other ALECs,
10 BellSouth could be forced to use its limited resources for contingency planning
11 rather than for the provision of service.

12

13 Q. WHAT DOES BELLSOUTH REQUEST OF THE COMMISSION WITH
14 RESPECT TO ISSUE 2?

15

16 A. First, BellSouth requests that this Commission find that this issue is not
17 appropriate to be raised in an arbitration proceeding such as this. If, however,
18 the Commission decides to address the issue, BellSouth urges the Commission
19 to deny, for the reasons given above, the proposal put forth by Covad.

20

21 *Issue 3: Should there be limitation on an ALEC's right to opt-in to an existing*
22 *interconnection agreement that has only six months remaining before it*
23 *expires?*

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25 Q. WHAT IS BELLSOUTH'S UNDERSTANDING OF THIS ISSUE?

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A. In the discussion in its Petition, Covad appears to have three separate issues. First, Covad alleges that BellSouth is seeking to circumvent the FCC’s Rule 51.809(a) by restricting Covad from opting-in to, or adopting, another ALEC’s Interconnection Agreement if there is less than 6-months remaining on the term of the Agreement that Covad seeks to adopt. Second, Covad alleges that BellSouth, in seeking to circumvent the same rule, is limiting “Covad’s adoption rights by requiring that Covad accept all clauses that are ‘legitimately related to or were negotiated in exchange for or in connection with’ the interconnection, service or network element Covad seeks to adopt.” (Petition at ¶14.) Finally, Covad proposes that the effective date of an Interconnection Agreement that Covad chooses to adopt should be when BellSouth receives the written notice that Covad wishes to adopt the agreement.

Q. WHAT IS BELLSOUTH’S POSITION ON THIS ISSUE?

A. BellSouth is not restricting Covad’s right to opt-in to another ALEC’s Interconnection Agreement by imposing artificial limitations, as Covad alleges in its Petition. With regard to Covad’s first allegation, BellSouth’s position is that an ALEC may opt-in to, or adopt, another ALEC’s existing interconnection agreement so long as that agreement has at least six months remaining in its term before it expires. Covad contends that BellSouth’s “six month” requirement is restrictive. I disagree. As a practical matter, I doubt there are many instances where an ALEC would want to opt-in to an agreement that has less than six months remaining in its term.

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With regard to the second allegation in the issue, BellSouth’s position is that pursuant to Section 252(i) of the Act and FCC Rule 51.809, BellSouth is required to make available any interconnection, service, or network element provided under any other agreement at the same rates, terms and conditions as provided in that agreement. This is commonly known as the “most favored nation” or “pick and choose” option. The ALEC, however, must also adopt any rates, terms and conditions that are legitimately related to, or were negotiated in exchange for or in conjunction with, the portion of the agreement being adopted. If Covad seeks an arrangement that BellSouth has negotiated as part of an entire settlement package, Covad must be willing to agree to all of the parameters associated with that particular arrangement.

Finally, with regard to when an adopted Interconnection Agreement should become effective, BellSouth’s position is that the adoption or substitution by an ALEC of specific terms contained in a previously approved agreement should be effective on the date the amendment memorializing the adoption is signed by BellSouth and the adopting ALEC.

Q. WHAT IS THE BASIS FOR BELLSOUTH’S POSITION ON THE FIRST PORTION OF COVAD’S ALLEGATION?

A. FCC Rule 51.809(c) requires that interconnection agreements be available for opt-in by other ALECs only “for a reasonable period of time after the approved agreement is available for public inspection...” See also *In re: Petition of*

1 *Global NAPS South, Inc. for Arbitration of Interconnection Rates, Terms and*
2 *Conditions*, 90 Md. P.S.C. 48 (July 15, 1999) (on appeal, Circuit Court
3 Baltimore City), at 5 (finding it unreasonable to allow a CLEC to opt into a
4 three year interconnection agreement approximately two and one-half years
5 after its approval). It is clear that the FCC agrees that some “cut-off” is
6 appropriate.

7
8 Q. WHY DOES BELLSOUTH OPPOSE COVAD’S REQUEST TO BE
9 ALLOWED TO OPT-IN TO AN INTERCONNECTION AGREEMENT
10 WITH LESS THAN SIX MONTHS REMAINING?

11
12 A. BellSouth’s interconnection agreements require, in general, that the parties
13 begin re-negotiations when six months remain in the term of the agreement.
14 The parties generally begin renegotiating at this point so that agreement can be
15 reached on as many issues as possible. If an ALEC can opt-in to a provision
16 that has less than six months remaining, that reduces the chance for resolution
17 of disputes and increases the likelihood of arbitration. Therefore, if Covad were
18 to opt-in to an existing agreement with six months or less remaining, Covad
19 would be required to immediately commence re-negotiations, even if Covad’s
20 existing contract just recently had been finalized. Taken to another extreme,
21 Covad could opt-in to a contract on the last day before it expired and then
22 begin negotiating a new contract, which certainly is not consistent with the
23 FCC’s rule noted above. Such condensed timeframes for negotiations do not
24 facilitate issue resolution. In addition, executing, filing and keeping track of

1 new agreements with less than a six-month term would simply be inefficient
2 and administratively burdensome.

3

4 Q. WHAT IS THE BASIS OF BELLSOUTH'S POSITION ON THE SECOND
5 PART OF COVAD'S ISSUE?

6

7 A. BellSouth depends on FCC Rule 51.809(a) for its position with regard to
8 Covad seeking an arrangement that BellSouth has negotiated as part of an
9 entire settlement package. This rule states:

10 *An incumbent shall make available. . .any individual interconnection,*
11 *service, or network element arrangement contained in any agreement*
12 *to which it is a party. . .upon the same rates, terms, and conditions as*
13 *those provided in the agreement.*

14

15 If BellSouth has negotiated a particular arrangement with an ALEC, and
16 included in that arrangement, or settlement, are specific rates, terms, and
17 conditions with regard to an item in the agreement that Covad is not interested
18 in, then Covad is not entitled to adopt only the portion of the arrangement, or
19 settlement, that it is interested in. The specific rates, terms, and conditions of
20 the settlement are part of a whole package, and that is the package that Covad
21 must be willing to accept.

22

23 Q. IS THERE ADDITIONAL SUPPORT FOR BELLSOUTH'S POSITION?

24

1 A. Yes. In its First Report and Order in CC Docket No. 96-98 (Order No. 96-
2 325), issued August 8, 1996, the FCC concluded, at ¶1315, that “the ‘same
3 terms and conditions’ that an incumbent LEC may insist upon shall relate
4 solely to the individual interconnection, service or element being requested
5 under section 252(i).” The FCC further stated that it requires “incumbent
6 LECs seeking to require a third party [to] agree to certain terms and conditions
7 to exercise its rights under section 252(i) to prove to the state commission that
8 the terms and conditions were legitimately related to the purchase of the
9 individual elements being sought.” *Id.* (emphasis added). Likewise, the
10 Supreme Court acknowledged that an ILEC can require an ALEC to accept all
11 terms that are legitimately related to the terms the ALEC desires to adopt for
12 itself. *See AT&T Corp. Iowa Utilities Board.*, 525 U.S. 366, 396, 119 S.Ct.
13 721, 738 (1999).

14
15 In explaining the “same rates, terms and conditions” an ILEC may require a
16 carrier to take when requesting under section 252(i) an “individual
17 interconnection, service, or network element arrangement,” the FCC provided
18 the following example:

19 *For instance, where an incumbent LEC and a new entrant have agreed*
20 *upon a rate contained in a five-year agreement, section 252(i) does not*
21 *necessarily entitle a third party to receive the same rate for a three-*
22 *year commitment. Similarly, that one carrier has negotiated a volume*
23 *discount on loops does not automatically entitle a third party to obtain*
24 *the same rate for a smaller amount of loops.*

25 (August 8, 1996 Order No. 96-325 at ¶1315).

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Q. WHAT IS THE BASIS FOR BELLSOUTH'S POSITION ON THE LAST POINT COVAD PRESENTS IN THIS ISSUE?

A. As stated above, BellSouth recognizes and accepts its duty to make available any interconnection, service, or network element provided under any other agreement at the same rates, terms and conditions as provided in that agreement. When Covad selects such terms, it should be required to amend its interconnection agreement to effectuate its adoption of these additional terms. This amendment to the agreement should be effective on the date the amendment is signed by BellSouth and Covad. This is reasonable and the appropriate manner to handle changes to existing agreements.

Q. HAS THIS COMMISSION RULED ON ANY OF THE POINTS IN THIS ISSUE?

A. Yes. In Section XLVIII of its MCI Order, the Commission addressed the "Effective Date for Adoptions". On page 184, the Commission states "we agree with BellSouth's position that new terms and conditions cannot become effective until incorporated in writing by both Worldcom and BellSouth. . ." The Commission went further, finding "that the effective date for these terms and conditions would be the issuance date of the order approving the agreement or if we fail to act, 90 days after submission of the agreement by the parties for our approval."

1 Q. WHAT DOES BELLSOUTH REQUEST OF THIS AUTHORITY?

2

3 A. BellSouth asks this Commission to determine that Covad can only opt-into the
4 Interconnection Agreement of another ALEC if that agreement has more than
5 six-months remaining in its term. In addition, BellSouth asks the Commission
6 to find that if Covad wants to adopt an arrangement that has been negotiated
7 with another ALEC as part of an overall settlement package, i.e., there have
8 been gives and takes to develop the arrangement, Covad must then adopt the
9 entire arrangement. And finally, BellSouth asks the Commission to find that
10 the effective date of an agreement or portion of an agreement opted-in to by
11 Covad, be the date that the parties sign the amendment necessary to effectuate
12 such adoption. BellSouth urges the Commission to adopt BellSouth's
13 proposed language for inclusion in the interconnection agreement.

14

15 *Issue 4: Is Covad entitled to receive a discount on services it purchases from*
16 *BellSouth but does not resell to an end user, including services that it*
17 *purchases for its own use?*

18

19 Q. WHAT DOES BELLSOUTH UNDERSTAND THIS ISSUE TO BE?

20

21 A. BellSouth understands that this issue has been settled.

22

23 *Issue 6: Where a due date for the provisioning of a facility is changed by BellSouth*
24 *after a Firm Order Confirmation has been returned on an order, should*

1 *BellSouth reimburse Covad for any costs incurred as a direct result of the*
2 *rescheduling?*

3

4 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

5

6 A. BellSouth's position is that it should not be required to reimburse Covad when
7 a provisioning due date is changed after BellSouth returns a Firm Order
8 Confirmation ("FOC") to Covad.

9

10 Q. WHAT IS THE BASIS OF BELLSOUTH'S POSITION?

11

12 A. Covad is asking that if BellSouth cannot meet the date that Covad requests on
13 its order, that Covad be allowed to impose the same charges on BellSouth that
14 Covad alleges BellSouth imposes on Covad to modify the order in any way.
15 Although, on its face, Covad's request may appear to have merit, the
16 circumstances being compared are not analogous.

17

18 First, when Covad places an order with BellSouth, Covad presumably either
19 has a customer that it wants to provide service to, or Covad has made a choice
20 to order service accepting the risk that a customer will not be available when
21 BellSouth delivers the service. In these situations, when Covad changes the
22 order that it has placed, it is appropriate that Covad compensate BellSouth for
23 the costs that BellSouth has incurred on behalf of Covad.

24

1 On the other hand, what Covad is asking is that BellSouth financially guarantee
2 that an order will be provisioned on the original due date requested by Covad.
3 In order to make such a guarantee, BellSouth would have to take additional
4 steps in the ordering phase that do not currently occur. Indeed, what Covad
5 requests appropriately occurs in the provisioning phase of the process, rather
6 than in the ordering phase. To do what Covad requests would result in
7 additional costs being incurred in the ordering phase, prior to the FOC being
8 returned to Covad. Such additional costs are not reflected in the current cost
9 studies and proposed rates that have been presented to the FPSC in the various
10 cost proceedings it has conducted. In short, if Covad wants financial
11 guarantees that the requested due date will not be missed due to facilities
12 problems, work force issues or even “Acts of God,” then the rates Covad pays
13 for the services it wants would have to be adjusted to reflect BellSouth’s
14 assumption of those risks.

15

16 Q. WHAT IS A FIRM ORDER CONFIRMATION OR “FOC”?

17

18 A. A FOC is used by BellSouth to notify Covad that the order placed by Covad is
19 correct in its form. The FOC provides the customer with the information
20 required for control and tracking of the request(s) for the provisioning of local
21 service.

22

23 It is important to understand that the FOC is not a firm order “commitment,”
24 because BellSouth has not, at this point in the process, for instance, dispatched
25 a technician to ensure that the facilities necessary to complete the order are in

1 place and working. The *BellSouth Business Rules for Local Ordering – OSS99*
2 *General Local Service Ordering Information* (the “Rules”), available to Covad
3 and all other ALECs at:

4 *<http://www.interconnection.BellSouth.com/guides/html/leo.html>*

5 makes abundantly clear that the FOC is not a guarantee. In part, Section 2.8.3
6 of the Rules states:

7 *The FOC does not constitute and should not be considered a guarantee*
8 *that facilities are available. The committed due date is based on an*
9 *assumption that facilities are available. If there is a post-FOC facility*
10 *problem detected, the CLEC will be informed of the estimated service*
11 *date by a supplemental FOC. (Emphasis added.)*

12 If it is determined that facilities are not available at the time service is being
13 installed, the ALEC will be notified from the BellSouth installation control
14 center.

15

16 Q. DOES THE FOC CONTAIN A DUE DATE?

17

18 A. Yes. A FOC is returned to the ALEC, either via facsimile or electronically,
19 after the LCSC processes the ALEC’s service request(s) and determines that
20 corrections or error resolutions are not required. The FOC will provide the
21 BellSouth order number, the service due date and telephone numbers.
22 Additional service specific data may also be provided. As noted above,
23 however, the date provided is based on the assumption that facilities are
24 available.

25

1 Q. PLEASE EXPLAIN YOUR REFERENCE ABOVE TO FACILITIES NOT
2 AVAILABLE, ALSO REFERRED TO AS “PENDING FACILITIES” OR
3 “PF”.

4
5 A. Although I am not an expert in this area, I am aware of correspondence that I
6 believe explains this condition well. In a July 18, 2000 letter from Darryl
7 Washington-BellSouth’s Covad Account Manager-to Catherine Boone-
8 Covad’s Regional Counsel, the following explanation was given with regard to
9 Covad’s allegation that BellSouth routinely changes FOC dates on pending
10 UNE loop orders:

11 *In your letter you state that BellSouth routinely changes Firm Order*
12 *Confirmation (FOC) dates on Covad’s pending UNE loop orders.*
13 *Without any specific orders to reference, I assume you are referring to*
14 *instances where an order is placed in a Pending Facility (PF) status.*
15 *Construction or engineering jobs, however, may require that the FOC*
16 *date be extended. There are several reasons why an order may be*
17 *placed in PF status including repair of defective cable or a need to*
18 *provide additional cable pairs or replace equipment. All CLECs are*
19 *notified of a PF status via the PF Status Report posted on the internet*
20 *as well as PF notices that are sent to the CLEC by the Local Carrier*
21 *Service Center (LCSC). BellSouth retail orders are also delayed when*
22 *facilities are not available or existing facilities are defective.*

23
24 Q. PLEASE COMMENT ON COVAD’S STATEMENT IN ITS PETITION
25 THAT “BELLSOUTH HAS REPEATEDLY AND UNILATERALLY

1 CANCELLED COVAD UNBUNDLED LOOP ORDERS—OFTENTIMES
2 ON THE DATE BELLSOUTH ORIGINALLY PROMISED TO PROVIDE
3 THE LOOP (THE FOC DATE).” (PETITION AT ¶19.)
4

5 A. Covad’s allegation is overly broad and unsubstantiated. The Petition does not
6 give any details to address such allegation. If Covad has specific instances of
7 cancellations and can provide the details to BellSouth, BellSouth will research
8 and respond.
9

10 Q. ARE THERE OCCASIONS THAT COVAD’S ORDERS ARE
11 UNILATERALLY CANCELLED BY BELLSOUTH?
12

13 A. No, BellSouth does not unilaterally cancel an ALEC’s orders. BellSouth,
14 however, does have procedures in place in the Rules where an order could be
15 cancelled. An order could be cancelled as a result of a Missed Appointment
16 (“MA”). Under these circumstances, the BellSouth technician will notify
17 Covad when an appointment is missed for end-user reasons. Covad is then
18 obligated to issue a supplement with a new desired due date. The original
19 service order will be cancelled if a new desired due date is not provided within
20 five (5) business days. Since Covad has a responsibility in the procedure, and
21 is aware of such responsibility, if Covad does not exercise its responsibility and
22 an order is cancelled, I do not consider this to be a unilateral cancellation.
23

24 Q. DOES THE FPSC HAVE A MECHANISM IN PLACE FOR COVAD’S USE
25 IF COVAD BELIEVES IT IS NOT BEING TREATED FAIRLY?

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A. Yes. If Covad believes that BellSouth is not providing service at parity with the service BellSouth provides to its retail customers, the Commission has a complaint process in place. In addition, the Commission has a generic Performance Measurements Docket (Docket No. 000121-TP) open to develop permanent performance metrics for the ongoing evaluation of operation support system functions provided by incumbent local exchange carriers.

Although BellSouth strives to meet all due dates, there will sometimes be extenuating circumstances that prevent work from occurring as scheduled. Generally, it is BellSouth's experience that, when a conversion does not occur as scheduled, it is just as likely that the ALEC or the customer caused the miss as it is that BellSouth caused the miss. Regrettably, an issue such as this is destined to deteriorate to finger-pointing. Because there are many reasons why due dates may be missed, BellSouth objects to Covad's proposal that BellSouth should automatically pay Covad if BellSouth must change or modify a requested date.

Q. WHAT DOES BELLSOUTH REQUEST OF THE COMMISSION WITH REGARD TO ISSUE 6?

A. BellSouth requests that the Commission find that, for the reasons discussed above, BellSouth should not be obligated to reimburse Covad if BellSouth must modify or cancel a Covad loop order.

1 *Issue 8: When Covad reports a trouble on a loop where, after BellSouth dispatches*
2 *a technician to fix the trouble, no trouble is found but later trouble is*
3 *identified on that loop that should have been addressed during BellSouth's*
4 *first dispatch, should Covad pay for BellSouth's cost of the dispatch and*
5 *testing before the trouble is identified?*

6
7 Q. WHAT IS BELLSOUTH'S UNDERSTANDING OF THIS ISSUE?

8
9 A. BellSouth understands that Covad is asking that BellSouth not charge Covad
10 for the dispatch and testing necessary to determine that there is no trouble on a
11 loop.

12
13 Q. WHAT IS BELLSOUTH'S POSITION WITH REGARD TO COVAD'S
14 REQUEST?

15
16 A. BellSouth's position is when Covad causes BellSouth to dispatch a technician
17 to test a loop that Covad has reported as having a problem, and no problem is
18 found on BellSouth's facilities, it is appropriate that Covad pay BellSouth's
19 expenses incurred as a result of the unnecessary dispatch.

20
21 Q. DO THE RECURRING RATES PAID BY COVAD COVER THE COSTS OF
22 MAINTENANCE AND REPAIR?

23
24 A. Covad's petition makes claims of paying "extraordinarily high recurring
25 charges that are sufficient for all routine maintenance on the loops it orders."

1 First, although I am not a cost witness cost-based recurring charges have been
2 proposed to this Commission in Docket No. 990649-TP. The results of that
3 proceeding will be incorporated in the parties' Interconnection Agreement.

4
5 Under the agreement being arbitrated, Covad will ultimately order various
6 types of loops to serve its customers. Over time, it would be natural that some
7 of those customers will report trouble with their service. Such trouble could be
8 in BellSouth's network, in equipment furnished by Covad, or on the Covad
9 customer's premises. BellSouth is responsible for maintaining its equipment
10 that is provided to Covad. Troubles that should be identified by BellSouth are
11 those in BellSouth's equipment that would affect the loop specifications that
12 are included in Covad's contract and BellSouth's technical reference
13 documents.

14
15 Covad claims that repair and maintenance is covered in the recurring rates it
16 pays. What Covad ignores in this claim is that the recurring rates cover
17 situations where repair and maintenance are required, or as referred to by
18 Covad-routine maintenance. BellSouth's recurring rates do not include costs
19 for dispatches when no trouble is found. These costs have not been provided
20 for in BellSouth's cost studies.

21
22 Q. DOES COVAD HAVE RECOURSE IF IT IS CHARGED FOR A "NO
23 TROUBLE" SITUATION AND A TROUBLE IS ULTIMATELY FOUND?

24

1 A. Yes. As in all instances that Covad believes it has been wrongly billed, the
2 parties' Interconnection Agreement includes a Billing Dispute Process that can
3 be used. I would note here, however, that Covad also has a responsibility in
4 this process. Covad is also responsible for some testing, and if, after
5 dispatching a service technician, BellSouth reports "no trouble found", Covad
6 is not obligated to close the trouble ticket if trouble still exists.

7

8 Q. WHAT IS BELLSOUTH REQUESTING OF THE COMMISSION WITH
9 REGARD TO ISSUE 8?

10

11 A. BellSouth requests that the Commission find it appropriate for BellSouth to
12 charge Covad for the dispatch and testing necessary to determine that there is
13 no trouble on a loop reported by Covad, therefore, denying Covad's proposal
14 on this issue.

15

16 *Issue 10 (a): Should Covad be required to pay for loop conditioning for loops less*
17 *than 18,000 feet in length?*

18

19 *Issue 10 (b): What should the rates be for conditioning a loop?*

20

21 Q. WHAT IS BELLSOUTH'S POSITION ON THESE ISSUES?

22

23 A. BellSouth understands that these are no longer issues for Covad. If this is not
24 the case, BellSouth reserves its right to state its case in rebuttal testimony.

25

1 *Issue 11: What rate, if any, should Covad pay BellSouth if there is no electronic*
2 *ordering interface available, when it places a manual LSR for:*

3 *(a) an xDSL loop?*

4 *(b) line sharing*

5

6 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

7

8 A. Manual ordering charges should apply when Covad places an order manually,
9 either for its own business reasons or because BellSouth does not have an
10 electronic interface that will allow Covad to place orders electronically for
11 certain complex services or elements. Manual service order charges, Cost
12 Reference Number N.1.2, submitted to this Commission in Docket No.
13 990649-TP, are the appropriate rates to charge Covad under the circumstances
14 cited by Covad.

15

16 If electronic ordering were not available for access to xDSL loops or line
17 sharing, BellSouth would incur costs in providing services to Covad and to
18 other ALECs in Florida. These costs have to be recovered, and should be
19 recovered from the cost-causer, the entity placing the manual service order.

20

21 Q. IS BELLSOUTH REQUIRED TO PROVIDE ELECTRONIC ORDER
22 PROCESSING FOR ALL UNEs?

23

24 A. No. In paragraph 87 of its Order on BellSouth's second 271 application for
25 Louisiana, the FCC stated:

1 . . . a BOC must offer access to competing carriers that is analogous
2 to OSS functions that a BOC provides to itself. Access to OSS
3 functions must be offered in 'substantially the same time and manner'
4 as the BOC. For those OSS functions that have no retail analogue . . .
5 a BOC must offer access sufficient to allow an efficient competitor a
6 meaningful opportunity to compete.

7 BellSouth, therefore, is not required to provide electronic ordering for all
8 unbundled network elements ("UNEs"), but Covad proposes to be charged a
9 price for electronic ordering regardless of whether BellSouth provides that
10 capability. (See also Mr. Pate's testimony with regard to the FCC's UNE
11 Remand Order requirements for use of automated OSS.)

12
13 BellSouth incurs costs in providing services to Covad and to other ALECs in
14 Florida. These costs have to be recovered, and should be recovered from the
15 cost-causer, in this case, the entity placing the manual service order. BellSouth
16 rates are cost-based and BellSouth should be allowed to charge Covad the
17 approved rate for manual service orders in Florida when Covad places a
18 manual local service request.

19
20 Q. DOES BELLSOUTH OFFER ELECTRONIC ORDERING?

21
22 A. Yes. There are numerous UNEs that can be ordered electronically. BellSouth
23 provides electronic interfaces for pre-ordering and ordering associated with
24 xDSL type loops, as well as, line sharing. Since electronic access is available,
25 Covad should not have to place manual orders and it would seem, based on this

1 fact, that this issue should now be settled. Apparently, however, the dispute
2 now concerns rates.

3

4 Q. HAS THE COMMISSION PREVIOUSLY ADDRESSED THIS ISSUE?

5

6 A. Generally, yes, the Commission addressed this issue in its MCI Order. In that
7 Order, the FPSC found, in its decision on IV. Nonrecurring Charges:

8 *Since this access [ordering of DS-1 combinations] presently involves*
9 *manual processes, it is reasonable for BellSouth to assess a manual*
10 *ordering charge.*

11 The Commission further found:

12 *. . .where it is determined that BellSouth has an electronic interface in*
13 *place for its retail offerings, but there is no analogous system in place*
14 *for comparable services obtained by an ALEC. . .where such a finding*
15 *is made, BellSouth should charge an electronic ordering charge.*

16

17 Q. WHAT DOES BELLSOUTH REQUEST OF THIS COMMISSION WITH
18 REGARD TO ISSUE 11?

19

20 A. BellSouth requests that the Commission deny Covad's request. Further,
21 BellSouth asks that the Commission find, as it did in the MCI Arbitration, that
22 if the ordering process for the service that Covad wants is a manual process,
23 then Covad must pay BellSouth for such manual service order processing.
24 BellSouth asserts that the appropriate rate for manual service order processing
25 is \$21.56, as proposed by BellSouth in FPSC Docket No. 990649-TP. Final

1 manual service order processing rates adopted in Docket No. 990649 – TP will
2 be included in the parties' Interconnection Agreement on a going forward
3 basis.

4
5 *Issue 12: Should Covad have to pay for a submitted LSR when it cancels an order*
6 *because BellSouth has not delivered the loop in less than five business days?*

7
8 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

9
10 A. BellSouth's position is that once Covad submits an LSR, BellSouth begins
11 processing Covad's order and, even if Covad withdraws its request, Covad is
12 responsible for paying whatever charges are appropriate to reimburse
13 BellSouth for the work done on Covad's behalf.

14
15 Q. WHAT IS COVAD ASKING?

16
17 A. This issue is essentially a performance measures issue, addressing BellSouth's
18 loop provisioning intervals. Covad's position first assumes that BellSouth
19 should provision a loop ordered by Covad within 5 days. Covad then assumes
20 that if BellSouth cannot provision the requested network elements in the short
21 period of time that Covad has requested, Covad should be allowed to withdraw
22 its request for service, and BellSouth should either not charge Covad for the
23 work done or, if Covad has already paid, should refund the payment or, in
24 essence, pay a penalty. Issues such as this should be addressed as part of the

1 Commission's generic performance measures docket, and not in the context of
2 a two-party arbitration.

3

4 If, however, this Commission decides that the issue is appropriate for this
5 proceeding, by no means should BellSouth be required to waive the LSR OSS
6 charge. Although BellSouth may not provision a loop in the timeframe
7 requested, or deemed appropriate by Covad, various work functions will be
8 performed prior to Covad canceling an order. The LSR OSS fee charged by
9 BellSouth is appropriate to cover such work effort.

10

11 Q. WHAT IS BELLSOUTH REQUESTING OF THIS COMMISSION WITH
12 REGARD TO ISSUE 12?

13

14 A. BellSouth requests that the Commission deny Covad's proposal and find,
15 under the circumstances put forward by Covad, that Covad is responsible for
16 paying appropriate LSR OSS charges.

17

18 *Issue 24: Are the rates proposed by BellSouth for unbundled loops and line sharing*
19 *compliant with TELRIC pricing?*

20

21 Q. WHAT IS BELLSOUTH'S POSITION WITH REGARD TO ISSUE 24?

22

23 A. BellSouth has an obligation to provide access to unbundled network elements
24 at rates based on costs calculated in accordance with the rules of the FCC and
25 the FPSC. The FPSC has reviewed BellSouth's cost methodology and cost

1 calculations in Docket No. 990649 - TP. Final unbundled loop rates adopted in
2 Docket No. 990649 – TP will be included in the parties’ Interconnection
3 Agreement.

4
5 BellSouth is filing a line sharing cost study in this proceeding in the testimony
6 of Mr. Bernard Shell. Rates for line sharing, based on that cost study, are
7 attached to my testimony as Exhibit CKC-D1. BellSouth asks the Commission
8 to adopt these rates in this docket with the understanding that any final
9 adjustments ordered in Docket No. 990649-TP, if applicable, can be
10 incorporated at a later date. These rates should be trued-up only on a going
11 forward basis.

12
13 ***Issue 25: In the event Covad desires to terminate its occupation of a collocation***
14 ***space, and if there is a waiting list for space in that central office, should***
15 ***BellSouth notify the next ALEC on the waiting list to give that ALEC the***
16 ***opportunity to take that space as configured by Covad (such as racks,***
17 ***conduits, etc.), thereby relieving Covad of its obligation to completely vacate***
18 ***the space?***

19
20 Q. WHAT IS BELLSOUTH’S POSITION WITH REGARD TO THIS ASPECT
21 OF COLLOCATION?

22
23 A. BellSouth is obligated to notify the FPSC and the telecommunications carriers
24 on the waiting list within 2 days of BellSouth knowing that space is available.
25 BellSouth does not believe, however, that it is allowed to reveal the identity of

1 ALECs who are seeking space in specific central offices, since many ALECs
2 consider that information to be proprietary business information.
3 Consequently, BellSouth cannot provide Covad with the name of the next
4 ALEC on the waiting list for a specific central office.

5

6 Q. WHAT ARE BELLSOUTH'S OBLIGATIONS WITH REGARD TO
7 NOTIFICATION OF ALECs IN FLORIDA WHEN SPACE BECOMES
8 AVAILABLE FOR COLLOCATION WHEN THERE IS A WAITING LIST?

9

10 A. In Florida, on a first-come, first-served basis governed by the date of receipt of
11 an Application or Letter of Intent, BellSouth will maintain a waiting list of
12 requesting carriers who have either received a Denial of Application or, where
13 it is publicly known that the premises is out of space, have submitted a Letter
14 of Intent to Collocate. Sixty (60) days prior to space becoming available, if
15 known, BellSouth will notify the FPSC and the ALECs on the waiting list by
16 mail when space is to become available according to the position of the ALEC
17 on the waiting list. If not known sixty (60) days in advance, BellSouth will
18 notify the FPSC and the ALECs on the waiting list within two days of the
19 determination that space is available.

20

21 Q. WHAT IS COVAD ASKING WITH REGARD TO THIS ISSUE?

22

23 A. First, in this issue, Covad assumes that there is limited space, and therefore a
24 waiting list of ALECs that want collocation space in the central office being
25 vacated by Covad. This would be true for some central offices, but not for

1 others. Covad then, rather than removing the equipment that it no longer
2 needs, wants the opportunity to sell its equipment to the ALEC that will be
3 moving into the space that Covad is vacating.

4
5 Q. OTHER THAN THE PROPRIETARY INFORMATION ASPECT, DOES
6 BELLSOUTH HAVE A PROBLEM WITH WHAT COVAD IS
7 REQUESTING?

8
9 A. BellSouth does not have a problem with Covad selling its equipment to another
10 ALEC. What Covad does with its equipment when releasing collocation space
11 is of no concern to BellSouth. If the FPSC directs BellSouth to provide Covad
12 with the information that it is requesting, BellSouth will certainly do so.

13
14 BellSouth, however, does have two concerns of a general nature with respect to
15 Covad's request. First, BellSouth is required to provision space for collocation
16 within specific timeframes. If BellSouth is required to provide the information
17 that Covad is requesting, any time lost as a result of negotiations between the
18 ALECs should not be counted as part of BellSouth's time to provide the
19 collocation space. Second, BellSouth cannot be put in the position of
20 becoming an equipment broker for Covad, or any other ALEC. This is exactly
21 what would happen if BellSouth were placed in the middle of the type of
22 transaction that Covad is suggesting. Covad, instead, must negotiate with the
23 other ALEC regarding the potential sale of its equipment.

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25 Q. WHAT DOES BELLSOUTH REQUEST OF THIS COMMISSION?

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A. BellSouth requests that the Commission find the information that Covad is requesting is proprietary in nature and that BellSouth is not required to provide such information to Covad. If, however, the Commission orders BellSouth to provide such information to Covad, BellSouth requests that the Commission find that any time spent in the negotiating process between the ALECs not be counted as part of BellSouth’s provisioning time. Further, BellSouth would ask the Commission to find that BellSouth is not required to handle such a transaction for Covad.

Issue 26: In the event that Covad contracts for collocation space in an office where there is a waiting list for space, but cancels its request for collocation before it has occupied the space, should Covad be liable to pay for the space preparation work that BellSouth has performed when either BellSouth or the next ALEC benefits from that work?

Q. WHAT IS BELLSOUTH’S POSITION ON ISSUE 26?

A. BellSouth understands that this issue has been settled in Florida.

Issue 27: When should charges for collocated space begin?

Q. WHAT IS BELLSOUTH’S POSITION IN THIS ISSUE?

A. BellSouth understands that this issue is settled.

1

2 *Issue 29: What rates should Covad for collocation?*

3

4 Q. WHAT IS BELLSOUTH'S POSITION ON ISSUE 29?

5

6 A. BellSouth's position is that the rates that Covad should pay for collocation
7 must be derived in accordance with the TELRIC costing principles adopted by
8 the FCC and by this Commission. Included in the testimony of Mr. Shell,
9 BellSouth presents a cost study for collocation. Rates for collocation, based on
10 that cost study, are attached to my testimony as Exhibit CKC-D1. BellSouth
11 asks the Commission to adopt these rates in this docket with the understanding
12 that any final adjustments ordered in Docket No. 990649-TP, if applicable,
13 (and eventually Docket Nos. 981834-TP/990321-TP for collocation) can be
14 incorporated at a later date. These rates should be trued-up only on a going
15 forward basis.

16

17 *Issue 31: Should BellSouth send a complete electronic and paper bill within ten*
18 *business days of the bill date, and what will be the billing date of that bill?*

19

20 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

21

22 A. Currently, for local interconnection, BellSouth provides Covad with a paper
23 bill and, at Covad's request, a magnetic tape is produced and mailed to
24 California. BellSouth will electronically transmit these same records to Covad,
25 at Covad's request.

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Both paper and electronic bills are generally rendered within 10 days of the bill date, and the bill will be due 30 days from that bill date. Since Covad can receive an electronic bill almost instantaneously, the fact that the paper bill may follow by a few days, dependent on the transport, is irrelevant. Covad would have ample time from receipt of the electronic bill to review and pay its bill. Covad’s position that it should have 30 days after it receives the later of either the paper bill or the electronic bill is simply a device to delay paying its bills beyond the point when such bills are due.

Q. WHAT DOES BELLSOUTH REQUIRE OF ITS RETAIL CUSTOMERS WITH REGARD TO PAYMENT OF BILLS?

A. Section A2.4.3 (C) of BellSouth’s General Subscriber Service Tariff (“GSST”), requires, in part:

[a] Late Payment Charge. . .for residence subscribers and. . .for business subscribers will be applied to each subscriber’s bill. . .when the previous month’s bill has not been paid in full prior to the next billing date.

In addition, Section E2.4.1 B.3. of the Florida Access Service Tariff states, in part:

All bills . . . for services provided to the IC and/or End User by the Company are due on the payment due date. The payment due date is the date which is 31 days after the bill day or by the next bill date (i.e.,

1 *same date in the following month as the bill date) whichever is the*
2 *shortest interval . . .*

3

4 Q. WHAT IS BELLSOUTH REQUESTING OF THIS COMMISSION?

5

6 A. Covad seeks to be treated differently than other BellSouth customers, however,
7 Covad is not entitled to such preferential treatment. BellSouth requests that
8 this Commission deny Covad's proposal on this issue.

9

10 *Issue 32(a): Should Covad be required to pay amounts in dispute as well as late*
11 *charge as late charges on such amounts?*

12

13 Q. WHAT IS BELLSOUTH'S POSITION WITH REGARD TO THIS ISSUE?

14

15 A. BellSouth agrees that Covad should not have to pay portions of bills that it
16 legitimately disputes until the dispute is resolved. It should, however, pay any
17 undisputed amounts. Moreover, once the dispute is resolved, Covad should
18 clearly pay late charges on the portion of the disputed bill that it is finally
19 determined that Covad owes. Otherwise Covad is simply given the free use of
20 money that should have been paid to BellSouth. Failing to require Covad to
21 pay late charges on disputed amounts that were actually owed to BellSouth
22 simply encourages Covad and any other ALEC that might opt-in to Covad's
23 agreement to contest its bills in order to delay payments to BellSouth.

24

25 Q. WHAT IS BELLSOUTH REQUESTING OF THIS COMMISSION?

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A. BellSouth requests that the Commission deny Covad’s request on this issue and find that once a billing dispute is resolved, Covad should pay late charges on the portion of the disputed bill that it is finally determined that Covad owes.

Issue 32(b): How long should parties endeavor to resolve billing discrepancies?

Q. WHAT IS BELLSOUTH’S POSITION ON THIS ISSUE?

A. BellSouth understands that this issue has been settled.

Issue 33: Should BellSouth’s Network Management Center directly inform Covad’s Network Management Center about all Abnormal Condition Reports that directly or indirectly affect the services of unbundled network elements purchased for BellSouth?

Q. WHAT IS BELLSOUTH’S POSITION ON THIS ISSUE?

A. BellSouth understands that this issue has been settled.

Issue 34: Should BellSouth notify Covad’s Network Management Center when BellSouth’s Emergency Control Center is activated or placed on alert?

Q. WHAT IS BELLSOUTH’S POSITION ON THIS ISSUE?

1 A. BellSouth understands that this issue has been settled.

2

3 *Issue 35: If an Abnormal Condition Report or disaster affects services or facilities*
4 *provided to Covad, should BellSouth provide Covad with documentation of*
5 *that condition and perform a root cause analysis of that situation?*

6

7 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

8

9 A. BellSouth understands that this issue has been settled.

10

11 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

12

13 A. Yes.

14 #229269

BellSouth Cost Calculator 2.4 - Element Summary Report

Study Name	Florida COVAD
State	Florida
Scenario:	State Average
Study Type	TELRIC

Cost Element	Description	Recurring	Non		Non-Recurring	
			Recurring	First	Additional	Initial
H 0	COLLOCATION					
H 1	PHYSICAL COLLOCATION					
H 1 1	Physical Collocation - Application Cost		\$3,760			
H 1 1	Physical Collocation - Application Cost - Disconnect Only		\$1.01			
H 1 5	Physical Collocation - Cable Installation Cost Per Cable		\$1,744			
H 1 5	Physical Collocation - Cable Installation Cost Per Cable - Disconnect Only		\$45.00			
H 1 6	Physical Collocation - Floor Space, Per Sq Ft	\$8.47				
H 1 7	Physical Collocation - Cable Support Structure, Per Entrance Cable	\$19.86				
H 1 8	Physical Collocation - Power per Fused Amp	\$8.72				
H 1.9	Physical Collocation - 2-wire Cross Connects	\$0.0321		\$24.60	\$23.60	
H 1.9	Physical Collocation - 2-wire Cross Connects - Disconnect Only			\$11.73	\$10.58	
H.1 10	Physical Collocation - 4-wire Cross Connects	\$0.0643		\$24.79	\$23.74	
H 1 10	Physical Collocation - 4-wire Cross Connects - Disconnect Only			\$11.99	\$10.76	
H 1 11	Physical Collocation - DS1 Cross Connects	\$1.38		\$44.07	\$31.86	
H 1 11	Physical Collocation - DS1 Cross Connects - Disconnect Only			\$12.03	\$10.87	
H 1 12	Physical Collocation - DS3 Cross Connects	\$17.61		\$41.79	\$30.40	
H 1 12	Physical Collocation - DS3 Cross Connects - Disconnect Only			\$13.85	\$11.11	
H 1 13	Physical Collocation - 2 Wire POT Bay	\$0.1053				
H 1 14	Physical Collocation - 4 Wire POT Bay	\$0.2107				
H 1 15	Physical Collocation - DS1 POT Bay	\$1.49				
H 1 16	Physical Collocation - DS3 POT Bay	\$13.26				
H.1 17	Physical Collocation - Security Escort - Basic, Per Half Hour			\$33.86	\$21.45	
H 1.18	Physical Collocation - Security Escort - Overtime, Per Half Hour			\$44.11	\$27.72	
H.1.19	Physical Collocation - Security Escort - Premium, Per Half Hour			\$54.35	\$33.98	
H.1.23	Physical Collocation - Welded Wire Cage - First 100 Sq Ft	\$204.33				
H 1 24	Physical Collocation - Welded Wire Cage - Add'l 50 Sq. Ft	\$20.04				
H 1.31	Physical Collocation - 2-fiber Cross Connect	\$3.49		\$41.79	\$30.41	
H 1 31	Physical Collocation - 2-fiber Cross Connect - Disconnect Only			\$13.86	\$11.11	
H 1 32	Physical Collocation - 4-fiber Cross Connect	\$6.20		\$51.11	\$39.73	
H 1 32	Physical Collocation - 4-fiber Cross Connect - Disconnect Only			\$18.23	\$15.48	
H 1 33	Physical Collocation - 2-fiber POT Bay	\$45.28				
H.1 34	Physical Collocation - 4-fiber POT Bay	\$61.06				
H.1 37	Physical Collocation - Security Access System - Security System, per Central Office, per Square Foot	\$0.0113				
H 1 38	Physical Collocation - Security Access system - New Access Card Activation, per Card	\$0.0592	\$55.59			
H 1 39	Physical Collocation - Security Access System - Administrative Charge, Existing Card, per Card		\$15.59			
H 1 40	Physical Collocation - Security Access System - Replace Lost or Stolen Card, per Card		\$45.58			
H 1 41	Physical Collocation - Space Preparation - C O Modification per square ft	\$2.56				
H 1 42	Physical Collocation - Space Preparation - Common Systems Modification per square ft. - Cageless	\$2.85				
H 1 43	Physical Collocation - Space Preparation - Common Systems Modification - per Cage	\$96.92				
H 1 45	Physical Collocation - Space Prep - Firm Order Processing		\$1,202			
H.1 46	Physical Collocation - Application Cost - Subsequent		\$3,134			
H.1 46	Physical Collocation - Application Cost - Subsequent - Disconnect Only		\$1.01			
H 1 47	Physical Collocation - Space Availability Report per C O		\$2,151			
H 1 50	Physical Collocation - 120V, Single Phase Standby Power Cost	\$5.56				
H 1 51	Physical Collocation - 240V, Single Phase Standby Power Cost	\$11.14				
H 1 52	Physical Collocation - 120V, Three Phase Standby Power Cost	\$16.70				

BellSouth Cost Calculator 2.4 - Element Summary Report

Study Name	Florida COVAD
State	Florida
Scenario	State Average
Study Type	TELRIC

Cost Element	Description	Recurring	Non		Non-Recurring			
			Recurring	First	Additional	Initial	Subsequent	
H.1.53	Physical Collocation - 277V, Three Phase Standby Power Cost	\$38.57						
H 1.54	Physical Collocation - Security Access - Initial Key, per Key		\$26.20					
H 1.55	Physical Collocation - Security Access - Key, Replace Lost or Stolen Key, per Key		\$26.20					
H 4	ADJACENT COLLOCATION							
H 4.1	Adjacent Collocation - Space Cost per Sq. Ft.	\$0.1809						
H 4.2	Adjacent Collocation - Electrical Facility Cost per Linear Ft.	\$5.96						
H 4.3	Adjacent Collocation - 2-Wire Cross-Connects	\$0.0248		\$24.60	\$23.60			
H 4.3	Adjacent Collocation - 2-Wire Cross-Connects - Disconnect Only			\$11.73	\$10.58			
H 4.4	Adjacent Collocation - 4-Wire Cross-Connects	\$0.0497		\$24.79	\$23.74			
H 4.4	Adjacent Collocation - 4-Wire Cross-Connects - Disconnect Only			\$11.99	\$10.76			
H 4.5	Adjacent Collocation - DS1 Cross-Connects	\$1.28		\$44.07	\$31.86			
H.4.5	Adjacent Collocation - DS1 Cross-Connects - Disconnect Only			\$12.03	\$10.87			
H 4.6	Adjacent Collocation - DS3 Cross-Connects	\$17.35		\$41.79	\$30.40			
H 4.6	Adjacent Collocation - DS3 Cross-Connects - Disconnect Only			\$13.85	\$11.11			
H 4.7	Adjacent Collocation - 2-Fiber Cross-Connect	\$2.94		\$41.79	\$30.41			
H 4.7	Adjacent Collocation - 2-Fiber Cross-Connect - Disconnect Only			\$13.86	\$11.11			
H 4.8	Adjacent Collocation - 4-Fiber Cross-Connect	\$5.62		\$51.11	\$39.73			
H 4.8	Adjacent Collocation - 4-Fiber Cross-Connect - Disconnect Only			\$18.23	\$15.48			
H 4.9	Adjacent Collocation - Application Cost			\$3,154				
H 4.9	Adjacent Collocation - Application Cost - Disconnect Only			\$1.01				
H.4.16	Adjacent Collocation - 120V, Single Phase Standby Power Cost per AC Breaker Amp	\$5.56						
H 4.17	Adjacent Collocation - 240V, Single Phase Standby Power Cost per AC Breaker AMP	\$11.14						
H 4.18	Adjacent Collocation - 120V, Three Phase Standby Power Cost per AC Breaker AMP	\$16.70						
H 4.19	Adjacent Collocation - 277V, Three Phase Standby Power Cost per AC Breaker AMP	\$38.57						
H 6	PHYSICAL COLLOCATION IN THE REMOTE TERMINAL (RT)							
H 6.1	Physical Collocation in the RT - Application Fee			\$615.61				
H 6.1	Physical Collocation in the RT - Application Fee - Disconnect Only			\$327.59				
H 6.2	Physical Collocation in the Remote Terminal (RT) per Bay / Rack	\$233.38						
H 6.3	Physical Collocation in the RT - Security Access - Key			\$26.20				
H 6.4	Physical Collocation in the RT - Space Availability Report per premises requested			\$231.82				
H 6.5	Physical Collocation in the RT- Remote Site CLLI Code Request, per CLLI Code Requested			\$75.13				
H 7	COLLOCATION CABLE RECORDS							
H 7.1	Collocation Cable Records - per cable record					\$1,519	\$976.57	
H 7.1	Collocation Cable Records - per cable record - Disconnect Only					\$266.08	\$266.08	
H 7.2	Collocation Cable Records - VG/DS0 Cable, per cable record					\$654.05	\$654.05	
H 7.2	Collocation Cable Records - VG/DS0 Cable, per cable record - Disconnect Only					\$378.36	\$378.36	
H.7.3	Collocation Cable Records - VG/DS0 Cable, per each 100 pair					\$9.62	\$9.62	
H.7.3	Collocation Cable Records - VG/DS0 Cable, per each 100 pair - Disconnect Only					\$11.80	\$11.80	
H 7.4	Collocation Cable Records - DS1, per T1TIE					\$4.50	\$4.50	
H 7.4	Collocation Cable Records - DS1, per T1TIE - Disconnect Only					\$5.52	\$5.52	
H 7.5	Collocation Cable Records - DS3, per T3TIE					\$15.76	\$15.76	
H 7.5	Collocation Cable Records - DS3, per T3TIE - Disconnect Only					\$19.32	\$19.32	
H 7.6	Collocation Cable Records - Fiber Cable, per cable record					\$169.04	\$169.04	
H 7.6	Collocation Cable Records - Fiber Cable, per cable record - Disconnect Only					\$154.31	\$154.31	

BellSouth Cost Calculator 2.4 - Element Summary Report

Study Name.	Florida COVAD
State	Florida
Scenario	State Average
Study Type	TELRIC

Cost Element	Description	Non		Non-Recurring			
		Recurring	Recurring	First	Additional	Initial	Subsequent
J 0	OTHER						
J 4	LINE SHARING SPLITTER - DATA						
J 4 1	Line Sharing Splitter - per Splitter System 96-Line Capacity in the Central Office	\$201.46	\$377.72				
J 4 1	Line Sharing Splitter - per Splitter System 96-Line Capacity in the Central Office - Disconnect Only		\$346.60				
J 4 2	Line Sharing Splitter - per Splitter System 24-Line Capacity in the Central Office	\$50.37	\$377.72				
J 4 2	Line Sharing Splitter - per Splitter System 24-Line Capacity in the Central Office - Disconnect Only		\$346.60				
J 4 3	Line Sharing Splitter - per Line Activation in the Central Office			\$37.02	\$21.20		
J.4.3	Line Sharing Splitter - per Line Activation in the Central Office - Disconnect Only			\$19.49	\$9.57		
J 4 4	Line Sharing Splitter per Subsequent Activity per Line Rearrangement			\$32.78	\$16.38		
J 4 6	Line Sharing - per CLEC/DLEC Owned Splitter in the Central Office - per LSOD		\$115.29				
J.4 6	Line Sharing - per CLEC/DLEC Owned Splitter in the Central Office - per LSOD - Disconnect Only		\$85.97				
J.4 7	Line Sharing - per CLEC/DLEC Owned Splitter in the Central Office - per occurrence of each group of 24 lines (48 pairs)		\$57.72				
J 4 7	Line Sharing - per CLEC/DLEC Owned Splitter in the Central Office - per occurrence of each group of 24 lines (48 pairs) - Disconnect Only		\$11.09				