

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 001797-TP

In the Matter of

PETITION BY DIECA COMMUNICATIONS,
INC. D/B/A COVAD COMMUNICATIONS
COMPANY FOR ARBITRATION OF
UNRESOLVED ISSUES IN INTERCONNECTION
AGREEMENT WITH BELLSOUTH
TELECOMMUNICATIONS, INC.



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VOLUME 5

PAGES 652 THROUGH 801

PROCEEDINGS: HEARING

BEFORE: COMMISSIONER LILA A. JABER
COMMISSIONER BRAULIO BAEZ
COMMISSIONER MICHAEL A. PALECKI

DATE: Thursday, June 28, 2001

TIME: Commenced at 8:30 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: KORETTA E. STANFORD, RPR
Official FPSC Reporter
(850) 413-6734

APPEARANCES: (As heretofore noted.)

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P R O C E E D I N G S

(Transcript continues in sequence from Volume 4.)

COMMISSIONER JABER: And may I ask the witnesses to stand and raise their right hand, please. Answer by yes or I do. Do you affirm that the testimony you're about to give in this matter is the truth?

WITNESSES: I do.

COMMISSIONER JABER: Thank you.

Mr. Twomey, call your next witness.

MR. TWOMEY: Our next witness is Mr. Jerry Kephart.

JERRY KEPHART

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

D I R E C T E X A M I N A T I O N

BY MR. TWOMEY:

Q Good morning, Mr. Kephart.

A Good morning.

Q Please state your full name for the record.

A Jerry Kephart.

Q Mr. Kephart, did you cause to be filed into the record of this proceeding Direct Testimony on April 23rd, 2001, consisting of seven pages with no exhibits?

A Yes.

Q And did you also cause to be filed into the record of

FLORIDA PUBLIC SERVICE COMMISSION

1 this proceeding Rebuttal Testimony on May 23rd, 2001 --

2 A Yes, I did.

3 Q -- consisting of nine pages with no exhibits?

4 A Correct.

5 Q Do you have any corrections, additions, or
6 modifications to that testimony?

7 A No, I don't.

8 MR. TWOMEY: At this time, Commissioner, I'd like to
9 have Mr. Kephart's Direct and Rebuttal Testimony inserted into
10 the record.

11 COMMISSIONER JABER: Yes. Mr. Kephart's prefiled
12 Direct Testimony and his prefiled Rebuttal Testimony is
13 inserted into the record as though read.

14 MR. TWOMEY: And Mr. Kephart had no exhibits to his
15 testimony.

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

7 Q. PLEASE STATE YOUR NAME, YOUR BUSINESS ADDRESS, AND
8 YOUR POSITION WITH BELL SOUTH TELECOMMUNICATIONS, INC.
9 ("BELL SOUTH").
10

11 A. My name is Jerry Kephart. My business address is 675 West Peachtree
12 Street, Atlanta, Georgia 30375. I am Senior Director - Regulatory for
13 BellSouth. I have served in my present position since October 1997.
14

15 Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.
16

17 A. My career in the telecommunications industry spans over 30 years and
18 includes responsibilities in the areas of network operations, commercial
19 operations, administration, and regulatory. I have held positions of
20 responsibility in BellSouth that include managing installation and
21 maintenance personnel engaged in providing customer telephone service
22 and also managing staff operations in support of these activities. I also
23 have extensive experience in managing regulatory activities for BellSouth
24 including FCC docket management work and public policy planning.
25

1 I graduated from Daytona Beach Junior College in 1964, with an
2 Associate of Science in Electronics Technology. I obtained a Bachelor of
3 Business Administration degree from the University of Florida in 1968.

4

5 Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE ANY STATE PUBLIC
6 SERVICE COMMISSION?

7

8 A. Yes, I have testified on one occasion before the state Public Service
9 Commission in Georgia regarding customer proprietary network
10 information (CPNI).

11

12 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?

13

14 A. I address the technical aspects of network related issues raised in the
15 Petition for Arbitration filed by Covad in this docket. Specifically, I address
16 issues 7(a), 7(b), and 30.

17

18 **Issue 7(a): When BellSouth provisions a non designed xDSL loop, under**
19 **what terms, conditions and costs, if any, should BellSouth be obligated to**
20 **participate in Joint Acceptance Testing to ensure the loop is properly**
21 **provisioned?**

22

23 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

24

25

1 A. BellSouth will perform testing needed to provision the loop to ensure that a
2 non-designed xDSL ordered by Covad meets the specifications for that
3 particular loop. The loop standards are specified in BellSouth's
4 interconnect agreement with Covad and in BellSouth's Technical
5 Requirement 73600 (TR 73600), which is a reference document available
6 to Covad and other Alternative Local Exchange Carriers (ALECs) on
7 BellSouth's Internet website
8 (http://www.interconnection.bellsouth.com/guides/html/tech_ref.html). The
9 costs for performing this testing are included in the non-recurring charge
10 for the loop. Cost recovery for testing beyond what is needed to provision
11 the loop, such as Joint Acceptance Testing, is not included in the rate for a
12 non-designed xDSL. However, BellSouth has been performing additional
13 cooperative testing with other ALECs, with compensation based on time
14 and materials charging, and is willing to do cooperative testing with Covad
15 with the same compensation arrangement.

16
17 **Issue 7(b): Should BellSouth be prohibited from unilaterally changing the**
18 **definition of and specifications for its loops?**

19
20 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

21
22 A. BellSouth should not be prohibited from changing loop definitions and
23 specifications. BellSouth needs to be able to change specifications to
24 comply with changing industry standards or where dictated by technical
25 feasibility issues. Having this flexibility will allow BellSouth to offer uniform

1 and consistent loop products to meet the needs of all ALECs that provide
2 service in Florida and who acquire unbundled loops from BellSouth.
3 Without the flexibility to modify loop definitions, BellSouth could
4 conceivably be put into a situation where it would be contractually required
5 to offer the same loop type using many different specifications, resulting in
6 confusion, added time and cost to provisioning, maintenance and repair of
7 the circuits.

8

9 Q. WHAT IS YOUR UNDERSTANDING OF COVAD'S CONCERN WITH
10 CHANGING LOOP DEFINITIONS AND SPECIFICATIONS?

11

12 A. BellSouth believes that Covad is concerned that BellSouth could
13 unilaterally change the specifications for a loop that Covad acquired
14 through their contract. Where there are technical specifications detailed in
15 the contract between BellSouth and Covad, BellSouth will adhere to those
16 specifications. BellSouth is not trying to change contract language that
17 would result in changes in loop definitions or specifications. But,
18 standards for loops that Covad acquires, but for which there are not
19 technical specifications detailed in their contract with BellSouth, are
20 defined through the standards in BellSouth's TR 73600. Those standards
21 change from time to time.

22

23 Prohibiting BellSouth's ability to change loop definitions and specifications
24 as defined in TR 73600 would be an unreasonable constraint on its ability
25 to continue to meet the needs of all ALECs in Florida. BellSouth does not

1 seek authority to change contract language, but is attempting to maintain
2 the network in compliance with changing industry standards. Industry
3 standards are not set by BellSouth alone, but through a process involving
4 multiple exchange carriers, including Covad. Any changes to the industry
5 standards are reflected in TR 73600. ALECs are given 60 days notice
6 when standards are being updated. Covad should not be allowed to
7 impose static network standards that could limit BellSouth's ability to meet
8 the needs of all ALECs that provide service in Florida and who acquire
9 unbundled loops from BellSouth.

10
11 In sum, if BellSouth and Covad include particular technical specifications
12 and definitions for loops in their agreement, BellSouth does not seek the
13 ability to change unilaterally those specifications and definitions. On the
14 other hand, if BellSouth and Covad have incorporated by reference certain
15 technical standards, such as TR73600, BellSouth should retain the
16 flexibility to update or otherwise modify such standards.

17
18 **Issue 30: Should BellSouth resolve all loop "facilities" issues within thirty**
19 **days of receiving a complete and correct local service request from**
20 **Covad?**

21
22 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

23
24 A. It is not reasonable to place an arbitrary, artificial time limit on when
25 facilities issues can be resolved. Availability of facilities is affected by

1 Outside Plant Construction workload and other factors. Facility problems
2 for ALEC service requests are handled by BellSouth using the same
3 procedures that BellSouth uses to handle its own facility problems.
4 Facility issues resulting from BellSouth demand are not given a higher
5 priority over similar facility issues resulting from Covad demand. Facility
6 issues, regardless of the exchange carrier(s) generating the service
7 request, are resolved in a nondiscriminatory manner.

8
9 Q. HOW DOES WORKLOAD AFFECT FACILITY ISSUES?

10
11 A. BellSouth's construction forces have an ample workload to continue work
12 activity for months if no further jobs are issued. Any jobs needed to
13 resolve facilities issues are in addition to normal construction and
14 maintenance work activity. Factors other than workload, however, can
15 affect the prioritization of resolving facilities issues for ALEC demand as
16 well as BellSouth demand.

17
18 Q. WHAT OTHER FACTORS CAN INFLUENCE THE TIME REQUIRED TO
19 RESOLVE FACILITY ISSUES?

20
21 A. Emergency situations are among the factors that can impact the
22 prioritization of the Outside Plant Construction workload. Work needed to
23 restore service after a natural disaster or a major outage caused by
24 human error will take priority over work to provision newly demanded
25 service. Work that could be required to relieve network congestion or

1 severe facility shortages will also be done ahead of demands for new
2 service. Unforeseen situations can affect the time it takes to resolve
3 facilities issues. Prioritization of Outside Plant workload will be affected by
4 situations such as those referenced above.

5
6 Q. HOW DOES BELLSOUTH MINIMIZE THE LENGTH OF TIME
7 REQUIRED TO RESOLVE FACILITY ISSUES?

8
9 A. In order to minimize delay due to facility issues, BellSouth outside plant
10 engineering and construction forces prioritize jobs such that work to
11 resolve facility demand which is a function of service order activity is
12 placed ahead of normal construction and routine activity. However,
13 service-affecting maintenance takes priority over any work to provide new
14 service. BellSouth makes every attempt to relieve facility problems as
15 quickly as possible, but it is not unusual for a relief job to require greater
16 than one month before being completed. It is therefore unreasonable to
17 place an artificial time constraint on the completion of jobs that will relieve
18 facility issues.

19
20 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

21
22 A. Yes.

1 BELLSOUTH TELECOMMUNICATIONS, INC.
2 REBUTTAL TESTIMONY OF JERRY KEPHART
3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
4 DOCKET NO. 001797-TP
5 MAY 23, 2001

6
7 Q. PLEASE STATE YOUR NAME, YOUR BUSINESS ADDRESS, AND
8 YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC.
9 ("BELLSOUTH").

10
11 A. My name is Jerry Kephart. My business address is 675 West Peachtree
12 Street, Atlanta, Georgia 30375. I am Senior Director - Regulatory for
13 BellSouth. I have served in my present position since October 1997.

14
15 Q. ARE YOU THE SAME JERRY KEPHART WHO EARLIER FILED DIRECT
16 TESTIMONY IN THIS DOCKET?

17
18 A. Yes.

19
20 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY BEING
21 FILED TODAY?

22
23 A. I will respond to portions of the testimony of Covad witnesses Allen and
24 Seeger with respect to Issues 7(a), 7(b), and 30 in whole or in part.

25

1 **Issue 7(a): When BellSouth provisions a non designed xDSL loop, under**
2 **what terms, conditions and costs, if any, should BellSouth be obligated to**
3 **participate in Joint Acceptance Testing to ensure the loop is properly**
4 **provisioned?**

5

6 Q. WHY DID BELLSOUTH DEVELOP A NON-DESIGNED xDSL LOOP?

7

8 A. BellSouth has developed the Unbundled Copper Loop – Non Designed
9 (UCL-ND) at the request of ALECs in response to the ALECs' desire for
10 an xDSL loop with a lower non-recurring cost than the various designed
11 loops. It is a non-loaded copper loop that will not have a specific length
12 limitation. Because the loop does not go through the "design" process, it
13 will not be provisioned with a Design Layout Record (DLR) and will not
14 have a remote access test point.

15

16 Q. PAGE 16 OF MR. ALLEN'S TESTIMONY SAYS THAT "BELLSOUTH
17 SHOULD PROVIDE FOR JOINT ACCEPTANCE TESTING ON EVERY
18 NON-DESIGNED LOOP THAT IT PROVIDES TO COVAD." PLEASE
19 COMMENT.

20

21 A. BellSouth should not be required to provide Joint Acceptance Testing, nor
22 should it be included in the cost of the UCL-ND as Mr. Allen suggests.
23 The intent of developing the non-designed xDSL was to provide an xDSL
24 option to all ALECs with a lower non-recurring cost. The cost to provide
25 Joint Acceptance Testing is not included in the recurring or non-recurring

1 rates for the UCL-ND. If Covad wants testing beyond that which is
2 recovered in the rates for the UCL-ND, BellSouth will develop a procedure
3 with Covad to be billed at Time and Material rates. To include such
4 testing and the recovery of the costs associated with that testing in the
5 basic rate for the UCL-ND would defeat the purpose of having a non-
6 designed xDSL with lower non-recurring charges than the designed loop
7 offerings. The nonrecurring charges for the UCL-ND are significantly
8 lower than the nonrecurring charges associated with installation of a
9 designed UCL, \$44.69 for the non-designed loop vs. a minimum of
10 \$199.01 for a designed loop. The additional testing that Covad is
11 requesting would require a dispatch on every loop and the cost for that
12 dispatch should be recovered under time and materials charging, separate
13 from the normal non-recurring and recurring rates for the UCL-ND. If
14 Covad wants xDSL with a remote testing point and a DLR, it should
15 consider a designed xDSL instead of the less expensive non-designed
16 circuit.

17
18 Q. ON PAGE 17 OF MR. ALLEN'S TESTIMONY, HE STATES THAT
19 COVAD PROPOSES A RATE OF \$40 FOR JOINT ACCEPTANCE
20 TESTING ON THE UCL-ND. IS THIS CHARGE APPROPRIATE?

21
22 A. No, the rate suggested by Covad for additional testing on a non-designed
23 loop is inadequate. The rates for such testing are posted on the BellSouth
24 interconnection website, which can be accessed by Covad and all other
25 ALECs in Florida. The rate structure is time and materials in nature with

1 the charge for the first half hour set at \$78.92 and additional half hours at
2 \$23.22. These rates are interim in nature, and will be retroactively trued-
3 up, pending approval by this Commission. The \$40 proposed by Covad
4 does not cover the rate for the first half hour.

5
6 Q. HAS ANY OTHER PUBLIC SERVICE COMMISSION ADDRESSED THIS
7 ISSUE?

8
9 A. Yes, the Georgia Public Service Commission addressed non-designed
10 xDSL in its order in Docket No. 11900-U dated March 27, 2001. Covad
11 was a participant in the arbitration. The Order specified that “the UCL-ND
12 will not be designed and will not be provisioned with either a design layout
13 record or a test point.” The Order went on to address maintenance and
14 repair of the circuits by stating “for maintenance and repair purposes
15 BellSouth is unable to perform remote testing on the UCL-ND when a
16 trouble is reported because of the absence of a test point and accordingly,
17 CLECs ordering the UCL-ND agree to: (i) test and isolate trouble to the
18 BellSouth portion of the UCL-ND before reporting a trouble to BellSouth;
19 (ii) provide the results of such testing when reporting a trouble to
20 BellSouth; and (iii) pay the costs of a BellSouth dispatch if the CLEC
21 reports a trouble on the UCL-ND and no trouble is found on BellSouth’s
22 portion of the UCL-ND.” The Commission order also specified that
23 requesting carriers have the option of purchasing additional testing to be
24 billed at time and materials charges. The charges for additional testing as
25 specified by the Georgia Commission are posted on the BellSouth

1 interconnection website, which Covad can access.

2

3 Q. MR. ALLEN'S TESTIMONY WOULD LEAD THIS COMMISSION TO
4 BELIEVE THAT BELLSOUTH FREQUENTLY "DELIVERS" NON
5 FUNCTIONAL LOOPS. PLEASE COMMENT.

6

7 A. I cannot discuss with certainty the alleged situations Mr. Allen describes
8 because he does not provide the dates, locations, or any details in support
9 of such situations. If adequate information is provided by Covad,
10 BellSouth will conduct a thorough investigation and, if appropriate, initiate
11 corrective action. BellSouth provisions the UCL-ND in accordance with
12 parameters detailed in TR 73600. BellSouth can make no guarantees that
13 the equipment Covad attaches to the line will function with the line.

14

15 **Issue 7(b): Should BellSouth be prohibited from unilaterally changing the**
16 **definition of and specifications for its loops?**

17

18 Q. COVAD IS ASKING THAT BELLSOUTH'S LOOP DEFINITIONS REMAIN
19 AS DEFINED IN THE CONTRACT WITH COVAD AND AS DETAILED IN
20 THE TECHNICAL SPECIFICATIONS IN PLACE ON THE DATE OF
21 THEIR INTERCONNECTION AGREEMENT WITH BELLSOUTH.
22 PLEASE COMMENT.

23

24 A. As I stated in my direct testimony, BellSouth should not be prohibited from
25 changing loop definitions and specifications. Prohibiting BellSouth's ability

1 to change loop definitions and specifications as defined in TR 73600
2 would be an unreasonable constraint on its ability to continue to meet the
3 needs of all ALECs in Florida. BellSouth does not seek authority to
4 change contract language, but is attempting to maintain the network in
5 compliance with changing industry standards. If BellSouth and Covad
6 include particular technical specifications and definitions for loops in their
7 agreement, BellSouth does not seek the ability to change unilaterally
8 those specifications and definitions. On the other hand, if BellSouth and
9 Covad have incorporated by reference certain technical standards, such
10 as TR73600, BellSouth should retain the flexibility to update or otherwise
11 modify such standards.

12
13 **Issue 30: Should BellSouth resolve all loop “facilities” issues within thirty**
14 **days of receiving a complete and correct local service request from**
15 **Covad?**

16
17 **Q. COVAD HAS REQUESTED A FIRM THIRTY DAY TIME FRAME FOR**
18 **RESOLVING ALL LOOP FACILITIES ISSUES. WHY IS THIS REQUEST**
19 **UNREASONABLE?**

20
21 **A. As I explained in my direct testimony, it is not reasonable to place a firm,**
22 **arbitrary, and artificial time limit on when facilities issues can be resolved.**
23 **Availability of facilities is affected by Outside Plant Construction workload**
24 **and other factors. Work needed to restore service after a natural disaster**
25 **or a major outage caused by human error will take priority over work to**

1 provision newly demanded service. Work that could be required to relieve
2 network congestion or severe facility shortages will also be done ahead of
3 demands for new service. Unforeseen situations can affect the time it
4 takes to resolve facilities issues.

5
6 Q. ON PAGE 10 OF MR. SEEGER'S TESTIMONY, HE STATES
7 REGARDING ORDERS MET WITH FACILITY ISSUES THAT HE HAS
8 PERSONALLY SEEN "ORDERS FALL INTO THAT BLACK HOLE, AND
9 REMAIN THERE FOR MONTHS." PLEASE COMMENT.

10
11 A. I cannot discuss with certainty the alleged situations Mr. Seeger describes
12 because he does not provide the dates, locations, or any details in support
13 of such situations. If adequate information is provided by Covad,
14 BellSouth will conduct a thorough investigation and, if appropriate, initiate
15 corrective action.

16
17 Q. ON PAGE 32 OF MR. ALLEN'S TESTIMONY, HE ATTEMPTS TO
18 DESCRIBE THE SERIOUSNESS OF THE PROBLEMS PENDING
19 FACILITIES ISSUES CREATE FOR COVAD THROUGH THE USE OF
20 ESTIMATED DATA. PLEASE COMMENT.

21
22 A. It appears that Mr. Allen has combined issues that may or may not be
23 related to Covad's request to arbitrarily assign a firm thirty day time limit
24 around resolution of facilities issues. Covad has provided no detail or
25 specifics about the instances Mr. Allen references that would support

1 Covad's estimates of the number of its orders placed in a pending facilities
2 status prior to resolution and completion. BellSouth tracks the number of
3 orders that require greater than thirty days to complete for BellSouth and
4 all ALECs . Historically, less than 0.5% of all orders have required greater
5 than thirty days to complete. BellSouth currently adheres to objectives
6 previously set by this Commission in the Rules for Telephone Companies
7 that establish a thirty day interval for clearing 95% of all facilities issues
8 and an objective to clear 100% in sixty days. BellSouth believes that the
9 guidelines previously set by this Commission are adequate in light of the
10 unforeseen situations that can impact resolution of facilities issues.

11
12 Q. MR. ALLEN CONTINUES TO DISCUSS COVAD'S ORDERING
13 PROBLEMS RELATED TO FACILITIES ISSUES BY STATING THAT
14 "MORE THAN 23% WERE PLACED INTO PENDING FACILITIES
15 QUEUE MORE THAN ONCE." PLEASE RESPOND.

16
17 A. It is unclear what Mr. Allen is trying to say. If an order is placed for service
18 where there are no facilities available to serve that order, it is a priority for
19 BellSouth to resolve the issue as quickly as possible. As I stated in my
20 direct testimony, the only work placed ahead of provisioning for a lack of
21 facilities is the work necessary to restore service to existing customers or
22 to provide facilities in an extreme shortage. If the loop is determined to be
23 non-working as the service order is being worked, it will be placed in a
24 pending facilities status, and another targeted completion date will be
25 issued to Covad. BellSouth reports service order completion time as part

1 of its measurements on its website, which is accessible to all ALECs.
2 Covad can also obtain information on its specific orders which have met
3 with facilities issues on the website. BellSouth provides service to all
4 ALECs on a nondiscriminatory basis as is evidenced by the information
5 available on the website. On existing service, loops experiencing facilities
6 troubles are not placed in pending facilities status, but are handled like
7 any other trouble report. BellSouth reports trouble results monthly on its
8 website, which is accessible to all ALECs. Again, there are no specifics
9 such as dates or locations of such alleged problems, so I cannot respond
10 in detail to the comments. However, BellSouth is committed to continuing
11 to work cooperatively with Covad to resolve any troubles. Each carrier is,
12 however, responsible for testing its own network, with each having the
13 same goal of clearing troubles in a timely fashion.

14
15 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

16
17 A. Yes.
18
19
20
21
22
23
24
25

1 BY MR. TWOMEY:

2 Q Mr. Kephart, do you have a brief summary of your
3 testimony?

4 A Yes, I do.

5 Q Please give it now.

6 A Okay. Good morning. BellSouth provides a variety of
7 loop types for ALECs to select in their provision of
8 telecommunication services. ALECs are free to use the loops
9 they select in any manner they choose, as long as they do not
10 produce harmful effects on other BellSouth or CLEC services.

11 BellSouth cannot guarantee that all loops will
12 function correctly with all types of services that Covad may
13 choose to employ but have provided suggested loop types for
14 certain services. Each loop type is tested and provisioned in
15 accordance with its specifications in TR73600 and priced in
16 accordance with BellSouth's costs for the activities it incurs
17 in provisioning. BellSouth is not opposed and, indeed, offers
18 additional optional activities, such as cooperative testing,
19 but at a separate charge designed to recover our cost.

20 The specifications and definitions for various loop
21 types, as I said, are provided in BellSouth's TR73600, which is
22 provided for the benefit of all ALECs in ordering unbundled
23 loop products. BellSouth attempts to maintain and update this
24 document to stay as much as possible in conformance with
25 technical and/or regulatory standards.

1 BellSouth and all of Florida's ALECs have an equal
2 opportunity to participate in any industry or regulatory
3 discussion leading up to these standards. Any attempt to keep
4 this document static in nature for the pleasure of any
5 particular firm would be a clear disadvantage to all others
6 that make use of this document. ALECs are given at least 60
7 days advance notice when standards affecting this document are
8 being updated.

9 On occasion, BellSouth will be unable to properly
10 provision unbundled loop facilities requested by ALECs due to
11 defects or shortages of available cable pairs. These service
12 results are generally placed in a PF status until qualified
13 workforces can be scheduled to effect some sort of resolution.

14 In the vast majority of cases, these PF orders are
15 resolved in less than 30 days, but some exceptions may exist
16 due to heavy workload conditions or critical priorities that
17 may require a reprioritization of the work. It is extremely
18 important that BellSouth retains the latitude to manage its
19 workload for the benefit of all Florida customers, both retail
20 and wholesale, and not be tied down to specific contract
21 language that would favor one particular customer over another.
22 BellSouth is still held accountable for its overall results in
23 its parity of treatment to each of its customers.

24 That's all I have.

25 MR. TWOMEY: Mr. Kephart is available for cross

1 examination.

2 CROSS EXAMINATION

3 BY MS. BOONE:

4 Q Good morning, Mr. Kephart. My name is Cathy Boone,
5 and I represent Covad Communications. How are you?

6 A Good morning; fine, thank you.

7 Q Unlike so many of my friends at BellSouth, I don't
8 think I've ever cross-examined you before.

9 A That's probably true.

10 Q I'd like to talk to you first about Issue 7-A, which
11 is about joint acceptance testing on the unbundled copper loop
12 line nondesigned.

13 A Right.

14 Q Now, can you -- can BellSouth deliver the UCL
15 nondesigned 90% of the time on time and working?

16 A I think so, yes.

17 Q Well, you realize that Covad's proposal is that if
18 BellSouth does exactly that then Covad will pay for joint
19 acceptance testing every time?

20 A Yes.

21 Q But BellSouth is not willing to agree to that
22 proposal.

23 A That's correct.

24 Q And why is that?

25 A Well, it basically redefines the product. This

1 product was developed, basically, at the insistence of the
2 various ALECs for a cheaper loop. How do you make a loop
3 cheaper? You have to cut out some of the work content
4 associated with providing the loop, and we have lots of design
5 loops that provide for a joint acceptance testing, a BellSouth
6 dispatch on every one of the loops, a test point that's
7 installed on the loop for future testing purposes, a design
8 layout record that provides the ALEC with more data on the
9 characteristics of the loop. It's a higher-quality loop, but
10 it's more expensive, because there's more BellSouth work
11 content associated with provisioning the loop.

12 So, we came up -- because the ALECs wanted something
13 that was cheaper and involved less BellSouth cost to provision,
14 we came up with this UCL-ND loop. We don't dispatch on that
15 loop, in many cases, when we provide it. We don't give a DLR,
16 we don't provide a test point. In many cases, if the loop is
17 fully connected through, we just assign it to the ALEC and pass
18 the order and let it go.

19 What Covad is suggesting is that we turn that process
20 around and do some of the work, probably the most expensive
21 part of the work that we do on design loops and simply dispatch
22 somebody on every one of them. It would no longer be the kind
23 of loop it's designed to be if we did that.

24 Q But you just testified that you will be delivering
25 UCL nondesigned loops 90% of the time on time and working. And

1 in that case, you'll be compensated for that truck roll.

2 A Well -- okay, we'll talk about compensation for a
3 second. What Covad has proposed is a flat \$40 fee to do this.
4 Apparently, that wouldn't matter whether it took two minutes,
5 two hours or two days to jointly test with Covad for the
6 provision of these loops. It's just a flat \$40. That's not
7 consistent with what the price that we have agreed to in the
8 Georgia agreement for the provision of those loops.

9 The other problem would be that, again, it would
10 require us to dispatch on every one of these loops when, in
11 many cases, it wouldn't be necessary to dispatch. That is the
12 whole idea in providing a cheap loop is to be able to save
13 BellSouth cost. And, you know, even if we were compensated
14 properly our true cost, we would still have to face the
15 situation of unnecessary dispatches that we would have to
16 engage in, which is a workload issue which is unnecessary.

17 Q Well, I'm not quite following that, because if --
18 we've got the loop and Covad's paying you for the loop, right?
19 And then -- is that a yes, I'm sorry.

20 A Yes.

21 Q And then, if you deliver 90% of the time on time and
22 working, Covad's going to pay for the testing. Now, is that
23 right?

24 A They're going to pay a flat \$40 fee in their
25 proposal --

1 Q Okay.

2 A -- which doesn't cover our cost in all cases.

3 Q If Covad was willing to take BellSouth's proposed
4 costs, would this be acceptable to you?

5 A No, because then we would simply say if that's really
6 what you want, it sounds like what you want is the designed
7 loop, because that is, indeed, what we do with a designed loop.
8 Or maybe you want an even different kind of loop that we
9 currently don't provide. You're changing the specifications.
10 I mean, anybody could come in and say, well, let's say with a
11 designed loop you give a DLR, you give a test point, you give a
12 dispatch and all these tests, we'd like a designed loop without
13 a DLR, or we'd like a designed loop without a test point. And
14 again, you're changing the definition of what we provide.

15 Now, we would look at those things if a sufficient
16 number of our customers or ALECs wanted a particular type of
17 loop as they did when they requested this UCL-ND, we would take
18 steps to provide it to them, because we want to give our
19 customers those things they want. But right now we don't have
20 an offering that is what Covad describes. We will do the
21 testing, but we'll do it at a charge.

22 Q Well, let me ask you this: Do you believe BellSouth
23 has an obligation to provide Covad with a fully functional loop
24 at the time of delivery?

25 A Yes, but let me qualify that. The term functional is

1 subject to interpretation. Our interpretation of a functional
2 loop would be one that meets the specifications in the TR.
3 We've made it very clear, I think, in the TR that that
4 particular loop may not always work, for example, with ADSL.

5 So, from a Covad perspective, they may put their
6 equipment on that loop and find that it doesn't properly
7 provide the service they're trying to provide, so they may
8 interpret that as being nonfunctional. But we make it clear in
9 the document that in some cases it may work fine, in other
10 cases it may not.

11 Q Well, just to be clear, the technical reference that
12 you're referring to doesn't guarantee that any of BellSouth's
13 loops, designed or nondesigned, will support any type of
14 service; isn't that correct?

15 A That's correct, but if you get a designed loop, you
16 get a higher-quality loop that has a much greater chance of
17 providing ADSL service.

18 Q Now, you referenced the Georgia Public Service
19 Commission order. Is it your testimony that the Commission has
20 ordered that you be allowed to charge for joint acceptance
21 testing on the UCL nondesigned?

22 A Well, as I understand it, it was a settlement
23 agreement. And as part of the agreement, which Covad agreed
24 to, one of the parties, there were rates quoted in there for
25 testing that BellSouth might do in connection with these loops.

1 And those rates are different than what Covad, despite the fact
2 that they agreed to this, it has proposed in their testimony in
3 this particular proceeding.

4 MS. BOONE: I'd like to -- I have another exhibit
5 here, which is the Georgia Public Service Commission order in
6 docket 11900, which I'd like to be the next exhibit.

7 COMMISSIONER JABER: 21. Ms. Boone, that is not on
8 the Official Recognition List, right?

9 MS. BOONE: No, ma'am, no.

10 COMMISSIONER JABER: Okay.

11 (Exhibit 21 marked for identification.)

12 BY MS. BOONE:

13 Q Now, Mr. Kephart, if you could, turn to -- I believe,
14 you referenced a settlement agreement and that is here attached
15 at end on Page 13 of this order. Do you see that?

16 A Not yet.

17 Q The first pages are numbered.

18 A Well, it stops at Page 12, and then it starts over
19 again with a --

20 Q Right, a letter from Bennett Ross.

21 A Yeah.

22 Q And that attaches -- look at the next page.

23 A Oh, that page isn't marked on my copy.

24 Q Okay. Would you agree this is the settlement
25 agreement you're talking about with respect to the UCL

1 nondesigned?

2 A It looks like it.

3 Q Now, I would like you to turn to Page 2 of this
4 settlement agreement. Do you see in the first full paragraph
5 where it says, "The parties agree to negotiate the terms and
6 conditions of joint acceptance testing for the UCL
7 nondesigned"?

8 A Yes.

9 Q Now, are you aware that Covad has proposed, as a term
10 and condition for the joint acceptance testing of the UCL
11 nondesigned, that BellSouth perform such testing and if it does
12 and the loop is delivered on time and working 90% of the time,
13 then we will pay you for that testing?

14 A I'm aware of what you've done in this proceeding in
15 connection with the Issue 7-A. What you've done outside of
16 that I don't know.

17 Q Well, I'm a little bit confused, because you seem to
18 have testified that we agreed to pay for testing in this
19 Georgia settlement, but would you agree with me that this
20 agreement clearly says we are to negotiate that?

21 A Yes, it says that, but again, you -- absent having
22 done that, the only prices that have been agreed upon in terms
23 of any document signed by the parties has the prices that I
24 quoted in my testimony. And where the \$40 came up, I don't
25 know, particularly, a flat fee. That has not been discussed,

1 to my knowledge, and it has not been agreed upon by us.

2 Q Well, I understand it hasn't been agreed upon, but
3 I'm just trying to ask you whether you understand that the
4 result of this settlement was that future negotiations were
5 supposed to take place and that Covad's proposal is in the
6 context of those negotiations?

7 A Yeah, sounds like it.

8 Q Okay. So, we're clear that we haven't reached any
9 agreement about that?

10 A Right.

11 Q The terms and conditions for joint acceptance testing
12 on this loop?

13 A Sounds like it.

14 Q Now, you would also agree, if you look further down
15 that paragraph, that the rates that were suggested for testing
16 are interim subject to true up?

17 A Correct.

18 Q Now, so we've made this proposal to BellSouth and
19 BellSouth's response has been to reject that proposal, correct?

20 A Which proposal?

21 Q The 90% on time and working.

22 A Correct.

23 Q Now, let's walk through this a little bit so the
24 Commission can understand what happens. BellSouth will deliver
25 a UCL nondesigned loop to Covad when Covad orders one; is that

1 correct?

2 A If it's available.

3 Q And it may or may not be tested; is that correct?

4 A Yes. It may or may not be tested, depending on
5 whether we have to dispatch on it to provision it.

6 Q And if it is not tested, how does BellSouth know that
7 the loop is fully connected from the main distribution frame to
8 the customer's premise?

9 A Well, our records would indicate that it's fully
10 connected.

11 Q Now, if BellSouth delivers a loop to Covad that it
12 believes is fully connected but is not, in fact, fully
13 connected is that loop going to work to support any service?

14 A If it's not fully connected, no.

15 Q And if Covad, then, has ordered this loop and Covad
16 rolls a truck to its customer's house, asks its customer to
17 stay home from work to get its DSL service, and Covad tries to
18 install its service, it won't be able to get that loop working,
19 will it?

20 A Probably not.

21 Q And the response to that will be for Covad to open a
22 trouble ticket, right?

23 A That's correct.

24 Q And then BellSouth will roll a truck and confirm that
25 the loop is fully connected, correct?

1 A Right.

2 Q And BellSouth will bear the cost of rolling that
3 truck and ensuring that the loop is fully connected; is that
4 right?

5 A That's correct.

6 Q So, what we're talking about here is that what point
7 in the process BellSouth should confirm the loop is fully
8 connected? Do you agree?

9 A Not necessarily. I think, what you're saying is that
10 in every case when we have a record that indicates a fully
11 connected loop exists, that despite that record specification,
12 that we should dispatch and test to make sure that it does
13 then, of course, yeah, we'd have additional evidence that would
14 tell us it's fully connected.

15 But in most cases the records are going to be
16 correct. In most cases, the loop will have all specifications
17 that it's designed to have in the records. And so, in order to
18 keep the price of the loop low to Covad, which is what they
19 desired, is my understanding, we cut out that work content.

20 Now, Covad -- you know, you're right, there's a
21 possibility that something could be wrong and there's a little
22 element of risk there, but in return for that element of risk
23 there's a lower price for every loop that they buy. If they
24 don't want the element of risk and they don't want to face
25 that, they can order a designed loop where we will go out and

1 test every one and make sure that they're right. In that case,
2 they'll be able to avoid that risk.

3 Q And why should Covad be the party to bear the risk of
4 whether BellSouth's records are right or whether BellSouth has
5 provisioned the order correctly?

6 A Well, I think, Covad should not bear a great risk,
7 but it's the same risk that any consumer in America bears when
8 they buy cheaper product versus a higher-quality product. It
9 gives you a different level of service guarantee and you expect
10 different results. And that's what Covad is doing. They're
11 probably saving a lot more money or at least I don't think they
12 would have asked for this loop if they didn't believe that they
13 would save more money in volume by paying the lower price and
14 taking the chance that in a few cases that they're going to
15 have a defective loop.

16 Q I'm sorry, did you say there was some service
17 guarantee associated with other BellSouth loops for Covad?

18 A Well, what we're guaranteeing is that we'll meet the
19 parameters in the TR, and in the case of the designed loop,
20 we're taking additional steps to make sure that it does versus
21 the nondesigned loop all we're doing is a records check.

22 Q But when you say you're taking additional steps to
23 make it meet the specifications, you're not going to compensate
24 Covad if Covad has to roll a truck only to find out that
25 BellSouth's designed loops aren't properly provisioned, right?

1 A No, we don't compensate Covad. I mean, we're saying
2 we will deliver a loop that meets certain specifications, and
3 we will take extraordinary steps to make sure that that product
4 reaches Covad the way it's designated. For that, there's added
5 cost in order to do it. That added cost is reflected in the
6 price that Covad must pay. But if they choose to avoid that,
7 then they can go with the other product.

8 Q Well, but Covad is proposing that it's willing to pay
9 that price if BellSouth delivers the loop 90% of the time on
10 time and working. We just want our customers not to experience
11 that risk. Is that reasonable?

12 A No, because again, it redefines the product. As I
13 said, we'd have to dispatch on every one of them.

14 Q But you'll be compensated for those dispatches, if
15 you delivered 90% of the time.

16 A Well, we'll be compensated at a rate that Covad is
17 suggesting which may not be sufficient for us. The other
18 problem, quite honestly, is what you're doing here is you're
19 creating a potential for a contest that doesn't make a lot of
20 sense. And what I mean by is a BellSouth technician goes out,
21 makes the appropriate measurements and does testing with Covad
22 on the loop. Covad attaches their equipment to it and they
23 find that it doesn't work, that the ADSL high-pitched stream
24 doesn't travel at what they thought it would. So they say,
25 well, wait a minute, this isn't what I want. BellSouth says

1 well, wait a minute, it meets the TR specification. It's what
2 we're guaranteeing -- it's what we're promising to deliver you,
3 and then you get into these contests. And that's just more
4 time and effort, and I don't think it's beneficial to either
5 party.

6 So, I don't think your proposal really makes a lot of
7 sense. What makes sense is for us to deliver the product that
8 we have in our catalog of product, which is this TR and to
9 deliver them at specifications and the price they're priced at.

10 Q That may or may not work.

11 A Well, they should work the vast majority of times.
12 If they don't work, then we do have a problem and we need to
13 fix that.

14 Q And if Covad would rather that problem be fixed in
15 the provisioning process, would you agree that what Covad has
16 proposed is exactly a mechanized -- mechanism to fix that in
17 the provisioning process?

18 A No. I think, what Covad should do is order a
19 designed loop, because that gives them what they're proposing,
20 essentially, for the nondesigned loop.

21 COMMISSIONER JABER: Is a designed loop more
22 expensive?

23 THE WITNESS: Yes. It costs more, because there's
24 more work content associated with providing it, but there's a
25 greater chance that it's going to meet all the parameters of

1 the TR.

2 COMMISSIONER PALECKI: How much more does it cost?

3 THE WITNESS: I believe, the -- for a designed loop,
4 I believe, it's something like \$199 nonrecurring versus -- for
5 a nonrecurring charge, not the recurring. I forget what the
6 recurring charges are, versus about \$44 for the nondesigned
7 loop, so...

8 COMMISSIONER PALECKI: And the designed loop is
9 guaranteed?

10 THE WITNESS: They're all guaranteed to meet the same
11 specifications that are outlined in the TR, but the difference
12 is, is that the provisioning process for a designed loop
13 involves a dispatch by a BellSouth technician and cooperative
14 testing with Covad on every one of them. So, even if the
15 records happen to be wrong, that activity is going to verify
16 all that stuff before it's ever turned up. In the case of the
17 nondesigned loops, since we don't do all that, in some cases
18 the records could be wrong, but in most cases that's not going
19 to occur.

20 BY MS. BOONE:

21 Q But it's more than the records being wrong, wouldn't
22 you agree, if BellSouth -- if a BellSouth technician just
23 doesn't complete a cross-connection correctly the loop won't
24 work.

25 A Well --

1 Q Could you answer yes or no and then explain, please?

2 A Okay. Yes, if he doesn't do a cross-connection, it
3 won't work. But as I said, a majority of the nondesigned loops
4 we don't even dispatch on, so he has no cross-connect complete.

5 Q In the central office there are cross-connections,
6 correct, to our collocation space?

7 A Oh, yes, we always do that. We run from the main
8 frame to your collocation space. I thought you were talking
9 about a field cross-connect, excuse me.

10 Q Well, any cross-connection at any point in the loop
11 will potentially disrupt the service, right?

12 A That's right.

13 Q And if BellSouth had a bad pair out there, that would
14 also make it a nonworking loop, right?

15 A That's correct.

16 Q If BellSouth has a problem in its remote terminal, it
17 could not work, right?

18 A Well, if you're talking about a -- this pair doesn't
19 involve a remote terminal, because if you're talking about DLC,
20 because this is a straight copper pair.

21 Q I was just talking about any cross box.

22 A If there's a problem in the cross box, that's
23 correct, it wouldn't work.

24 Q So, what we're saying is that there are a number of
25 reasons for which Covad's customer could be sitting at home.

1 Covad could roll a truck to install the service and for
2 whatever reason BellSouth has not properly provisioned the
3 loop, right?

4 A There could be a number of causes, but the
5 probability is low.

6 Q So, in your view, Covad should pay once for the loop
7 and a second time to ensure that it works?

8 A No. You only pay once for the loop. You pay for the
9 -- if we provision you with a loop that doesn't work, if you
10 order a nondesigned loop and we pass the order and you put your
11 equipment on it and determine that the loop is defective, then
12 you will report that to us and if, indeed, it is defective
13 we'll go out and fix it and there won't be an additional
14 charge.

15 COMMISSIONER PALECKI: Is there any test that you can
16 do short of providing a designed loop that would tell whether
17 the loop will work with DSL so you're not incurring the charges
18 of a designed loop but you are paying for an additional test
19 that would give Covad greater assurance that when they roll
20 their truck they'll have a loop that actually works with DSL?

21 THE WITNESS: Well, Commissioner, there's always more
22 tests that you can perform. And whenever you make the decision
23 to do more tests, you create more work content, which has to be
24 built into the price, which raises the price and tends to
25 defeat the purpose of what the ALECs were asking for. If we

1 dispatch on these nondesigned loops, because in many cases, a
2 fair amount of cases, we have to dispatch anyway, because the
3 records indicate that while there's a vacant loop to that
4 address, it is not fully connected through.

5 I mean, a lot of people move in and out of addresses
6 all the time and we leave the loops connected, in most cases,
7 when people move out and we note that in our record. And
8 somebody moves in and then we don't have to dispatch to provide
9 service, we do that with our retail customers routinely. So,
10 if we want to make additional tests, to answer your question,
11 we can do that, but it's going to add additional cost.

12 And we believe that in order to keep the price of
13 this loop low, which is what they wanted, that what we need to
14 do is remove as much BellSouth work content as possible and let
15 them decide if they want that or if they want to be more
16 assured of getting more robust loop than pay the additional
17 cost for our work, which is in the designed loop.

18 COMMISSIONER PALECKI: Well, right now it appears
19 there are three options: One is the designed loop, which is
20 very much more expensive than the nondesigned loop or there's
21 joint acceptance testing that is also very expensive and would
22 require BellSouth to schedule to roll its truck at the same
23 time that Covad rolls a truck so that you can do the testing
24 jointly.

25 THE WITNESS: Well, they may not have to roll their

1 truck. It would involve a truck roll for BellSouth and the
2 technician would have to go all the way to the address
3 location, call up a Covad technician and agree to do whatever
4 testing that he wanted to do to ensure him that the loop was
5 fully connected, but normally wouldn't involve a Covad
6 dispatch.

7 COMMISSIONER PALECKI: But what I'm envisioning as
8 another option is the nondesigned loop, but without going to
9 the expense of actually having a designed loop doing an
10 additional test that would assure that a DSL connection works.
11 I mean, it just seems like, yes, it will be more expensive but
12 it won't be as expensive as a designed loop.

13 THE WITNESS: Well, I think, what you're suggesting,
14 and we're certainly open to this, is another product, is
15 something between the two that involves an additional element
16 of BellSouth work activity that may cost a little bit more,
17 because we have to add that increment into it that they would
18 want. And, you know, the ALECs are free to come to us and
19 negotiate additional unbundled loop products; in fact, that's
20 how we came up with this particular loop product in the first
21 place is they asked us for this. They asked us to remove the
22 BellSouth work content as much as we could to lower the price
23 of the loop, and we did that.

24 Now, what Covad is suggesting is, well, gee, maybe
25 you removed too much. I want more work content, and I want to

1 pay a new price that they are suggesting which I don't think,
2 unless it was further refined, would compensate us for those
3 additional costs. But if they want to propose a different
4 product, we could sit down and we could talk about a new
5 product. And if there was sufficient demand for it, we would
6 be like any business, we'd look to add it to our product
7 catalog.

8 COMMISSIONER PALECKI: What does BellSouth's DSL
9 provider do? Do they use nondesigned loops and just take their
10 chances when they go out there that it might not work?

11 THE WITNESS: The vast majority, if not all of our
12 ADSL services, are provided over voice loops that are already
13 fully connected and serving the customer. So, yes, what we do
14 is we look at that hoop from a records check basis. And we
15 know that it's fully connected, because it's already got voice
16 service on it. We see if the parameter in the records indicate
17 that it would support a high-speed data stream. And if it
18 does, then we would attempt to install ADSL on it. Now, there
19 are cases that it doesn't work.

20 COMMISSIONER PALECKI: Is that the same thing you'll
21 do for Covad when they order a nondesigned loop?

22 THE WITNESS: Well, when they're ordering a
23 nondesigned -- well, essentially, that's what we're doing, I
24 think. I mean, we're looking at the records, we're seeing if
25 it's a fully-connected loop and then we're passing the order

1 and saying, you know, this is a fully connected loop, it meets
2 the standards. Based on the records of our TR, it could
3 support ADSL, but we can't guarantee that it will, because we
4 don't know for sure, and here it is. It's the same thing that
5 we do with our own folks.

6 COMMISSIONER PALECKI: Now, you said that,
7 essentially, that's what you're doing with Covad which connotes
8 to me that there's something perhaps slightly different. Why
9 did you use the word essentially?

10 THE WITNESS: Well, because we're, as I said,
11 providing our ADSL over an existing voice loop. When they buy
12 an unbundled loop it doesn't have anything on it, so it's not
13 -- at the time they buy it it's not up and working, but it's
14 still fully connected.

15 COMMISSIONER PALECKI: And that's because most
16 customers who order DSL service don't want it on the same line
17 that their telephone is on? Why wouldn't it be a full working
18 voice loop, I guess, is the question?

19 THE WITNESS: Well, it could be. We're getting into
20 a line sharing issue. If Covad wants to do line sharing, they
21 can do that. And that could be the case where BellSouth has a
22 voice service and they want to use that loop, then they can
23 order that. But what -- this issue is talking about an
24 unbundled copper loop that isn't being used for anything else
25 that they're asking for. Why they would want to do that versus

1 line sharing is their decision. It's our position just to
2 provide them what they ask for.

3 COMMISSIONER PALECKI: Thank you.

4 BY MS. BOONE:

5 Q And just to be clear, when you're providing retail
6 ADSL service, you're doing it over a working voice loop, so you
7 don't need to check to see if it's fully connected, because
8 it's obviously supporting voice, right?

9 A Well, essentially, we are. We're not really checking
10 to see if it's fully connected, because you're right, we know
11 it's providing voice. But we have to do a records check anyway
12 to determine if it's in the right existing zone in order to be
13 a high-speed data service.

14 Q Okay. And Commissioner Palecki's other question
15 about whether -- I'll have to come back to that.

16 COMMISSIONER PALECKI: Whether there was an
17 additional test that could be done short of a designed loop
18 that would assure Covad that you actually had a loop that would
19 work with DSL.

20 BY MS. BOONE:

21 Q Well, let me ask you this: Just so we can be clear
22 on the record, Covad's not asking you to tell us that the loop
23 supports our DSL service; you'd agree with that, right?

24 A Yes.

25 Q And all we're asking is that you say on the day of

1 delivery that it meets your technical specifications, right?

2 A That's right.

3 Q So, what seems to have been lost in this discussion
4 is whether BellSouth has an obligation to deliver us a loop on
5 time and working, and you agree that they do, right?

6 A Yes.

7 Q So, the joint acceptance testing we're talking about
8 is a safety net, a way to ensure that you do what you say you
9 need to do, right?

10 A Yes, but it doesn't come without a cost.

11 Q Okay. Let's take the cost out of it. Let's assume
12 that Covad was willing to pay BellSouth whatever cost you
13 wanted to do joint acceptance testing up front. And the one
14 condition is if you can deliver a loop on time and working 90%
15 of the time, would that be an acceptable proposal to BellSouth?

16 A No, because again, I think, we get into this contest
17 issue of what is acceptable to Covad based on what they want to
18 do and what BellSouth is providing. We will do cooperative
19 testing on every one of the loops, if that's what you want, but
20 we believe we have the right to charge for that testing. And
21 the other thing, too, is if we do the testing, then the loops
22 will all be correct, because cooperative testing implies that
23 Covad agrees that everything's fine.

24 Q The question is, is it done on the UCL nondesigned at
25 the time of provisioning or is it done after Covad has rolled

1 the truck, its customer has waited at home and it has had to
2 open a trouble ticket? Isn't that really the issue?

3 A No. I think, that Covad can choose to have it done
4 at the time of provisioning and pay the cost, in which case it
5 would seem to me 100% of them should be provisioned correctly,
6 because Covad would be involved in the testing and they would
7 accept it.

8 Q Okay. You were asking earlier where Covad got the
9 \$40 proposal. I would like to hand you another exhibit. This
10 is the xDSL provision of the interconnection agreement between
11 Southwestern Bell Texas and Covad Communications.

12 COMMISSIONER JABER: Exhibit 22 is an xDSL agreement
13 between Covad and who, Ms. Boone?

14 MS. BOONE: Southwestern Bell Texas.

15 COMMISSIONER JABER: Thank you.

16 (Exhibit 22 marked for identification.)

17 BY MS. BOONE:

18 Q And I'd ask you to turn to Section 7.4, please. I'm
19 just going to ask you to look at a few things here. Do you see
20 -- it's listed Acceptance Testing Billing. Do you see that
21 provision?

22 A Yeah, it's at the bottom of Page 12, and then it goes
23 on to 13?

24 Q Right. And if you look down on 13, 7.4.1.4 --

25 A Mm-hmm.

1 Q -- it indicates that Southwestern Bell Texas, SWBT,
2 delivery commitment changes to 90%. Do you see that?

3 A Right.

4 Q And just below that it says, "The charges for
5 acceptance testing shall be \$33.51"; is that correct?

6 A Right.

7 Q So, is it your testimony that what Southwestern Bell
8 does for \$33.51 costs BellSouth more than twice as much to do?

9 A Well, I can't answer for what the costs are of
10 another company. I mean, obviously, I don't know how they
11 priced out their cost. I don't even know what they charge for
12 their loops. Based on -- I saw a portion of this exhibit that
13 you attached to your testimony, and I couldn't even find
14 anything in there that mentioned the type of loop we're talking
15 about, so I don't even know if they offer it. It appeared to
16 me that they had cooperative testing outside the price of their
17 loop.

18 Now, I don't know that to be a fact, but apparently
19 they have a different set of -- they have new products, like we
20 do, but they have a different vintage of those loops in the way
21 they price them and provide them, and I don't think you can
22 compare us with them.

23 Q Okay. Let's just address that first issue, make sure
24 that we know that they do deliver the same kind of loops.
25 Would you look at Page 4 of this exhibit, 4.1.1, it describes

1 the 2-wire xDSL loop. And you're familiar with how BellSouth
2 has proposed the UCL nondesigned. If you'd just read that
3 paragraph and tell me if that's similar.

4 A Well, it's similar, but it's also similar to our
5 designed loop as well.

6 Q Okay. So -- because this one actually supports the
7 transmission of xDSL technology, and none of BellSouth's loops
8 do that, do they?

9 A Of course, they do. What do you mean?

10 Q Well, this one is apparently guaranteed to support
11 DSL technology.

12 A Where does it say that?

13 Q On the second line, "is a loop that supports..."

14 A I don't see the word guarantee.

15 Q Well, how do you interpret that sentence? It's a
16 loop that supports DSL transmission?

17 A A loop that will support it, probably most of the
18 time, and that's what we say about ours. It -- we don't
19 guarantee it to support it, but it will -- it is a straight
20 copper loop less than 18 kilofeet that the standards indicate
21 will support ADSL.

22 Q I'd like to talk now about the Issue 7-B, about the
23 technical references.

24 A Okay.

25 Q You don't have that exhibit around from yesterday, do

1 you? Were you here for that?

2 A Which one?

3 Q It's Exhibit 11. Let me give you mine.

4 A The TR?

5 Q Right.

6 A Yeah, I have it here.

7 Q Okay. Do you have the April 2001 version?

8 A Yes.

9 Q Okay. Do you know during the life of Covad's
10 contract how many different technical references BellSouth has
11 issued?

12 A No.

13 Q Now, on Page 6 of your Rebuttal, now, you understand
14 what Covad is asking here is that the loops that are defined in
15 this document, Exhibit 11, continue to be defined that way
16 throughout the length of its contract; do you understand that?

17 A I'm sorry, say that again.

18 Q You understand that what Covad is saying is that, for
19 example, it's entitled to purchase an ADSL loop under its
20 contract; is that right?

21 A Yes.

22 Q And there are some general parameters of that loop,
23 how long it is, that it's all copper, that's set forth in the
24 contract; is that right?

25 A I haven't seen all the contract language, but I'll

1 accept your word for that.

2 Q Okay. Would you agree that there are more -- there's
3 detailed physical characteristics and electrical specifications
4 set forth in the technical reference?

5 A Yes.

6 Q And would you agree that how those are defined in the
7 technical reference could affect the performance of the loops
8 that Covad buys?

9 A Depends on what Covad wants to do with them.

10 Q Yes, it does. And BellSouth does not know what Covad
11 wants to do with them, does it?

12 A That's correct.

13 Q So, if Covad is relying upon the technical
14 specifications as set forth at the time it executes its
15 contract, then Covad is entitled to do that; isn't that right?

16 A Yes.

17 Q And if BellSouth later changes the technical
18 specifications in a way that affects Covad's service, that
19 could have -- that could cause great harm to Covad's business,
20 couldn't it?

21 A It could.

22 Q And what Covad has asked is that the technical
23 reference in place on the date of execution continue to govern
24 throughout the length of its contract; is that right?

25 A They've said that they don't want BellSouth to make

1 any changes without seeking their agreement.

2 Q And BellSouth is not willing to do that; is that
3 correct?

4 A That's correct.

5 Q So, you'd like to reserve the right to unilaterally
6 alter the definitions of the loops that Covad buys?

7 A We'd like to reserve the right to alter the TR to
8 reflect changes in technology and perhaps regulatory
9 requirements, yes.

10 Q And why, if there were such changes in technology or
11 regulatory requirements, why couldn't BellSouth come to Covad
12 and propose an amendment?

13 A Well, you say propose an amendment. That implies an
14 agreement on the part of Covad. This document is a document
15 that is meant for all ALECs, not just Covad. To allow one ALEC
16 to, essentially, have veto power over any changes to the
17 document wouldn't make any sense to me.

18 Q But it would make sense to allow BellSouth to be able
19 to unilaterally change the specifications for all ALECs, even
20 if it affected all of the ALECs' business in Florida?

21 A And if we did, we would do it in a positive way. I
22 really believe that what Covad is trying to do here is to craft
23 a rather ridiculous solution to what, apparently, is an
24 irrational fear that they have about a problem that doesn't
25 exist. Let me explain that, if I may.

1 The solution doesn't make any sense, because it
2 would, again, put the document at the mercy of one ALEC. So,
3 if we had 50 ALECs that were buying unbundled loops from this
4 document and 49 of them came to us and said, "Look, we'd really
5 like for you to make this change," we'd have to say, well, even
6 if we agreed that the change is warranted, we'd have to say,
7 well, we need to go ask Covad first. That doesn't make any
8 sense.

9 Most of the time when there is technology changes
10 that dictate a change in specifications, the technology
11 improves things. It doesn't make things any worse. If a
12 vendor today were to create a new piece of equipment to attach
13 to a loop, that would give it less capabilities and what the
14 current equipment out in the field that people can buy today,
15 it's unlikely that he would sell it, so the technology would
16 improve the capabilities of what we can do with a loop, not
17 make them worse.

18 And if a technology development came out that would
19 allow these loops to be more useful than they are today, and we
20 didn't change the specifications, a lot of ALECs might be quite
21 upset that they couldn't take advantage of that technology.
22 And to hold it hostage to one particular CLEC that may decide
23 for their own business reasons not to utilize that technology
24 at the current time would be ridiculous, in my view.

25 Now, the second point, this irrational fear that I

1 talked about, what maybe Covad doesn't understand or want to
2 accept is that BellSouth really wants to sell these loops. And
3 I know that people don't think that sometimes, but we've got
4 millions of loops out there, and every loop that we sell to an
5 ALEC today, yesterday was sitting there unused. We've got no
6 revenue for it. And when we sell to an ALEC, we get revenue.
7 Now, we may not get the amount of revenue that we think we
8 deserve, but that's another issue for another day.

9 The point is that if we sell that loop we get
10 revenue, so we're motivated to sell these loops. And we've got
11 them all over -- we've been putting in loops for over 100
12 years, and we've got them to -- everytime a new office part
13 goes up or a residential development or a multitenant unit, we
14 put lots of loops out there. And if the engineers are doing
15 their job right, there's more loops than there's going to be
16 customers even, so we want to sell those loops. And as far as
17 the --

18 Q I'm sorry, could I -- I'm really on a short time
19 lease here, and I was wondering if we could --

20 COMMISSIONER JABER: Let him finish, Ms. Boone, and
21 I've got a couple questions for you, Mr. Kephart and, I think,
22 Commissioner Palecki does, too.

23 A Okay. The last part is the fact that a problem that
24 doesn't exist, I think, that we haven't been changing this TR
25 to disadvantage ALECs. In fact, we've been doing the exact

1 opposite, and what we talked about in the last question and
2 answer period had to do with that very thing. We change the TR
3 in order to make our products more desirable by CLECs so that
4 they can buy and purchase these things so we will sell loops.
5 We're not in the business of changing definitions on loops to
6 make them unusable so we can't sell them, and we wouldn't do
7 that to Covad.

8 COMMISSIONER PALECKI: That's the question I had.
9 Are you aware of any changes to the document that have caused
10 harm to any ALEC or caused them additional expense?

11 THE WITNESS: Not that I know of, no. Certainly,
12 that wouldn't be our motivation to put -- to cause someone,
13 particularly like Covad, that buys a lot of loops, as they've
14 said many times, to cause them not to want to buy the loops,
15 because we derive revenue from that, and that's our motivation,
16 to sell them.

17 COMMISSIONER PALECKI: Thank you.

18 COMMISSIONER JABER: Mr. Kephart, with respect to one
19 of your answers was that you want to be able to address
20 regulatory changes, regulatory requirement changes --

21 THE WITNESS: Right.

22 COMMISSIONER JABER: -- and technical specification
23 changes. With respect to the regulatory changes, your concerns
24 would be covered by the change of law provision in an
25 interconnection agreement, correct?

1 THE WITNESS: It could be any number of things. For
2 example, the whole document of unbundled loops is a result of
3 the FCC requirement that says we must provide unbundled loops.

4 COMMISSIONER JABER: Let me get a direct answer to my
5 question.

6 THE WITNESS: Okay.

7 COMMISSIONER JABER: Do you agree the FCC has changed
8 the regulatory requirement or a court has overturned some sort
9 of regulation or the Florida PSC has changed the regulatory
10 requirement, those kinds of things are covered in your change
11 of law provision in every interconnection agreement, correct?

12 THE WITNESS: Yes, ma'am.

13 COMMISSIONER JABER: So, let's set that aside for a
14 minute. Your technical specifications, how often do those
15 change?

16 THE WITNESS: They don't change very frequently.

17 COMMISSIONER JABER: Would you say once a year? Once
18 every month?

19 THE WITNESS: Well, there's technical standards
20 meetings that go on all the time where new standards come out,
21 but some may not affect loops at all, so I really don't know
22 how often a loop standard would change, but not very often.

23 COMMISSIONER JABER: Okay. Might that concern be
24 addressed by the length of the interconnection agreement time
25 period? For example, if you knew that it was standard practice

1 to revisit the technical specifications once a year or once
2 every quarter, perhaps the solution is to not enter into an
3 extended interconnection agreement, not the three-year
4 agreements, but a one-year agreement.

5 THE WITNESS: You're right. If it was a shorter
6 period of time it would be less of a concern to us but, again,
7 you don't -- you never know what's going on in the research
8 laboratories of various telecommunications manufacturers. You
9 don't know when the next product's going to come out that the
10 ALECs may want, and many times the products come out and the
11 standards are running so behind that they don't change right
12 away.

13 COMMISSIONER JABER: And that's true in every
14 business.

15 THE WITNESS: That's true.

16 COMMISSIONER JABER: That's what some of us who
17 pretend to know a little bit about business call business risk,
18 right?

19 THE WITNESS: Right.

20 COMMISSIONER JABER: When you buy a product from -- I
21 don't know, who do you buy products from now, the wires and the
22 actual --

23 THE WITNESS: We buy them from Nortel and Lucent and
24 various manufacturers.

25 COMMISSIONER JABER: You don't know when you buy that

1 product from Nortel what Nortel is going to do on the other end
2 or what changes Nortel is planning; is that correct?

3 THE WITNESS: Many times we don't know everything
4 they're doing, right.

5 COMMISSIONER JABER: So, that's a business risk that
6 you've taken.

7 THE WITNESS: Mm-hmm, right.

8 COMMISSIONER JABER: Correct? And those are
9 decisions that you've taken into account when you negotiate
10 that agreement with Nortel, correct?

11 THE WITNESS: In order to buy their products?

12 COMMISSIONER JABER: Yes.

13 THE WITNESS: Right.

14 COMMISSIONER JABER: And on the other side, we're
15 assuming that Nortel takes that into account when it quotes you
16 a price or an agreement, correct?

17 THE WITNESS: Mm-hmm, that's right.

18 COMMISSIONER JABER: Okay.

19 BY MS. BOONE:

20 Q When you buy a product from Nortel or Lucent, if they
21 change the specifications on that product can you go to another
22 vendor?

23 A We can always go to another vendor, yes.

24 Q Can Covad go to another vendor to buy an ADSL loop?

25 A No, they could run their own loop, though.

1 Q Oh, build another telephone network?

2 A Well, no, they could run their own loops to the
3 locations that they desire to serve.

4 Q Okay. Would you think that -- would you agree with
5 me that the technical specifications of loops are a material
6 term of a contract?

7 A Well, I think, in this case we reference this
8 document in this contract. We use it as a reference that
9 serves all ALECs.

10 Q Right, so you reference it in the contract. And how
11 these loops are defined, would you agree that how the loops are
12 defined is material to Covad?

13 A Yes.

14 Q But you want to retain the right to change that?

15 A Yes. We want to retain the right to change it for
16 the benefit of all ALECs and not be limited to keeping it
17 static for the pleasure of one ALEC. That wouldn't make any
18 sense.

19 COMMISSIONER JABER: And going back to my question,
20 that concern there would be mitigated if you enter into shorter
21 interconnection agreements, correct?

22 THE WITNESS: Well --

23 COMMISSIONER JABER: Here's my question, Mr. Kephart.

24 THE WITNESS: Yeah.

25 COMMISSIONER JABER: Even if an ALEC opts into the

1 remainder of an agreement you would have with Covad, if that
2 agreement is only for a 12-month period, the ALEC that opts in
3 only has the benefit of that agreement with that TR
4 specification for the remainder of the 12 months?

5 THE WITNESS: Right.

6 BY MS. BOONE:

7 Q I'd like to talk very, very briefly about pending
8 facilities. You mentioned in your testimony one of your
9 concerns was that you couldn't set an established time frame in
10 which to work these, because of natural disasters; is that
11 right, and that's a potential problem?

12 A That's one problem.

13 Q Okay. Now, natural disasters are dealt with,
14 otherwise, in the contract. And BellSouth is relieved from its
15 obligations to perform in that event, isn't it?

16 A I don't know.

17 Q Okay. I'd like to hand you what is agreed upon
18 language and the general terms and conditions in the contract
19 between Covad and BellSouth.

20 COMMISSIONER JABER: Exhibit 23. Is there a
21 provision number, Ms. Boone? Give me a short title for that
22 exhibit.

23 MS. BOONE: Force Majeure Clause.

24 COMMISSIONER JABER: Okay, Exhibit 23.

25 (Exhibit 23 marked for identification.)

1 MR. TWOMEY: Ms. Boone, is this the --

2 MS. BOONE: The new --

3 MR. TWOMEY: This is the agreed to language that
4 we'll put in the new contract?

5 MS. BOONE: Correct.

6 MR. TWOMEY: It's not in dispute.

7 MS. BOONE: It's not in dispute. It is a contract
8 provision being -- having been negotiated and agreed to by
9 Covad and BellSouth.

10 MR. TWOMEY: Right.

11 BY MS. BOONE:

12 Q Would you take a look at this, 14.1?

13 A Mm-hmm.

14 Q Now, we've heard a lot about natural disasters and
15 work stoppages. Can you agree with me that BellSouth is
16 relieved -- do you see right down here in the middle, "shall be
17 excused from such performance on a day-to-day basis to the
18 extent of such prevention, restriction, or interference," and
19 there are all these reasons up there like flood, earthquake,
20 wars, all that kind of stuff. Do you see that?

21 A Mm-hmm.

22 Q Now, you'd agree with me that in discussing
23 intervals, whether it's a pending facility interval or loop
24 delivery intervals, we don't need to be concerned about natural
25 disasters, because BellSouth is excused from that performance

1 in those cases; isn't that correct?

2 A To the extent they're defined in this paragraph, I
3 guess so.

4 MS. BOONE: Thank you. That's all I have.

5 COMMISSIONER JABER: Commissioners? Staff?

6 MS. BANKS: Staff has just a few questions for
7 Mr. Kephart.

8 CROSS EXAMINATION

9 BY MS. BANKS:

10 Q Good morning.

11 A Good morning.

12 Q I'm Felicia Banks, and I'm going to be asking you a
13 few questions on behalf of the Commission Staff. I wanted to
14 see if you have -- still have copies of your Direct and
15 Rebuttal Testimony in front of you?

16 A Yes, ma'am.

17 Q Okay. And beginning with Issue Number 7-A, and this
18 relates to the provisioning of the nondesigned xDSL loop.

19 A Okay.

20 Q And I'm referencing your Direct on Page 3, Lines 2
21 through 3.

22 A Okay.

23 Q And my question mainly concerns the current test
24 performed by BellSouth provisions, that UCL-ND, and I wanted to
25 know, and I'm not sure if you made reference to this earlier,

1 is this testing done on all orders inclusive of dispatch and
2 nondispatch orders?

3 A No. As I tried to explain before, if we dispatch on
4 these orders we will do testing, because we have to -- the
5 reason it's dispatched is we have to connect it through, and we
6 already have a technician out there and he will do -- perform
7 certain tests as are indicated in the TR to make sure that it's
8 working. But if we're not dispatching on it, we're basically
9 making a records check and we don't do any testing, other than
10 to test the wiring from the main frame to the collocation
11 space, because that's new.

12 Q Okay. As it relates to those nondispatch orders, is
13 this testing, is it performed mechanically from a remote
14 location?

15 A Well, as I said, on nondispatch we're not doing
16 testing in the provisioning, other than the cabling to the
17 collocation spot.

18 Q Okay. Is it conceivable, then, to perform the joint
19 test mechanically from a remote location?

20 A It is in the case of a designed circuit where you
21 would have a test point installed. That's one of the benefits
22 of getting a designed circuit, but not in the case of this.

23 Q Okay. And I'm assuming -- I assume from those test
24 results that it would demonstrate the loop failed to pass.

25 A According to the specifications in the TR, yes.

1 Q Okay. In your estimation, what percentage would you
2 say of the UCL-ND orders are nondispatch orders?

3 A The estimates that we had are that about 38% of them
4 would be dispatch, so the opposite, 62% would not.

5 Q I want to reference a point that, I think, Ms. Boone
6 was trying to get to earlier regarding the dispute for the
7 appropriate rate of proposed joint testing.

8 A Mm-hmm.

9 Q And as I understand it, Covad has proposed a flat \$40
10 charge rate and BellSouth supports a rate that would include
11 the time material charges; is that correct?

12 A We quoted the rate in the Georgia agreement.

13 Q In your testimony. If Covad modified its proposal,
14 is it possible to match BellSouth's proposal on those rates?
15 Would there be a possible settlement on this issue?

16 A Yes, I think, so. As I said, we agree to do
17 cooperative testing for the proper fee with any ALEC, that they
18 can always order that and we'll do it.

19 Q Okay. I would like to go ahead and, I guess, move on
20 to Issue 30.

21 A Okay.

22 Q And I'll be referencing your Direct, Page 7.

23 COMMISSIONER JABER: I'm sorry, Ms. Banks, let me go
24 back. What -- Covad proposes 40. What is it BellSouth
25 proposes? I know it's the Georgia agreement, but what is the

1 amount?

2 MS. BANKS: I think, it's 30 --

3 THE WITNESS: The rate is based on a time increment.
4 The first half hour is \$78.92. The additional half hours would
5 be \$23.33, so it depends on how long this takes, but that's the
6 rate that was in the Georgia agreement.

7 COMMISSIONER JABER: Go ahead.

8 MS. BANKS: Commissioner Jaber, I think, that's also
9 in Mr. Kephart's Rebuttal Testimony as well.

10 BY MS. BANKS:

11 Q As it relates to Issue 30 and, again, I was
12 referencing your Direct Testimony on Page 7, Lines 9 through
13 12, and this question regards the held over order issue -- held
14 order issue.

15 A Mm-hmm.

16 Q And my question is can an ALEC request an expedited
17 handling of a held order? And if so, how can that be done?

18 A Well, they can always go to their account
19 representative. We provide a daily report of their PF orders
20 on our Internet site so they'll know what they've got. If they
21 find something on there that, a particular order, that's in a
22 PF status and they would like it to be expedited or put ahead
23 of other orders they could always call their account
24 representative and ask for that to be done.

25 Q Is there a cost associated with that for expediting,

1 like an additional charge?

2 A I'm not aware of that. Again, we've got a lot of
3 these orders that we just try to work as we can schedule them.
4 We recognize that the -- in most cases, the order's already
5 been missed and we're trying to get them all worked as quickly
6 as possible.

7 Q Kind of along the same line, Mr. Kephart, two of
8 Covad's witnesses, Witnesses Allen and Seeger, offered
9 testimony developing specific intervals for orders held for
10 facilities. Are you aware or can you discuss, to some extent,
11 the subject of this and if this is something that Covad and
12 BellSouth has addressed specifically?

13 A I had -- listening yesterday to the two Covad
14 witnesses on this issue, they seemed to be in different
15 directions. One of them seemed to be saying that there should
16 be a strict 30-day requirement and there is to be no exceptions
17 and the other one indicated that there might be some exception,
18 so I'm not really sure where Covad is on this.

19 Their testimony indicates that we would have a strict
20 30-day requirement, which is more than we do for our own retail
21 services and would put them at a higher level of service than
22 what we would provide to other ALECs as well, and we don't
23 think that's reasonable. We think everybody should be the same
24 and we should balance it out, but they indicated they may agree
25 to some exceptions, but that was one of their witnesses. The

1 other one didn't seem to indicate that, so I don't really know
2 where they are on this.

3 Q What would BellSouth's position be on what is
4 reasonable?

5 A Well, we think what's reasonable is to handle all of
6 the PF orders, both ALEC orders and BellSouth retail orders in
7 the same bucket, so to speak, and to work each of them in
8 accordance with the conditions that exist and try to work them
9 as quickly as possible. We have -- the Florida Public Service
10 Commission currently has a requirement right now on BellSouth
11 retail PF orders that we clear up 95% of them within 30 days.

12 We strive to meet that every month, and the CLEC
13 orders are included in that bucket in terms of the way we
14 schedule our workload, so we think we're doing everybody the
15 same in that we've got a reasonable requirement there to meet.

16 MS. BANKS: Thank you, Mr. Kephart. Staff has
17 nothing further.

18 COMMISSIONER PALECKI: Mr. Kephart, I have just a
19 couple of questions getting back to some of these loop issues,
20 and I'd like you to put yourself in the shoes of an ALEC that
21 is a DSL provider.

22 THE WITNESS: Okay.

23 COMMISSIONER PALECKI: You are the president of the
24 company and you're frustrated because you've been ordering
25 nondesigned loops which are less expensive, but a high

1 percentage of them don't work for DSL when you get out to the
2 sites. Designed loops, on the other hand, are very expensive
3 and it's not a cost-effective way for you to do business. And
4 joint acceptance testing is also very expensive, it's not
5 cost-effective for you to go that direction as well.

6 What would you do with your company? How would you
7 conduct your business? And can you think of a solution to this
8 problem so that the ALEC would be able to avoid some of the
9 frustration they have?

10 THE WITNESS: Well, one thing that I might do is
11 something that BellSouth has done with their own ADSL service
12 is I would take a close look at the types of loops that I'm
13 using in terms of, let's say, the distance limitations on them.
14 It might be -- in other words, I would do an analysis of those
15 that aren't working with the service I'm providing. And I
16 would first want to determine if there's something that I'm
17 doing in the loops that I'm choosing, and the equipment that
18 I'm placing on it that is causing the problem, I'd want to
19 eliminate that first.

20 BellSouth has done that, and we've determined that
21 there's a higher percentage that ADSL will work on shorter
22 loops than on longer loops. So, if we want to reduce our
23 incidence of problems, might gravitate toward the shorter
24 loops, particularly when I'm buying a product that is not
25 necessarily guaranteed to work.

1 If, on the other hand, there was a problem with what
2 my supplier was delivering me in terms of it's not being
3 connected through and so forth then, yes, I would take those
4 specific examples and I would go to my supplier and I would
5 say, look, here's my evidence of what you're doing. If you've
6 given me 100 loops and 50 of them aren't working and let's go
7 through and talk about it and find out where the process is
8 breaking down and try to get it fixed, but I haven't seen that
9 kind of result. I've gone back and looked at our results of
10 providing unbundled loops to ALECs. And when I checked just
11 the April figure, for example, I saw that nearly 97% of them
12 never received a report from an ALEC within 30 days after they
13 were provisioned.

14 In the testimony of the Covad witness, he said that
15 the vast majority of times that BellSouth provides this loop to
16 them that it is not functional and fully connected. Now, I
17 don't know what they mean by the vast majority, but in my view,
18 the majority is over 50%, so the vast majority would have to be
19 much higher than that, and I don't see any evidence of that and
20 Covad hasn't provided us any evidence of that, they just made
21 these statements.

22 So, I don't think we have that kind of a problem, but
23 if they believe that they do then all they have to do is bring
24 these things to us, we'll sit down and we'll discuss it, and if
25 we've got a problem we'll fix it.

1 COMMISSIONER PALECKI: Thank you.

2 COMMISSIONER JABER: Redirect.

3 MR. TWOMEY: Just a couple, maybe three questions.

4 COMMISSIONER JABER: Microphone.

5 MR. TWOMEY: Maybe three questions.

6 REDIRECT EXAMINATION

7 BY MR. TWOMEY:

8 Q Mr. Kephart, do you still have a copy of the
9 Southwestern Bell contract that Ms. Boone passed out?

10 A Yes.

11 Q I don't remember the exhibit number.

12 COMMISSIONER JABER: It's 22.

13 BY MR. TWOMEY:

14 Q 22. Could you look at Page 21 of 21.

15 A Okay.

16 Q There's a Section 12.1 there. Do you see that?

17 A Yes.

18 Q The fourth sentence in that paragraph begins with
19 SWBT.

20 A Mm-hmm.

21 Q Could you read that into the record?

22 A "SWBT shall not be required to guarantee that the
23 xDSL loops ordered will perform with regard to transmission
24 speed as desired by a CLEC for xDSL services but instead shall
25 guarantee basic metallic loop parameters, including continuity

1 and pair balance."

2 Q Thank you. Does BellSouth provide a similar
3 commitment on its loops?

4 A Yes, I think, in our TR we talk about guaranteeing
5 balance and continuity.

6 Q Let's talk a little bit about the issue of changing
7 the specifications. You indicated that Lucent, as an example,
8 is one of the suppliers that BellSouth purchases equipment
9 from; is that correct?

10 A That's correct.

11 Q To your knowledge, do any of Lucent's other
12 customers, such as AT&T or MCI, have the right to force Lucent
13 to withhold upgraded technology from the telecommunications
14 marketplace?

15 A No, I don't believe so.

16 Q Do you know whether BellSouth will agree that changes
17 to the technical standards will not disrupt service to Covad's
18 existing customers?

19 A I believe so. I think, in my testimony you will see
20 that I have suggested that the contract terms, the specific
21 contract terms that Covad would be free to negotiate and
22 specify items about the loop that they would like not to
23 change. So, if they're concerned, as one of their witnesses
24 said, that we would change the noise level by five times what
25 it is, all they have to do is ask us for something in the

1 contract that would say that the noise level parameters or the
2 loop you will provide for the duration of this contract will be
3 within these amounts. And that gives them what they want, I
4 think, but it doesn't limit us to being able to not change a
5 document that is there to serve all ALECs.

6 MR. TWOMEY: Okay. That's all I have.

7 COMMISSIONER JABER: Mr. Kephart, you know, we need
8 to be extremely fair. Covad has not specifically said nor have
9 they asked you to withhold updated improvements or make changes
10 to other ALECs; is that correct?

11 THE WITNESS: Not specifically.

12 COMMISSIONER JABER: You reached that conclusion,
13 because other ALECs are allowed to opt into the agreement; is
14 that correct?

15 THE WITNESS: I don't follow you.

16 COMMISSIONER JABER: Well, you have that concern with
17 regard to holding out or having to ask Covad for permission to
18 change the TR, not because of what Covad is doing but because
19 you have a concern that other ALECs can opt into this
20 agreement.

21 THE WITNESS: Right. If we can't change the
22 agreement at all then we can't change it for -- to benefit
23 other ALECs either.

24 COMMISSIONER JABER: Right. And that's true only for
25 the length of the agreement.

1 THE WITNESS: True, with Covad, that's right.

2 COMMISSIONER JABER: Or with any ALEC that opts into
3 the agreement.

4 THE WITNESS: That's right.

5 COMMISSIONER JABER: Okay.

6 MR. TWOMEY: Just one follow-up, one follow-up.

7 BY MR. TWOMEY:

8 Q The TR specifications that are dated April --

9 MS. BOONE: I object, actually. I think, you
10 concluded your redirect.

11 COMMISSIONER JABER: No, I interrupted him,
12 Ms. Boone.

13 BY MR. TWOMEY:

14 Q The TR specifications -- just to clear up this
15 question about opt in -- that are dated April 20, 2001, for
16 example, these specifications are incorporated by reference
17 into all of BellSouth's contracts with CLECs, correct?

18 A I believe so, yes.

19 Q So, if this document can't change because of a
20 request by Covad, then this document can't change for any other
21 ALEC for any other contract either, correct?

22 A That's my understanding, yes.

23 Q And it doesn't matter whether they opt into BellSouth
24 -- to the Covad-BellSouth agreement; is that right?

25 A Right, that's correct.

1 MR. TWOMEY: That's all I have.

2 COMMISSIONER JABER: Okay, thank you.

3 Ms. Boone, do you want to move exhibits into the
4 record?

5 MS. BOONE: Yes. I believe, it's Exhibits 21, 22,
6 and 23 I'd like to move into the record.

7 COMMISSIONER JABER: Any objections, Mr. Twomey?

8 MR. TWOMEY: I have no objection.

9 COMMISSIONER JABER: Okay. Exhibits 21, 22, and 23
10 are moved into the record without objection.

11 (Exhibits 21, 22, and 23 admitted into the record.)

12 COMMISSIONER JABER: We are going to take a lunch
13 break until 1:00.

14 MS. BOONE: I have to advise the Commission that I do
15 not think we we're going to finish today.

16 COMMISSIONER JABER: See, you were worried about that
17 commitment you made to me earlier.

18 MS. BOONE: Well, I did not anticipate three and a
19 half hours on these two witnesses.

20 COMMISSIONER JABER: We are going to endeavor to get
21 through as much as we can by 3:30. We do have tomorrow
22 reserved.

23 MS. BOONE: I was wondering is there a chance that we
24 could -- you know, I understand that the Commission may have
25 something they need to do in the afternoon. Is there some

1 chance we could adjourn and come back at 5:00 or so, I mean,
2 depending on how much time we have?

3 COMMISSIONER JABER: No.

4 MS. BOONE: No?

5 COMMISSIONER JABER: No.

6 COMMISSIONER PALECKI: Can we take a shorter lunch?

7 COMMISSIONER JABER: If you'd like. Commissioner

8 Baez?

9 MR. PALECKI: Let's take a shorter Lunch.

10 MS. BOONE: I'm all for a shorter lunch.

11 COMMISSIONER JABER: Okay, 12:30. We'll come back at
12 12:30. Ms. Boone, we will end today at 3:30, so you all need
13 to govern yourselves accordingly.

14 (Lunch recess.)

15 COMMISSIONER JABER: Let's get back on the record.

16 Ms. Boone, you had an opportunity to meet with counsel for
17 BellSouth and you have an agreed upon list of witnesses?

18 MS. BOONE: Yes, we do. We were going to take
19 Mr. Shell next and following Mr. Shell will be Mr. Williams,
20 and then we will go back in order, which would be Greene,
21 Wilson, Latham. Is that correct, Mr. Twomey?

22 MR. TWOMEY: Yes.

23 COMMISSIONER JABER: Okay.

24 MS. BOONE: And my best efforts to conclude by 3:30,
25 that is our plan.

1 COMMISSIONER JABER: Okay. We'll have Shell,
2 Williams, Greene, and Wilson?

3 MR. TWOMEY: And then Latham.

4 COMMISSIONER JABER: And then Latham.

5 MS. BOONE: Mr. Twomey has agreed if I conclude by
6 3:30 that I win the majority of the issues; is that correct?

7 COMMISSIONER JABER: You know, I like it when you
8 guys get along.

9 MR. TWOMEY: This may surprise you, but we have no
10 such agreement.

11 COMMISSIONER JABER: All right. Let's call Mr. Shell
12 up.

13 MR. TWOMEY: BellSouth's next witness is Bernard
14 shell.

15 BERNARD SHELL

16 was called as a witness on behalf of BellSouth
17 Telecommunications and, having been duly sworn, testified as
18 follows:

19 DIRECT EXAMINATION

20 BY MR. TWOMEY:

21 Q Mr. Shell, you've previously been sworn. Did you
22 submit testimony into the record of this proceeding consisting
23 of Direct Testimony dated April 23rd, 2001, consisting of seven
24 pages and two exhibits?

25 A I did.

FLORIDA PUBLIC SERVICE COMMISSION

1 Q Did you also cause to be filed Rebuttal Testimony on
2 May 23rd, 2001, consisting of 12 pages and two exhibits?

3 A I did.

4 Q Do you have any corrections, additions or
5 modifications to that testimony?

6 A Yes, to my Rebuttal Testimony, my exhibits were not
7 numbered correctly. Exhibit 2 should be Exhibit 3. And
8 Exhibit 3 should be Exhibit 4.

9 Q So, Mr. Shell, you have a total of four exhibits?

10 A That's correct.

11 Q Okay. And do you have any other changes?

12 A No, I do not.

13 MR. TWOMEY: At this time, Commissioner, I'd like to
14 insert Mr. Shell's Direct Testimony and Rebuttal Testimony into
15 the record of this proceeding.

16 COMMISSIONER JABER: Mr. Shell's Direct Prefiled
17 Testimony and his Rebuttal Testimony shall be inserted into the
18 record as though read.

19

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25

1 **BELLSOUTH TELECOMMUNICATIONS, INC.**
2 **DIRECT TESTIMONY OF W. BERNARD SHELL**
3 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
4 **DOCKET NO. 001797 - TP**
5 **APRIL 23, 2001**

6
7 **Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.**

8
9 A. My name is W. Bernard Shell. My business address is 675 W. Peachtree St., N.E.,
10 Atlanta, Georgia. I am a Manger in the Finance Department of BellSouth
11 Telecommunications, Inc. (hereinafter referred to as "BellSouth"). My area of
12 responsibility is economic costs.

13
14 **Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR EDUCATIONAL**
15 **BACKGROUND AND WORK EXPERIENCE.**

16
17 A. I attended Clemson University, graduating with a Bachelor of Science Degree in
18 Electrical Engineering in 1981. I received a Masters Degree in Business
19 Administration from Georgia State University in 1997.

20
21 My career with BellSouth spans over eighteen years. My initial employment was
22 with Southern Bell in 1981, in Columbia, South Carolina in the Network
23 Department as an Equipment Engineer. In that capacity, I was responsible for the
24 ordering and installation of central office equipment. In 1984, I transferred to the
25 Rates and Tariffs group in Atlanta, Georgia where I was either directly or

1 indirectly responsible for the rates, costs, tariffs, and implementation of services.
2 During my time in that organization, I worked with many services/offerings, such
3 as Local Exchange Service, Service Charges, Operator Services, Mobile
4 Interconnection and Inside Wire. I moved to the Interconnection Marketing Unit in
5 1995, where I had various responsibilities, including negotiating with Competitive
6 Local Exchange Carriers (“CLECs”), developing pricing strategies, and product
7 managing Collocation. In December 2000, I moved to a position in the cost
8 organization, a part of the Finance Department. My current responsibilities
9 include cost methodology development and implementation.

10

11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

12

13 A. The purpose of my testimony is to describe the methodology BellSouth utilized in
14 developing the costs that support the proposed rates for line sharing and
15 collocation.

16

17 **Q. WHAT ARBITRATION ISSUES DOES YOUR TESTIMONY ADDRESS?**

18

19 A. My testimony addresses Issues 24 and 29. Specifically, it addresses the rates
20 proposed by BellSouth for line sharing and collocation.

21

22 **Q. WHAT COSTS SHOULD THE COMMISSION CONSIDER WHEN**
23 **DETERMINING THE RATES FOR THE UNES IN THIS ARBITRATION?**

24

25 A. In Docket 990649-TP, BellSouth submitted costs which would support all UNE

1 rates in this arbitration except for line sharing and collocation. These costs reflect
2 the costs BellSouth expects to incur in providing unbundled network elements and
3 combinations to competitors on a going-forward basis in the state for Florida.
4 These costs were based on an efficient network, designed to incorporate currently
5 available forward-looking technology, but recognizing BellSouth's provisioning
6 practices and network guidelines, as well. Additionally shared and common costs
7 were considered.

8
9 In this arbitration I am filing, in both paper form and CD-ROM, the cost study
10 results for line sharing and collocation. Attached, as Exhibit WBS-1, is
11 BellSouth's cost study. The Commission should consider the costs filed in Docket
12 No. 990649-TP and the costs filed in this arbitration in setting rates in the
13 interconnection agreement.

14

15 **Q. WHY ARE LINE SHARING COSTS NOT INCLUDED IN DOCKET**
16 **990649-TP?**

17

18 A. The stipulation that established Docket 990649-TP excluded line sharing.

19

20 **Q. IS THE COST METHODOLOGY BELLSOUTH USED FOR LINE**
21 **SHARING THE SAME AS THE COST METHODOLOGY FILED IN**
22 **DOCKET 990649-TP?**

23

24 A. Yes. The cost development followed the same cost methodology used in Docket
25 990649-TP. Therefore, the Commission should set rates in the docket for line

1 sharing with the understanding that any adjustments ordered in Docket 990649-TP
2 can be incorporated into the line sharing cost study at a later date. The
3 Commission recently approved a similar line sharing proposal in the MCI
4 Arbitration Order. However, the line sharing cost study has been updated since it
5 was filed in the MCI arbitration to add new elements, comply with a regional
6 settlement with Data Alternative Local Exchange Carriers (“ALECs”) concerning
7 the appropriate charge for one of the elements, and to show the correct job function
8 code and cost element location life. Exhibit WBS-2 provides a comparison of the
9 line sharing cost elements filed in the MCI arbitration and the ones being filed in
10 this docket.

11

12 **Q. WHAT UPDATES WERE MADE TO THE LINE SHARING COST**
13 **STUDY?**

14

15 A. The first cost study update was to add new elements J.4.6 and J.4.7. These
16 elements would apply when the ALEC owned splitter is placed in BellSouth’s
17 central office. The second update removes the recurring cost per line activation for
18 element J.4.3 pursuant to a region-wide settlement with DATA ALECs. Under the
19 settlement, BellSouth will charge \$.61 per month as an interim rate, subject to
20 retroactive true-up once a permanent rate has been established. The final update
21 was to correct the job function code for the network group that would build the
22 customer profile/inventory for the COSMOS/Switch system and to correct the cost
23 element location life. Initially, BellSouth assumed the work could be done by a
24 non-management person. However, due to the complexity of the work, a
25 management employee is required. As a result, the job function code was changed

1 to reflect that management level. The cost element location life was corrected
2 which resulted in a decrease in cost.

3

4 **Q. WHY ARE COLLOCATION COSTS NOT INCLUDED IN DOCKET**
5 **990649-TP?**

6

7 A. Collocation is being considered in a two-phase docket, Docket Nos. 981834-
8 TP/990321-TP. The first phase addressed provisioning methods and procedures
9 and terms and conditions associated with collocation. The second phase will
10 determine collocation rates. However, the procedural schedule for the second
11 phase of the collocation docket has not been set.

12

13 **Q. IS THE COST METHODOLOGY BELLSOUTH USED FOR**
14 **COLLOCATION THE SAME AS THE COST METHODOLOGY FILED IN**
15 **DOCKET 990649-TP?**

16

17 A. Yes. The cost development followed the same cost methodology used in Docket
18 No. 990649-TP. Therefore, the Commission should set rates in this docket for
19 collocation with the understanding that any final adjustments ordered in Docket
20 No. 990649-TP, if applicable, (and eventually Docket Nos. 981834-TP/990321-TP
21 for collocation) can be incorporated at a later date.

22

23 BellSouth has provided cost support for all collocation items requested by DIECA
24 Communications, Inc., d/b/a Covad Communications Company through
25 negotiation. Additionally, the proposed physical collocation rates are generally

1 consistent with the rates BellSouth has set forth in its physical collocation tariff,
2 Section E20.2 of the Access Services Tariff.

3

4 **Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE COLLOCATION**
5 **AND LINE SHARING ELEMENTS INCLUDED IN EXHIBIT WBS-1.**

6

7 A. The following elements are included in Exhibit WBS-1:

8

9 **Physical Collocation**

10 Physical Collocation allows an ALEC to install its equipment and facilities within
11 leased floor space in BellSouth's Central Offices to the extent such collocation is
12 technically feasible and space is available. This arrangement enables the ALEC
13 to connect to the BellSouth network. The ALEC may choose a caged or cageless
14 arrangement. Two types of power are also offered to the ALEC; power per fused
15 amp and AC power, where the collocator provides its own DC power plant.

16

17 **Adjacent Collocation**

18 Adjacent Collocation is another form of collocation. Physical Collocation occurs
19 inside the BellSouth central office building. Adjacent Collocation is outside the
20 BellSouth central office building, but on BellSouth "adjacent" property.

21 BellSouth will provide adjacent collocation arrangements where space within the
22 Central Office is exhausted. This is subject to technical feasibility and where the
23 adjacent arrangement does not interfere with access to existing or planned
24 structures or facilities on the Central Office property. Adjacent collocation is
25 also limited to locations permitted by zoning and other applicable state and local

1 regulations. The adjacent arrangement shall be constructed, procured,
2 maintained, and operated by an ALEC and in conformance with BellSouth's
3 guidelines and specifications.

4
5 **Physical Collocation in the Remote Terminal**

6 Remote site locations include cabinets, huts, and controlled environmental vaults
7 ("CEVs") owned and leased by BellSouth that house BellSouth network facilities.
8 Remote Site Physical Collocation can occur where technically feasible, and where
9 space exists. The ALEC must use the remote collocation space for the purposes of
10 installing, maintaining, and operating its equipment used or useful to
11 interconnection with BellSouth services and facilities, including access to UNEs,
12 for the provision of telecommunications services.

13
14 **Line-Sharing**

15 Consistent with the FCC's Advanced Services Order, BellSouth provides the high
16 frequency portion of the loop to a single requesting carrier, on loops that carry
17 BellSouth voice services, to the extent that the xDSL technology deployed by the
18 requesting carrier does not interfere with the analog voiceband transmissions.

19
20 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

21
22 **A. Yes.**

23

24

25

1 **BELLSOUTH TELECOMMUNICATIONS, INC.**
2 **REBUTTAL TESTIMONY OF W. BERNARD SHELL**
3 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
4 **DOCKET NO. 001797 - TP**
5 **MAY 23, 2001**

6
7 **Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.**

8
9 A. My name is W. Bernard Shell. My business address is 675 W. Peachtree St., N.E.,
10 Atlanta, Georgia. I am a Manager in the Finance Department of BellSouth
11 Telecommunications, Inc. (hereinafter referred to as "BellSouth"). My area of
12 responsibility relates to the development of economic costs.

13
14 **Q. ARE YOU THE SAME W. BERNARD SHELL THAT FILED DIRECT**
15 **TESTIMONY IN THIS DOCKET?**

16
17 A. Yes. I filed direct testimony on April 23, 2001.

18
19 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

20
21 A. The purpose of my testimony is to respond to certain statements made by Covad
22 witnesses Ms. Elizabeth Kientzle and Mr. Joseph Riolo with respect to the
23 development of Line Sharing costs.

24
25 **Q. ON PAGE 4, THE COVAD WITNESSES STATE THAT PRICES "MUST**

1 **MEET THE CRITERIA ESTABLISHED IN THE**
2 **TELECOMMUNICATIONS ACT OF 1996 (“ACT”), THAT PRICES FOR**
3 **UNBUNDLED NETWORK ELEMENTS BE COST-BASED AND**
4 **NONDISCRIMINATORY.” (LINES 15-17) DOES BELLSOUTH’S LINE**
5 **SHARING COST STUDY COMPLY WITH THE FEDERAL**
6 **COMMUNICATIONS COMMISSION’S (“FCC’S”) DIRECTIVES WITH**
7 **RESPECT TO COST METHODOLOGY?**

8

9 A. Yes. The FCC outlines its cost methodology in Rule 51.505 in its First Report and
10 Order. Rule 51.505(a) states that “[t]he forward-looking economic cost of an
11 element equals the sum of : (1) the total element long-run incremental cost of the
12 element, as described in paragraph (b); and (2) [a] reasonable allocation of
13 forward-looking common costs, as described in paragraph (c).”

14

15 Rule 51.505(b) states: “[t]he total element long run incremental cost of an element
16 is the forward-looking cost over the long run of the total quantity of the facilities
17 and functions that are directly attributable to, or reasonably identifiable as
18 incremental to, such element, calculated taking as a given the incumbent LEC’s
19 provision of other elements.”

20

21 Rule 51.505(b)(1) states: “[t]he total element long-run incremental cost of an
22 element should be measured based on the use of the most efficient
23 telecommunications technology currently available and the lowest cost network
24 technology currently available and the lowest cost network configuration, given the
25 existing location of the incumbent LEC’s wire centers.”

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These rules can be summarized into the following cost methodology principles:

- (1) **Efficient network configuration** – the cost should be based on the use of the most current telecommunications technology presently available and the economically efficient configuration, given the existing wire center locations.
- (2) **Long run** – the study should consider a timeframe long enough to reflect the variability of the cost components.
- (3) **Volume sensitive and volume insensitive costs are considered** – these are the costs that will be avoided by discontinuing, or incurred by offering, an entire product or service, holding all other products or services offered by the firm constant. A corollary to this directive is the principle of cost causation, i.e., the costs included in the study are those that are caused because BellSouth offers an unbundled element.
- (4) **Forward-looking** – a forward-looking perspective is required.
- (5) **Shared and common costs are considered.**

BellSouth’s Line Sharing cost study adheres to these principles. Thus, the cost-based rates proposed by BellSouth will “recover their forward-looking economic costs, but no more” as Ms. Kientzle and Mr. Riolo require on page 5. (Line 2)

Q. ON PAGE 7, MS. KIENTZLE AND MR. RIOLO CONTEND THAT “PRICES CONSISTENT WITH THESE PRINCIPLES WOULD ASSUME EFFICIENT COSTS BASED ON THE PLACEMENT OF THE SPLITTER ON THE MAIN DISTRIBUTION FRAME (“MDF”). (LINES 11-13)

1 **PLEASE COMMENT.**

2

3 A. The issue of “most efficient” technologies is a continual area of controversy. In
4 fact, the Eighth Circuit recently ruled that certain portions of FCC Rule 51.505 are
5 vacated. Of course, this entire issue is now teed-up to be decided by the Supreme
6 Court later this year. However, the debate still remains and thus, I will briefly
7 discuss its implications.

8

9 In vacating Rule 51.505(b)(1), the Eighth Circuit eliminated the requirements for
10 the Total Element Long Run Incremental Cost (“TELRIC”) portion of cost
11 development, as described in Rule 51.505(a) above, to be based on the FCC’s
12 efficient network configuration standard. The Eighth Circuit held that the FCC’s
13 hypothetical network TELRIC standard “violates the plain meaning of the Act,”
14 finding that the Act requires that rates be based on:

15

16 the cost ... of providing the interconnection or network
17 element ... not the cost some imaginary carrier would incur
18 by providing the newest, most efficient, and least cost
19 substitute for the actual item or element which will be
20 furnished by the existing ILEC pursuant to Congress’s
21 mandate for sharing. Congress was dealing with reality, not
22 fantasizing about what might be.

20

21 Because the Eighth Circuit eliminated the most efficient, least-cost network
22 requirement, the remaining FCC rules require costs to reflect the total long run
23 forward-looking cost of facilities actually used to provide an unbundled network
24 element (“UNE”). Consequently, if the Eighth Circuit’s Ruling holds, the costs
25 BellSouth filed are below the level that the Eighth Circuit believes are appropriate

1 and changes to the underlying methodology will need to be made. As I stated,
2 however, the full impact of that decision will not be known until the appeal process
3 is concluded. Thus, BellSouth has not attempted to adjust its cost methodology to
4 incorporate anticipated changes from the Eighth Circuit Court's Ruling in this
5 filing, nor is it advocating a change to cost methodology at this time.

6

7 The Line Sharing cost study does, in fact, reflect an efficient configuration that is
8 consistent with the manner in which BellSouth provisions the UNE. Also, as
9 BellSouth witness Mr. Tommy Williams explains, placing the splitter on the MDF
10 is not the most efficient configuration.

11

12 **Q. PLEASE DESCRIBE THE NETWORK CONFIGURATION FOR LINE**
13 **SHARING THAT WAS ASSUMED IN THE COST STUDY FILED WITH**
14 **YOUR DIRECT TESTIMONY.**

15

16 A. The cost study reflects two options; either a BellSouth-owned splitter or an ALEC-
17 owned splitter. If the ALEC chooses the BellSouth-owned splitter arrangement,
18 then the splitter is assumed to be located on a frame (relay rack) which is on the
19 average 75 feet from the MDF. If the other option is chosen, then it is assumed the
20 splitter will be located in the ALEC's collocation space. Exhibit WBS-2 depicts
21 the network configurations that support BellSouth's cost study. Ms. Kientzle and
22 Mr. Riolo also advocate a third option, allowing the ALEC to place its splitter on
23 BellSouth's MDF. BellSouth witness Mr. Williams discusses why BellSouth is
24 not obligated to allow such an arrangement.

25

1 Q. ON PAGE 13, MS. KIENZLE AND MR. RIOLO CONTEND THAT
2 “BELLSOUTH’S CHOICES ABOUT EFFICIENT PLACEMENT OF THE
3 SPLITTER CAN DRAMATICALLY INCREASE THE COST OF LINE
4 SHARING THROUGH CABLE COSTS, CABLE PLACEMENT
5 EXPENSES, LOADING FACTORS, CROSS CONNECTIONS, AND
6 RELATED CHARGES.” (LINES 2-4) PLEASE COMMENT.

7

8 A. As I have already stated, the configuration reflected by BellSouth’s cost study is an
9 efficient arrangement. Let me, however, address each of the areas listed by the
10 Covad witnesses.

11

12 • Cable Costs – BellSouth’s vendor charges the same rate for cables from 1 to
13 150 feet, thus, the distance from the splitter to the MDF does not effect the cost
14 results. Additionally, the ALEC is not charged a “per foot” rate thus from a
15 cost development perspective this concern is moot.

16 • Cable Placement Expenses – these expenses are directly related to the cable
17 investment and since BellSouth is charged the same whether the distance is one
18 foot or 150 feet, these expenses do not vary with the distance from the MDF.

19

20 • Loading Factors – these factors are applied against the investment. The cost
21 study reflects the equipment, which enables ALECs to line share based on
22 BellSouth’s provisioning practices. Thus, the costs generated by applying the
23 loading factors to the investment accurately reflect the costs BellSouth incurs
24 in provisioning these UNEs.

25 • Cross Connects – BellSouth proposes that the cost-based rates for cross

1 connects contained in costs study submitted by BellSouth in this docket for
2 Physical Collocation be charged in Line Sharing. In fact, this is exactly the
3 proposal endorsed by the Covad witnesses on pages 23-24.

4
5 However, Ms. Kientzle and Mr. Riolo appear to expand the FCC's quote, found on
6 pages 23-24 of their testimony, regarding the cost of cross connects to an
7 endorsement of MDF-mounted splitters. I would caution this Commission against
8 such a broad interpretation of the quote. In the discussion being referred to, the
9 FCC is presenting two alternative Line Sharing arrangements, either splitter
10 placement other than at the MDF or MDF-mounted splitter. The FCC does not
11 state that one arrangement is more suitable than the other. The FCC does state that
12 the cost of the cross connects in both arrangements should be close.

13

14

15 **Q. ON PAGE 20, MS. KIENTZLE AND MR. RIOLO STATE THAT THE**
16 **PRICE OF THE HIGH-BANDWIDTH PORTION OF THE LOOP SHOULD**
17 **BE SET TO \$0. HOW DOES THIS PROPOSAL CORRESPOND TO**
18 **BELLSOUTH'S COST STUDY?**

19

20 A. BellSouth's cost study for Line Sharing does not include any allocation of loop
21 costs. Thus, it is consistent with the FCC's directive on this issue and is also
22 consistent with Ms. Kientzle and Mr. Riolo's proposal. However, genuine
23 incremental costs of provisioning the high-bandwidth portion of the loop (beyond
24 the costs of the loop itself) should, of course, be considered in the cost analysis.
25 For example, the cost of providing the splitter system, provisioning costs, and

1 enhancements to computer systems need to be recognized. BellSouth has
2 identified these incremental costs in the studies filed in this docket in support of
3 the Line Sharing elements.

4

5 **Q. THE COVAD WITNESSES CLAIM THAT “THERE ARE NO**
6 **NONRECURRING CHARGES ASSOCIATED WITH” A BELLSOUTH-**
7 **OWNED SPLITTER ARRANGEMENT. (PAGE 25, LINES 13-14) ARE**
8 **THEY CORRECT?**

9

10 A. No. The costs included in the nonrecurring calculations reflect activities that occur
11 once BellSouth receives a firm order from the ALEC for the splitter. For example,
12 the splitter equipment and cable/pair information must be inventoried. Also, these
13 nonrecurring costs are incremental to any of the labor costs included in the
14 recurring cost development. The costs associated with installing the splitter are
15 reflected in the recurring cost calculation via the in-plant loadings.

16

17 **Q. MS. KIENTZLE AND MR. RIOLO’S ATTACHMENT ERYK/JPR-4**
18 **“RECALCULATES” LINE SHARING SPLITTER COSTS. ARE THEIR**
19 **CALCULATIONS APPROPRIATE?**

20

21 A. Absolutely not. The Covad “cost study” suffers from the following maladies:
22 1) It does not accurately reflect the costs BellSouth will incur in providing Line
23 Sharing arrangements.
24 2) The analysis relies on input from another company (Bell Atlantic – NY) and
25 thus, has no bearing on the costs of BellSouth’s operations in Florida.

- 1 3) Legitimate costs are ignored, e.g., ad valorem and other taxes, shared costs,
2 sales tax, and gross receipts tax.
- 3 4) Required equipment and support investments have been excluded, as explained
4 more fully below.
- 5 5) Nonrecurring time estimates do not reflect the activities that are required to
6 provision Line Sharing.

7

8 **Q. PLEASE EXPAND ON EACH OF THE DEFICIENCIES IN THE LINE**
9 **SHARING COST ANALYSIS PRESENTED BY COVAD.**

10

11 A. First, BellSouth is deploying splitters in the central office on either a 96-Line or
12 24-Line basis, not on a per line basis as is assumed by Covad. BellSouth witness,
13 Mr. Williams, discusses BellSouth's proposed offering in greater detail in his
14 testimony.

15

16 Second, because Ms. Kientzle and Mr. Riolo rely on data from another company,
17 the results cannot, and do not, reflect the costs BellSouth will incur in providing
18 Line Sharing. The FCC's TELRIC methodology specifically states that costs
19 should reflect "the incremental costs incumbents actually expect to incur." (FCC
20 First Report and Order ¶685) The recent decision from the Eighth Circuit Court
21 reinforced this principle, that the only relevant cost is the incremental cost that the
22 incumbent provider will incur.

23

24 Third, BellSouth must pay taxes on the goods and services that either it provides or
25 that it purchases. These are direct costs to BellSouth that must be recognized in

1 any legitimate cost study, a fact supported by this Commission in past proceedings.
2 Additionally, it appears that Ms. Kientzle and Mr. Riolo did not understand the
3 common cost factor in Docket No. 990649-TP. I agree that the staff has proposed
4 a 6.24% factor, however, this is just the common cost factor, not the Shared and
5 Common Cost Factor as labeled on page 2 of the Covad "study." Thus the Covad
6 analysis does not reflect any consideration of shared costs at all. This Commission
7 has previously allowed BellSouth's shared costs associated with the development
8 of recurring costs. These witnesses offer no evidence why the Commission should
9 change that decision now.

10

11 Fourth, in their zeal to lower the cost, Ms. Kientzle and Mr. Riolo have ignored
12 required equipment and supporting investments in its calculation. BellSouth's cost
13 study appropriately includes the cost of a Test Access Bay. This arrangement
14 enables the ALEC to test the line sharing arrangement. (BellSouth witness Mr.
15 Williams explains in further detail the testing arrangement BellSouth provides with
16 Line Sharing.) Ms. Kientzle and Mr. Riolo also failed to include the cost of the
17 cable from the splitter bay to the MDF. Also, even though the cost of a splitter
18 shelf was included (Exhibit ERYK/JPR-4, page 2, line 10), it doesn't appear as if
19 the cost of the splitter bay has been considered. (This is another reason why
20 extracting numbers from another company's cost study is inappropriate; without
21 the supporting work papers one cannot determine exactly what the costs reflect.)
22 By attempting to use work times to bring a material price to an installed investment
23 (Exhibit ERYK/JPR-4, page 2, line 4), both the exempt material and engineering
24 labor that is required have been ignored.

25

1 Fifth, the work time estimates proposed do not reflect the manner in which
2 BellSouth provisions Line Sharing.

3

4 **Q. HOW DOES BELLSOUTH'S COST OF THE SPLITTER ITSELF**
5 **COMPARE WITH THE VALUE MS. KIENTZLE AND MR. RIOLO USED**
6 **FROM BELL ATLANTIC – NY?**

7

8 A. If the splitter value included in Ms. Kientzle and Mr. Riolo's "cost study" (Exhibit
9 ERYK/JPR-4, page 2, line 1) is multiplied by 96 the result corresponds closely to
10 the input used by BellSouth. Exhibit WBS-3 displays the breakdown of
11 BellSouth's Splitter System investments between the splitter, test access shelf, bay
12 shelf, and connectorized cable. Thus, the splitter cost is not the reason for the
13 difference in recurring costs between what BellSouth proposed and what Ms.
14 Kientzle and Mr. Riolo derived. Instead, the difference is due to the deficiencies I
15 have discussed previously.

16

17 **Q. MS. KIENTZLE AND MR. RIOLO CONTEND THAT BELLSOUTH**
18 **INTENDS TO CHARGE ALECS FOR THE SPLITTER IN AN ALEC-**
19 **OWNED ARRANGEMENT. (PAGE 17) IS THIS TRUE?**

20

21 A. No. As shown in the cost results, the only charge associated with an ALEC-owned
22 splitter is a nonrecurring charge. Thus, no cost has been calculated that would
23 result in a charge for the splitter, itself, since this would be reflected as a recurring
24 charge.

25

1 **Q. ON PAGE 22, MS. KIENTZLE AND MR. RIOLO “RECOMMEND THAT**
2 **THE INPUT VALUES USED TO CALCULATE LINE-SHARING PRICES,**
3 **INCLUDING THE COMMON COST MARKUP, BE CONFORMED TO**
4 **THE FINAL COMMISSION-ADOPTED VALUES IN DOCKET NO. 99-**
5 **649-TP.” (LINES 16-18) DO YOU AGREE?**

6

7 A. For the most part, yes. Specifically, I agree that certain inputs impact all UNEs –
8 cost of capital, depreciation, shared factors, and common cost factors. However,
9 there are inputs that are very specific to the UNE being studied. In particular, the
10 work times and provisioning activities. The Commission and its staff have made
11 an extensive review of the elements presented in Docket No. 990649-TP. Line
12 Sharing, however, was not one of them. Thus, it was not reviewed. (Collocation
13 elements were also excluded from Docket No. 990649-TP and have been filed in
14 this proceeding.) BellSouth requests the Commission to rule specifically on the
15 Line Sharing and Collocation elements presented in this proceeding. Once a final
16 Order in Docket No. 990649-TP is released, applicable changes will be
17 incorporated.

18

19

20 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

21

22 A. Yes.

23

24

25

1 MR. TWOMEY: And I'd like to move into the record his
2 two exhibits attached to his Direct Testimony and the two
3 exhibits attached to his Rebuttal Testimony as a composite
4 exhibit bearing the next available exhibit number.

5 COMMISSIONER JABER: Let me make sure I have the
6 exhibits. I've got WBS-1 is a proprietary exhibit. It's a UNE
7 cost study; is that correct?

8 MR. TWOMEY: Yes.

9 COMMISSIONER JABER: Okay. Let's mark that Exhibit
10 24.

11 (Exhibit 24 marked for identification.)

12 COMMISSIONER JABER: And then, WBS-2 is a diagram
13 line sharing and the CO DLEC owned splitter; is that correct?

14 MR. TWOMEY: Yes.

15 COMMISSIONER JABER: That's Exhibit 25.

16 (Exhibit 25 marked for identification.)

17 COMMISSIONER JABER: WBS-3 is the proprietary
18 spreadsheet; is that correct?

19 MR. TWOMEY: Yes.

20 COMMISSIONER JABER: That's Exhibit 26. Now, what is
21 the fourth exhibit?

22 MR. TWOMEY: Actually, Mr. Shell, can you answer that
23 question?

24 THE WITNESS: Yeah. Exhibit 3 is just a diagram of a
25 collocator splitter arrangement that's not proprietary.

1 Exhibit 4 would be the proprietary document.

2 COMMISSIONER JABER: Well, I don't have an Exhibit 4,
3 so --

4 THE WITNESS: It would be labeled Exhibit 3.

5 COMMISSIONER JABER: WBS-3?

6 THE WITNESS: Yes, in the Rebuttal Testimony.

7 MR. TWOMEY: Yeah. Commissioner, the Direct
8 Testimony had two exhibits labeled WBS-1 and WBS-2. The
9 Rebuttal Testimony contained two exhibits that were
10 inadvertently marked WBS-2, WBS-3. They should have been 3 and
11 4.

12 COMMISSIONER JABER: Okay.

13 MR. TWOMEY: And the WBS-2 that was attached to the
14 Rebuttal Testimony is not a replacement to the first exhibit.
15 It was just simply incorrectly identified, and that was the
16 correction that Mr. Shell made.

17 COMMISSIONER JABER: I understand. So, in the Direct
18 Testimony the first proprietary exhibit is Exhibit 24.

19 MR. TWOMEY: Yes.

20 COMMISSIONER JABER: The second one will be Exhibit
21 25.

22 MR. TWOMEY: Correct.

23 COMMISSIONER JABER: How about we make the Rebuttal
24 exhibits a composite Exhibit 26.

25 MR. TWOMEY: That's perfect.

1 (Exhibit 26 marked for identification.)

2 COMMISSIONER JABER: And Staff, I need a copy of the
3 Rebuttal exhibits, because I don't have them.

4 MS. BANKS: Okay, we'll get that.

5 COMMISSIONER JABER: Go ahead, Mr. Twomey.

6 BY MR. TWOMEY:

7 Q Mr. Shell, do you have a brief summary of your
8 testimony?

9 A Yes, I do.

10 Q Please give it.

11 A The purpose of my testimony is to describe the
12 methodology BellSouth utilized in the development -- developing
13 the cost that support the proposed rates for line sharing and
14 collocation. Specifically, my testimony addresses Issues 24
15 and 29. I will also respond to certain statements made by
16 Covad witnesses Mrs. Elizabeth Kientzle and Mr. Joseph Riolo
17 with the respect to the development of the cost.

18 The Commission should consider the following when
19 setting rates for UNEs in this arbitration. In docket number
20 990649-TP, BellSouth submitted costs which would support all
21 UNE rates in this arbitration, except for line sharing and
22 collocation. Line sharing and collocation cost studies are
23 being filed in this arbitration because the stipulation that
24 established docket 990649-TP excluded line sharing and
25 collocation -- excluding line sharing collocation. Collocation

1 is being considered in a two-phase docket, docket numbers
2 98134-TP and 990321-TP.

3 The cost methodology BellSouth used for line sharing
4 and collocation is the same as the cost methodology filed in
5 docket number 990649-TP. Therefore, I request the Commission
6 to set rates in this docket for line sharing and collocation
7 using BellSouth's final cost studies with the understanding
8 that any final adjustments ordered in docket 990649-TP, if
9 applicable, can be incorporated at a later date. Additionally,
10 for collocation, any adjustments ordered in the second phase of
11 the collocation docket will be incorporated at that time.

12 The Commission recently approved a similar line
13 sharing proposal in an MCI arbitration. However, the line
14 sharing cost study has been updated since it was filed in the
15 MCI arbitration to add new elements, comply with a regional
16 settlement with data, ALECs concerning their appropriate charge
17 for one of the elements and to show correct job functions in
18 cost element location life.

19 BellSouth has provided cost support for all
20 collocation elements requested by Covad through negotiation.
21 The proposed physical collocation rates are generally
22 consistent with the rates set forth in its physical collocation
23 tariff, Section E20.2 of the access services tariff. The
24 collocation items are physical collocation, adjacent
25 collocation, and physical collocation at remote terminal.

1 Covad witnesses Ms. Kientzle and Mr. Riolo state that
2 prices must meet a criteria established in the
3 Telecommunications Act of 1996. BellSouth's line sharing and
4 collocation cost studies comply with FCC's directive with
5 respect to cost methodology. The proposed cost-based rates
6 will recover forward-looking economic costs, but no more.

7 Ms. Kientzle and Mr. Riolo contend that prices
8 consistent with the FCC pricing rules would assume sufficient
9 costs based on the placement of the splitter on the main
10 distribution frame. The line sharing cost study does reflect
11 an efficient configuration that is consistent with the manner
12 in which BellSouth provisions line sharing.

13 As Mr. Williams explains placing the splitter on the
14 main distribution frame is not the most efficient
15 configuration. The cost study reflects two options, either
16 BellSouth-owned splitter or an ALEC-owned splitter. If the
17 ALEC chooses the BellSouth-owned splitter arrangement, then the
18 splitter is assumed to be located on a frame or relay rack,
19 which is on average 75 feet from the main distribution frame.
20 If the other option is chosen, then it is assumed the splitter
21 will be located in the ALEC's collocation space.

22 Contrary to Covad's contention, BellSouth does not
23 apply a charge for the splitter in this option. Ms. Kientzle
24 and Mr. Riolo also contend that BellSouth's choice about
25 efficient placement of the splitter can dramatically increase

1 the cost of line sharing through cable cost, cable placement
2 expenses, loading factors, cross connections. I will address
3 each of these briefly.

4 Cable costs. BellSouth's vendor charges the same
5 rate for cables, whether it's from one to 150 feet; thus, the
6 distance from the splitter to the main distribution frame does
7 not affect the cost results.

8 Cable placement expenses. These expenses are
9 directly related to the cable investment. And since BellSouth
10 is charged the same, whether the distance is one or 150 feet,
11 these expenses do not vary with distance from the frame.

12 Loading factors. These factors are applied against
13 investment. The cost study reflects the equipment required,
14 thus, the cost generated by applying the loaded factors
15 accurately reflect the costs BellSouth incurred.

16 Cross-connects. BellSouth simply proposed the
17 cost-based rates for cross-connects contained in the physical
18 collocation cost study filed in this docket. In fact, this is
19 the proposal endorsed by the Covad witnesses. The Covad
20 witnesses also claim that there are no nonrecurring charges
21 associated with BellSouth-owned splitter arrangement. They're
22 not correct.

23 The costs included in the nonrecurring calculations
24 reflect activities that once BellSouth receives a firm order
25 from the ALEC for the splitter, these nonrecurring costs are

1 incremental to any labor costs included in the recurring cost
2 development. The costs associated with installing the splitter
3 are reflected in the recurring cost calculated via the implant
4 loadings.

5 They also recalculate the line sharing splitter cost.
6 These calculations are not appropriate at all. The study
7 suffers from many maladies, such as it does not accurately
8 reflect the costs BellSouth will incur. The analysis relies on
9 input from another company, legitimate costs are ignored,
10 required equipment and support investments have been excluded,
11 nonrecurring times don't reflect required activities.

12 Again, I request the Commission to set rates in this
13 docket for line sharing and collocation using BellSouth's final
14 cost studies with the understanding that any final adjustments
15 in docket 990649-TP, if applicable, can be incorporated at a
16 later date.

17 Thank you. That concludes my summary.

18 MR. TWOMEY: Thank you, Mr. Shell. Commissioners,
19 Mr. Shell's available for cross examination.

20 COMMISSIONER JABER: Ms. Boone.

21 CROSS EXAMINATION

22 BY MS. BOONE:

23 Q Good afternoon, Mr. Shell.

24 A Good afternoon.

25 Q Would you agree with me that there are generally --

1 talking about line sharing costs now. There are generally
2 three groups of cost. One group is associated with a splitter,
3 one group is associated with actually activating the line and
4 then there's the cost of the loop. Would you agree those three
5 kind of general categories?

6 A Not as far as the cost study I'm presenting, I would
7 not agree with that, no.

8 Q Well, would you agree with me that BellSouth and
9 Covad agree that there is no cost for the actual loop itself,
10 because that's recovered in the voice rate?

11 A Yes, I agree that pursuant to FCC and the way we
12 comply with it we do not charge any kind of cost for the loop
13 for the data, high-frequency spectrum.

14 Q Okay. So, all of the remaining charges, would you
15 agree, they either have to do with investment in the splitter
16 or putting in the splitter, getting the splitter ready, or they
17 have to do with doing the work to hook up the cross-connections
18 for the loop?

19 A Yes. The only costs we apply are the incremental
20 costs associated with providing the high-frequency data
21 service, specifically.

22 Q All right. I'd like to talk about the splitter cost
23 first. Now, you agree with me that a splitter is nothing more
24 than a passive device that looks like a shelf for line cards,
25 basically?

1 A That's pretty much correct, yes.

2 Q And it has four screws that you screw it on to a bay
3 or a rack; is that right?

4 A I don't know, specifically, technically how it's
5 installed, per se.

6 Q Okay. Do you agree that it has no moving parts?

7 A My understanding is that's correct, yes.

8 Q Do you agree that it is set up so that connectorized
9 cable, which is like that cable that just pops in place, is
10 used on a splitter?

11 A I agree that connectorized cable is used, yes.

12 Q Okay. Now, one of the things that BellSouth does to
13 come up with the recurring costs for a splitter is to take all
14 the materials involved with a splitter and add factors to it.
15 Is that generally what ya'll do?

16 A That's correct. In typical studies that we always do
17 for investment-related items, we apply what's called implant
18 factors which take material dollars and add to it engineering
19 installation to create an investment-related number. And that
20 number is you apply annual cost factors which estimate the
21 carrying charges associated with that for the cost of
22 depreciation and so forth, so that's pretty much standard for
23 all cost studies, which was approved by this Commission, we use
24 the same basic factors for that purpose.

25 Q Okay. Now, I'm going to ask you some questions about

1 some proprietary documents, but I'm not going to require you to
2 use any of the proprietary numbers, so I'm going to craft my
3 questions very carefully so that will not be necessary.

4 MS. BOONE: And Commissioner, I'm not going to make
5 these an exhibit, because they are part of some discovery that
6 has already been put into the record, so I'll just use it.

7 COMMISSIONER JABER: Thank you, Ms. Boone. And
8 Mr. Shell, to the degree you don't understand her question or
9 whether your response should be considered confidential, please
10 ask for clarification, okay?

11 THE WITNESS: Yes, thank you.

12 BY MS. BOONE:

13 Q Now, I'd like to talk about the bantam test jack.
14 Now, you'd agree with me that that is a testing mechanism that
15 BellSouth developed to use with line sharing; is that right?

16 A I would not say it's one that we developed. It's one
17 that BellSouth and the parties agreed that they would use for
18 testing of the line sharing arrangement, which we need to do.

19 Q Well, you don't know if BellSouth developed it or
20 not?

21 A BellSouth does not -- BellSouth purchased it. We are
22 purchasing the test jack.

23 Q And who are you purchasing it from?

24 A I don't know the exact vendor.

25 Q Okay. Do you know of any ILECs that use that

1 particular testing mechanism for line sharing?

2 A No, I'm not familiar with that. The project team,
3 based on its decision to implement this service in our
4 territory and working with the collaborative with the industry,
5 agreed that this was the way to do it and they gave us the
6 input and we use in our cost studies.

7 Q All right. I'd like you to look at this first
8 document here. And do you see where it says the Siecor
9 splitter, S-i-e-c-o-r, that's not proprietary, because that's
10 in the public testimony, and there's a dollar amount for that
11 splitter; is that correct?

12 A Yes, that's correct.

13 Q And right under there it says test access shelf, and
14 that is the amount for the bantam test jack, right?

15 A That's correct.

16 Q Would you agree with me that the test access shelf,
17 the bantam test jack is more than 50% of what the splitter
18 itself is?

19 A Yes, according to the math, I'd agree with that, yes.

20 Q Okay. And when you go to add all these things
21 together you're going to take the splitter amount and the
22 bantam amount and the bay itself and the cable and then that's
23 what you'll add your factors to, correct?

24 A That's correct.

25 Q So, if this Commission determined that the CLECs

1 didn't want and didn't need the bantam test jack, they'd need
2 to remove this price from the material prices, right?

3 A If that was the decision. But again, the decision,
4 and Mr. Williams can support that decision better than I can,
5 in working with the industry in collaborative meetings, this
6 was the way BellSouth and the group, the industry and
7 BellSouth, decided to proceed with it and these adjusted costs
8 associated with the settlement.

9 Q I understand, but you weren't at the collaborative
10 and you don't know exactly what happened with respect to the
11 bantam test jack, do you?

12 A No, I can say that Mr. Williams is the one that could
13 address that.

14 Q All right. And the point of the test jack, of
15 course, is to give test access; is that right?

16 A That's correct.

17 Q Now, I would like you to look at the next document
18 here, and it's marked proprietary. I'm not sure what part of
19 it is proprietary, perhaps in the numbers and maybe also the
20 vendor names. Does that seem reasonable?

21 A Possibly, yes.

22 Q Okay. Could you just look down here under
23 description, without giving any of the numbers or the vendor
24 names, do you see that there is a price that is circled there?

25 A Yes, I see a price circled.

1 Q And that is the price that corresponds with the price
2 on that first page for what BellSouth is paying for the
3 splitter; is that right?

4 A That's correct.

5 Q And right under there it says, "96 line CO splitter
6 shelf with test access," and then there is a number that is \$63
7 more than what BellSouth is currently paying. I did the math.

8 A That looks like it's approximately it; correct, yes,
9 uh-huh.

10 Q Okay. So, this second option from this vendor is to
11 buy a splitter with test access, but you only have to pay \$63
12 more.

13 A This looks like what the document's saying. I'm not
14 sure what comes with the test -- for \$63 more what's included,
15 how valid or however useful it is. Mr. Williams, again, would
16 address this, but the team told us that the bantam test jack
17 was the appropriate way to comply with what we felt we need to
18 do.

19 Q Okay, but you'd agree from the face of these
20 documents that this splitter purports to provide test access
21 for \$63 compared to the other price we looked at for the bantam
22 test jack?

23 A I can't really say that from this document. All I
24 see is a description with a number, but I don't know enough
25 details to know that this is saying you get the same

1 functionality as you had with our splitter shelf. I just can't
2 make that conclusion.

3 Q Now, one of the other material factors that goes in
4 there is the money for the bay; is that right?

5 A That's correct.

6 Q And again, on the very first page of this document
7 there is money there for the bay shelf; is that right?

8 A That's correct.

9 Q Now, how many splitters are there on a bay or a rack
10 in BellSouth's cost study?

11 A There are eight.

12 Q Okay. Now, would you turn to the last page in these
13 proprietary documents? Now, I would like you to look at the
14 full paragraph there that starts, "It covers..."

15 A Okay. Do you want me to read it?

16 Q No. I'm not sure which part of this is proprietary.
17 I don't believe this part is, but do you see the third line
18 down? Will you read the sentence that starts with Siecor and
19 tell me whether you believe that is proprietary or not.

20 A No, that's not proprietary.

21 Q Would you please read that into the record?

22 A Okay. It says, "Siecor recommended capacity for one
23 bay is 14 shelves."

24 Q You'd agree with me if BellSouth had done its cost
25 based on 14 shelves in a splitter bay rather than eight shelves

1 the cost to Covad would be lower?

2 A The cost would be lower but, again, BellSouth chose
3 in working with the collaborative to also use bantam test
4 jacks, and that takes up capacity which led to eight splitters
5 and eight bantam test jack shelves in our bays.

6 In fact, our people, from what I understand, said
7 that 14 was really not efficient, because of cooling
8 requirements associated with having the equipment very close.
9 So, while Siecor may have recommended it, I'm sure they're
10 trying to make a sale, so I can't determine whether for
11 BellSouth this is the appropriate way to go just because Siecor
12 would make a recommendation.

13 COMMISSIONER PALECKI: Could you please explain what
14 components make up the bantam test jack?

15 THE WITNESS: It's my understanding the bantam -- and
16 Mr. Williams could give more specific detail, but it's just a
17 shelf that allows a connection from that point to the splitter.
18 It allows you to test to make sure that the splitter is
19 functioning from the loop to the location.

20 COMMISSIONER PALECKI: So, it's merely a jack that
21 connects wires. It's not active electronics of any type.

22 THE WITNESS: Again, Mr. Williams is more familiar
23 with the actual technology and what it does. I'm not sure what
24 technology is associated with it.

25 COMMISSIONER PALECKI: Do you know why the great

1 expense, the expense is so great for the bantam test jack?

2 THE WITNESS: No. Again, we just get the price from
3 the team that purchased this, that decided on the equipment and
4 the supply chain management group that works with the vendors
5 to get the price for it, but we don't really get involved a lot
6 with the actual rationale between the arrangement worked out
7 with the vendor for the price.

8 COMMISSIONER PALECKI: Thank you.

9 BY MS. BOONE:

10 Q Now, to all of those materials that are there on the
11 first page of that document -- and I'm now done with that
12 proprietary document, and I will collect all of those red
13 envelopes at the conclusion of this.

14 MS. BANKS: Excuse me. If I can interject for a
15 moment, Ms. Boone, what exhibit was this already included as a
16 part of?

17 MS. BOONE: That is in response to 32 or 33. That's
18 -- 32 and 33 are all of the documents purportedly supporting
19 the collocation and line sharing cost studies.

20 MS. BANKS: The reason I asked that is at the top of
21 the first page that's included, it says Item Number 34, is that
22 some other reference to Item Number 34 or is that to POD?

23 MS. BOONE: Ms. Banks, I'm afraid you'll have to ask
24 BellSouth. It's produced to me with this on it. I don't know
25 what that is.

1 COMMISSIONER JABER: Why don't we take just a couple
2 of minutes and --

3 MS. BOONE: I have my discovery here. I can look at
4 it in the break.

5 COMMISSIONER JABER: Well, let's go ahead and do
6 that. Let's take a couple of minutes, because I think
7 Ms. Banks might want this introduced. Is that why?

8 MS. BANKS: I was just saying she is -- yeah, that's
9 fine. I was just saying you stated that was already entered
10 into the record. I was just clarifying that that wasn't part
11 of that record which, I think, you're referring to POD number
12 33, but number 34, I don't think, has been introduced.

13 MS. BOONE: I'm sorry, I thought you had introduced
14 all of the discovery.

15 MS. BANKS: No.

16 MS. BOONE: Oh, okay. Then, excuse me, I will need
17 to introduce it then as a proprietary exhibit, these three
18 pages.

19 COMMISSIONER JABER: Okay.

20 MR. TWOMEY: BellSouth has no objection.

21 COMMISSIONER JABER: That will be Exhibit 27, and it
22 -- give me a short title, proprietary response to interrogatory
23 number --

24 MS. BOONE: 34. Request to produce Number 34.

25 COMMISSIONER JABER: Okay. Proprietary response to

1 POD number 34.

2 (Exhibit 27 marked for identification.)

3 MR. TWOMEY: And just for the record, Cathy, that was
4 in response to the Covad discovery, because I know the Staff's
5 issued a discovery as well. That's Item 34 of our response to
6 your discovery; is that right?

7 MS. BOONE: Correct.

8 MR. TWOMEY: Okay.

9 MS. BOONE: I'm sorry, I was just double checking,
10 because I think it's several places. That's why I was
11 confused.

12 COMMISSIONER JABER: That's fine. We'll introduce it
13 as a separate exhibit. It's number 27.

14 MS. BOONE: Okay.

15 COMMISSIONER JABER: Go ahead, Ms. Boone.

16 BY MS. BOONE:

17 Q Okay. Now, to all these material prices, you add
18 loading factors; is that right?

19 A That's correct.

20 Q And a loading factor is intended to compensate
21 BellSouth for the various other things that are involved, like
22 engineering and the actual work to put in the splitter, right?

23 A That's correct. That's the way BellSouth typically
24 does central office equipment installations. We have the
25 actual material cost. And based on studies down by central

1 office equipment, for example, 3777-C, which is digital switch
2 data, shows the amount of typical engineering and installation
3 cost associated with it. So, what we do is to take the
4 material and apply those factors to get to the total investment
5 cost.

6 Q Now, in contrast to this, Mr. Riolo and
7 Ms. Kientzle's proposal actually estimates the exact time it
8 would actually take to actually put in place the splitter;
9 would you agree with that? You may not agree with the numbers,
10 I understand that, but like conceptually that's what they did?

11 A I think, conceptually they used some of their
12 judgment as to how they thought BellSouth would install it, but
13 I cannot say they would even come close to knowing how
14 BellSouth would install a splitter in BellSouth's central
15 office.

16 Q Okay, but just so we can understand, what BellSouth
17 has done is taken a piece of equipment and other materials and
18 added a bunch of factors to it, and that's how you get your
19 recurring cost, right?

20 A And that's how we do all recurring cost. This
21 Commission recently approved most of our factors, as I stated
22 previously, and we use those factors for this process for all
23 recurring studies. It's impossible to detail every job that
24 goes on in the central office, so factors are used to
25 reasonably get to a number; that is, an investment number for

1 determining recurring cost.

2 Q I understand that. And you would agree that Covad's
3 witnesses did take that time did estimate what would be the
4 direct costs of splitter installation and placement?

5 A Well, again, I believe, they developed a cost, but I
6 would not say that it's a cost for BellSouth to install them.

7 Q Okay. When -- do you recall on Page 16 of Mr. Riolo
8 and Ms. Kientzle's Rebuttal Testimony that they added up how
9 much the application of material and hardware factors added to
10 the material prices of the splitter? Do you recall seeing
11 that?

12 A Vaguely.

13 Q And did you check to see if that number was right or
14 wrong?

15 A I don't recall checking that, no.

16 Q Well, they have said that that adds a \$3,161.80 to
17 the cost of the splitter. Do you disagree with that?

18 A Can you refer me to the page, please?

19 Q Sure. Page 16 of the Rebuttal. Do you see on Line
20 7, Page 16, where it says, "BellSouth assumes an additional
21 \$3,161.80 per line arrangement for engineering, installation
22 and miscellaneous materials over and above the material cost of
23 the splitter bay and frame themselves"?

24 A I see that, yes. I was trying to look at that
25 number. That could be approximately correct. I haven't been

1 able to do the math.

2 Q Okay. But you have no reason to think that it's not
3 absolutely correct?

4 A Not if they did it correctly.

5 Q Now so, we've all just seen the amount of dollars
6 that are in the materials in the proprietary exhibit, and then
7 we're going to add, because of the loading factors, this
8 additional \$3,161.

9 A Yes and, I believe, you did state the full cost of
10 the whole arrangement, including the bay, the frame; I mean,
11 that's the total cost for everything, not just the splitter or
12 the bantam test jack shelf.

13 Q And one of the things -- one of the biggest loading
14 factors is the implant factor 275-C group, right? That's
15 applied to the splitter, right?

16 A That is applied to the splitter. I'm not sure if
17 it's the greatest.

18 Q And is that factor called the factor for digital
19 circuit Pairgain equipment?

20 A I believe, that's the heading for it.

21 Q And a digital circuit or a Pairgain equipment is an
22 electronic piece of equipment; is that right?

23 A It could be.

24 Q Does it have moving parts?

25 A It could. I don't know all the specific details.

1 Q Do you know of any digital circuit Pairgain that does
2 not have moving parts?

3 A I don't know if they're -- I don't know either way on
4 that question. This account classification was chosen by
5 either the science technology or the network groups that
6 studied the equipment for the purchasing and they decided that
7 it fit this category. Pairgain just simply allows a cabling
8 pair or a circuit to have more than one transmission path and,
9 essentially, the thought may have been that this is what it was
10 doing by splitting the frequency.

11 Q Okay. What we're doing here is we're trying to
12 estimate or use these factors to come close to what it would
13 take to engineer and install a splitter. And you and I have
14 talked about the fact that the splitter is just a shelf of
15 equipment, right?

16 A It is a shelf of equipment, yes.

17 Q And line cards are placed into them, right?

18 A Correct.

19 Q Has no moving parts, right?

20 A That's correct.

21 Q No electricity passes through it, right?

22 A Correct.

23 Q And it has a backside you plug connectorized cable
24 into, right?

25 A That's correct.

1 Q And in your estimation, the most analogous equipment
2 in a central office is an electric digital circuit Pairgain
3 equipment?

4 A Again, that is what the group that looks at new
5 equipment studies it and determines what is the best category.
6 Now again, BellSouth cannot look at every piece of equipment
7 that goes to the central office and detail it. It would take a
8 tremendous workforce to detail every job to determine for this
9 piece of equipment let's keep a log of how much time it takes
10 in hours, and this is typically done by vendors in a lot of
11 cases as well. So, this is the way BellSouth has done
12 recurring charges for as long as I can remember. This is
13 nothing new. This product is new because of the services
14 docket, but this process is not a new process and there's no
15 reason not to use it here.

16 Q Well, you said you couldn't keep up with exact time.
17 Now, the Georgia Commission has actually ordered BellSouth to
18 conduct time in motion studies so, in fact, you will be able to
19 keep up with the exact time it takes to do tasks.

20 A I think, that's for nonrecurring activities is a
21 recurring function with investment-related, it's not
22 nonrecurring.

23 Q And is there anything to preclude you from doing a
24 time in motion study to determine exactly how long it would
25 take to install the splitter?

1 A I don't know. Like I said, it would be a tremendous
2 task. This is a process that has worked for a very, very long
3 time for services and products and I don't know if there's any
4 reason why we should change that because of this product.

5 Q Well, now, do you see on Page 16 where Ms. Kientzle
6 and Mr. Riolo say that implant loading factor, by applying the
7 digital circuit Pairgain loading factor you increase the cost
8 of the splitter and the shelves by \$2,734?

9 A I'm not with you. Where are you reading from?

10 Q Line 20.

11 A Line 20?

12 Q Page 16 the Rebuttal.

13 A Okay.

14 Q Do you see starting on Line 17 where they say, "It is
15 the inappropriate application of the Pairgain system factors
16 that directly drives BellSouth's estimates that it will incur
17 \$270 in expense to place the splitter bay and a whopping
18 \$2,734.34 to place the splitter and shelves"?

19 A I see that, yes. But again, this equipment is a
20 equipment that has been designated as 257-C Pairgain equipment.
21 I guess, what you're asking is BellSouth should look at every
22 piece of equipment that's in every category of every account
23 and determine which one needs to come out and which one doesn't
24 need to come out. This is the process we've always used for
25 estimating getting to recurring cost for investment-related

1 services.

2 Q Well, obviously, Covad's direct proposal is that we
3 would prefer a direct relation in cost, and that's what
4 Ms. Kientzle and Mr. Riolo have done, but you'd agree if you
5 applied a different group of costs, other than the digital
6 circuit Pairgain, the one that, say, applied to more simple
7 equipment, that would decrease that loading factor charge,
8 right?

9 A Or they could be greater or lower factors. I can't
10 say that this one is the largest or the greatest. I don't
11 know. It varies.

12 Q All right. Let's talk about the nonrecurring costs
13 for the splitters now. All of the installation, all of the
14 engineering, all of that work is in the recurring cost for the
15 splitter, right?

16 A I'm not sure I followed your question all the way
17 through. Could you repeat it, please?

18 Q Okay. Would you agree with me that the engineering,
19 the installation, all of that work to put the splitter in place
20 is captured in BellSouth's recurring charge?

21 A I would agree that the installation of the splitter,
22 the frame, running the cable from this Siecor splitter to the
23 frame, that is in there. The actual placing of the equipment
24 in the central office is included in recurring cost. That's
25 the only thing included.

1 Q Okay. So, the nonrecurring is the cost that
2 BellSouth charges to put that splitter to work for Covad,
3 right?

4 A BellSouth has no recurring charges and those
5 nonrecurring charges are set to -- for example, like
6 BellSouth's central office today, we install equipment,
7 equipment's there, a customer orders service, then we do what's
8 necessary to connect it.

9 This is very similar to that. BellSouth installs a
10 splitter. A customer requests a 96-line splitter. He would
11 submit an LSOD, Line Sharing Order Document. That document
12 would flow through several people, and that would generate work
13 activity which would say we have to inventory the splitter,
14 designate the locations on the splitter, the location on the
15 frame that it's terminated to, ensure they're all valid.

16 So, one piece puts the equipment in, the nonrecurring
17 charges activates it by inventorying it and assigning it to the
18 CLEC designating locations of that piece of equipment for the
19 CLEC. That's what the nonrecurring work time's for, and it's
20 an expense related to getting that functioning.

21 Q Okay. And it's an expense based on assigning
22 splitter slots to the proper cable and pairs for the CLEC line,
23 right?

24 A And inventorying the splitters by CLEC, by address,
25 by location, all the information that's needed. And the whole

1 function of this is whenever a customer orders one of --
2 Covad's customers orders via a Local Service Request, LSR, it
3 will all flow through automatically without having any activity
4 is the goal of all this up-front inventory work.

5 Q Okay. Now, that work could be done electronically,
6 correct, in a mechanized fashion?

7 A Which work are you referring to?

8 Q The inventorying work.

9 A No, it could not.

10 Q There's no possible way? There's no system on earth?

11 A No, this is a manual effort that involves
12 inventorying. Again, they have to verify the availability of
13 the splitters. We have to look at this situation as not just a
14 new splitter but several splitters, several collocators or
15 several CLECs, and they have to verify that the splitter
16 locations exist, verify that frame locations exist, and then
17 manually input the information so that the records are
18 accurate. And this is no different than what BellSouth does
19 today. Some things are manual in that they will always be
20 manual.

21 Q Okay. When it assigns cabling pair information,
22 though, to a CLEC that's done electronically, isn't it?

23 A You'd have to give me more. I'm not familiar with
24 it.

25 Q When, say, Covad's going to get a new collocation

1 space and we want 900 lines going into that, the lines that
2 were assigned are assigned electronically, correct?

3 A No, that's a manual process as well.

4 Q Now, the -- the work to do the nonrecurring, how many
5 hours is that?

6 A I believe, our study shows it varies. We have four
7 different -- three different groups involved and it may be, I
8 think, maybe four hours for one, three for another, and I can't
9 remember exactly, two or three hours for the third group.

10 Q Now, I think, there's the circuit capacity management
11 group and then there is a network group; is that right?

12 A That's correct.

13 Q And what are the different jobs that each of those
14 groups are doing for three and four hours?

15 A Okay. The circuit capacity manager is a group that
16 would typically keep track of circuit equipment in the central
17 office. And their function would be to monitor, look at the
18 field of splitter utilization, verify that the splitter
19 capacity exists, ID it, and run any concerns that may exist
20 associated with every LSOD that comes in working with -- the
21 flow is that it comes in through what is called a CRSG, CLEC
22 Resale -- I don't remember this terminology.

23 Q Complex.

24 A Complex Resale Services Group, but they handle the
25 form. It goes to the circuit capacity manager, he verifies the

1 splitter functionality. Everything's in place working with
2 this person. From there, and maybe sometimes jointly, it goes
3 to the network group that inputs the actual inventory of the
4 splitter function and terminations with the frame location,
5 which is the ultimate objective.

6 The circuit capacity manager looks at the circuits or
7 splitter, and the inventory group, the COSMOS group, they enter
8 information. The COSMOS group, they would take that
9 information, also verify it to make sure that everything is
10 documented in the system so that then it's all electronically
11 and automatically done, but that first phase has to be done
12 manually.

13 Q Okay. Well, I'm just trying to understand. The
14 first group that you said was working with some people, they're
15 not doing the actual inventory, though. They're checking the
16 capacity of the splitter, right, and that's the circuit
17 capacity management group?

18 A That's correct. They don't do inventory work. They
19 are the ones, again, like I said earlier, they manage circuits
20 in the central office.

21 Q And they spend three hours doing that for one
22 splitter?

23 A From one LSOD, which could be more than one splitter.

24 Q Or it could be one splitter?

25 A Or one 96-line splitter, yes, it could be. Our work

1 times -- our average work times is not based on the lowest work
2 time scenario.

3 Q Okay. And with the inventorying, then that's done by
4 the network group, right, the actual inventorying function?

5 A The actual input of the specific data into the COSMOS
6 system is done by the network group, yes.

7 Q And these two amounts of time do not change, whether
8 a CLEC orders 24 ports on a splitter or 96 ports on a splitter,
9 right?

10 A That's correct.

11 Q So, it will either cost Covad \$3.93 per line or
12 \$15.73 per line?

13 A I'm not familiar with your math, I'm sorry.

14 Q But does that sound right?

15 A I'm not familiar with how you got the number.

16 Q I divided the nonrecurring number by either 24 or 96.

17 A Okay. Subject to check, I agree with your math.

18 Q Would you agree that -- now, you've stated that
19 BellSouth has submitted for line sharing a forward-looking cost
20 study; is that right?

21 A Yes.

22 Q And it's using the most efficient network technology
23 available?

24 A That's correct.

25 Q And it assumes the use of a conventional frame; is

1 that right.

2 A Yes.

3 Q Now, one last thing here. One of the things you
4 criticized Covad's witnesses for was not using -- not including
5 costs of splitter bays and cabling. Now, you understand the
6 Covad proposal is to mount the splitter on the frame where
7 those things would not be necessary, right?

8 A I understand that that's their definition of an
9 efficient network, which doesn't take into consideration
10 BellSouth's need to provide service to others, yes, I
11 understand that.

12 Q Okay, but it's not that they forgot to include those
13 things. It's that we propose a different network
14 configuration.

15 A Well, I mean, I don't know what they were thinking
16 when they did it, but I'll agree with you that that could have
17 been their assumption.

18 Q All right. Well, let's talk about the actual work to
19 get a single Covad line-shared loop up, okay? Now, we have
20 reached an interim settlement on the recurring rate for per
21 line activation; is that right?

22 A That's correct.

23 Q And that's 61 cents per line per month, right?

24 A Correct.

25 Q And that's not for the loop. That's for OSS to

1 support ordering the loop, right?

2 A Correct.

3 Q Now, the nonrecurring charge for this element
4 reflects the actual nonrecurring tasks done to get the loop up
5 and working, right?

6 A That's correct.

7 Q Now, how many cross-connections does BellSouth assume
8 it will make in its cost study?

9 A What BellSouth assumes is -- on the average, the work
10 time associated with it, if you assume -- you could assume
11 anywhere from two to maybe four cross-connects, but we assume a
12 work time that it could be between two and four cross-connects
13 required.

14 Q And how much total time is assumed for the central
15 office work?

16 A I believe that's 25 minutes.

17 Q Okay. Now, is that based on a study of the different
18 types of frame configurations that exist in BellSouth's
19 network?

20 A No. It's based on the amount of time that the group
21 that would do this work said that, on average, this is how much
22 time it would take.

23 Q So, how long does it take to do a single
24 cross-connection?

25 A I, personally, don't know the amount of time for a

1 single cross-connect.

2 Q Who would know?

3 A Those that provided input into the study.

4 Q But you are here to support the nonrecurring task
5 times for this study, right?

6 A Yes. And what I'm saying is that this study supports
7 the cost for maybe two to maybe four. It could vary. We are
8 using a really conservative number. The scenario that's
9 typical, which is where you have two cross-connects, one to
10 connect a cabling pair to the voice, the cabling pair
11 termination on the splitter, and you'd have the one that
12 connects the voice switch to the splitter.

13 Those could be two, but you could have the
14 termination coming in at a different frame, which means that
15 you have the connection at that frame, breaking the
16 cross-connect at that point and having the cross-connect at
17 that frame, a cross-connect at the CDF, Conventional
18 Distribution Frame, to there. In other words, you could have
19 multiple cross-connects. What we assumed was, on average, it
20 could take 25 minutes.

21 Q Okay. And did you do any study to support the number
22 of cross-connects or the number of minutes?

23 A No. Again, we assumed that it was an average based
24 on it could take from two to four or maybe even more
25 cross-connects. And when you get into running into

1 cross-connects, you could have difficulties or problems running
2 or, you know, tying things down; maybe have to run it, the
3 jumper wire, a little bit longer than necessary.

4 Q Okay. So, there could be problems, but there could
5 also be situations in which it took less time?

6 A That's correct, that's why we say it's an average.

7 Q Okay. But it's an average without any real study
8 being done. It's just somebody's guess of what the average
9 would be.

10 A It's based on people with experience and this is how
11 much time it would take for this scenario.

12 Q Now so, it would take 25 minutes to actually do the
13 work to provision the line shared loop. You're familiar with
14 the fact that Covad is proposing that BellSouth's interval for
15 this loop be decreased to go to three days, then two days, then
16 one day. Are you familiar with that?

17 A Vaguely. I haven't really followed that side of it
18 much.

19 Q Okay. And given that it only takes 25 minutes to do
20 the work, that makes sense, don't you think?

21 A To reduce the interval?

22 Q Right.

23 A No, there are more things involved than just one
24 function in a process. For an interval, you have to schedule
25 work groups to do jobs. And it's not a matter of looking at it

1 takes ten minutes so, therefore, it can be done in two days.
2 You may have a thousand jobs that takes ten minutes. You can't
3 just judge it based on one function. It depends on the
4 scheduling of the work function to look at an interval.

5 Q And BellSouth hasn't done any study, has it, on the
6 scheduling of the work functions of line sharing to tell us how
7 long it will take it to --

8 A Again, I'm not familiar with that issue.

9 MS. BOONE: I have no further questions.

10 COMMISSIONER JABER: Commissioners? Staff?

11 MS. BANKS: Staff has some questions. I wasn't sure
12 if Commissioner Palecki was going to ask a question before we
13 begin.

14 CROSS EXAMINATION

15 BY MS. BANKS:

16 Q Good afternoon, Mr. Shell.

17 A Good afternoon.

18 Q I'm Felicia Banks, and I will be asking you questions
19 on behalf of the Commission Staff. As I understand it, you're
20 a BellSouth witness in this proceeding regarding the
21 methodology used to develop cost in support of those proposed
22 rates for line sharing and collocation rates; is that correct?

23 A That's correct.

24 Q Okay. And as I understand it as well, you're not
25 designated to ask questions about anything outside of that; is

1 that correct?

2 A Yes, just the cost issues.

3 Q Okay. And in connection with your testimony you
4 filed Shell Exhibit WBS-1, and there was a public version and a
5 proprietary version. Do you have the public version nearby or
6 in front of you?

7 A No, I do not. I have some pages out of it, but I do
8 not have the full document.

9 COMMISSIONER JABER: Mr. Twomey?

10 MR. TWOMEY: I believe, I have it. Let me see. I'll
11 bring this over to Mr. Shell.

12 COMMISSIONER JABER: Okay, thank you.

13 MS. BANKS: I believe, this may be Exhibit 24 that's
14 already been entered into the record.

15 COMMISSIONER JABER: The confidential exhibit is
16 Exhibit 24.

17 MS. BANKS: The confidential exhibit?

18 COMMISSIONER JABER: Yeah, what I've got reflected
19 here, Felicia, is that the UNE cost study, the proprietary
20 exhibit is Exhibit 24. Do we have to identify the public
21 version, too?

22 MS. BANKS: Yes, I have the public version. Is it
23 possible to --

24 COMMISSIONER JABER: Yes, yes.

25 MS. BANKS: So, are you proposing to make that a

1 composite as a part of Exhibit 24 or to --

2 COMMISSIONER JABER: How about we do it separate.
3 It'll be Exhibit 28, and it'll be the public version of the UNE
4 cost study. Is that what you want?

5 MS. BANKS: Yes, thank you.

6 (Exhibit 28 marked for identification.)

7 MR. TWOMEY: Mr. Shell has a copy of the public
8 version and is ready to proceed.

9 COMMISSIONER JABER: Thank you, Mr. Twomey.

10 MS. BANKS: Thank you.

11 BY MS. BANKS:

12 Q Mr. Shell, I would first like to direct your
13 attention to Page 52 of that exhibit.

14 A Okay.

15 Q And it's actually numbered 000052, but for purposes
16 of brevity I will refer to it as Page 52. On that page, you
17 show the economic cost of an initial application for physical
18 collocation to be 3,760; is that right?

19 A That's correct.

20 Q Now, if you turn to Page stamp 423 --

21 A Did you say Page 423?

22 Q Yes, sir.

23 A Okay.

24 Q And this page lists the task times that make up part
25 of this application fee, correct?

1 A That's correct.

2 Q Okay. And I'm looking at Line 12 of that same page,
3 which shows 11 hours is spent on each application by the
4 account team collocation coordinator?

5 A Yes.

6 Q And Line 15, as I understand it, shows the 20 hours
7 that are spent on each application by the interexchange access
8 network coordinator?

9 A Yes, that's correct.

10 Q Okay. Could you please show me where in this exhibit
11 or any other document that you have filed in this proceeding
12 that could determine the discrete activities performed by
13 BellSouth regarding the account team collocators -- excuse me,
14 account team collocation coordinator to that amount that is
15 derived of 11 hours?

16 A Okay. I'm not sure if there is anything in the
17 filing that would explain that. I'm just trying to think if
18 there is a data request. This, typically, we have had several
19 data requests in several states to provide that, but I don't
20 think anything in the study describes it, but I'll be glad to
21 give you a description of it.

22 What the account team collocation coordinator do,
23 they are the focal point for the CLEC. What that means is that
24 every request that comes in for collocation comes through them.
25 What they would do is receive the application. And as

1 mentioned by Covad's witnesses, we now have e-application. And
2 what e-ap does is allows us to better distribute and handle the
3 functions of moving it between departments and between the --
4 from the collocator and BellSouth and within the departments in
5 BellSouth, so it has created efficiencies there, but what the
6 ATCC do when they get the form, they have to review it, the
7 e-ap looks at it generally and says this field is blank, we
8 need to send it back for them to correct it or this field says
9 power, but nothing's over here to show power.

10 It does some cursory when you look at it, but what
11 the ATCC would do, they would take each form, look at the
12 collocation agreement, verify that what's been requested is
13 accurate. They would validate if it says I want 300 square
14 feet that the other information matches that request. And the
15 e-ap wouldn't do that type of thing, so they'd have to do some
16 review. They'd coordinate it with other departments to make
17 sure that those departments have the information they need,
18 they interface with the customer.

19 So, in a 30-day time period, which is typical for an
20 application response, they do a lot of work reviewing the
21 application, verifying it as correct, and working with the CLEC
22 and internal customers. The INAG, the Interdepartmental
23 Network Access Group, if I pronounced it correct, network
24 access, what they would do is they would -- they're the focal
25 point for the network side, such as the account team is the

1 primary focus for the customer, they interface with the
2 customer and BellSouth, the INAG group is interfaced within
3 BellSouth of all the network groups. There are about nine
4 different network groups. So, they're the focal point to make
5 sure that everybody's moving on the same page, in the same
6 direction.

7 So, they have a lot of interface with the groups
8 internally to make sure that the response is consistent and
9 everybody's looking at the same document. So, a lot of work
10 with them is associated with that, as well as some site visits
11 associated with the central office.

12 Q So, if I understand it, your response would be no,
13 that that's not been presented in any of the filings in this
14 proceeding?

15 A That's correct, it hasn't.

16 Q Okay. Would your answer be the same if I asked you
17 how Staff could use this information to determine the specific
18 activities performed by BellSouth's -- and, I think, you termed
19 it INAG, Interexchange Access Network Coordinator, that would
20 amount to the 20 hours?

21 A Let me make sure I followed your question. Could you
22 please repeat it?

23 Q What you just stated, you've indicated that that
24 information was not in that filing.

25 A Correct.

1 Q Is there any information that Staff or the Commission
2 could use to determine how to arrive at that particular cost
3 that you just described?

4 A We could provide information. Like I said, I do not
5 think that information was provided -- has been provided in
6 several cases throughout the BellSouth region, but I can't
7 recall now if it was provided or not in this docket.

8 Q Okay. To your knowledge, --

9 COMMISSIONER JABER: Staff, is that something you all
10 need as a late-filed exhibit?

11 MS. BANKS: If it could be provided, yes.

12 MR. TWOMEY: BellSouth will agree to provide that.

13 COMMISSIONER JABER: That could be late-filed exhibit
14 29. And what should it be called, Ms. Banks?

15 MS. BANKS: I may defer to Mr. Shell to give a better
16 description of what it might -- the information --

17 THE WITNESS: I would just maybe call it support for
18 work times for -- why don't you just say application fee
19 initial in total or do you want to limit it to just those two
20 either way or do you want to limit it to just those two you
21 mentioned or do you want the whole list?

22 MS. BANKS: I think, including both of them would be
23 fine.

24 THE WITNESS: Okay.

25 COMMISSIONER JABER: Okay. Let's call it support for

1 work times but, Mr. Shell, do you have an understanding of what
2 Staff is looking for in the exhibit?

3 THE WITNESS: Yes, I want to make sure. She is
4 talking about the two or are you talking about the list of
5 everything under that? Just the two items you're referring to,
6 then?

7 MS. BANKS: The two items I just referenced, yes.

8 THE WITNESS: Okay, I understand.

9 COMMISSIONER JABER: And how long would that take for
10 you to provide?

11 THE WITNESS: Probably first of next week, if that's
12 okay.

13 COMMISSIONER JABER: Okay. Late-filed Exhibit 29.
14 (Late-filed Exhibit 29 identified for the record.)

15 COMMISSIONER JABER: We'll establish the time frame
16 for providing the information at the end of the hearing, but I
17 wanted to get an understanding of how long it would take.

18 MR. TWOMEY: I was just going to ask given the
19 holiday in the middle of next week, whether we could provide it
20 by the following Friday, by next Friday, whenever that is, July
21 6th.

22 COMMISSIONER JABER: I think, our standard is two
23 weeks anyway.

24 MR. TWOMEY: Oh, okay.

25 COMMISSIONER JABER: But I was really trying to

1 understand if it would take longer than that.

2 MR. TWOMEY: Okay, thank you.

3 MS. BANKS: That would be fine.

4 BY MS. BANKS:

5 Q Mr. Shell, to your knowledge, has BellSouth ever
6 conducted any time in motion studies of its employees to
7 support the activity times listed in the cost study that you're
8 sponsoring today?

9 A No. BellSouth has not done work times for line
10 sharing or collocation.

11 Q Are you familiar with the reasons why the application
12 for physical collocation might be rejected, then?

13 A I'm sorry, could you repeat that, please?

14 Q Are you familiar with the reasons why an application
15 for a physical collocation might be rejected?

16 A Okay. Why an application or the scenario the CLEC
17 submits an application and then we reject it? Is that the
18 question?

19 Q Yes.

20 A Okay, yes. What -- well, first the way the process
21 works is first they would submit the application and then we
22 have ten days to respond as to whether space is available, so
23 that could initially, basically, stop the application. But
24 assuming we have space, then we basically would have to -- if
25 they ask for, say a cageless arrangement, and their agreement

1 does not have cageless in it, then we'll have to reject it and
2 ask them to resubmit it or they may want to have maybe AC power
3 on their collocation arrangement, and that's not in the
4 agreement or it's just that they may say I want 200 square foot
5 of space, maybe ten or ten bays of equipment and they only ask
6 for ten amps of power, things like that are inconsistent.

7 And if it flows downstream to the many network groups
8 involved, then what will happen is they'll begin working it
9 only to find out later on after a lot of work has been done
10 that it can't be worked -- it can't work that way. So, those
11 are a few items.

12 Q So, as I understand it, I think, you just briefly
13 mentioned a couple reasons why an ALEC might be rejected for
14 physical collocation space, one of them is the issue of space,
15 I think, as you just mentioned as well as the certain equipment
16 that they need that you're unable to provide; is that correct?

17 A Well -- and let me para-- I don't really want to say
18 reject. It's more send it back to them for review. You know,
19 they can still resubmit it. In either case, they could
20 resubmit it for a different arrangement or they could resubmit
21 it for a different amount of space. May not have 100 square
22 foot, but we have 50, so they would have the option of
23 resubmitting. When I say reject, we basically send it back.
24 We don't really reject it, per se.

25 Q Okay. Referring now to that same exhibit, public

1 exhibit WBS-1, which I think has been labeled Exhibit 29 -- I'm
2 sorry, that's 28. Referring to Page 000218 or Page 218 --

3 A I have it.

4 Q You're there?

5 A Yes, I'm there.

6 Q Okay. Is it accurate to say that BellSouth is asking
7 this Commission to approve a subsequent application fee for
8 physical collocation as it seems that you have outlined here
9 3,000 -- in an amount of \$3,134?

10 A Yes, that is correct.

11 Q Okay. And if I were to ask you the same questions
12 about the times associated with the subsequent application
13 regarding -- as I asked regarding the initial application,
14 would your answers substantially be the same?

15 A Yes, the question being have we provided support for
16 the work times? Is that the question?

17 Q Yes.

18 A Yes, it would be the same.

19 Q Okay. At this point, Mr. Shell, do you know whether
20 there's an initial application for physical collocation which
21 an ALEC would pay the \$3,760?

22 A I'm sorry, are you saying do I know if there is an
23 application --

24 Q Yes.

25 A -- where they would pay?

1 Q For which an ALEC would pay, yes.

2 A The initial application fee? Or are you talking
3 about the -- excuse me, I'm having a hard time hearing you.

4 Q This is for the initial application, that is correct.

5 A Okay. For the initial, yes, there is, yes, several
6 opportunities. When that would apply would be when a
7 collocator first go -- would go into a central office and they
8 would request space. That's where the initial would apply.

9 The subsequent applies is if they are already in the
10 collocation arrangement, it's set up, but they want to add
11 three more bays and maybe 20 more amps of power. So, they're
12 augmenting the current arrangement. That's the difference.
13 One is additional, the other is they're augmenting a current
14 arrangement.

15 Q Okay. So, they couldn't pay both, then?

16 A No, no, they're totally separate; one is for an
17 augmented, one is for the initial.

18 Q Okay.

19 A And this is really consistent with the current tariff
20 we have, as far as the structure in effect.

21 Q Okay. Does a payment of a fee, either for initial
22 application for physical collocation or a subsequent
23 application for physical collocation guarantee the applicant
24 space in BellSouth's premises?

25 A Yes, it does. And that's the reason why the work

1 times you see here are what they are, because we have several
2 jobs going on at any one time in the central office, not just
3 collocation. And unless the people involved in the area of the
4 state that has the central office review it to make sure that
5 power exists, the cooling capacity exists, the space exists,
6 that they have sufficient, just infrastructure to handle it,
7 they could say yes, collocator, we have it, only to find out
8 after we're a month down the road the collocator's making plans
9 that we don't have the space. With all the things going on,
10 you really have to put the time in to make sure you can give an
11 accurate response.

12 Q Now, I'm going to be referencing, which I don't know
13 if you have a copy of, but Covad's request for production of
14 documents, number 33, which was filed as a proprietary document
15 in this proceeding. And, I believe, this has already been
16 moved into the record as Exhibit Number 6.

17 MR. TWOMEY: Commissioner, may I approach the witness
18 and give him a copy of that document?

19 COMMISSIONER JABER: Yes. And let me clarify,
20 Ms. Banks, this is the confidential version?

21 MS. BANKS: That is correct.

22 COMMISSIONER JABER: Okay. I would just make sure
23 that the Commissioners remember that, take that into account.
24 Staff, you guys need to remember to use the red folder, too,
25 okay?

1 MS. BANKS: Thank you.

2 MR. TWOMEY: Ms. Banks, I've given the witness a copy
3 of the exhibit.

4 MS. BANKS: Okay.

5 BY MS. BANKS:

6 Q If you could turn to Page 5 of that document,
7 Mr. Shell.

8 A Pardon me, I couldn't hear you.

9 Q Page 5 of that document, and the number's in the
10 lower right-hand corner.

11 A Not in mine, but I can find it. I believe -- at
12 least in the one I have is, I believe, is H1.7 at the top left.
13 Is that the page you're on?

14 Q This is what was filed. I'm not seeing -- this is
15 what was provided to the Staff. If you would just give me a
16 moment, and I will provide you with a copy of what we have.

17 COMMISSIONER JABER: Commissioners, let's take five
18 minutes.

19 MR. TWOMEY: We've got it.

20 MS. BANKS: We have it.

21 COMMISSIONER JABER: Okay.

22 BY MS. BANKS:

23 Q And let me know when you're there.

24 A I have the page, I think.

25 Q Okay. The request was that BellSouth file the most

1 recent cost study on collocation; is that correct? That's what
2 was requested?

3 A You mean the POD you're referring to?

4 Q Yes.

5 A Yes, I believe so.

6 Q Okay.

7 A Supporting documents.

8 Q If you could just refer to -- there's a header on the
9 top left-hand corner of that page, and without disclosing any
10 information of the contents of the page, could you just refer
11 to me the date that is on the header of this page?

12 A Well, I see a name via e-mail with a date beside it,
13 7-21-99.

14 Q Okay, yes.

15 A Is that it?

16 Q Yes. And if you could turn to Page 21 of that same
17 document, and I need to confirm if you're -- which it should be
18 the same, because you have a copy.

19 A I have it.

20 Q Okay. On that page, BellSouth has listed a cost of
21 the central office conditions in Florida, correct?

22 A What we have listed here is the situations where
23 BellSouth has expanded its central offices and we list several
24 -- we have several states on the page, but we have Florida is
25 one of the states and it shows the costs BellSouth incurred to

1 expand or grow its central office.

2 Q Okay. Without disclosing any of the contents or the
3 information on that page, is there anything on that page that
4 you feel would help the Commission determine that the
5 construction cost is attributable to the ALEC collocation
6 request and how much of that construction was attributable to
7 BellSouth's own expansion? Is there any way to divvy up those
8 costs?

9 A Well, what this cost is for is the calculation of the
10 floor space charge. It's not really for construction. It's
11 sort of a charge that we apply to the collocator for utilizing
12 the space, the air conditioning, the AC for their convenience
13 of testing equipment. It's more of a cost for floor space
14 usage. And the number calculated as the average cost per
15 square foot, if you see that number under Florida --

16 Q Yes.

17 A -- that number goes into the calculator or the cost
18 study, and it produces a recurring charge that shows the cost
19 per month for using the space, just like a use of the floor
20 space charge. It's not for construction.

21 Q So, is that 100% collocation?

22 A No, no. What this is, is a cost for BellSouth to
23 grow or expand CO space. And we use this to derive a floor
24 space charge. In other words, they utilize the floor space, so
25 we estimate the cost of the building on a per square foot basis

1 and determine the recurring charges associated with it. And
2 like we incur those charges, we just apply that charge to the
3 collocator. It's not a construction charge. It's just for
4 floor space.

5 Q Okay. Are you familiar with the Rebuttal Testimony
6 that was filed by Mr. Riolo in this proceeding?

7 A Yes.

8 Q Okay. I don't know if you have a copy of it in front
9 of you.

10 A I do, I have a copy.

11 Q And this is the public version that I'm referencing.

12 A I have it.

13 Q If you could just turn to Page 12 of that Rebuttal
14 Testimony.

15 A I'm there.

16 Q Okay. Mr. Riolo alleges in his Rebuttal that
17 BellSouth has used embedded costs to arrive at a square foot
18 charge for the space preparation and that that practice
19 violates federal pricing rules. Has BellSouth used any
20 historical cost to project the use of cost to arrive at this
21 figure?

22 A No, no, and this is a different element than the one
23 you were referring to earlier. What the floor space
24 preparation charges are would be the cost to make the space
25 usable, which could be augmenting the AC, reworking the

1 ventilation ducts, adding more power, running cable racks or
2 aisle lighting or things of that nature. And what we do is we
3 look at the current cost of several jobs we've done in the
4 past. We back out costs that wouldn't apply going forward and
5 we project what that would be.

6 And that number, that net investment number for the
7 central office modification, and then also for circuit switch
8 modification, there's two components, but those are all
9 forward-looking numbers, and that investment goes right into
10 the cost calculator again, and we get recurring charges based
11 on the annual cost associated with that investment. So, but
12 this is different than the one we just looked at. This is for
13 modification, whereas, the one we just looked at was just floor
14 space usage.

15 Q Okay. As I understand it -- I believe, this is the
16 last question I have for you, Mr. Shell -- as was requested
17 that BellSouth file all data regarding necessary to evaluate
18 the nonrecurring collocation cost, is it true, I guess,
19 assertion based upon what you represent today that that has not
20 been done?

21 A Could you --

22 Q You referenced some information earlier that you said
23 was not part of the record, so just for the purposes of
24 clarification as relates to the request that BellSouth submit
25 all data, work papers, et cetera, to give information on what

1 should be evaluated with what should be reviewed or analyzed in
2 coming to this nonrecurring cost for collocation.

3 A I don't know. I only saw the -- well, I saw the
4 production of documents once it was produced. I don't remember
5 the exact wording of the document, the request. Are you asking
6 the question that because the work time support wasn't there?
7 Is that the question?

8 Q That and to a greater extent is what I'm saying. To
9 derive at the cost concerning nonrecurring costs of
10 collocation, is it true, or suffice it to say, that all the
11 information to derive at that cost is not available in this
12 record?

13 A Well, I think, the cost to derive it is in the
14 record. I guess, it just depends how far you would go back to
15 data, I guess, but the cost to derive it, as far as the work
16 times and the charges, the labor rates and so forth that relate
17 to the actual charge are there, but there could be some more --
18 I guess, we can produce this information, we can develop it,
19 and provide that to support that work time.

20 MS. BANKS: Thank you, Mr. Shell. Staff has nothing
21 further.

22 COMMISSIONER JABER: Redirect, Mr. Twomey?

23 MR. TWOMEY: No redirect.

24 COMMISSIONER JABER: Thank you. Let's move some
25 exhibits in. Mr. Shell, thank you for your testimony.

1 (Witness excused.)

2 COMMISSIONER JABER: Exhibits 24, 25, and 26,
3 Mr. Twomey, are yours.

4 MR. TWOMEY: Thank you, yes, we move that into the
5 record.

6 MS. BOONE: Covad moves in 27, please.

7 COMMISSIONER JABER: Okay. Without objection, we'll
8 move Exhibits 24 through 27.

9 (Exhibits 24 through 27 admitted into the record.)

10 COMMISSIONER JABER: Staff, do you want to move
11 Exhibit 28 in?

12 MS. BANKS: Yes, Commissioner Jaber, if we could do
13 that at this time.

14 COMMISSIONER JABER: Without objection.

15 (Exhibit 28 admitted into the record.)

16 COMMISSIONER JABER: Exhibit 29 is a late-filed
17 exhibit, and the witness has indicated that it can be provided
18 within the next two weeks, so --

19 MS. BANKS: Staff has no problem with that, that's
20 fine.

21 COMMISSIONER JABER: Then, we'll establish that as
22 the time for filing that late-filed exhibit, two weeks from
23 today.

24 - - - - -

25 (Transcript continues in sequence in Volume 6.)

1 STATE OF FLORIDA)
2 : CERTIFICATE OF REPORTER
3 COUNTY OF LEON)

4

5 I, KORETTA E. STANFORD, RPR, Official Commission
6 Reporter, do hereby certify that the foregoing proceeding was
heard at the time and place herein stated.

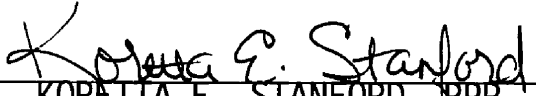
7 IT IS FURTHER CERTIFIED that I stenographically
8 reported the said proceedings; that the same has been
transcribed under my direct supervision; and that this
9 transcript constitutes a true transcription of my notes of said
proceedings.

10 I FURTHER CERTIFY that I am not a relative, employee,
11 attorney or counsel of any of the parties, nor am I a relative
or employee of any of the parties' attorneys or counsel
12 connected with the action, nor am I financially interested in
the action.

13 DATED THIS Thursday, July 5, 2001.

14

15


KORETTA E. STANFORD, RPR
FPSC Official Commissioner Reporter
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