

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by XO Florida,
Inc. for arbitration of
Unresolved issues with BellSouth
Telecommunications, Inc.

Docket No.: 011119-TP
Filed: March 12, 2002

Direct Testimony of John Seaton

on behalf of

XO Florida, Inc.

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1 **Q. PLEASE STATE YOUR NAME, EMPLOYER, AND BUSINESS**
2 **ADDRESS.**

3 A. My name is John Seaton, Director of the National Telecommunications
4 Audit department of XO Communications, Inc.. I was previously the
5 Director of the XO's regional cost group working with BellSouth. My
6 business address is XO Communications, Inc., 11111 Sunset Hills Drive,
7 Reston, Virginia, 20190. I am providing testimony on behalf of XO
8 Florida, Inc., f/k/a NEXTLINK Florida, Inc. ("XO").

9 **Q: PLEASE DESCRIBE YOUR RESPONSIBILITIES FOR XO.**

10 A: I have responsibility for auditing and payment for all leased services, which
11 includes Switched Access, Special Access and Local Access services, and
12 the payment for these services.

13 **Q: PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND**
14 **AND PROFESSIONAL EXPERIENCE.**

15 A: I am currently working to obtain a Bachelors Degree at Madison
16 University. XO employed me in the fall of 1997 as the manager of its
17 South Region Telecommunications Audit group, which was responsible for
18 BellSouth and Southwestern Bell. In 1999, I was promoted to Director, and,
19 in 2000, was given the task of centralizing and managing XO's leased
20 network. Prior to working for XO, I was the CFO for a privately held retail
21 company in Raleigh, NC.

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

1 A. I address one issue: Arbitration Issue No. 11 – Should BellSouth be subject
2 to the same credit and deposit requirements as XO when purchasing
3 services from XO?

4 **Q: WHAT IS THE LANGUAGE THAT IS IN DISPUTE?**

5 A: BellSouth will not agree to include the following sentence in Attachment 7,
6 of the interconnection agreement:

7 BellSouth shall be subject to the same credit and deposit
8 policy when purchasing services from XO.
9

10 **Q: WHY DOES THE INTERCONNECTION AGREEMENT INCLUDE**
11 **A CREDIT AND DEPOSIT POLICY?**

12 A: Simply put, XO buys and leases services and elements from BellSouth. As
13 such, BellSouth has asserted that it has the right to seek some sort of
14 security to make sure it is compensated for those elements and services,
15 aside from any rights it has to seek redress of payment issues with the
16 appropriate authority. Under that same Interconnection Agreement,
17 BellSouth may also buy and/or lease services and elements from XO. XO
18 should have the same rights as BellSouth to ensure it is compensated for the
19 elements and services purchased by BellSouth. However, BellSouth
20 refuses to be bound to the same credit and deposit policies that it imposes
21 on ALECs.

22 **Q: WHEN YOU SAY SAME “POLICY”, DO YOU MEAN SAME**
23 **“AMOUNT” OF A DEPOSIT?**

1 A: Absolutely not. I mean the same policy. BellSouth considers certain
2 factors in determining whether to demand security deposits from ALECs.
3 XO should be able to consider those same factors when determining the
4 level of security it needs from BellSouth. This issue is a simple matter of
5 fairness.

6 **Q: HAS BELLSOUTH INDICATED WHY THEY ARE UNWILLING**
7 **TO ABIDE BY THE SAME CREDIT AND DEPOSIT POLICY THAT**
8 **THEY IMPOSE ON ALECS?**

9 A: No. In its Response to XO's Petition for Arbitration, BellSouth states that
10 XO "cannot seriously be concerned that BellSouth lacks the financial
11 ability to make good on any debts that it may be found to owe to XO."
12 However, even if that is currently true, it does not address potential future
13 changes/issues nor does it explain why BellSouth is not willing to abide by
14 the same credit and deposit policy. If, as BellSouth says, there is no
15 reason to be concerned about its ability to "make good" on any debts, then
16 it should not be concerned about having to follow its own credit policy.

17 **Q: DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

18 A: Yes, it does.

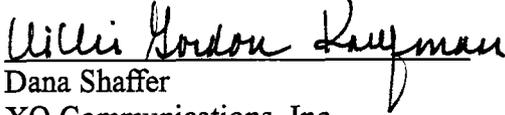
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Direct Testimony of John Seaton on behalf of XO Florida, Inc. has been furnished by (*) hand delivery or by U. S. Mail on this 12th day of March, 2002, to the following:

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