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November 23, 2004

Mrs. Blanca Bayo, Director
Division of Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket 040301 -TP
- SUPRA'S CORRECTED DIRECT AND REBUTTAL TESTIMONIES OF
DAVID A. NILSON

Dear Mrs. Bayo:

Pursuant to discussions at the Pre-Hearing Conference of Friday, November 19, 2004, portions of David A. Nilson's Direct Testimony (pages 28-30 and 33-35) and Exhibits DAN - 45 through 50 of his Rebuttal Testimony were de-classified. Accordingly, these corrections are to reflect this decision. Further, we have realized that we had a formatting problem with the Rebuttal Testimony which resulted in a reading of "Error! Reference source not found." as the cross-reference that links such information to Section VIII of the Rebuttal Testimony were deleted in error. Thus this correction! There are still portions of these testimonies that are deemed proprietary and thus are submitted in a sealed envelope.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return it to me.

Sincerely,

Brian. Chaiken
Executive V.P. Legal Affairs

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CERTIFICATE OF SERVICE

Docket No. 040301-TP

I HEREBY CERTIFY that a true and correct copy of the following was served via Facsimile, E-Mail, Hand Delivery, and/or U.S. Mail this 23rd day of November 2004 to the following:

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By: Brian Chaiken

1 BEFORE THE FPSC – DIRECT TESTIMONY OF

2 DAVID A. NILSON

3 ON BEHALF OF SUPRA TELECOMMUNICATIONS AND INFORMATION
4 SYSTEMS, INC.

5 DOCKET NO. 04-0301-TP

6 FILED: SEPTEMBER 8, 2004

7 **REDACTED**
8

9 I. INTRODUCTION AND SUMMARY OF TESTIMONY 2
10 II. BACKGROUND / SUMMARY 5
11 III. ISSUE 1 – UNDER THE CURRENT AGREEMENT, WHAT NONRECURRING RATE, IF ANY,
12 APPLIES FOR A HOT-CUT FROM UNE-P TO UNE-L, WHERE THE LINES BEING CONVERTED ARE
13 SERVED BY COPPER OR UDLC, FOR (A) SL1 LOOPS AND (B) SL2 LOOPS? 7
14 IV. ISSUE 2 – UNDER THE PARTIES’ EXISTING INTERCONNECTION AGREEMENT, WHAT
15 NONRECURRING RATE, IF ANY, APPLIES FOR A HOT-CUT FROM UNE-P TO UNE-L, WHERE
16 THE LINES BEING CONVERTED ARE NOT SERVED BY COPPER OR UDLC, FOR (A) SL1 LOOPS
17 AND (B) SL2 LOOPS? 13
18 V. ISSUE 3 - SHOULD A NEW NONRECURRING RATE BE CREATED THAT APPLIES FOR A HOT-
19 CUT FROM UNE-P TO UNE-L, WHERE THE LINES BEING CONVERTED ARE SERVED BY COPPER
20 OR UDLC, FOR (A) SL1 LOOPS AND (B) SL2 LOOPS? IF SO, WHAT SHOULD SUCH
21 NONRECURRING RATES BE? 13
22 VI. THE “COVAD” CROSSCONNECT IS FOR CONSTRUCTION OF INFRASTRUCTURE AND IS
23 BEING IMPROPERLY APPLIED BY BELLSOUTH IN A MANNER WHICH ALLOWS BELLSOUTH
24 DOUBLE RECOVERY OF ITS COST(S). 43
25 VII. PROBLEMS WITH THE WAY BS IS HANDLING/HAS HANDLED THE PROCESS TO DATE –
26 LOSS OF INTERNET SPEED, ETC. 56
27 VIII. ECONOMIC ISSUES RELATING TO THE COST OF HOT CUTS.....ERROR! BOOKMARK NOT
28 DEFINED.
29 IX. EXHIBITS..... 64
30
31
32

1 **I. INTRODUCTION AND SUMMARY OF TESTIMONY**

2
3 **Q. PLEASE STATE YOUR NAME AND ADDRESS**

4 A. My name is David A. Nilson. My business address is 2620 SW 27th Avenue, Miami,
5 Florida 33133.

6
7 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

8 A. I am employed by Supra Telecommunications and Information Systems, Inc. ("Supra")
9 as its Chief Technology Officer.

10
11 **Q. PLEASE DESCRIBE YOUR BACKGROUND AND WORK EXPERIENCE.**

12 A. I have been an electrical engineer for the past 27 years, with the last 23 years spent in
13 management level positions in engineering, quality assurance, and regulatory departments.

14 In 1976, I spent two years working in the microwave industry, producing next generation
15 switching equipment for end customers such as AT&T Long Lines, ITT, and the U.S.
16 Department of Defense. This job involved extensive work with various government agencies. I
17 was part of a three-man design team that produced the world's first microwave integrated circuit
18 which was placed in production for AT&T within 30 days of its creation. I held jobs at two
19 different companies in quality control management, monitoring and trouble-shooting
20 manufacturing process deviations, and serving as liaison, and auditor regarding our regulatory
21 dealings, with the government.

22 I spent 14 years in the aviation industry designing both airborne and land-based
23 communications systems for various airlines and airframe manufacturers worldwide. This

1 included ASIC and Integrated Circuit design, custom designed hardware originally designed for
2 the Pan American Airlines call centers, and various system controllers used on Air Force One
3 and Two, other government aircraft including that for the Royal Family in England. I designed
4 special purpose systems used by both the FAA and the FCC in monitoring and compliance
5 testing. I was responsible for design validation testing and FAA system conformance testing.

6 Since 1992 I have been performing network and system design consulting for various
7 industry and government agencies, including research and design engineering positions at the
8 Argonne National Laboratories.

9 As a programmer for more than 35 years, I have extensive experience in systems
10 analysis, design, and quality assurance procedures required by various US government agencies.
11 I have designed Internet Service Provider networks and organizations, including Supra's. I have
12 done communications related software consulting for Fortune 500 corporations such as Sherwin
13 Williams, Inc.

14 I have attended extensive management and engineering training programs with Motorola,
15 Lucent, Nortel, Siemens, Alcatel, Ascend, Cisco, Call Technologies, Southwestern Bell
16 Telephone, Verizon (formally known as Bell Atlantic), and others.

17 I joined Supra in the summer of 1997. I am the architect of Supra's network and ISP, and
18 designed its central office deployment and network operations. This includes planning, capacity
19 and traffic analysis to define equipment capacity from market projections for voice services,
20 Class 5 switch design and planning, transmission, data and Internet services, xDSL, voicemail
21 and ILEC interconnection, ordering and billing. Additionally, I have negotiated interconnection
22 agreements with Sprint, Verizon, Ameritech (SBC), SWBT, SWBT (SBC), and BellSouth, and I
23 participate in bill analysis and dispute resolution and am intimately familiar with BellSouth retail

1 and CLEC OSS systems, CRIS and CABS billing systems and standards. I have helped to
2 resolve tens of millions of dollars in over billed charges with BellSouth alone.

3

4 **Q. HAVE YOU EVER TESTIFIED BEFORE?**

5 A. Yes, I testified before the Florida Public Service Commission ("FPSC") in numerous
6 generic dockets and in various disputes between Supra and BellSouth regarding central office
7 space availability, rates, requirements, and specifications for Collocation, Unbundled Network
8 Elements ("UNEs"), and UNE Combinations. I have participated in settlement procedures
9 before the FPSC staff on matters relating to OSS and OSS performance against BellSouth. I
10 have testified before the Texas Public Utilities Commission ("TPUC") on matters of collocation
11 regarding disputes with SWBT. I have made ex-parte presentations before the Federal
12 Communications Commission ("FCC") regarding the Bell Atlantic/GTE merger, the UNE
13 Triennial review in 2002, and the Department of Agriculture regarding Network Design and
14 Expansion policies for CLECs. I have appeared before the FCC staff on several occasions in
15 disputes against BellSouth regarding collocation. I have testified before regulatory arbitrators in
16 Texas, and in Commercial arbitration against BellSouth. I have been deposed numerous times
17 by BellSouth and SWBT. I was qualified as an expert witness in telecommunications by the
18 TPUC in 2000. I have testified in Federal District Court and Federal Bankruptcy Court.

19

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

21 A. The purpose of my testimony is to address Supra's position relative to Issue Nos. 1
22 through 4.

23

1 **Q. WHICH ISSUES DO YOU ADDRESS IN YOUR TESTIMONY?**

2 A. I discuss what nonrecurring rate, if any, applies for a conversion from UNE-P to UNE-L
3 when the UNE-P line is served by copper or UDLC loop (**Issue 1**) or IDLC loop (**Issue 2**), and
4 whether a new nonrecurring rate should be created for a conversion from UNE-P to UNE-L
5 when the UNE-P line is served by copper or UDLC (**Issue 3**), or IDLC (**Issue 4**), and what
6 should be the rate for such a conversion (**Issues 3 and 4**).

7

8 **II. Background / Summary**

9 **Q. ARE ISSUES 1 AND 2 CONTRACTUAL OR REGULATORY ISSUES?**

10 A. They are purely contractual issues because they require the FPSC to make a
11 determination as to whether or not the Current Agreement contains actual rates for these
12 processes.
13 The contractual terms which need to be interpreted do not differ between copper, UDLC or
14 IDLC served loops. The record evidence, and the current testimony of BellSouth proves that the
15 FPSC never considered a rate for UNE-P to UNE-L conversions in the generic UNE Docket
16 990649-TP. This is not surprising since, at 3-5¹ years after the 1996 Telecommunications Act
17 was enacted, **not a single CLEC in Florida was able to order and enjoy UNE-P at TELRIC**
18 **rates.** It was the May 2001 order of this Commission² which made it impossible for BellSouth
19 to continue denying Supra what had already been promised by prior FPSC orders and two
20 previous interconnection agreements. Supra was **first** able to issue UNE-P orders on June 17,

¹ 3+ years to the date the Docket was placed upon the calendar, 5+ years until the first order (PSC-01-1181-FOF-TP) was issued, 6+ years until the September 2002 order set the remaining rates in place.

² See Supra Exhibit # DAN-1-- PSC-01-1181-FOF-TP.

1 2001, the day the ordering procedures were made available to Supra and BellSouth enabled
2 UNE-P OSS (LENS) access³.

3 Neither BellSouth nor the CLEC industry even had a basis to establish a rate for UNE-P
4 to UNE-L conversions in the 1999 – 2001 timeframe because no CLEC had received UNE-P.
5 BellSouth’s cost expert, Ms. Caldwell admits that she never prepared, submitted or discussed the
6 conversion of UNE-P to UNE-L in the last generic UNE Docket.

7 Notwithstanding such, significant portions of the cost study which BellSouth now purports
8 represents the FPSC’s “prior determination” of this issue may apply to a hot cut, but only when a
9 new UNE-L line needs a truck roll in order to be installed and, as a result, Supra’s First
10 Amended Petition requests the establishment of two rates, which are actually tailored to the
11 specific job functions involved in performing conversions of existing, working lines (as opposed
12 to installing new service) so as to allow Supra to choose which services to purchase from
13 BellSouth, and which to self-provision. This is not unlike the decisions which led to the creation
14 of SL1 and SL2 rates, and geographically de-averaged loop rates.

15

16 **Q. ARE ISSUES 3 AND 4 CONTRACTUAL OR REGULATORY ISSUES?**

17 A. They are both. At the outset, it is a contractual issue. The Commission must first decide
18 whether, under the Current Agreement, BellSouth is allowed to charge Supra anything for
19 performing the services requested in this case. Should the Commission find in favor of Supra, it
20 need look no further. However, if the Commission finds in favor of BellSouth on the threshold

³ Albeit buggy and prone to cause loss of dialtone at conversion for approximately 65% of all orders.

1 contractual issue, then the Commission must set an appropriate rate, and thus it becomes a
2 regulatory issue.

3

4 **Q. WHAT OTHER ISSUES NEED TO BE CONSIDERED HERE?**

5 A. The activities for which BellSouth is seeking cost recovery may well have **already been**
6 **paid** for when the line was provisioned to Supra as UNE-P. After all, if the customer being
7 served by UNE-P had no service or warm dialtone at the time Supra ordered UNE-P on their
8 behalf, BellSouth **already** billed and collected the full A.1.1 (\$49.57) NRC⁴ as part of a larger
9 UNE-P NRC⁵ of \$90, or another CLEC (or BellSouth) incurred that larger cost. In either case,
10 Supra should not bear this cost, much less be asked to bear it **twice**, when the majority of UNE-
11 P to UNE-L conversion scenarios avoid most of the work effort which makes up the \$49.57 NRC
12 rate, i.e. the switch-as-is NRC of 10.2 cents, but the provision of new service NRC is ninety
13 dollars (\$90). BellSouth is not entitled to double recovery, or for recovery of costs that could
14 have, and **should** have been avoided but for provisioning decisions that Bellsouth alone is
15 responsible for.

16

17 **III. Issue 1 – Under the Current Agreement, what nonrecurring rate, if any, applies for**
18 **a hot-cut from UNE-P to UNE-L, where the lines being converted are served by**
19 **copper or UDLC, for (a) SL1 loops and (b) SL2 loops?**

20

21 **Q. DOES SUPRA CLAIM THAT THE CURRENT AGREEMENT CONTAINS OR**
22 **REFERENCES A RATE FOR UNE-P TO UNE-L CONVERSIONS?**

⁴ Supra Exhibit # DAN-1 PSC-01-1181-FOF-TP Appendix A.
⁵ See Interconnection agreement pg 161 of 593.

1 A. No. Supra makes no such claim.

2 **Q. DOES BELL SOUTH CLAIM THAT THE CURRENT AGREEMENT CONTAINS**
3 **OR REFERENCES A RATE FOR UNE-P TO UNE-L CONVERSIONS?**

4 A. No. While BellSouth tries to argue that the A.1.1 and A.1.2 non-recurring cost study
5 (“FL-2w.xls”) is appropriate to be used as the non-recurring rate, BellSouth admits that the
6 Current Agreement does **not** contain or even reference a rate for UNE-P to UNE-L conversions.⁶
7 In its pleading before the United States Bankruptcy Court, Southern District of Florida,
8 BellSouth stated:

9 BellSouth agrees that the terms of the Agreement do not explicitly reference a
10 conversion process from the Port/Loop combination Service (i.e. UNE-P) Supra
11 currently uses to the separate 2-Wire Analog Voice Grade Loop Service (i.e.
12 UNE-L) Supra now Seeks to use. BellSouth believes that the process and rates
13 detailed in the Present Agreement for conversion of BellSouth’s retail service to
14 UNE-L should be applied to UNE-P to UNE-L conversions because UNE-P is,
15 for the several functions involved in conversion to UNE-L, the functional
16 equivalent of BellSouth’s retail service. BellSouth has been, and continues to be,
17 ready to convert service consistent with the contractual process if it has adequate
18 assurance that the applicable rates will be paid. (Emphasis added.)
19

20 This statement by BellSouth is erroneous, in that the Current Agreement **does** explicitly
21 reference a **process** for hot cuts⁷ but it simply does not define the **rate** to be charged.

22 Interestingly, it is in this pleading⁸ that BellSouth first makes the claim for \$59.31 NRC for
23 A.1.1, increasing its previous demand for \$51.09⁹ by including the \$8.22 “Covad Crossconnect”,

⁶ See Supra Exhibit # DAN-19-- Emergency Motion of BellSouth Telecommunications, Inc. for Interim Relief Regarding Obligation to Perform UNE-P to UNE-L Conversions at p. 5, para. 12.

⁷ See Supra Exhibit # DAN-4, PSC-02-0413-FOF-TP, Issue ‘R’, pages 108-114, TOC of order states page 111.

⁸ See Supra Exhibit # DAN-19-- Emergency Motion of BellSouth Telecommunications, Inc. for Interim Relief Regarding Obligation to Perform UNE-P to UNE-L Conversions at p. 5, para. 12.

⁹ \$49.57 A.1.1 NRC plus \$1.52 LENS OSS ordering charge. See Supra Exhibit # DAN 13.

1 despite the fact that "...the terms of the Agreement do not explicitly reference a conversion
2 process from the Port/Loop combination Service (i.e. UNE-P)...".

3

4 **Q. DOES BELLSOUTH ASSERT THAT THE RATES FOR UNE, UNE-P, OR**
5 **INTERCONNECTION ARE NOT EXCLUSIVELY TIED TO THE FPSC'S ORDERS**
6 **IN DOCKETS 990649-TP AND 000649-TP?**

7 A. Apparently, as BellSouth is relying on FPSC orders in Docket 001797-TP to justify the
8 billing of a PE1P2 crossconnect (FPSC UNE Element H.1.9) when it performs any UNE-P to
9 UNE-L conversion, in addition to the purported cost of the hot cut claimed as a result of the rates
10 set forth in Dockets 990649-TP and 000649-TP. However this reliance is unfounded, as the
11 FPSC was quite clear in this regard¹⁰. The unbundled rates in the Current Agreement are tied to
12 the FPSC orders in Docket 990649-TP^{11, 12, 13} and, in regard to line splitting only, Docket
13 000649-TP.

14 Based on the testimony and post-hearing briefs of the parties it appears that
15 BellSouth and Supra actually have similar views on the rates in this issue. The
16 only exception is the rates which Supra wishes to designate as interim rates
17 subject to true-up. This issue has been substantially narrowed to include the
18 network elements for which we have established rates, and the network elements
19 for which rates have not been established. Since the parties appear to agree on a
20 majority of the "items" in this issue we believe that the rates we established in
21 **Docket Nos. 990649-TP and 000649-TP are the appropriate rates for (B)**

¹⁰ See Supra Exhibit # DAN-4 -- PSC-02-0413-FOF-TP at pg 71-72, identify the source of rates for this agreement.

¹¹ See Supra Exhibit # DAN-1 -- PSC-01-1181-FOF-TP.

¹² See Supra Exhibit # DAN-2 -- PSC-01-2051-FOF-TP.

¹³ See Supra Exhibit # DAN-3 -- PSC-02-1311-FOF-TP

1 Network Elements, (C) Interconnection, (E) LNP/INP, (F) Billing Records¹⁴,
2 and (G) Other¹⁵.

3
4 (Supra Exhibit # DAN-4 -- PSC-02-0413-FOF-TP at pp 71-72, emphasis added)
5

6 Q. HAVE THERE BEEN ANY COURT DETERMINATIONS RELATIVE TO
7 WHETHER THE AGREEMENT CONTAINS A RATE FOR UNE-P TO UNE-L
8 CONVERSIONS?

9 A. Yes. On July 15, 2003, the United States Bankruptcy Court, Southern District of Florida,
10 held¹⁶:

11 The Court finds that Supra should pay the UNE-L Conversion changes on a
12 weekly basis at the rate proposed by BellSouth in its Motion (the "BellSouth
13 Rate") unless BellSouth voluntarily agrees to a lower rate. This rate will be
14 subject to later adjustment if an appropriate regulatory body fixes a lower rate (the
15 "Regulated Rate"). **Although the BellSouth/Supra contract does not**
16 **specifically set a rate for UNE-P to UNE-L conversions, BellSouth believes the**
17 **\$59.31 Rate proposed in its motion applies...**

18
19 (Supra Exhibit # DAN-21, emphasis added).
20

21 Q. DOES BELL SOUTH CLAIM THAT IT HAS PREPARED, OR FILED FOR FPSC
22 REVIEW, A COST STUDY WHICH ADDRESSES THE RETAIL TO UNE-L OR
23 UNE-P TO UNE-L CONVERSION COSTS?

¹⁴ 02-0413 original footnote - Although there is no discussion as to specific billing records, we presume the items intended to be addressed are Access Daily Usage File (ADUF), Optional Daily Usage File (ODUF), and Enhanced Optional Daily Usage File, for which we have established rates in Docket No. 990649-TP.

¹⁵ 02-0413 original footnote - Although there is no discussion as to a specific "other" network element(s) by either party, we presume the item intended to be addressed is line-sharing, for which we established rates in Docket No. 000649-TP.

¹⁶ See Supra Exhibit # DAN-21-- Order Granting Emergency Motion of BellSouth Telecommunications, Inc., for Interim Relief Regarding Obligation to Perform UNE-P to UNE-L Conversions (the "Order"), at p. 2.

1 A. No. Although, BellSouth has tried to apply existing rates for different conversions to this
2 conversion and has made unsupportable, self-serving claims about the meaning of previous
3 FPSC orders. Despite BellSouth's arguments to the contrary, BellSouth's director in charge of
4 all of BellSouth's cost studies, Daonne Caldwell, testified under oath that she neither prepared
5 nor was ever requested to prepare a cost study for a retail to UNE-L conversion, much less a
6 UNE-P to UNE-L conversion.¹⁷ At a March 5, 2003 Intercompany meeting between Supra and
7 BellSouth, BellSouth's Greg Follensbee stated exactly the same thing¹⁸.

8
9 **Q. DESPITE THE FACT THAT BELLSOUTH NEVER PREPARED A COST**
10 **STUDY FOR THE FPSC TO REVIEW, DID THE FPSC EXPLICITLY**
11 **CONSIDER, ADDRESS, MENTION OR OTHERWISE ORDER A RATE FOR**
12 **UNE-P TO UNE-L CONVERSIONS?**

13 A. No. Ms. Caldwell further testified that the FPSC has never even **referenced** a retail to
14 UNE-L conversion or hot cut, much less ordered a working UNE-P to UNE-L conversion or hot
15 cut rate, in any of its orders issued in the cost study docket, or any other docket.¹⁹ Supra agrees
16 with Ms. Caldwell in this instance.

17
18 **Q. DOES THE CURRENT AGREEMENT, OR THE FPSC ORDERS FROM WHICH**
19 **THE RATES STEM, ORDER A RATE FOR A UNE-P TO UNE-L CONVERSION,**

¹⁷ See deposition transcript of BellSouth's corporate witness with most knowledge regarding BellSouth's cost studies, Daonne Caldwell, taken on August 18, 2004 ("Caldwell Deposition"), at p. 15.

¹⁸ See Supra Exhibit # DAN-14 5/29/2003 letter D. Nilson to G. Follensbee pg 1, para 4.

¹⁹ Id., at p. 22.

1 **WHERE THE LINES BEING CONVERTED ARE SERVED BY COPPER OR**
2 **UDLC, FOR (A) SL1 LOOPS AND (B) SL2 LOOPS?**

3 A. No.

4

1 **IV. Issue 2 – Under the parties’ existing interconnection agreement, what nonrecurring**
2 **rate, if any, applies for a hot-cut from UNE-P to UNE-L, where the lines being**
3 **converted are not served by copper or UDLC, for (a) SL1 loops and (b) SL2 loops?**

4
5 **Q. DOES THE CURRENT AGREEMENT SEPARATELY ADDRESS THE**
6 **CONVERSION OF UNE-P LINES SERVED BY IDLC, OR TREAT IDLC**
7 **SERVED LOOPS ANY DIFFERENT THAN COPPER OR UDLC?**

8 A. No. Supra’s position relative to Issue 1, that, *inter alia*, the Current Agreement lacks an
9 explicit rate, applies equally to Issue 2 as well. I also point the Commission to Supra’s Motion
10 for Partial Summary Final Order on Issues 1 and 2.

11
12 **V. Issue 3 - Should a new nonrecurring rate be created that applies for a hot-cut from**
13 **UNE-P to UNE-L, where the lines being converted are served by copper or UDLC,**
14 **for (a) SL1 loops and (b) SL2 loops? If so, what should such nonrecurring rates be?**

15
16 **Q. WHAT DOES THE CURRENT AGREEMENT STATE REGARDING THE**
17 **RELEVANT OBLIGATION OF THE PARTIES?**

18 A. GT&C § 3.1 establishes an obligation on BellSouth to cooperate in terminating services
19 or elements and transitioning customers to Supra services.

20
21 Furthermore, GT&C § 22.1 says that if a party has an obligation to do something, it is
22 responsible for its own costs in doing it, “except as otherwise specifically stated.” In this case,
23 the language of the contract specifies an explicit process to be used for the hot cut from retail to
24 UNE-P and UNE-L, but no rate for the hot-cut.

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**Q. WHAT DOES THE SPECIFIC CONTRACT LANGUAGE SAY ABOUT THE
“HOT CUT” PROCESS, AND OBLIGATIONS?**

A. The “hot cut” process that BellSouth says applies here is described in the Current Agreement, Attachment #2, Network Elements in Section 3.8. Section 3.8.1, which makes clear that the referenced process applies “when Supra Telecom orders and BellSouth provisions the conversion of *active BellSouth retail end users* to a service configuration by which Supra Telecom will serve such end users by unbundled Loops and number portability (hereinafter referred to as ‘Hot Cuts’).” It is impossible to reconcile the requirement of a “specific statement” that a charge applies, noted above, with the claim that Section 3.8 applies where “active BellSouth retail end users” are involved.

So, under GT&C § 3.1, BellSouth has an obligation; under GT&C § 22.1 that obligation is to be performed at BellSouth’s expense unless “specifically stated” otherwise elsewhere in the Current Agreement; nothing in either GT&C § 3.1 or the UNE attachment “specifically states” a price for the cooperation and coordination required by GT&C § 3.1, and BellSouth has affirmatively stated in federal court that the Current Agreement does not specifically address it. It follows that the obligation in GT&C Section 3.1 is to be fulfilled at BellSouth’s expense.

Q. WHY DOES THIS MAKE SENSE?

A. Whether UNE-P or UNE-L, the same loop is used. BellSouth avoids providing, and Supra avoids paying for, Unbundled Local Switching, and Unbundled Common Transport. BellSouth still provides, and Supra still pays for, the same loop element. At the time the Current

1 Agreement was negotiated and arbitrated in 1999-2001, there was no indication that the FCC
2 would seek to eliminate UNE-P by eliminating the Unbundled Local Switching UNE.

3 **As such, to get a CLEC to abandon the UNE-P method, BellSouth's only motivation**
4 **would be to make the transition, troublesome as it might be, more attractive. It is fundamentally**
5 **incorrect to read the Current Agreement in light of the TRO, as the tenets of the TRO were**
6 **unknown at the time. Instead, the Current Agreement should be read in the light of the *UNE***
7 ***Remand Order* (00-238).**

8 Nowhere in the *UNE Remand Order*, or the FPSC orders in 990649-TP which stem from
9 it, is a crossconnect element part of

- 10 1) UNE-P
- 11 2) EELS
- 12 3) Point – to – point T1's constructed from UNE's, etc.

13
14 **In each case, the line side, and network side crossconnects between elements were embedded**
15 **within the major elements being joined. Yet within each combination of UNE's, the**
16 **demarcation, both physical and cost is clearly defined and accounted.**

17 In this regard, BellSouth is incorrect when it claims that what Supra is seeking is the
18 cessation of the use of one integrated "facility" (the UNE-P arrangement) and the "simultaneous
19 replacement" of that "facility" "with a new facility."²⁰ Any given Supra UNE-P customer is
20 served by a specific unbundled BellSouth loop that is connected to a BellSouth switch (the
21 functionality of which is also being purchased as a UNE). Supra does not want to "replace" the
22 UNE loops serving its customers with new "facilities." To the contrary, it wants to disconnect

²⁰ See Supra Exhibit # DAN-20 7/14/2003 BellSouth Letter to FCC at pg. 10.

1 the unbundled local switching element, and keep on using exactly the same “facility” as it is
2 using today, only without also using BellSouth’s UNE switching.

3 After all, if the customer being served by UNE-P had no service or warm dialtone at the
4 time Supra ordered UNE-P on their behalf, BellSouth **already** billed and collected the full A.1.1
5 (\$49.57) NRC²¹ as part of a larger UNE-P NRC²² of \$90, or another CLEC (or BellSouth)
6 incurred that larger cost. In either case, Supra should not bear this cost, much less be asked to
7 bear it **twice**, when the majority of UNE-P to UNE-L conversion scenarios avoid most of the
8 work effort which makes up the \$49.57 NRC rate.

9 Neither the Current Agreement, nor the FPSC’s generic UNE Docket addressed this
10 conversion, although the conversion from retail/resale to UNE-P was explicitly costed. This is
11 understandable, since at the time, no CLEC in Florida was able to order UNE-P, and the
12 regulatory landscape did not indicate that there would be a mechanism that would allow
13 BellSouth to escape its statutory obligation to unbundle its network by eliminating Unbundled
14 Local Switching (and thus eliminating UNE-P). As we are all aware, this is exactly what
15 BellSouth seeks, post TRO. Yet BellSouth now wishes to view yesterday’s proceeding through
16 today’s regulatory environment. The ability to actually order and receive UNE-P service from
17 BellSouth needed to exist before a rational method for conversion could be created. At the time
18 of the FPSC May 2001 order²³ UNE-P was not yet available in Florida²⁴.

19

²¹ Supra Exhibit # DAN-1 PSC-01-1181-FOF-TP Appendix A.

²² See Interconnection agreement pg 161 of 593.

²³ PSC-01-1181-FOF-TP, Dated May 25, 2001

²⁴ **Despite it being proscribed by Telecom Act of 1996, FPSC orders, the Supreme Court rulings in AT&T v. Iowa Utilities, and every interconnection agreement Supra had with BellSouth, BellSouth delayed its implementation of UNE-P for over 6 years.**

1
2 **Q. HOW DOES BELLSOUTH RESPOND TO THIS?**

3 A. In this docket, that still remains to be seen. But based on past experience, BellSouth
4 fundamentally misreads Supra's contract claim, which is supported by G T & C § 7.1 (requiring
5 each party to do what is necessary to comply with governing law at its own expense) but which
6 does not depend on it²⁵. In a response to the FCC on this matter²⁶, BellSouth puts forth its
7 strained interpretation of GT & C § 22.1. According to BellSouth, the "costs and expenses" it
8 will (supposedly) incur in meeting its obligations under GT & C § 3.1 to assist Supra in
9 terminating the use of UNE switching are not really "costs and expenses" at all; they are really
10 "rates" that are governed by § 22.2. But Supra is not objecting to the rates for UNE loops or
11 UNE switching. Supra is simply noting that BellSouth agreed to do something under the .
12 contract for which no rate is "specifically" provided.²⁷ BellSouth has already admitted to such.

13
14 **Q. GIVEN THAT THE CURRENT AGREEMENT'S RATES ARE BASED UPON**
15 **FPSC ORDERS IN 990649-TP, DOES THAT PROCEEDING TAKE**
16 **PRECEDENCE OVER THE TERMS OF THE CURRENT AGREEMENT?**

17 A. Absolutely not. No more than it would be valid if BellSouth wanted to avoid a
18 contractually mandated "bill and keep" provision for reciprocal compensation on the grounds
19 that the FPSC had established an appropriate, cost-based rate for intercarrier compensation.

²⁵ See Supra Exhibit # DAN-20 7/14/2003 BellSouth Letter to FCC at pg. 18.

²⁶ See Supra Exhibit # DAN-20, 7/14/2003 response to the FCC.

²⁷ Of course, BellSouth's claim that granting Supra's interpretation would mean that no rates under the contract would ever apply, see Supra Exhibit # DAN-20 7/14/2003 BellSouth Letter to FCC at pg. 18, is nonsense. Precisely as § 22.1 says, the rates in the contract apply whenever it is "specifically stated" that they do. For precisely this reason, the "hot cut" rate does *not* apply to paring down a an "active *Supra* retail end user's" UNE-P arrangement to a UNE-L arrangement.

1 Here, in the circumstances governed by GT & C § 3.1, BellSouth has agreed to perform certain
2 activities for free. As the language at issue is neither unclear nor ambiguous, this Commission
3 need not look to the intent of the parties in determining what the language means. Even if the
4 Commission was so inclined, as BellSouth was the drafter of such language, any ambiguities
5 should be read in favor of Supra.

6
7
8 **Q. SHOULD A NEW NONRECURRING RATE BE CREATED THAT APPLIES**
9 **FOR A HOT-CUT FROM UNE-P TO UNE-L, WHERE THE LINES BEING**
10 **CONVERTED ARE SERVED BY COPPER, UDLC OR IDLC?**

11 A. No. The terms of the current Supra/BellSouth Florida interconnection agreement (the
12 “Current Agreement”) specifically contemplate the necessity of conversions from retail to resale
13 to UNE-P²⁸ and the FPSC clearly addressed Supra’s issue on **all three types of conversions** in
14 the course of Docket 001305-TP, wherein it ordered:

15 Consequently, based on the record, we find that BellSouth’s coordinated
16 cut-over process should be implemented **when service is transferred from a**
17 **BellSouth switch to a Supra switch.** Alternatively, Supra may choose to adopt
18 the provisions the language agreed to by BellSouth and AT&T regarding
19 coordinated conversions, and approved by us in Order No. PSC-01-2357-FOF-TP
20 in Docket No. 000731-TP, should be incorporated.

21
22 **With respect to UNE-P conversions,** BellSouth witness Kephart admits
23 that no physical disconnection of service occurs during a UNE-P conversion.
24 However, he explains that in a UNE-P conversion, BellSouth is “effectively
25 turning over a portion of (its) plant on the UNE basis to another company.” He
26 contends that there are “billing issues” that are associated with the conversion and
27 that BellSouth has to address those issues within its system. (TR 410) Witness

²⁸ Supra Exhibit # DAN-4 – Order PSC02-0413-FOF-TP, Issue R. Coordinated Cut-Over Process pages 113-114.

1 Kephart states that the “D” and “N” order process is the most effective method
2 BellSouth has come up with to accomplish UNE-P conversions, and that this
3 process has an error rate of “somewhere around 1% or less.”
4

5 While there is no evidence in the record disputing BellSouth’s claim that
6 the process results in an error rate of 1% or less, we note that when customers go
7 without service as a result of this process, the customer will likely blame Supra,
8 not BellSouth, for the problem. Furthermore, we agree with Supra witness Nilson
9 that the conversion process is a “billing change” and consequently, a customer
10 should not experience a disconnection of service during a conversion. As such,
11 BellSouth shall be required to implement a single “C” (Change) order instead of
12 two separate orders, a “D” (Disconnect) order and an “N” (New) order, **when**
13 **provisioning UNE-P conversions.** BellSouth’s coordinated cut-over process
14 should be implemented **when service is transferred from a BellSouth switch to**
15 **a Supra switch. Alternatively, the language agreed to by BellSouth and**
16 **AT&T, and approved by us in Order No. PSC-01-2357-FOF-TP, in**
17 **resolution of this issue, should be incorporated.**
18

19 (Emphasis Added - Supra Exhibit # DAN-4 – Order PSC02-0413-FOF-TP, Issue R. Coordinated
20 Cut-Over Process pages 113-114.).
21

22 The Current Agreement clearly anticipated the work activities would and should take
23 place, yet no effort was ever made, under the former regulatory rules and framework, to establish
24 a rate for such activities. Under such conditions the Current Agreement states that the parties are
25 to bear their own costs of complying with their respective contractual obligations. The fact that
26 the TRO has potentially given BellSouth a different view of a future without UNE-P should not
27 now cause new rates to be established where none were previously contemplated.

28 Furthermore the terms of the Current Agreement, General Terms and Conditions state
29 that the parties shall bear their own costs of complying with their obligations under the Current
30 Agreement, absent specific rates. It is undisputed that there are **no** rates for UNE-P to UNE-L
31 conversions in the Current Agreement or in the, either stemming from the FPSC’s orders in
32 Docket 990649-TP, or the Current Agreement between the parties.
33

1 Q. IN THE ALTERNATIVE, SHOULD THIS COMMISSION RULE AGAINST
2 SUPRA ON THE CONTRACTUAL ISSUE, SHOULD A NEW NONRECURRING
3 RATE BE CREATED THAT APPLIES FOR A HOT-CUT FROM UNE-P TO
4 UNE-L, WHERE THE LINES BEING CONVERTED ARE SERVED BY
5 COPPER, UDLC OR IDLC?

6 A. Yes. A plain reading of the Current Agreement states that the parties shall bear their own
7 costs of complying with their obligations under the agreement, absent specific rates. Should the
8 Commission rule against Supra regarding its contractual interpretation, than the Commission
9 should set a new, reasonable rate for a hot cut wherein the line involved is served via copper or
10 UDLC (i.e. non-IDLC lines), as well as a new, reasonable rate for a hot cut wherein the line
11 involved is served via IDLC.

12
13 Q. IN A PURE ANALYSIS – WHAT IS A HOT-CUT?

14 A. It is quite simply, exactly what BellSouth witnesses testified that it is during testimony in
15 Docket 03-0381TP. That is:

16 A hot cut, simply defined, is moving a jumper from one location to another. The
17 hot cut itself involves basic network functions and skills that are used repeatedly
18 in BellSouth's Network every day. The extensive number of customers being
19 served in Florida by a combination of a BellSouth loop and a CLEC switch
20 demonstrates that BellSouth has a hot cut process that works.

21
22 (Supra Exhibit # DAN-23 Direct Testimony of Kenneth Ainsworth in Docket 030851-TP
23 at page 3)
24

1 The hot cut case is simple because it involves a process that has been around for
2 100 years – moving a jumper from one location to another. BellSouth can do it,
3 AT&T can do it, and MCI can do it.²⁹
4

5 A hot cut is no less, but most importantly by BellSouth's sworn testimony, it is no more, either.
6

7 **Q. IS THIS AN OVERSIMPLIFICATION OF THE ACTUAL BELLSOUTH**
8 **PROCESS?**

9 A. Perhaps, but if so the confusion is caused by BellSouth in pursuing the mutually
10 exclusive goals of TRO simplicity, and achieving a maximum rate in this Docket. On the one
11 hand, BellSouth asserts that each and every one of the steps costed in the A.1.1 and A.1.2 NRC
12 cost study³⁰ are actually performed and properly costed before this commission **even though the**
13 **exact process was developed and revised much later.** All told, this cost study accumulates
14 the **thirty four (34)** individual work activities, performed by **nine (9)** different paygrades, in
15 **seven (7)** separate departments. BellSouth now claims that such is a true and accurate
16 assessment of its work activity in this docket where BellSouth is seeking the maximum possible
17 rate. Yet, in the TRO proceeding, where the burden of proof is unequivocally on BellSouth, the
18 hot-cut is defined by just **five (5)** work activity steps performed by three (3) departments.
19

20 **Q. IGNORING THE CONTESTED TERMS OF THE CURRENT AGREEMENT,**
21 **WOULD A HOT-CUT CONVERSION FROM UNE-P TO UNE-L DEVELOPED**
22 **IN THIS PROCEEDING DIFFER FROM A TRO HOT-CUT?**

²⁹ See Direct Testimony of BellSouth's John A. Ruscilli in Docket No. 030851-TP, pg. 13, filed December 4, 2003.

³⁰ Indeed, BellSouth asserts that the August 16, 2000 cost study (Supra Exhibit # DAN-6, file FL-2w.xls) is the appropriate cost study (even though it does not reflect FPSC ordered adjustments which lowed BellSouth's \$71+ estimate to the \$49.57 rate we have today for a new A.1.1 loop.

1 A. It should not, either in method or cost. Both would have to be developed at TELRIC
2 cost, plus a reasonable profit, based on the various interpretations of CFR §51.505 and its
3 subsections. The process would have to avoid unnecessary disconnections whose sole purpose
4 would be to raise the costs to Supra. In *AT&T Corporation v. Iowa Utilities Board*, 525 U.S.
5 366, 394 (1999), the Supreme Court ruled that the ILEC could not mandate provisioning which
6 effected disconnection of elements unnecessarily raising the cost to new entrants:

7 Rule 315(b) forbids an incumbent to separate already-combined network elements
8 before leasing them to a competitor. As they did in the Court of Appeals, the
9 incumbent objects to the effect of this rule when it is combined with others before
10 us today. TELRIC allows an entrant to lease network elements based on forward-
11 looking costs, Rule 319 subjects virtually all network elements to the unbundling
12 requirement, and the all-elements rule allows requesting carriers to rely on the
13 incumbents network in providing service. When Rule 315(b) is added to these, a
14 competitor can lease a complete, preassembled network at (allegedly very low)
15 cost-based rates... The reality is that §251(c)(3) is ambiguous on whether leased
16 network elements may or must be separated, and the rule the Commission has
17 prescribed is entirely rational, finding its basis in §251(c)(3) nondiscrimination
18 requirement. As the Commission explains, it is aimed at preventing incumbent
19 LECs from “disconnect[ing] connected elements, over the objection of the
20 requesting carrier, not for any productive reason, but just to impose wasteful
21 reconnection costs on new entrants.” Reply Brief for Federal Petitioners 23. It is
22 true that Rule 315(b) could allow entrants access to an entire preassembled
23 network. In the absence of Rule 315(b), however, incumbents could impose
24 wasteful costs on even those carriers who requested less than the whole network.
25 It is well within the bounds of the reasonable for the Commission to opt in favor
26 of ensuring against an anticompetitive practice.

27
28 In furtherance of such, the FPSC previously refuted BellSouth's position finding:

29 Based on the evidence in the record, we conclude that BellSouth's collocation
30 proposal is unnecessary for the migration of an existing BellSouth customer. **We**
31 **conclude further that BellSouth's proposal to break apart loop and port**
32 **combinations that are currently connected**, requiring AT&T or MCI to
33 establish a collocation facility where the unbundled loop and the unbundled port
34 would be recombined, **is in conflict with the terms of the parties' agreements**
35 **and the Act as interpreted by the Eighth Circuit. Iowa Utilities Bd. I, 120**

1 **F.3d at 814. Moreover, we find that BellSouth's proposal does not address**
2 **the migration of an existing BellSouth end user. Hence, we reject it.**³¹

3
4 (Emphasis added).

5
6 The issue was never adjudicated in the last generic UNE cost setting docket, and
7 BellSouth allegedly generated, but failed to present its cost studies during the Florida TRO
8 hearings.³² However it is quite obvious that BellSouth seeks, via the TRO process, to escape its
9 obligation to offer UNE-P at TELRIC rates. In order for this to be considered, BellSouth's TRO
10 hot-cut procedure, track record, and cost must be reviewed.

11 In the TRO proceeding³³, a hot-cut was a simple, straightforward, and quick process,
12 performed by a single group. In this Docket³⁴, it is complex, detailed, confusing, time-
13 consuming process, involving a number of departments, each with one (or often more) people
14 involved in a carefully orchestrated, time consuming and expensive process which does exactly
15 the same thing. Supra requests that the FPSC hold BellSouth responsible for a single hot-cut
16 process/cost in both the TRO proceeding,³⁵ and this proceeding.

17
18
19 **Q. PLEASE EXPLAIN BELLSOUTH'S INDIVIDUAL HOT CUT PROCESS.**
20

³¹ PSC-98-0810-FOF-TP at pg 66.

³² BellSouth was at that time defending itself on this matter both before the FCC and in Federal Court in Miami where this cost study that Mr. Ainsworth testified was "lower" than the A.1.1 and A.1.2 would have been detrimental to BellSouth's ability to charge Supra the \$59.31 it currently seeks.

³³ Of course, in the TRO proceeding, BellSouth was seeking to relieve itself of the obligation to provide unbundled switching at TELRIC prices.

³⁴ Of course, in this Docket, BellSouth is seeking to keep the rate for performing hot cuts as high as possible.

³⁵ It is inevitable that this Commission will ultimately sit in judgment upon a TRO compliant hot-cut as the FCC is currently barred by statute from setting such a rate. That is the obligation of the state commission(s).

1 A. BellSouth has a seamless individual hot cut process that ensures minimal end-user
2 service outage. A flow chart of the individual hot cut process is attached to my testimony
3 as Exhibit KLA-1³⁶. BellSouth's process provides for the following:

- 4 1. Pre wiring and pre-testing of all wiring prior to the due date.
- 5 2. Verification of dialtone from the CLEC switch.
- 6 3. Verification of correct telephone number from the BellSouth and
7 CLEC switch using a capability referred to as Automatic Number
8 Announcement ("ANAC")
- 9 4. Monitoring of the line prior to actual wire transfer to ensure end-user
10 service is not interrupted
- 11 5. Notification to the CLEC that the transfer has completed.

12
13 (Supra Exhibit # DAN-23 Direct Testimony of Kenneth Ainsworth in Docket 030851-TP
14 at p. 10)

15
16 All told, 5 worksteps, (three of which are buried in the 15 minutes allocated for

17 INPUTS_CONNECT& TEST – Central Office Forces) from 3 departments. This tracks

18 favorably with the three (3) departments Mr. Ainsworth identifies in exhibit KLA-1 (*See Supra*

19 **Exhibit # DAN-31**): CWINS, Central Office (CO) Forces, and Outside Technician (I&M or

20 SSI&M) department. FL-2W.xls makes no mention whatsoever CWINS being involved in the

21 A.1.1 or A.1.2 NRC rate, and assumes³⁷ that **both** Central Office Forces **and** Outside Technician

22 (I&M or SSI&M) are involved in a UNE-L order³⁸.

23 However Mr. Ainsworth's hot cut **clearly** identifies that **one or the other, not both**

24 departments are to be involved. *See Supra Exhibit # DAN-31, Flowchart at the rightmost*

25 **diamond**³⁹. The effect of this substantial difference should be enough to **halve** the FPSC ordered

26 A.1.1 and A.1.2 NRC rates by itself.

³⁶ See Supra Exhibit # DAN-31 for Exhibit KLA-1 to Mr. Ainsworth's testimony.

³⁷ At least in the manner which BellSouth interprets the cost study.

³⁸ These two work activities are the **majority** of the \$49.57 rate!

³⁹ Labeled "On Due Date, Inside or Outside Cut?"

1 Clearly, Mr. Ainsworth's TRO hot cut is **not** contemplated by the workflow process, and
2 hence the rate, established for A.1.1 and A.1.2 based upon FL-2w.xls in Docket 990649-TP. The
3 workflows are just not the same, and there are even different departments involved.

4 **Q. WHAT DID THE FPSC ACTUALLY USE THE A.1.1 AND A.1.2 NRC COST**
5 **STUDY (FL-2W.XLS) FOR.?**

6 A. A staggering variety of disparate tasks. But, importantly, not a UNE-P to UNE-L
7 conversion. Since FL-2W.xls is the sole 2-wire cost study⁴⁰, it was used for all 2 wire rates,
8 except the retail/resale to UNE-P conversion rate. Thus it is used for:

- 9 • The construction of new SL1 and SL2 (A.1.1 and A.1.2) loops to locations which do
10 **not** already have it, and does not distinguish such from a retail to UNE-L conversion,
11 or a UNE-P to UNE-L conversion.⁴¹
- 12 • The provisioning of UNE-P service to a location that does not currently have service,
13 or warm-dialtone (i.e.. loop construction/provisioning NRC rates)
- 14 • ADSL loop construction/provisioning NRC rates
- 15 • HDSL loop construction./provisioning NRC rates
- 16 • ISDN BRI construction/provisioning NRC rates⁴².

17
18 To that disparate list, BellSouth now claims, without being able to cite to any record evidence,
19 and in contradiction of its own cost study expert that the following rates were also adjudicated
20 based upon this single cost study:

- 21 • Retail to UNE-L conversion
- 22 • Resale to UNE-L conversion
- 23 • UNE-P to UNE-L conversion.

24
25 This contention is simply unsupportable by the record evidence. Furthermore, BellSouth has
26 refused to provide or even point to any record evidence in Docket 990649-TP, whether it be

⁴⁰ With the exception of the retail/resale to UNE-P conversion cost study which led to a non-recurring rate of 10.2 cents to re-use the retail/resale A1..1 loop for UNE-P.

⁴¹ Id., at p. 19.

⁴² While a cost study for this 2-wire circuit was not located, neither is the record evidence crystal clear that the FL-2W.xls study was used to set this rate. However unless and until shown otherwise, Supra believes this cost study was used for this rate as well.

1 BellSouth testimony, exhibits or any other type of document, which supports BellSouth's
2 contention, despite Supra's discovery requests seeking such.⁴³

3

4 **Q. DID BELLSOUTH EVER ACTUALLY PREPARE A HOT CUT COST STUDY?**

5 **A.** According to BellSouth's Mr. Ruscilli, it did.^{44, 45} Although BellSouth had proposed a
6 bulk UNE-P to UNE-L conversion process in Docket No. 030851-TP, and although BellSouth
7 claimed that it had prepared a cost study for such, no such cost study was ever filed with the
8 FPSC or provided to Supra or any other CLEC in Florida.^{46, 47, 48}

9 Instead Mr. Ruscilli asks us to make the following leaps of faith:

- 10 • A bulk hot cut cost study was prepared⁴⁹
- 11 • The A.1.1 and A.1.2 NRC costs are assumed to be from the August 16, 2000⁵⁰
- 12 rejected by this Commission in 990640-TP, as BellSouth simply does not agree with
- 13 what the FPSC previously ordered.
- 14 • That without the FPSC factors the bulk rate was "less than the original filed costs"⁵¹
- 15 (i.e. the August 16 2000 cost study at approx \$71), but "higher than the ordered loop
- 16 rates set by this Commission"⁵² (\$49.57). Obviously there are errors in the bulk
- 17 study at this point.
- 18 • That the FPSC factors alone result a \$24 reduction from BellSouth's claim. (i.e.
- 19 The August 16, 200 cost study minus October 2001 FPSC order.)

⁴³ See Supra's 1st Request for Production of Documents (seeking any testimonies, exhibits or any other documents in support of BellSouth's claims that the FPSC already set a UNE-P to UNE-L conversion rate), BellSouth's Response, Supra's Motion to Compel (Filed August 27, 2004), and BellSouth's Response to Supra's Motion to Compel (Filed September 2, 2004).

⁴⁴ Direct Testimony of John Ruscilli, Docket 030851-TP, pg 18.

⁴⁵ See Exhibit Supra Exhibit # DAN-24 030851-TP Direct surebuttal of John Ruscilli at page 17.

⁴⁶ See Supra Exhibit # DAN-24—Surebuttal Testimony of John A. Ruscilli, filed January 28, 2004, at p. 17.

⁴⁷ See Rebuttal Testimony Van De Water, Docket 030851-TP pages 27-28.

⁴⁸ See Rebuttal Testimony Gallagher, Docket 030851-TP, pg 14.

⁴⁹ Whether it addresses any of the 8 methods of conversion, or just the BellSouth practice of tearing down the old loop and building a new copper or UDLC loop (whether necessary or not), cannot be determined until BellSouth actually produces its cost study, produces discovery, and allows its author(s) to be deposed.

⁵⁰ i.e. the cost study BellSouth has provided in this Docket, and before the FCC, rather than the October 8, 2001 or subsequent studies reflecting the corrections and adjustments ordered by the FPSC.

⁵¹ See Supra Exhibit # DAN-24—Surebuttal Testimony of John A. Ruscilli, filed January 28, 2004, at p. 17.

⁵² *Id.*

- 1 • That when BellSouth then applied what it “understood”⁵³ were the Commission
2 factors, the batch hot cut rate fell “approximately 10% below the ordered loop
3 rate”⁵⁴, (even though that makes no sense.)
4 • As a result, Mr. Ruscilli asserts the **higher priced** A.1.1 NRC was used, instead of
5 the **lower priced** bulk hotcut study which BellSouth has heretofore kept buried in its
6 archives.
7

8
9 **Q. ACCORDING TO MR. AINSWORTH’S SWORN TESTIMONY IN THE TRO**
10 **SWITCHING DOCKET, 030851-TP, WHAT PORTIONS OF THE FL-2W.XLS**
11 **COST STUDY⁵⁵ ARE NOT LEGITIMATELY INCLUDED IN A HOT CUT NON-**
12 **RECURRING COST?**

13 A. There are numerous worksteps of the **thirty four (34)** individual work activities,
14 performed by **nine (9)** different paygrades, in **seven (7)** departments which are NOT included in
15 Mr. Ainsworth’s **five (5)** individual work activities, performed by **three (3)** departments. This
16 alone should prove Supra’s case, however to be specific and precise, the following issues which
17 **are contained** within the NRC rate set for A.1.1 and A.1.2 elements **are not contained** within
18 Mr. Ainsworth’s hot cut definition⁵⁶, or flowchart⁵⁷ :
19

⁵³ Despite Mr. Ruscilli’s testimony, the deposition of Ms. Caldwell in this Docket revealed that BellSouths premier cost expert is unable to positively reproduce the rates ordered by this Commission. As a result, Ms. Caldwell, in live testimony and discovery responses, testified that she is not certain exactly what the FPSC did in adjusting the final ordered rates, and that the October 8, 2001 Compliance filing does not duplicate the rate. With this uncertainty it is essential that this cost study be reviewed by the industry.

⁵⁴ See Supra Exhibit # DAN-24—Surebuttal Testimony of John A. Ruscilli, filed January 28, 2004, at p. 17.

⁵⁵ Supra Exhibit # DAN-9, the OCTOBER 8, 2001 Compliance filing study

⁵⁶ Supra Exhibit # DAN-23 Direct Testimony of Kenneth Ainsworth in Docket 030851-TP at page 10

⁵⁷ See Supra Exhibit # DAN-31 for Exhibit KLA-1 to Mr. Ainsworth’s testimony.

1 **CWINS Center** – The CWINS center which figures prominently in the flowchart KLA-1 is not
2 mentioned at all by FL-2w.xls. Therefore the NRC for the A.1.1 and A.1.2 elements does not
3 even include the CWINS department, nor cost out any of its activities, despite most of the hot
4 cut being done by that Department.

5
6 **INPUTS ENGINEERING – Service Advocacy Center (SAC)**

7 1. 10% of all conversion require **one hour** of engineering time (SAC center) to “Review
8 request and handles request for manual assistance”, on an otherwise operational loop.
9

10 **INPUTS ENGINEERING – Address and Facility Inventory (AFIG)**

11 2. 30% of all conversions require 8 minutes of Engineering time (AFIG) to “Assign Loop
12 facilities” to an otherwise working loop.
13

14 **INPUTS ENGINEERING – Circuit Provisioning Group (CPG)**

15 3. 15% of all conversions require 19 minutes of Engineering time to “Process request,
16 Designed circuit and generate DLR” on an otherwise working loops which is not
17 eligible to receive a DLR.
18

19 **INPUTS ENGINEERING – Network Plug-in Administration (PICS)**

20 4. 10% of all conversions require 45 minutes of Engineering time (PICS) to “Order plugin
21 when not in stock, and Problem resolution of plug-in order” (PICS center) for an
22 otherwise working loop, for which the BellSouth cost expert agrees does not even occur
23 on copper or UDLC loops.
24

25 5. 90% of all conversions require 15 minutes of Engineering (PICS) time for “Clerical
26 functions in connection with handling of plug in order”, another activity BellSouth cost
27 expert agrees is avoided.
28

29 **INPUTS CONNECT&TEST – Unbundled Network Element Center (UNEC) –**
30 **Provisioning Variables**

31

- 1 6. 100% % of all conversion orders require 3.57 min⁵⁸ various provisioning variables
2 Status / Escalations / Assist Calls / Jeopardy. Because BellSouth asserts that they do
3 not agree with the FPSC ordered factors, and because BellSouth insists that the August
4 16 2000 cost study⁵⁹ is the appropriate one to use,. This cost recovery, moved
5 elsewhere by the FPSC, if allowed in this proceeding, would constitute double
6 recovery.⁶⁰
7

8 **INPUTS CONNECT&TEST – Unbundled Network Element Center (UNEC) – All Other**
9

- 10 7. 100% of all conversion orders require 18.8⁶¹ minutes of Connect and test labor (UNEC)
11 to pull order, check order, and send email confirmation (now automated) to Supra.
12
13 8. 80% of all conversion orders require 4 minutes⁶² of Connect and test labor (UNEC) to
14 “Create cut sheets to verify reuse of facilities”, contradicting #2 above stating 30% of
15 all orders are assigned new facilities.
16
17 9. For each and every (100%) of the lines ordered with manual coordination (SL2), 20
18 min Connect and test labor (UNEC) is required to coordinate the order. Yet BellSouth
19 is seeking recovery of this cost only 80% of the times it is ordered!
20
21 10. 85% of all conversion orders⁶³ require 53.60 **additional** minutes of Connect and test
22 labor (UNEC) for frame continuity testing and due date coordination and testing on an
23 otherwise working loop.
24
25 11. 38% of all conversion orders require 5 minutes Connect and test labor (UNEC) to
26 ensure dispatch on an otherwise working loop.
27

28 **INPUTS CONNECT&TEST – Installation and Maintenance (SSI&M/I&M)**
29

- 30 12. 100% of all conversion orders require 112 minutes of Connect and test labor
31 (SSI&M/I&M) to process requests / place plug-in at RT / place crossconnect at
32 crossbox / check continuity / tests from NID and tagging loop⁶⁴, and complete order.

⁵⁸ Four steps totaling 27 minutes, factored at various percentages in the August 16, 2000 cost study (Supra Exhibit # DAN-6, file FL-2w.xls, INPUTS_CONNECT&TEST tab.

⁵⁹ As opposed to the October 8 cost study which documents the FPSC intent.

⁶⁰ i.e. this item addresses the portion of the August 16, 2000 cost study which BellSouth states they are seeking in this case, despite having the FPSC order these times removed. These times are all set to zero by the October 8, 2001 cost study per FPSC order.

⁶¹ Or 15.8 min for SL1.

⁶² A.1.2 (SL2) loops only.

⁶³ A.1.2 (SL2) loops only.

⁶⁴ Supra technician followed BellSouth on a number of UNE-P to UNE-L conversions. Despite the assertions of management, and the inclusion of 23 min to tag the loop at the NID, BellSouth **did not tag one loop** monitored by Supra technicians. BellSouth further asserts that Supra requested this. This is untrue.

1 All of this labor occurs in the field and is a portion of the dispatch cost at issue in this
2 proceeding.

3
4 13. 30% of all conversion orders require 45 minutes of Connect and test labor
5 (SSI&M/I&M) for trouble resolution at the crossbox. All of this labor occurs in the
6 field and is a portion of the dispatch cost at issue in this proceeding.

7
8
9 14. 21% % of all conversion orders require 45 minutes of Connect and test labor
10 (SSI&M/I&M) for trouble resolution at the premises. All of this labor occurs in the
11 field and is a portion of the dispatch cost at issue in this proceeding.

12
13 **INPUTS CONNECT&TEST – Work Management Center (WMC)**

14
15 15. 100% of all conversion orders require 2 minutes of Connect and test labor (WMC) to
16 coordinate dispatched technicians. All of this labor occurs in the field and is a portion
17 of the dispatch cost at issue in this proceeding.

18
19 None of these worktimes are addressed by Mr. Ainsworth's testimony or his flowchart (KLA-1,
20 Supra Exhibit # DAN-31) and as such are improperly being sought by BellSouth in its
21 application of the full A.1.1 and A.1.2 NRC rates.

22
23 **Q. HOW DOES THE PROCESS THAT IS DEFINED BY THE CURRENT**
24 **INTERCONNECTION AGREEMENT MATCH UP WITH THE A.1.1 AND A.1.2**
25 **(FL-2W.XLS) COST STUDY?**

26 A. It does not. The flow chart that BellSouth created for the Current Agreement is as set
27 forth in Supra Exhibit # DAN-29 "Coordinated Hotcut" as presented by Bellsouth in the Supra –
28 BellSouth contract arbitration (Docket 001305-TP), which led to the current agreement language
29 in Attachment 2, Section 3.8. There are substantial discrepancies between the two processes.

30 Supra's Cost study, discussed below, makes an informed effort to conform the 990649-
31 TP cost study to the real world process f UNE-P to UNE-L conversion.

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Q. WHY IS IT THAT THIS HOT-CUT PROCEDURE SPECIFIED BY THE CURRENT AGREEMENT IS NOT PROPERLY BILLED BY THE RATE STRUCTURE OF 990649-TP?

- A. There are numerous reasons:
1. The hot-cut defined by the Current Agreement is significantly newer than the proceedings of 990649-TP. The substance of the A.1.1 and A.1.2 NRC cost study / elements were filed on August 16, 2000.
 2. The hot cut defined by the Current Agreement was arrived at after testimony filed by AT&T and Supra led to modifications of BellSouth's original position, filed on September 1, 2000 in its petition for arbitration.
 3. The final process was not arrived at prior to the Commission's Order of May 25, 2001⁶⁵.
 4. At the time of the hearings on September 26-27, 2001, the remaining issue between Supra and the AT&T/BellSouth negotiated process concerned the CLEC notification process, post cut, to ensure that LNP number porting requests to NPAC could be accomplished timely.
 5. The manual phone call procedure which was ultimately ordered by the FPSC has subsequently been significantly modified⁶⁶, at Supra's request, to a simpler and significantly less costly email notification.

⁶⁵ Supra Exhibit # DAN-1, Order PSC-01-1181-FOF-TP in Docket 990649-TP.
⁶⁶ Replacing a highly costly, and error prone manual phone call with an automated email "go-ahead" notice. BellSouth has yet to even acknowledge that such cost savings should be passed on to Supra, much less publicly acknowledge the magnitude of the worktimes reduction.

1 6. There are worksteps, and worktimes embedded in the FL-2w.xls cost study which
2 are avoided **for the vast majority of UNE-P to UNE-L conversions**, which are
3 charged on 100% of all orders, as they would be for new construction, but which
4 are totally avoided in the conversion of a working UNE-P line.

5 7. The cost study does not address loops served by IDLC at all.⁶⁷

6 **Q. WHAT SHOULD THE RATE BE FOR NON-IDLC LINES?**

7 A. The rate should not exceed \$5.27.

8

9 **Q. HOW DID SUPRA COME UP WITH THE \$5.27 RATE? WHAT PROCESS DID**
10 **SUPRA ESTABLISH FOR ITS COST STUDY AND THE HOT CUT PROCESS**
11 **ITSELF?**

12 A. Supra looked to the Generic UNE cost Docket 990649-TP as a starting point. In that
13 docket there is but one non-recurring cost study for 2-wire loops, be they analog, SL1⁶⁸, SL2⁶⁹,
14 Copper Loop (undesigned)⁷⁰, ADSL⁷¹, HDSL⁷², ISDN BRI, Copper Loop (long⁷³ short⁷⁴).

15 According to BellSouth, all 2-wire Non recurring rates come from this all-inclusive cost study.

16 Supra's approach was to modify the study to zero, or reduce worktimes for activities that
17 are avoided altogether during a UNE-P to UNE-L conversion.

18

⁶⁷ See BellSouth's Response to Supra's First Request for Admissions (Nos. 1-20), No. 4(k), dated June 8, 2004.

⁶⁸ A.1.1

⁶⁹ A.1.2

⁷⁰ A..13.12

⁷¹ With (A.6.1wLMU) or without (A.6.1woLMU) Loop Makeup ("LMU").

⁷² With (A.7.1wLMU) or without (A.7.1woLMU) Loop Makeup ("LMU").

⁷³ With (A.13.7wLMU) or without (A.13.7woLMU) Loop Makeup ("LMU").

⁷⁴ With (A.13.1wLMU) or without (A.13.1woLMU) Loop Makeup ("LMU").

1 **Q. DOES BELLSOUTH SUPPORT THE METHODS EMPLOYED BY SUPRA'S**
2 **MODIFIED COST STUDY?**

3 A. No. BellSouth witness Caldwell stated at her deposition that she would prefer that the
4 worktimes that were set to zero be restored, and instead the probability factor be reduced as
5 appropriate. Since the results will be identical, Supra has no problem with this change.

6
7 **Q. WHAT SPECIFIC CHANGES WERE MADE TO THE BELLSOUTH COST**
8 **STUDY?**

9 **CWINS Center** – The CWINS center which figures prominently in the flowchart KLA-1⁷⁵ is not
10 mentioned at all by FL-2w.xls. Therefore the NRC for the A.1.1 and A.1.2 elements does **not**
11 **even include** the CWINS department, and Supra's modified Cost study (Supra Exhibit # DAN-
12 9) does not address the CWINS center. However the job functions listed by Mr. Ainsworth
13 (provisioning, coordination of personnel⁷⁶) assigned to CWINS are addressed by the Bellsouth
14 October 8 cost study cost study⁷⁷ by a different department, which is the UNEC center. So
15 unless there is some extreme⁷⁸ difference in the rate structure for identical work done by UNEC
16 v. CWINS, the results should not be skewed, and the Supra study should still be valid.

17
18 **INPUTS ENGINEERING – Service Advocacy Center (SAC)**⁷⁹

⁷⁵ And the affidavit of Mr. Keith Milner in the Florida / Tennessee 271 proceeding.

⁷⁶ As opposed to time specific coordination which is the primary difference between SL1 and SL2 loops (and the inclusion of test capability) – the cost of the manpower to coordinate.

⁷⁷ And hence the Supra Cost Study.

⁷⁸ And possibly anti-competitive, since the UNEC center is exclusively for CLEC wholesale orders.

⁷⁹ This center, and all of its worktimes are not mentioned in Mr. Ainsworth's direct testimony in 030851-TP, or Exhibit KLA-1 thereto.

- 1 • The one hour time BellSouth seeks to recover here is set to a 10% probability and
2 reduced by a 50% FPSC factor to 3 mins. Supra set these worktimes to zero⁸⁰, but a
3 scrivener's error caused the top level summary sheet to still reflect 3 mins. Based upon
4 information and belief, Supra believes there should be zero cost recovery here.
5

6 **INPUTS ENGINEERING – Address and Facility Inventory (AFIG)**

- 7 • The eight (8) minutes time BellSouth seeks to recover here is set to a 30% probability
8 and reduced by a 50% FPSC factor to 1.2 mins. Supra set these worktimes to zero'
9 based on the fact that no loop assignment should occur on an already in service UNE-P
10 loop served via copper or UDLC.
11

12 **INPUTS ENGINEERING – Circuit Provisioning Group (CPG)**

- 13 • Supra did not change the values for this department – yet. The twenty three (23)
14 minutes time BellSouth seeks to recover here is factored to 2.4750 min. While Supra
15 disputes that a Design Layout Record (“DLR”) could or would be produced for a POTS
16 loop, Supra does not yet have sufficient discovery to determine **which** lower value is
17 appropriate.
18

19 **INPUTS ENGINEERING – Network Plug-in Administration (PICS)**

- 20 • The sixty (60) minutes time BellSouth seeks to recover here is set to a 10% and 90%
21 probabilities and reduced by a 55% FPSC factor to 0.162 mins. Supra set these
22 worktimes to zero' and BellSouth witness Caldwell agrees..
23
24

25 **INPUTS CONNECT&TEST – Unbundled Network Element Center (UNEC) – All**

- 26
27 • The five (5) minutes time BellSouth seeks to recover here for dispatch is set to zero,
28 and the ten point eight (10.8) minutes to notify a customer is set to three min (3) in light
29 of the automated email system⁸¹. All Other UNEC center activities were left
30 unchanged due to problems getting accurate information from BellSouth on their
31 validity. It is reasonable to assume additional reductions may still be identified here.
32

33 **INPUTS CONNECT&TEST – Installation and Maintenance (SSI&M/I&M)**

- 34 • The two hundred thirteen (213) minutes time BellSouth seeks to recover here is set to a
35 10% and 90% probabilities and reduced by a 55% FPSC factor to 31.8 mins. Supra set
36 these worktimes to zero' and Bellsouth witness Caldwell agrees.

⁸⁰ Again, whether this is done via setting either the worktime, or the probability, to zero does not matter to
Supra.

⁸¹ Which may still be too high.

1
2 **INPUTS CONNECT&TEST – Work Management Center (WMC)**

- 3 • The two (2) minutes time BellSouth seeks to recover here is, according to Bellsouth,
4 inextricably intertwined between outside plant dispatch, which should be set to zero,
5 and CO dispatch to unmanned offices, which is extremely low, but non zero. As such
6 the parties agree that something less than 2 min, and greater than zero is appropriate
7 here. However BellSouth has yet to determine how to break these two sub-times apart.
8

9 **INPUTS CONNECT&TEST – Central Office Forces (CO)**

- 10 • XXXX (Explain 2.65 v 15 v 21 v 26!!!!!!)
11

12 **INPUTS CONNECT&TEST – Work Management Center (WMC)**

- 13 • The twenty (20 minutes time BellSouth seeks to recover here is unnecessary when the
14 UNE-P loop is served via copper or UDLC. Bellsouth witness Caldwell agrees.
15
16

17 By accomplishing these necessary adjustments, the \$9.57 rate is reduced to \$5.27 for an

18 SL1 first install.

19
20 **Q. WHAT RATE DOES THE SUPRA COST STUDY INDICATE FOR A UNE-P TO**
21 **UNE-L CONVERSION WHERE THE UNE-P LOOP IS SERVED BY COPPER**
22 **OR UDLC?**

23 **A.** At a maximum, \$5.27 cents if Bellsouth is constrained by Mr. Ainsworth's testimony that
24 the Central Office Forces take just 2:39 to actually perform a hot cut. To date BellSouth has not
25 provided any substantive responses to Supra's discovery requests to document precisely what
26 work activities the BellSouth claim of 15 min(SL1) and 20 min (SL2) consist of except a list of
27 work activities⁸² which contain duplicative and avoided tasks⁸³ and a more recent list⁸⁴

82 But no times.

83 Per Deposition of Daonne Caldwell.

84 Created last February at my request but never sent to Supra until last weekend.

1 containing activities and times which amount to [REDACTED] BellSouth claims
2 for a SL1 Conversion,

3
4 **Q. ARE THERE ISSUES WHERE BELLSOUTH DOES NOT AGREE WITH THE**
5 **SUPRA COST STUDY.**

6 A. According to Ms. Caldwell, Bellsouth does not agree that the use of 2:39 (2.65 min) for
7 Central Office Forces to move the jumper is appropriate, in lieu of the 10/15 mins that Bellsouth
8 has requested. This despite Mr. Ainsworth's testimony In the TRO proceeding. Supra has
9 attempted to resolve this issue through 3 rounds of admissions and interrogatory, and a
10 deposition. The only substantive information that comes from BellSouth on this issue indicates
11 they now wish to recover [REDACTED] for a SL1 Loop instead of the [REDACTED] they previously
12 requested from this Commission. As the various motions to compel are ruled upon, I hope this
13 issue gets resolved.

14 Currently this issue, between the [REDACTED] BellSouth sought to recover, and the 2:39
15 that Mr. Ainsworth testified to represents a variance of [REDACTED] than potential could be added back
16 to Supra's \$5.27 cost study if BellSouth were to prevail with its [REDACTED] claim.

17

18 **Q. ARE THERE ANY OTHER ISSUES BETWEEN BELLSOUTH AND SUPRA**
19 **REGARDING SUPRA'S COST STUDY.**

20 A. A couple. First, Ms. Caldwell objects to the very concept of Supra taking a BellSouth
21 cost study, considering the actual processes involved, and then making the appropriate
22 corrections although this is the very same process that the FPSC and the industry used in
23 Docket 990649-TP. Because of that, this concern should be ignored.

1 BellSouth objected to the separation of copper/UDLC from IDLC, but since the
2 Commission ruled on the issues in this Docket, that concern should be moot at this point until the
3 final determination.

4 During Ms. Caldwell's deposition (which is not yet complete) there arose differences on
5 the worktimes for SAC, which amount to [REDACTED]

6 That said, the issues surrounding the CO Forces and the outside plant (I&M and SSI&M)
7 represent the lions share of the dispute between the parties regarding the ultimate rate.

8
9 **Q. IS \$5.27 / \$4.50 THE LOWEST RATE(S) THE COMMISSION SHOULD**
10 **CONSIDER?**

11 A. No. There are substantive issues surrounding the fact that Supra left in its cost study
12 certain work activities included In the A.1.1 / A.1.2 cost study (as described above) due to
13 BellSouths refusal to provide information on said activities, which were later revealed to be
14 absent from Mr. Ainsworth's TRO hot cut flowchart⁸⁵, or the Affidavit of Mr. Keith Milner in
15 the Florida / Tennessee 271 proceeding.

16 As such, Supra's cost study has been compromised by the current lack of discovery from
17 BellSouth, and a full and open cost proceeding could, should, and will arrive at a lower rate still.

18
19
20 **Q. DOES THIS FULLY ADDRESS THE ISSUE 3 COST ANALYSIS?**

21 No. A bulk conversion process is mandated by the FCC and quite essential when one considers
22 that Supra has upwards of 20,000 UNE-P lines in some offices. BellSouth has proposed a bulk

⁸⁵ See *Supra Exhibit # DAN-31*

1 conversion process, and even created a cost study. Once Supra has had a chance to review
2 BellSouth's cost study and proposed worktimes and processes, it will be in a better position to
3 state exactly what the appropriate costs should be for such.

4
5 **Q. WHAT DOES THE BELLSOUTH BULK HOT CUT RATE INCLUDE AND**
6 **WHAT WORK ACTIVITIES DOES IT INCLUDE?**

7 A. We don't know. All we know is that Bellsouth is willing to offer a 10% reduction, but
8 that is offered without any visibility into BellSouths actual costs. BellSouth allegedly did
9 prepare such a cost study to Mr. Ruscilli.^{86, 87} but, no such cost study was ever filed with the
10 Commission or provided to Supra, or any other CLEC in Florida for review.^{88, 89, 90}

11 However, as I stated above, what we do know about BellSouth's Bulk hot cut leads us to
12 seriously question how valid such a study is. It is not just that the reduction is less than we
13 wanted or expected, although both are true. It is that the very minute details we have already
14 heard from Mr. Ruscilli leave some very serious unanswered questions:

- 15
- A bulk hot cut cost study was prepared⁹¹
 - The A.1.1 and A.1.2 NRC costs are assumed to be from the August 16, 2000⁹²
17 rejected by this Commission in 990640-TP, as BellSouth simply does not agree with
18 what the FPSC previously ordered.
 - That without the FPSC factors the bulk rate was "less than the original filed costs"⁹³
19 (i.e. the August 16 2000 cost study at approx \$71), but "higher than the ordered loop
20

⁸⁶ Direct Testimony of John Ruscilli, Docket 030851-TP, pg 18.

⁸⁷ See Exhibit Supra Exhibit # DAN-24 030851-TP Direct surebuttal of John Ruscilli at page 17.

⁸⁸ See **Supra Exhibit # DAN-24**—Surebuttal Testimony of John A. Ruscilli, filed January 28, 2004, at p. 17.

⁸⁹ See Rebuttal Testimony Van De Water, Docket 030851-TP pages 27-28.

⁹⁰ See Rebuttal Testimony Gallagher, Docket 030851-TP, pg 14.

⁹¹ Whether it addresses any of the 8 methods of conversion, or just the BellSouth practice of tearing down the old loop and building a new copper or UDLC loop (whether necessary or not), cannot be determined until BellSouth actually produces its cost study, produces discovery, and allows its author(s) to be deposed.

⁹² i.e. the cost study BellSouth has provided in this Docket, and before the FCC, rather than the October 8, 2001 or subsequent studies reflecting the corrections and adjustments ordered by the FPSC.

⁹³ See **Supra Exhibit # DAN-24**—Surebuttal Testimony of John A. Ruscilli, filed January 28, 2004, at p. 17.

1 rates set by this Commission”⁹⁴ (\$49.57). Obviously there are errors in the bulk
2 study at this point.

- 3 • That **the FPSC factors alone result a \$24 reduction** from BellSouth’s claim. (i.e.
4 The August 16, 200 cost study minus October 2001 FPSC order.)
- 5 • That when BellSouth then applied what it “understood”⁹⁵ were the Commission
6 factors, the batch hot cut rate fell “approximately 10% below the ordered loop
7 rate”⁹⁶, (even though that makes no sense.)
- 8 • As a result, Mr. Ruscilli asserts the **higher priced** A.1.1 NRC was used, instead of
9 the **lower priced** bulk hotcut study which BellSouth has heretofore kept buried in its
10 archives.
11

12 **Q. WHAT DOES THAT LEAD YOU TO CONCLUDE ABOUT A BULK HOT CUT**
13 **RATE FOR LOOPS SERVED BY COPPER OR UDLC?**

14 **A.** That the rate should be less than \$4.50 once fully adjudicated.
15
16

17 **Q. SHOULD THE COMMISSION ESTABLISH A NEW RATE FOR THE UNE-P TO**
18 **UNE-L HOTCUT, FOR UNE-P LOOPS SERVED BY COPPER OR UDLC,**
19 **WHAT RATE WILL THAT BE?**

20 **A.** Less than \$5.27 for an individual hot cut, and less than \$4.50 for a bulk hot cut.
21

22 **Q. THE A.1.1 / A.1.2 COST STUDY DESCRIBES JUST ONE METHOD – THE**
23 **CREATION OF A NEW COPPER OR UDLC LOOP FROM SCRATCH ASSUMING**
24 **THAT LITTLE OR NOTHING FROM THE UNE-P SERVICE IS RE-USED.**

⁹⁴ *Id.*

⁹⁵ Despite Mr. Ruscilli’s testimony, the deposition of Ms. Caldwell in this Docket revealed that BellSouth’s premier cost expert is unable to positively reproduce the rates ordered by this Commission. As a result, Ms. Caldwell, in live testimony and discovery responses, testified that she is not certain exactly what the FPSC did in adjusting the final ordered rates, and that the October 8, 2001 Compliance filing does not duplicate the rate. With this uncertainty it is essential that this cost study be reviewed by the industry.

⁹⁶ See **Supra Exhibit # DAN-24—Surebuttal Testimony of John A. Ruscilli**, filed January 28, 2004, at p. 17.

1 **DOESN'T THIS CONTRADICT BELLSOUTH'S TRO TESTIMONY? IS IT EVEN**
2 **INDICATIVE OF WHAT BELLSOUTH ACTUALLY DOES?**

3 A. Although BellSouth had proposed eight (8) different alternatives, with varying degrees of
4 costs and efficiencies, for handling UNE-P to UNE-L conversions in which the loops are being
5 served with IDLC, to date, BellSouth has not submitted any cost studies regarding such
6 alternatives to the Commission or to Supra.⁹⁷

7 Of the various options identified in BellSouths IDLC conversion document (Supra
8 Exhibit # DAN-32 and Supra Exhibit # DAN-35, but not the earlier versions Supra Exhibit #
9 DAN-33Supra Exhibit # DAN-34) BellSouth is actively performing options 1 & 3 (move it to
10 copper, move it to UDLC) but ignoring all other methods.

11 Some of those other technology based methods already in regular Bellsouth service
12 would serve to **lower**, not raise the cost of IDLC conversion.

13
14
15 **Q. DOES IT AUTOMATICALLY FOLLOW THAT A CONVERSION OF UNE-P TO**
16 **UNE-L WITH THE UNE-P LOOP SERVED BY IDLC (OR INA) WILL**
17 **NECESSARY HAVE TO EXCEED THE NRC FOR A LOOP SERVED BY**
18 **COPPER OR UDLC?**

19 A. Not at all. In fact, that only comes to pass if the loop is completely reconstructed from
20 scratch, something we have already proven is an unnecessary violation of a Supreme Court order
21 against unnecessary disconnection of already connected elements.

⁹⁷ See Caldwell Depo, at pp. 34 and 117.

1 Yet it remains BellSouth's predominant method of conversion today.

2
3 **Q. WHY IS THAT WRONG?**

4 **A. Because Class 5 switch ports** are expensive. Too expensive to hardwire an IDLC box to
5 directly. The reason for this is the universe of customers who could be connected to a single
6 IDLC box, (and hence to its captive switch port(s)) is limited by the location of the remote
7 terminal where the IDLC is located and the F2 loop distribution pairs that run into it.

8 In the extreme case of a new development provisioned with 1024 loops, but only one
9 home has been built, if the IDLC were hardwired to the switch, 1024 switch ports would be
10 stranded, dedicated to that one development and unavailable for use for other customers.

11 BellSouth and most all other telephone companies go to great lengths, and expend capital
12 and manpower to prevent such inefficiency from happening on its most expensive equipment.
13 The Digital Crossconnect ("DCS" or "DACS")⁹⁸ was designed to solve such capacity / traffic
14 issues for both the network transport side of the switch and customer HiCapacity⁹⁹ line-side
15 circuits¹⁰⁰. Essentially, several partially full facilities (circuits) are brought in from the field, and
16 re-combined into a single, 100% utilized facility before being presented to the switch.

17 For years BellSouths has been installing its IDLC systems in this manner to save its
18 internal costs.

⁹⁸ Before the general advent of modern DCS systems, BellSouth implemented its INA system using older technology to multiplex partially used facilities onto full facilities to provide this type of line side concentration for DLC and HiCap circuits. Thus several partially filled facilities are combined and then presented to the switch using maximum efficiency of expensive switch ports

⁹⁹ i.e. DS1 and above.

¹⁰⁰ The same thing happens when a business customer buys less than the full 24 channels in a T1 facility. Without a DCS, the unused channels would tie up switch ports. With the DCS, the 12 channels from one customer T1 can be combined with 6 from two other customers, and a full 24 channel T1 is presented to the switch, from three partially full Ta's saving 48 switch ports in this example.

1

2 **Q. HOW DOES THAT APPLY TO THE PROBLEM AT HAND?**

3 A. Once a facility is routed into a DCS system, software controls where that call comes out
4 of the DCS. It also controls whether everything coming in on one facility is routed out on the
5 same or different facilities. All this is done under software command and control.

6 For years, Bellsouth has been deploying its IDLC (and other line units) using DCS and/or
7 INA to present highly efficient workloads to the switch. Since BellSouth is **already** remapping
8 these incoming packets to its switches today, it is fully capable of routing specific packets to
9 alternate DS1 facilities.

10 Those facilities can be owned by BellSouth or leased by Supra.

11 Once Supra pays¹⁰¹ for a dedicated facility from a BellSouth office to its switch, it is
12 patently simple to re-direct that particular call channel not to the BellSouth DS1, but to the Supra
13 DS1.

14 At least as far back as June 12, 1998 when this Commission issued order PSC-98-0810-
15 FOF-TP (AT&T / MCI arbitration #1), there has been a well recognized tenet that provisioning
16 that happens exclusively via flow through OSS commands has a distinctly identifiable cost on
17 the order of what the Commission had determined was appropriate for a PIC change.^{102, 103, 104, 105}

¹⁰¹ Using already in-place UNE elements and pricing that Supra identical to what Supra is already purchasing to interconnect its switch to BellSouth, transport vendors, LD providers etc.

¹⁰² PSC-98-0810-FOF-TP AT&T / MCI arbitration #1

¹⁰³ See Supra Exhibit # DAN-1 PSC-01-1181-FOF-TP the May 2001 Generic UNE order.

¹⁰⁴ See **Error! Reference source not found.** PSC-01-2051-FOF-TP the October 2001 Generic UNE order.

¹⁰⁵ See Supra Exhibit # DAN-4 PSC-02-02413-FOF-TP the Supra-BellSouth arbitration order.

1 Therefore it is eminently possible and conceivable that an individual IDLC conversion
2 would have a cost as low as the \$0.102 (ten point two cents) proscribed by this Commission for
3 such electronic changes as retail to UNE-P conversions¹⁰⁶

4
5 **Q. SHOULD THE COMMISSION ESTABLISH A NEW RATE FOR THE UNE-P TO**
6 **UNE-L HOTCUT, FOR UNE-P LOOPS SERVED BY IDLC, WHAT RATE WILL**
7 **THAT BE?**

8 A. The electronic OSS change charge of \$0.102, unless Bellsouth provides sufficient
9 evidence regarding its network limitations which might serve to raise this cost / rate.

10 **VI. The “COVAD” crossconnect is for construction of infrastructure and is being**
11 **improperly applied by BellSouth in a manner which allows BellSouth double**
12 **recovery of its cost(s).**

13
14 **Q. BELLSOUTH WITNESS CALDWELL ASSERTS THAT THE \$8.22 RESULTING**
15 **FROM THE COVAD ARBITRATION (DOCKET 001797-TP) IS SOMEHOW**
16 **BINDING UPON SUPRA IN ITS CONVERSION OF UNE-P TO UNE-L. WHAT DID**
17 **THE COMMISSION ACTUALLY ORDER?**

18 The first issue in Supra’s arbitration of its interconnection agreement with BellSouth in
19 Docket 001305-TP, surrounded whose interconnection agreement template would form the basis
20 of the agreement between the parties. One of Supra’s concerns in this issue was the basis of the
21 “take it or leave it” rates recorded in the BellSouth template. BellSouth won the template issue,

¹⁰⁶ See PSC-01-2051-FOF-TP, Appendix A, NRC rate for the P.1.1 of \$0.102 - (In light of Ms. Caldwell’s assertion this is the loop part only, this is the FPSC labeling used in the May and October orders, which was later changed to P.1.BIZRES identification in PSC-02-1311-FOF-TP).

1 but in so doing, the FPSC was quite precise in the subsequent issue regarding the source of the
2 rates – BellSouth’s template rates were thrown out in their entirety and replaced with the rates set
3 by this Commission in two dockets. However, the Covad arbitration Docket 001797-TP was **not**
4 ordered by this Commission, which was quite clear in its order stating “... in this issue we
5 **believe that the rates we established in Docket Nos. 990649-TP and 000649-TP are the**
6 **appropriate rates for (B) Network Elements, (C) Interconnection, (E) LNP/INP, (F) Billing**
7 **Records¹⁰⁷, and (G) Other¹⁰⁸. “¹⁰⁹ (Emphasis Added)** The Commission addressed Supra’s
8 issue that certain rates were missing from the BellSouth template by suggesting that Supra either
9 a) adopt rates from other carriers Interconnection agreements, or b) using Tariff rates. Neither of
10 these solutions are applicable in this case, as the necessary conversion rate, according to
11 BellSouth, is not in **any** CLEC agreement, nor is it in a tariff.

12
13 There is no legal basis for BellSouth’s assertion that the ADSL crossconnect charge established
14 in the Covad arbitration is a) binding upon Supra, b) not excluded by the FPSC orders in Supra
15 contract arbitration Docket 00-1305, c) legitimately applied to a UNE-L crossconnect charge in
16 any event, or d) intended to be used for any purpose other than the crossconnecting of a carriers
17 facility to a CLEC owned facility, line splitter, or other device within the collocation space by
18 ordering a crossconnect be placed between two blocks at the MDF. Supra orders this cross

¹⁰⁷ 02-0413 original footnote - Although there is no discussion as to specific billing records, we presume the items intended to be addressed are Access Daily Usage File (ADUF), Optional Daily Usage File (ODUF), and Enhanced Optional Daily Usage File, for which we have established rates in Docket No. 990649-TP.

¹⁰⁸ 02-0413 original footnote - Although there is no discussion as to a specific “other” network element(s) by either party, we presume the item intended to be addressed is line-sharing, for which we established rates in Docket No. 000649-TP.

¹⁰⁹ **Supra Exhibit # DAN-4 -- PSC-02-0413-FOF-TP at pg 71-72, (Emphasis Added)**

1 connect to “jumper” terminal on one of its MDF mounted blocks to another of its MDF mounted
2 blocks for the purpose of effecting collocation infrastructure, but Supra disputes that it is
3 properly charged on a UNE-L loop which **already includes recovery all of the same work**
4 **activities recovered by the Covad crossconnect cost study.**

5
6 **Q. CAN YOU EXPLAIN THIS IN MORE DETAIL?**

7 A. Yes. A detailed analysis of the COVAD crossconnect will show (1) that it conflicts with
8 the UNE-L NRC cost study, and (2) it lacks applicability to UNE-P to UNE-L hot cuts.

9
10 **Q. EXPLAIN THE RELEVANCE OF DOCKET 001797 TO THE SUPRA –**
11 **BELLSOUTH INTERCONNECTION AGREEMENT.**

12 A. I cannot. Based on the summaries of the arbitration of the current agreement, I doubt that
13 BellSouth will be able to do more than state that the generic template contained, in the
14 collocation section not the UNE section, a rate for a two wire crossconnect that is the same as the
15 rate awarded In the COVAD arbitration.

16 It is clear from the COVAD case, this is not a standard UNE element – otherwise it
17 would be addressed in the Generic UNE Docket 990649-TP, which it was not – but a special
18 purpose crossconnect unbundled at the request of COVAD. Therefore, all other UNE-L loops,
19 purchased by all other CLEC before¹¹⁰ would have been provisioned without this COVAD
20 crossconnect. The simple conclusion from this is that no other CLEC, not Supra, MCI, AT&T,

¹¹⁰ And likely since, at least until the Follensbee – Nilson discourse In the Spring of 2003.

1 FDN or any other **voice** CLEC felt the need for this particular element to be unbundled for the
2 purpose of voice service.

3 **Q. WHO IS COVAD AND WHAT IS THEIR BUSINESS?**

4 A. Outside the Incumbent LECs, indeed outside the major RBOCS, COVAD is the countries
5 leading provider of wholesale DSL services which are based upon a wholly owned DSL
6 network.¹¹¹. Based upon information and Belief, COVAD is the major supplier to Earthlink,
7 and possibly AOL.

8

9 **Q. WHY DOES COVAD NEED AN UNBUNDLED CROSSCONNECT WHEN**
10 **EVERYONE ELSE CAN DO WITHOUT IT?**

11 A. That's pretty simple. In order to provision DSL service to a customer, regardless of who
12 is already providing voice service to the customer, COVAD must issue an order to:

- 13 1. Break the voice circuit from the loop to the switch at the MDF.
- 14 2. Provision a **crossconnect** from the MDF block where the loop is terminated to the
15 input port of the COVAD supplied (or leased) POTS Splitter¹¹²
- 16 3. Provision a **second crossconnect** from the output of the Pots splitter LoPass filter
17 back to the Class 5 switch.
- 18 4. Provision a **third crossconnect** from the output of the POTs splitter HiPass filter
19 to the COVAD supplied DSL DSLAM¹¹³.
- 20

21 While various network design issues will affect the exact configuration of above, and based upon
22 information and belief it is quite likely that COVAD itself does this in different ways in different

¹¹¹ As opposed to purchasing the Federally Tarrified DSL transport from the RBOC, connecting to a third party network and reselling the result.

¹¹² The POTS splitter (logically) is a three terminal device. Terminal 1 is input from the loop, which is fed to the input to a Hi-pass/LoPass filter in the POTS splitter. Terminal 2 is the output of the LoPass filter which is then fed to the Class 5 switch and contains the low frequency voice with the high Frequency DSL signal filtered out. Terminal three is the output of the HiPass filter which is fed to the DSL DSLAM with the low frequency voice signal filtered out.

¹¹³ The third crossconnect is optional if the network design permanently cables the POTs splitter to the DSLAM, or incorporates it into the DSLAM. However when the POTS splitter is leased from BellSouth it is most likely that three crossconnects will be purchased, provisioned and billed.

1 offices, the generic explanation above is representative of **why** COVAD needed the crossconnect
2 broken out as a separate rate element.

3

4 **Q. GIVEN THE SCENARIO ABOVE, IS BELLSOUTH THE ONLY VENDOR WHO**
5 **COULD PROVIDE SUCH A CROSSCONNECT?**

6 A. Not at all. Supra's interconnection provide the ability, and BellSouths account team has
7 encouraged Supra to use its Bellsouth certified contractors to place crossconnects on their behalf.
8 All such infrastructure crossconnect, and co-carrier crossconnects such as would be covered by
9 the "COVAD" crossconnect are placed by Supra's vendor WPC, and not subject to recurring or
10 non-recurring billing by Bellsouth out of the collocation Attachment (3). There is no
11 corresponding UNE crossconnect in the UNE (UNE-P/UNE-L) rate section in Attachment 2.

12

13 **Q. WHY IS THAT?**

14 A. There is no reason for one. The FCC UNE Remand Order (00-238) did not lead this
15 Commission to create a separate crossconnect UNE element as part of the UNE docket 990649-
16 TP. This was **not** an oversight by the Commission as the rate was built into the loop UNE In
17 each case. BellSouth is not allowed to bill a crossconnect with UNE-P service, which effects a
18 crossconnect and recovers the cost of same through the very same UNE-L loop cost, so its
19 inconceivable how BellSouth believe s that they will prevail on this issue.

20 And it is not an oversight due to DSL either. This Commission provides a rate for the
21 very same POTs splitter listed above in the MCI, and then AT&T And Supra agreements listed
22 as a rate for "line splitting" which is the monthly lease of a preinstalled BellSouth POTS splitter.

23 So BellSouth's argument is that

- 1 a) None of the major voice CLECs sought a crossconnect, only the largest DSL
2 (“DLEC”) did.
- 3 B) That the Commission, in their wisdom, did not address or include a discrete
4 crossconnect In the Generic UNE Docket, but in a collocation docket.
- 5 C) That the Commission, however, **did** address the cost of the POTS splitter and
6 ordered line splitting be leased to CLECs in 00649-TP.
- 7 d) That BellSouth places the POTs splitter In the UNE section of the Interconnection
8 agreement.
- 9 e) That BellSouth does not place the discrete crossconnect in the UNE section of the
10 agreement, but in the collocation section, where this commission ordered the rates
11 of 00649-TP, not 001797 be placed.
- 12

13 This is simply logic that is too tortured to be credible. Supra cannot fathom what other defense
14 BellSouth will bring forward – all they have said to date is “the Commission ordered us to do it.”

15 **Q. HOW DID THE CHARGE FOR THE “COVAD” CROSSCONNECT FIRST**
16 **APPEAR ON SUPRA’S BILLS FROM BELLSOUTH.**

17 A. This may be the most frustrating issue in this entire Docket. BellSouth blames this
18 charge on me! I think it goes without saying that I never suggested to BellSouth that this charge
19 be added to our bill, and now turn around and fight against it, yet that is the story being
20 circulated. It is completely false.

21

22 **Q. WHAT IS BELLSOUTH’S “STORY” OR POSITION ON THIS ISSUE?**

1 A. BellSouth has repeatedly made the claim that I, David Nilson **reminded** Bellsouth that
2 they should be billing the crossconnect fee **in addition** to the A.1.1 NRC (\$49.57). Nothing
3 could be further from the truth.

4 Around the time of the March 5, 2003 Intercompany meeting (where BellSouth first
5 stated its intention of charging Supra \$49.57), Supra and BellSouth were participating in
6 regularly scheduled meetings relative to resolving the billing disputes that Supra had brought in
7 Federal court. Mr. Follensbee and I were representing our respective companies. At the end of
8 most meetings, time was generally devoted to discussion of other pending issues. At this
9 particular telephone conference, I asked Mr. Follensbee for the financial, cost and other data
10 relative to the \$9.57 charge that he had taken as an action item at the March 5 meeting.¹¹⁴

11 Responding to a push-back from Mr. Follensbee regarding this information (which to
12 date has yet to be provided). I challenged Mr. Follensbee as to BellSouths authority was to
13 charge the full NRC for construction of a A.1.1 and A.1.2 loop for a simple hot cut. I further
14 stated that **the absolute most** that BellSouth could reasonably claim was to charge us for a
15 crossconnect, although **even that was too** much based upon the rate established and the work
16 actually performed. The logic of this was that the loop itself was not being ordered or
17 provisioned, and that while the crossconnect charge was embedded in the loop, having the
18 separate crossconnect charge in the collocation section (for collocation infrastructure) would
19 allow a more reasonable resolution to the missing UNE-P to UNE-L conversion rate than simply
20 applying the full A.1.1 and A.1.2 NRC rate.

¹¹⁴ See Supra Exhibit # DAN-12 page 6, para 5, action Item 13A and 13B.

1 Mr. Follensbee responded “Thank YOU, I forgot that we will add that to the bill”, and
2 since then no amount of discussion has swayed BellSouth’s course.

3 Now other than seeking every opportunity to inflate Supra’s bills¹¹⁵, I can find no other
4 justification for BellSouths actions in this regard. Simply put, how could the company that had
5 already provisioned over “300,000 hotcuts between November 2000 and September 2003”¹¹⁶
6 suddenly be dependent upon David Nilson’s suggestion as to what to bill for them?

7
8 **Q. IS THERE ANY RELEVANCE TO THE COVAD DOCKET?**

9 A. No. It is a bald attempt to justify a BellSouth billing error, the genesis of which I
10 describe above. This entire issue should be rejected by the Commission, and BellSouth should
11 be ordered to immediately stop billing this charge in connection with a UNE-L loop.

12
13 **VII. Economic issues relating to the Cost of Hot Cuts**

14 **Q. Does BellSouth’s \$59 Hot Cut Charge Create an Economic Barrier that Would**
15 **Prevent Supra from Competing Effectively in the Mass Market, absent UNE-P?**

16
17 A. Yes. Bellsouth’s \$59 hot cut charge is an economic barrier that would prevent Supra
18 from competing effectively in the mass market in BellSouth’s monopoly territory, absent UNE-
19 P. When coupled with both the substantial costs for capital expenditures and the internal costs
20 Supra incurs to establish service for a new mass market customer, BellSouth’s \$59 non-recurring
21 charge for a hot cut becomes the straw that breaks the camel’s back. Additionally, customer

¹¹⁵ And those of other CLECs.

¹¹⁶ See Supra Exhibit # DAN-23 Direct Testimony of Kenneth Ainsworth

1 churn exacerbates the financial burden of BellSouth's excessive hot cut charge that Supra must
2 bear. BellSouth's \$59 non-recurring charge for a hot cut is particularly repugnant because it is
3 priced far above its actual cost and serves no purpose other than to create an insurmountable
4 financial burden for CLECs trying to compete in the mass market in BellSouth's monopoly
5 territory. In the final analysis, it is simply not cost effective for Supra or any CLEC to pay
6 BellSouth's current unjustified non-recurring charge for an individual hot-cut. Perhaps this is
7 why CLECs in general have not successfully engaged in a business strategy in the state of
8 Florida to serve mass market customers via their own switching facilities. The \$59 charge acts
9 as an economic barrier to facilities-based competition for the mass market.

10
11 In the FCC's recent Triennial Review Order released August 21, 2003, the FCC concluded that
12 the high cost of non-recurring charges for hot cuts constituted a significant economic barrier for
13 CLECs serving mass market customers such that CLECs were impaired from serving the mass
14 market. In paragraph 459, the FCC stated that,

15
16 "....We find on a national basis, that competing carriers are impaired without
17 access to unbundled local circuit switching for mass market customers. This
18 finding is based on evidence in our record regarding the economic and operational
19 barriers caused by the cut over process. These barriers include the associated
20 non-recurring costs,..." (emphasis added.)

21 Because the non-recurring charges for hot cuts were so high, the FCC ordered State
22 Commissions to find ways to reduce the ILEC's non-recurring charges for hot cuts in an effort to
23 eliminate that particular barrier to entry. In paragraph 460, the FCC stated that,

1 “...we ask state commissions to take specific actions designed to alleviate
2 impairment in markets over which they exercise jurisdiction. Because we find
3 that operational and economic factors associated with the current hot cut process
4 used to transfer a loop from one carrier’s switch to another’s serve as barriers to
5 competitive entry in the absence of unbundled switching, state commissions must,
6 within nine months from the effective date of this Order, approve and implement
7 a batch cut process that will render the hot cut process more efficient and reduce
8 per-line hot cut costs.” (Emphasis added.)
9

10 The FCC stated that the non-recurring charges for hot cuts are so high that they prohibit
11 facilities-based competition for mass market customers. In paragraph 465, the FCC stated,

12
13 “The record contains evidence that hot cuts frequently lead to provisioning delays
14 and service outages, and are often priced at rates that prohibit facilities-based
15 competition for the mass market.” (Emphasis added.)
16

17 AT&T echoed the FCC’s finding when it stated in its Reply Comments (at 321) in the TRO
18 proceeding, “the current charges for hot cuts in many states forecloses the use of UNE-L.”¹¹⁷
19

20 In defining what constitutes a “high” non-recurring charge for a hot cut, the FCC provided some
21 guidance by noting that a non-recurring hot cut charge of \$51 was high and was a “significant
22 barrier to entry.” In paragraph 470, the FCC stated,

23
24 “Although hot cut costs vary among incumbent LECs, we find on a national level
25 that that these costs contribute to a significant barrier to entry. WorldCom
26 submitted hot cut non-recurring costs (NRCs) for several states, with an average
27 non-recurring charge of approximately \$51...”
28

¹¹⁷ See www.biznessonline.com Feb. 14, 2003 *Ex Parte* Letter at 5 n.12

Thus, if the FCC has already determined that a \$51 non-recurring charge for a hot cut is too high
2 and constitutes an economic barrier to entry, then BellSouth's \$59 non-recurring charge is
3 clearly too high.

4
5 **Q. What effect does Customer Churn Have on the Economics?**

6
7 A. Customer churn exacerbates the problem of excessive non-recurring charges for hot cuts
8 to the point where it becomes uneconomic to serve the mass market. Supra estimates that
9 approximately 3% - 4% of its mass market customers churn each month, due in no small part to
10 BellSouth winback activities, legal or otherwise. Z-Tel estimates that at least four percent of its
11 lines turn over each month¹¹⁸ and WorldCom states that it loses 25% of its new local customers
12 within the first three months of service and a has a monthly churn rate of 4 – 6% after the first
13 six months of service.¹¹⁹ This churn is due, no doubt, to BellSouth's tremendous winback
14 activities, including significant cash back and other promotions – see PreferredPack Plan Tariff
15 and Supra's challenge of such in Docket 040353-TP -- which exceed \$135 in value to an
16 individual residential customer.

17 Supra's only hope to recover the high non-recurring hot cut charges that BellSouth charges is for
18 a local customer to stay with Supra for a number of years. However, if that customer leaves
19 before payback has been reached, then Supra incurs a loss for having served that local customer.
20 The FCC found that CLECs' customer churn rates exacerbated the economic barriers that
21 CLECs faced when serving the mass market.

¹¹⁸ See TRO proceeding, Z-Tel Comments at 31.

¹¹⁹ See TRO Proceeding WorldCom Comments.

1 “The evidence in the record demonstrates that customer churn exacerbates the operational
2 and economic barriers to serving mass market customers. For example, competitive
3 LECs incur non-recurring costs upon establishing an end user’s service, but generally
4 recover those costs over time, spreading them out over monthly customer bills; high
5 churn rates thus often deprive competitive carriers the opportunity fully to recover those
6 outlays. The record demonstrates that the current level of churn for carriers providing
7 service to the mass market has significant negative revenue effects on the ability of
8 competitive carriers to recover the high costs associated with manual hot cuts. (para. 471)

9
10 **Q. What other economic issues must be taken into consideration?**

11
12 **A.** Supra also incurs its own internal costs to manage and execute a hot cut. Supra service
13 representatives and outside plant personnel must be involved to execute a hot cut from Supra’s
14 end of the process. If BellSouth does not successfully execute the hot cut, then Supra personnel
15 must spend additional time resolving the hot cut problem. When these internal costs of
16 completing a hot cut are coupled with BellSouth’s high non-recurring charge for a hot cut, the
17 cost makes serving mass market customers, via Supra’s own facilities, unprofitable. In the
18 FCC’s recent TRO, other CLECs noted this same problem. Paragraph 470 of the TRO Order
19 states,

20
21 “In addition to the high non-recurring charges imposed by the incumbent LECs,
22 the evidence in the record shows that hot cuts also require significant internal
23 resources and expenditures which must be borne by the competitive LEC. Thus,
24 the record evidence indicates that the non-recurring costs associated with cutting
25 over large volumes of loops would likely be prohibitively expensive for a
26 competitive carrier seeking to provide service without the use of unbundled local
27 circuit switching.

28
29 **Q. What did the FCC state regarding BellSouth’s Cost Studies Purporting to Show**
30 **that Its Non-Recurring Charge For Hot Cuts Was Not An Economic Barrier To Entry**

1

2 A. The FCC has already rejected BellSouth's cost studies purporting to show that its non-
3 recurring charge for hot cuts was not an economic barrier. In the recent TRO investigation,
4 BellSouth submitted cost studies to the FCC alleging that it was possible for a CLEC to pay
5 BellSouth's high non-recurring charges for hot cuts and still be financially viable in the market.
6 The FCC rejected BellSouth's cost study for a number of reasons. (see para. 482 - 483).

7

8 The studies presented by SBC and BellSouth examine whether economic entry is
9 possible, taking into consideration the revenue opportunities available and the
10 typical costs of utilizing a UNE-L strategy. (para. 482)

11 We find that these studies fail to provide sufficient evidence to form a basis for
12 making a national finding of no impairment, or a finding of impairment on the
13 basis of non-hot cut factors alone. These studies either failed to adopt the proper
14 framework for determining impairment, were insufficiently granular, or failed to
15 provide sufficient support for the parameters they employed.... The incumbent
16 LEC studies also used incorrect revenues, failing to use the likely revenues to be
17 obtained from the typical customer. (para. 483.)

18

19 The real test of the validity of BellSouth's cost study is whether BellSouth believes in the results
20 of its own cost study and enters another ILEC's market as a CLEC. The fact that BellSouth has
21 refused to operate as a CLEC and enter markets outside of its traditional monopoly franchise
22 territory is strong evidence that BellSouth realizes that entry costs such as non-recurring charges
23 for hot cuts, are too high for a CLEC to profitably enter other markets. If economic barriers to
24 entry were truly low, one would expect that BellSouth would capitalize on its core competency
25 as a telephone company and expand its operations into Verizon's and Sprint's territory to
26 compete as a CLEC. Instead, BellSouth seeks only to protect its historic monopoly franchise
27 territory by maintaining high economic barriers to entry while alleging that its high nonrecurring

1 charges are not barriers to entry. It is not surprising that the FCC rejected BellSouth's cost
2 studies as an unrealistic portrayal of the real world.

3

4 **VII. Problems with the way BS is handling/has handled the process to date – loss of**
5 **Internet speed, etc.**

6

7 **Q. WHAT IS BELLSOUTH'S PERFORMANCE IN PROVISIONING LOOPS FOR**
8 **SUPRA'S CUSTOMERS**

9 A. I adopt the testimonies of Mark Neptune and David A. Nilson in Docket 030851-TP
10 (TRO Switching Docket) in this regard.

11

12 **Q. WHAT IS THE ISSUE OF INTERNET MODEM SPEED HAVE TO DO WITH**
13 **UNE-P TO UNE-L CONVERSIONS?**

14 A. Supra asks the Commission to consider BellSouth's use of pair-gain technologies,
15 including Digital Loop Carrier ("DLC") in its analysis of the loop UNE. BellSouth uses DLC to
16 concentrate additional loops onto existing feeder circuits in areas where they have "run out of
17 loops. Over time, this has become the predominant method of outside plant buildouts since
18 1995¹²⁰.

19

20 DLC (and other) digital loop technology synthesizes the normal operation of a loop by digitizing
21 each telephone call and passing the digitized information over a single circuit consisting of DLC,

¹²⁰ See Supra Exhibit Supra Exhibit # DAN-27 which shows that the predominant construction, region wide, of feeder circuits is no longer copper, but fiber optic cable. DLC must be used in the remote terminal to support this method of buildout.

1 fiber backhaul (i.e. F2 transport), and the F1 subloop. The digitized signals are extracted by
2 corresponding central office based electronics and placed on separate two wire copper circuits
3 and fed to the Class 5 switch.
4
5 Ever since modem speeds increased above 28.8 BPS, it has become essential that the loop
6 serving a customer have, at most, a single analog to digital conversion. The compression
7 algorithms inherent in 56K modems will tolerate no more, and indeed require non-standard
8 implementations of the GR-303 to achieve full rated speed. GR-303 is the standard
9 communication protocol between Digital Loop Carrier (DLC) equipment and the Class 5 switch
10 that serves it. With a standard GR-303 interface a 56K modem can easily be limited to 28.8K or
11 less. With DAML added in such a loop communications can fall as low as 4.8K!
12 Given the ubiquitous presence of the Internet, digital modem, DSL and future Advanced
13 Services depend upon the loop characteristics, and particularly equal access to control loop
14 quality characteristics. While the BellSouth has the unbridled ability to "tune" a loop to satisfy a
15 given customers complaint, BellSouth currently only "guarantees" its loops to be capable of 9600
16 baud operation!¹²¹ Clearly BellSouth has a substantial advantage over Supra in this situation,
17 and the opportunity for anti-competitive "win-back" of a customer whose line speed dramatically
18 drops at conversion to Supra is all too difficult to ignore.
19
20 Typically the scenario is that a BellSouth customer converts to Supra. At some point in time,
21 either at conversion or sometime after, with no prior warning to Supra, the customer line is

¹²¹ Supra's current Interconnection agreement has extended that figure, but only to 14.4 Kbps!

1 converted to DAML (or run through multiple DLC systems). Immediately the customer begins
2 complaining about the drop in modem speed.

3

4 This final issue is most insidious to Supra as it represents hidden, undocumented, and often
5 denied violations of the Telecommunications Act¹²², all FCC orders in this regard¹²³, including
6 orders that have been sustained by the Supreme Court of the United States¹²⁴. Further the
7 commission needs to set new and higher standards for the digital transmission capabilities of the
8 loop that only ILECs are currently capable of fully enjoying.

9

10 **VIII. VII. Economic issues relating to the Cost of Hot Cuts**

11 **IX. Q. DOES BELLSOUTH'S \$59 HOT CUT CHARGE CREATE AN ECONOMIC**
12 **BARRIER THAT WOULD PREVENT SUPRA FROM COMPETING**
13 **EFFECTIVELY IN THE MASS MARKET, ABSENT UNE-P?**

14

15 A. Yes. Bellsouth's \$59 hot cut charge is an economic barrier that would prevent Supra
16 from competing effectively in the mass market in BellSouth's monopoly territory, absent UNE-
17 P. When coupled with both the substantial costs for capital expenditures and the internal costs
18 Supra incurs to establish service for a new mass market customer, BellSouth's \$59 non-recurring
19 charge for a hot cut becomes the straw that breaks the camel's back. Additionally, customer
20 churn exacerbates the financial burden of BellSouth's excessive hot cut charge that Supra must
21 bear. BellSouth's \$59 non-recurring charge for a hot cut is particularly repugnant because it is

¹²² Telecommunications Act of 1996, 47 U.S.C.A. § 251(c)(3).

¹²³ 47 C.F.R. § 51.315(b).

¹²⁴ *AT&T v. Iowa Utilities Bd.* 525 U.S. 366, 119 S.Ct 721 (Iowa Utilities Board II) at pg. 368, and pg. 393-395

1 priced far above its actual cost and serves no purpose other than to create an insurmountable
2 financial burden for CLECs trying to compete in the mass market in BellSouth's monopoly
3 territory. In the final analysis, it is simply not cost effective for Supra or any CLEC to pay
4 BellSouth's current unjustified non-recurring charge for an individual hot-cut. Perhaps this is
5 why CLECs in general have not successfully engaged in a business strategy in the state of
6 Florida to serve mass market customers via their own switching facilities. The \$59 charge acts
7 as an economic barrier to facilities-based competition for the mass market.

8

9 In the FCC's recent Triennial Review Order released August 21, 2003, the FCC concluded that
10 the high cost of non-recurring charges for hot cuts constituted a significant economic barrier for
11 CLECs serving mass market customers such that CLECs were impaired from serving the mass
12 market. In paragraph 459, the FCC stated that,

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14 "....We find on a national basis, that competing carriers are impaired without
15 access to unbundled local circuit switching for mass market customers. This
16 finding is based on evidence in our record regarding the economic and operational
17 barriers caused by the cut over process. These barriers include the associated
18 non-recurring costs,..." (emphasis added.)

19 Because the non-recurring charges for hot cuts were so high, the FCC ordered State
20 Commissions to find ways to reduce the ILEC's non-recurring charges for hot cuts in an effort to
21 eliminate that particular barrier to entry. In paragraph 460, the FCC stated that,

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23 "...we ask state commissions to take specific actions designed to alleviate
24 impairment in markets over which they exercise jurisdiction. Because we find
25 that operational and economic factors associated with the current hot cut process
26 used to transfer a loop from one carrier's switch to another's serve as barriers to
27 competitive entry in the absence of unbundled switching, state commissions must,

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2 a batch cut process that will render the hot cut process more efficient and reduce
3 per-line hot cut costs.” (Emphasis added.)
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6 facilities-based competition for mass market customers. In paragraph 465, the FCC stated,
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9 and service outages, and are often priced at rates that prohibit facilities-based
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16 guidance by noting that a non-recurring hot cut charge of \$51 was high and was a “significant
17 barrier to entry.” In paragraph 470, the FCC stated,
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19 “Although hot cut costs vary among incumbent LECs, we find on a national level
20 that that these costs contribute to a significant barrier to entry. WorldCom
21 submitted hot cut non-recurring costs (NRCs) for several states, with an average
22 non-recurring charge of approximately \$51...”
23

24 Thus, if the FCC has already determined that a \$51 non-recurring charge for a hot cut is too high
25 and constitutes an economic barrier to entry, then BellSouth’s \$59 non-recurring charge is
26 clearly too high.
27

28 **Q. What effect does Customer Churn Have on the Economics?**

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A. Customer churn exacerbates the problem of excessive non-recurring charges for hot cuts to the point where it becomes uneconomic to serve the mass market. Supra estimates that approximately 3% - 4% of its mass market customers churn each month, due in no small part to BellSouth winback activities, legal or otherwise. Z-Tel estimates that at least four percent of its lines turn over each month and WorldCom states that it loses 25% of its new local customers within the first three months of service and a has a monthly churn rate of 4 – 6% after the first six months of service. This churn is due, no doubt, to BellSouth’s tremendous winback activities, including significant cash back and other promotions – see PreferredPack Plan Tariff and Supra’s challenge of such in Docket 040353-TP -- which exceed \$135 in value to an individual residential customer.

Supra’s only hope to recover the high non-recurring hot cut charges that BellSouth charges is for a local customer to stay with Supra for a number of years. However, if that customer leaves before payback has been reached, then Supra incurs a loss for having served that local customer. The FCC found that CLECs’ customer churn rates exacerbated the economic barriers that CLECs faced when serving the mass market.

“The evidence in the record demonstrates that customer churn exacerbates the operational and economic barriers to serving mass market customers. For example, competitive LECs incur non-recurring costs upon establishing an end user’s service, but generally recover those costs over time, spreading them out over monthly customer bills; high churn rates thus often deprive competitive carriers the opportunity fully to recover those outlays. The record demonstrates that the current level of churn for carriers providing service to the mass market has significant negative revenue effects on the ability of competitive carriers to recover the high costs associated with manual hot cuts. (para. 471)

Q. What other economic issues must be taken into consideration?

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A. Supra also incurs its own internal costs to manage and execute a hot cut. Supra service representatives and outside plant personnel must be involved to execute a hot cut from Supra's end of the process. If BellSouth does not successfully execute the hot cut, then Supra personnel must spend additional time resolving the hot cut problem. When these internal costs of completing a hot cut are coupled with BellSouth's high non-recurring charge for a hot cut, the cost makes serving mass market customers, via Supra's own facilities, unprofitable. In the FCC's recent TRO, other CLECs noted this same problem. Paragraph 470 of the TRO Order states,

"In addition to the high non-recurring charges imposed by the incumbent LECs, the evidence in the record shows that hot cuts also require significant internal resources and expenditures which must be borne by the competitive LEC. Thus, the record evidence indicates that the non-recurring costs associated with cutting over large volumes of loops would likely be prohibitively expensive for a competitive carrier seeking to provide service without the use of unbundled local circuit switching.

Q. What did the FCC state regarding BellSouth's Cost Studies Purporting to Show that Its Non-Recurring Charge For Hot Cuts Was Not An Economic Barrier To Entry

A. The FCC has already rejected BellSouth's cost studies purporting to show that its non-recurring charge for hot cuts was not an economic barrier. In the recent TRO investigation, BellSouth submitted cost studies to the FCC alleging that it was possible for a CLEC to pay BellSouth's high non-recurring charges for hot cuts and still be financially viable in the market. The FCC rejected BellSouth's cost study for a number of reasons. (see para. 482 - 483).

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2 The studies presented by SBC and BellSouth examine whether economic entry is
3 possible, taking into consideration the revenue opportunities available and the
4 typical costs of utilizing a UNE-L strategy. (para. 482)

5 We find that these studies fail to provide sufficient evidence to form a basis for
6 making a national finding of no impairment, or a finding of impairment on the
7 basis of non-hot cut factors alone. These studies either failed to adopt the proper
8 framework for determining impairment, were insufficiently granular, or failed to
9 provide sufficient support for the parameters they employed.... The incumbent
10 LEC studies also used incorrect revenues, failing to use the likely revenues to be
11 obtained from the typical customer. (para. 483.)

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13 The real test of the validity of BellSouth's cost study is whether BellSouth believes in the results
14 of its own cost study and enters another ILEC's market as a CLEC. The fact that BellSouth has
15 refused to operate as a CLEC and enter markets outside of its traditional monopoly franchise
16 territory is strong evidence that BellSouth realizes that entry costs such as non-recurring charges
17 for hot cuts, are too high for a CLEC to profitably enter other markets. If economic barriers to
18 entry were truly low, one would expect that BellSouth would capitalize on its core competency
19 as a telephone company and expand its operations into Verizon's and Sprint's territory to
20 compete as a CLEC. Instead, BellSouth seeks only to protect its historic monopoly franchise
21 territory by maintaining high economic barriers to entry while alleging that its high nonrecurring
22 charges are not barriers to entry. It is not surprising that the FCC rejected BellSouth's cost
23 studies as an unrealistic portrayal of the real world.

24

25 Problems with the way BS is handling/has handled the process to date – loss of Internet speed,
26 etc.

27 **Q. Does this conclude your direct testimony?**

1 A. Yes it does.

2 **X. Exhibits**

- 1 **Supra Exhibit # DAN-1** Order PSC-01-1181-FOF-TP (Florida Public Service Commission)
2 Final Order in Florida Generic UNE Docket 990649-TP dated May 25, 2001. (electronic
3 copy only)
- 4 **Supra Exhibit # DAN-2** Order PSC-01-2051-FOF-TP (Florida Public Service Commission)
5 Order on Reconsideration in Florida Generic UNE Docket 990649-TP dated October 18,
6 2001. (electronic copy only)
- 7 **Supra Exhibit # DAN-3** Order PSC-02-1311-FOF-TP (Florida Public Service Commission)
8 Order Florida Generic UNE Docket 990649-TP dated September ~~xx~~, 2002. (electronic copy
9 only)
- 10 **Supra Exhibit # DAN-4** Order PSC-02-0413-FOF-TP (Florida Public Service Commission)
11 Order on Arbitration of Interconnection Agreement UNE Docket 001305-TP dated
12 3/26/2002. (electronic copy only)
- 13 **Supra Exhibit # DAN-5** \Supra – BellSouth Interconnection agreement dated July 15, 2002
14 (electronic copy only)
- 15 **Supra Exhibit # DAN-6** Confidential (CD2) - BellSouth August 16, 2000 cost study filing
16 in Docket 990649-TP. (electronic copy only)
- 17 **Supra Exhibit # DAN-7** Confidential (CD-3) – BellSouth October 8, 2001, Revision 1
18 Supplemental 120 Compliance filing Cost Study. (electronic copy only)
- 19 **Supra Exhibit # DAN-8** Confidential (CD4) – BellSouth cost study from the Covad
20 Arbitration, Docket 001797-TP. (electronic copy only)
- 21 **Supra Exhibit # DAN-9** Confidential – Supra A.1.1 and A.1.2 NRC cost study for loops
22 served by Copper / UDLC.

1 **Supra Exhibit # DAN-10** Confidential – BellSouth FL-2w.xls A.1.1 and A.1.2 NRC cost
2 study from the October 8, 2001 120 day compliance filing. (Electronic and paper copy).

3 **Supra Exhibit # DAN-11** Composite exhibit – the testimonies, Direct, Rebuttal and
4 surebuttal of Mark Neptune and David A. Nilson in Docket 030851-TP (TRO Switching
5 Docket).

6 **Supra Exhibit # DAN-12** Composite Exhibit of Intercompany meeting minutes UNE-P to
7 UNE-L conversion Project(s).

8 A. \$49.57 UNE-L NRC rate – March 5, 2003 Intercompany meeting
9 minutes D. Smith to Supra. BellSouth promised response on UNE-L
10 NRC rate demand.

11 B. \$ 49.57 UNE-L NRC rate – 3/5/ 2003 Intercompany meeting #2 re:
12 implementation of UNE-P to UNE-L conversion project.

13 **Supra Exhibit # DAN-13** \$51.09 UNE-L NRC rate – 5/21/2003 Letter G. Follensbee to D.
14 Nilson re: Adequate assurance adjustment.

15 **Supra Exhibit # DAN-14** 5/29/2003 response D. Nilson to G. Follensbee re: Adequate
16 assurance adjustment, challenging both the recurring and non-recurring rates BellSouth seeks
17 to charge, and requesting promised support for BellSouth's position (which was to date,
18 never provided).

19 **Supra Exhibit # DAN-15** \$51.09 UNE-L NRC rate – June 5, 2003 response, G. Follensbee
20 to D. Nilson explaining how BellSouth aggregated the UNE-L recurring charges above
21 FPSC ordered rates, and making for the first time, the claim that the FPSC order in 990649-
22 TP was indeed inclusive of a UNE-P to UNE- conversion.

1 **Supra Exhibit # DAN-16** 6/16/2003 Supra request to the FCC for consideration of Supra's
2 complaint for inclusion in the Accelerated Docket.

3 **Supra Exhibit # DAN-17** 6/18/2003 email A. Starr to C. Savage, esq. of the FCC
4 enforcement division regarding BellSouth's failure to respond to the contractual arguments
5 raised in Supra's AD letter of 6/16/2003.

6 **Supra Exhibit # DAN-18** 6/18/2003 Supra supplement to the 6/1/62003 request for
7 consideration in response to the FCC 6/17/2003 request for supplemental information.

8 **Supra Exhibit # DAN-19** \$59.31 UNE-L NRC rate – 6/23/2003 - Emergency Motion of
9 BellSouth Telecommunications, Inc. for Interim Relief Regarding Obligation to Perform
10 UNE-P to UNE-L Conversions. BellSouth's motion for interim relief now includes an \$8.22
11 crossconnect charge for the first time, along with an admission that the contract does not
12 specify a process.

13 **Supra Exhibit # DAN-20** 07/14/2004 Letter L. Foshee (BST) to A. Starr (FCC) in response
14 to Supra's request that its complaint against BellSouth (re: UNE-p to UNE-L conversion
15 costs) be included in the Accelerated Docket.

16 **Supra Exhibit # DAN-21** 7-15-2003 United State Bankruptcy Court order in Case 02-41250-
17 BKC-RAM, granting a temporary award to BellSouth of \$59.31¹²⁵ after finding that the
18 interconnection agreement did "... specifically set a rate for UNE-P to UNE-L
19 conversions..."not provide for this rate, deferring judgment upon such a rate to the FCC or
20 the FPSC.

¹²⁵ Based upon BellSouths belief that it would ultimately be receive authorization to charge that rate.

1 **Supra Exhibit # DAN-22** 7/23/2003 Letter C. Savage, esq. to A. Starr (FCC) in response to
2 BellSouth's position(s) before the FCC.

3 **Supra Exhibit # DAN-23** Direct Testimony of Kenneth Ainsworth filed December 4, 2003 in
4 Docket 030851-TP.

5 **Supra Exhibit # DAN-24** Surebuttal Testimony of John A. Ruscilli, filed January 28, 2004.
6 2003 in Docket 030851-TP.

7

1 **Supra Exhibit # DAN-25** BellSouth Spreadsheet file (filename BellSouth Network
2 Statistics.xls) available from
3 http://www.BellSouth.com/investor/xls/ir_businessprofile_statistics.xls showing 65.8% of all
4 loop feeder routes contain fiber in the entire nine state region, and 70% of homes qualify for
5 DSL. BST Technology and Deployment Statistics ir_businessprofile_statistics.xls

6 **Supra Exhibit # DAN-26** Excerpt from the Testimony of Kenneth Ainsworth filed December
7 4, 2003 in Docket 030851-TP at pg. 21.

8 **Supra Exhibit # DAN-27** 9-16-2003 BellSouth Document "Fiber Loops", author Peter Hill.
9 Presentation to the FPSC in Docket 030381-TP.

10 **Supra Exhibit # DAN-28** 5-5-2003 BellSouth Letter to AT&T (L. MacKenzie to D. Berger)
11 documenting IDLC penetration levels by state.

12 **Supra Exhibit # DAN-29** 4/18/00 Coordinated Hot Cut Process Flow (as defined by the
13 parties Interconnection agreement). Exhibit NDT-3 to Testimony in FPSC Docket 001305-
14 TP.

15 **Supra Exhibit # DAN-30** 8-15-2003 Supra UNE-P to UNE-L Conversion Process document.

16 **Supra Exhibit # DAN-31** BellSouth Provisioning Process Flow (Coordinated cuts), Exhibit
17 KLA-1 to the testimony of Kenneth Ainsworth in FPSC Docket 030851-TP.

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2 **Supra Exhibit # DAN-32** 3-5-2003 high level BellSouth IDLC Document identifying the 8

3 methods by which BellSouth agrees to convert IDLC served UNE-P lines to UNE-L

4 **Supra Exhibit # DAN-33** 3-26-03 BellSouth UNE-Port/Loop Combination (UNE-P) to

5 UNE-Loop (UNE-L) Bulk Migration – CLEC Information Package, Version 1. BellSouth’s

6 process documentation to CLECs for this conversion.

7 **Supra Exhibit # DAN-34** 2-18-04 BellSouth UNE-Port/Loop Combination (UNE-P) to

8 UNE-Loop (UNE-L) Bulk Migration – CLEC Information Package, Version 2. BellSouth’s

9 process documentation to CLECs for this conversion.

10 **Supra Exhibit # DAN-35** 7-26-04 BellSouth UNE-Port/Loop Combination (UNE-P) to

11 UNE-Loop (UNE-L) Bulk Migration – CLEC Information Package, Version 3. BellSouth’s

12 process documentation to CLECs for this conversion.

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14 **XI.**

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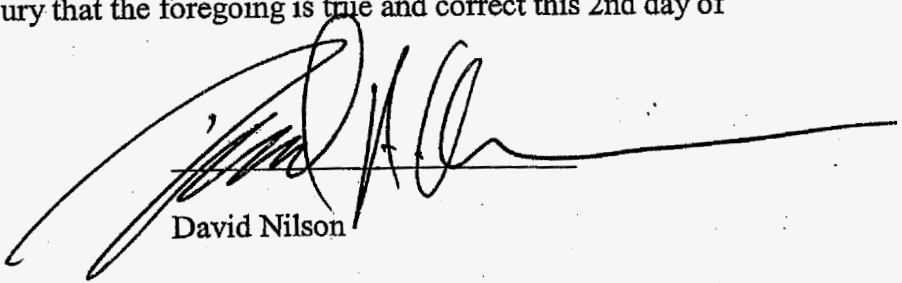
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21 **Q. END OF TESTIMONY**

1 I, DAVID A. NILSON, am the Chief Technology Officer of Supra Telecommunications and
2 Information Systems Inc., and am authorized to make this Affidavit on behalf of said
3 corporation. The statements made in the foregoing comments are true of my own knowledge,
4 except as to those matters which are therein stated on information and belief, and as to those
5 matters I believe them to be true.

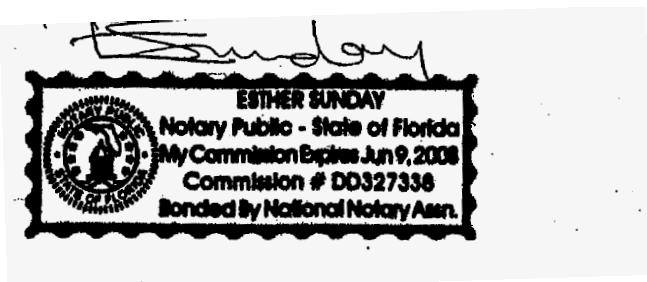
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7 I declare under penalty of perjury that the foregoing is true and correct this 2nd day of
8 September, 2004.

9
10 
11 David Nilson

12 STATE OF FLORIDA)
13) SS:
14 COUNTY OF MIAMI-DADE)
15

16 The execution of the foregoing instrument was acknowledged before me this 2nd day of
17 September, 2004, by David Nilson, who [X] is personally known to me or who [] produced
18 _____ as identification and who did take an oath.

19
20 My Commission Expires:



NOTARY PUBLIC
State of Florida at Large
Print Name: Esther Sunday

BEFORE THE FPSC – DIRECT TESTIMONY OF
DAVID A. NILSON
ON BEHALF OF SUPRA TELECOMMUNICATIONS AND INFORMATION SYSTEMS, INC.
DOCKET NO. 040301-TP