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RECORDS AND  
REPORTING

December 16, 1998

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

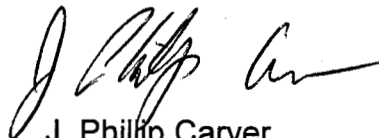
RE: Docket No. 981121-TP

Dear Mrs. Bayo:

Enclosed are an original and 15 copies of BellSouth Telecommunications, Inc.'s Rebuttal Testimony of W. Keith Milner and Jerry Hendrix. Please file these documents in the captioned docket.

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

Sincerely,

  
J. Phillip Carver

ACK \_\_\_\_\_

AFA \_\_\_\_\_

APP \_\_\_\_\_

CAF \_\_\_\_\_

CMU Stavanya

CTR \_\_\_\_\_ Enclosures

EAG \_\_\_\_\_

LEG 1 cc: All Parties of Record

LIN Stavanya A. M. Lombardo

OPC \_\_\_\_\_ N. B. White

RCH \_\_\_\_\_ W. J. Ellenberg (w/o enclosures)

SEC \_\_\_\_\_

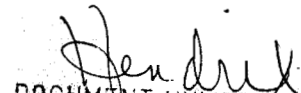
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**CERTIFICATE OF SERVICE**

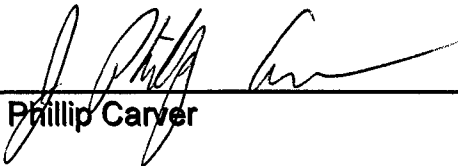
**DOCKET No. 981121-TP**

I hereby certify that a true and correct copy of the foregoing was served  
via U.S. Mail this 16<sup>th</sup> day of December, 1998 to the following:

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\_\_\_\_\_  
J. Phillip Carver

BELLSOUTH TELECOMMUNICATIONS, INC.  
REBUTTAL TESTIMONY OF W. KEITH MILNER  
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET No. 981121-TP

December 16, 1998

**Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH  
BELLSOUTH TELECOMMUNICATIONS, INC.**

**A.** My name is W. Keith Milner. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am Senior Director - Interconnection Services for BellSouth Telecommunications, Inc. ("BellSouth"). I have served in my present role since February 1996, and have been involved with the management of certain issues related to local interconnection, resale and unbundling.

**Q. ARE YOU THE SAME W. KEITH MILNER THAT FILED DIRECT  
TESTIMONY IN THIS PROCEEDING?**

**A.** Yes.

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY BEING FILED  
TODAY?**

**A.** In my testimony, I will provide rebuttal to the testimony of MCI's witnesses

1 Ron Martinez and Joseph Gillan.

2  
3 Rebuttal to Mr. Martinez' testimony

4 Q. ON PAGE 4 OF HIS DIRECT TESTIMONY, MR. MARTINEZ STATES "A  
5 DS1 LOOP / DS1 DEDICATED TRANSPORT COMBINATION IS A  
6 COMBINATION OF THE TWO PREVIOUSLY DESCRIBED  
7 UNBUNDLED NETWORK ELEMENTS TO FORM A CONTINUOUS 1.5  
8 MBPS TRANSMISSION PATH BETWEEN A CUSTOMER LOCATION  
9 AND A POI AT MCImetro's LOCAL SWITCH LOCATION." DO YOU  
10 AGREE WITH MR. MARTINEZ' CHARACTERIZATION THAT THE  
11 REQUESTED FUNCTIONALITY IS PROVIDED BY A COMBINATION  
12 OF UNBUNDLED NETWORK ELEMENTS?  
13

14 A. Yes. Mr. Martinez has correctly narrowed the scope of the decision before  
15 this Commission to be whether the combination of the unbundled loop with  
16 unbundled interoffice transport recreates BellSouth's retail service referred  
17 to as MegaLink®.  
18

19 Q. ON PAGE 11 OF HIS DIRECT TESTIMONY, MR. MARTINEZ  
20 DISCUSSES CIRCUITS THAT MCI REFERS TO AS "OFF-NET T1s"  
21 AND POINTS OUT THAT MCI ORDERED THESE CIRCUITS VIA THE  
22 ACCESS TARIFF USING THE ACCESS SERVICE REQUEST  
23 PROCESS. IS THE FUNCTIONALITY PROVIDED BY THE SERVICES  
24 MCI ORDERED VIA THE ACCESS TARIFF THE SAME AS THE  
25 FUNCTIONALITY PROVIDED BY MegaLink®?

1

2 A. Yes. The same functionality as is provided via what is referred to as a  
3 special access point-to-point circuit ordered from the access tariff is  
4 provided by the retail service called MegaLink®. I disagree, however, that  
5 MCI ordered these circuits from the access tariff “out of necessity and  
6 under duress” as Mr. Martinez characterizes the situation. Rather, MCI  
7 made a decision to acquire these circuits via the access tariff rather than  
8 to establish collocation arrangements within BellSouth’s central offices  
9 and then combine the unbundled loops with unbundled transport to create  
10 the same functionality. Alternatively, MCI might have chosen to acquire  
11 the same functionality provided by BellSouth’s MegaLink® service and  
12 resell MegaLink® to MCI’s end user customers. These are clearly MCI’s  
13 choices to make, and other Alternative Local Exchange Companies  
14 (ALECs) have similarly chosen to acquire facilities via the access tariff  
15 rather than to acquire and combine Unbundled Network Elements (UNEs)  
16 or to resell BellSouth’s retail services. MCI wants to “have its cake and  
17 eat it too” in that MCI wants to order finished services (MegaLink®) and  
18 thus avoid the associated work of combining the UNEs; however, MCI still  
19 wants the lower pricing effect as if MCI had instead used UNEs.

20

21 **Q. ON PAGE 12 OF HIS DIRECT TESTIMONY, MR. MARTINEZ STATES**  
22 **MCI’S INTENT TO “UTILIZE THIS UNE COMBINATION [THAT IS, THE**  
23 **COMBINATION OF THE UNBUNDLED LOOP WITH UNBUNDLED**  
24 **INTEROFFICE TRANSPORT] IN CONJUNCTION WITH ITS LOCAL**  
25 **SWITCH TO PROVIDE COMPETITIVE SERVICE TO MCImetro’s**

1 CUSTOMERS.” DOES THE FACT THAT MCI WILL USE THIS  
2 COMBINATION OF UNEs IN CONJUNCTION WITH MCI’S LOCAL  
3 SWITCH IN ANY WAY ALTER THE FUNCTIONALITY PROVIDED BY  
4 THE UNE COMBINATION?  
5

6 A. No. BellSouth provides two different finished services to its customers  
7 and the services provide identical functionality. The service can be  
8 ordered as an “off net T-1” via the access tariff (as MCI has done  
9 heretofore) or as MegaLink® service via BellSouth’s retail tariffs,  
10 specifically in its Private Line Services Tariff, Section B7.1, Pages 1-8, a  
11 copy of which was attached to my direct testimony in this proceeding as  
12 Exhibit WKM-1. Those tariffs recognize that the transport functionality  
13 may indeed be used in conjunction with either local or toll switches.  
14 Simply attaching the transport facility to a local switch, to a toll switch, or  
15 to no switch at all, in no way alters the nature of the transport facility. As  
16 an illustration, imagine the transport facility as a truck. The truck itself is  
17 unchanged by whether it hauls potatoes or scrap iron. The truck itself is  
18 also unchanged by whether a trailer is connected to the rear bumper or  
19 not. Lastly, the truck itself is unchanged by whether it is driven to a  
20 warehouse or to the truck driver’s home. However much MCI may wish to  
21 the contrary, the proposed combination of UNEs and MegaLink® service  
22 provide identical functionality regardless of whether MCI connects either to  
23 MCI’s switch.  
24

25 Rebuttal to Mr. Gillan’s testimony

1 Q. ON PAGE 3 OF HIS DIRECT TESTIMONY MR. GILLAN STATES "IN  
2 FACT, THE LOOP/TRANSPORT COMBINATION DOES NOT EVEN  
3 QUALIFY AS A CANDIDATE TO BE A "RECREATED SERVICE"  
4 BECAUSE THE COMBINATION DOES NOT SATISFY THE  
5 COMMISSION'S THRESHOLD CRITERIA THAT THE COMBINATION  
6 BE SUFFICIENT, IN AND OF ITSELF, TO PROVIDE THE SERVICE  
7 BEING "RECREATED". DO YOU AGREE?  
8

9 A. No, and I believe the many customers in Florida and elsewhere in  
10 BellSouth's region using the thousands of facilities provided as  
11 MegaLink® service would likewise disagree that they are somehow not  
12 receiving the service they are paying for. Mr. Gillan points to absolutely  
13 no equipment or facility (other than MCI's local switch) that would be  
14 required to recreate an equivalent service to MegaLink® service; thus, I  
15 conclude that he is aware of no other such required components or  
16 unbundled network elements. Instead, Mr. Gillan simply recasts Mr.  
17 Martinez' testimony without adding anything new to the discussion. He  
18 simply repeats Mr. Martinez' assertion that the interconnection to MCI's  
19 switch provides the distinguishing characteristic. Mr. Gillan is incorrect for  
20 the very same reasons that Mr. Martinez is incorrect. MegaLink® service  
21 and MCI's proposed combination of unbundled loops with unbundled  
22 interoffice transport provide identical functionality. That functionality is  
23 unchanged by MCI's decision to connect the transport facility to MCI's  
24 local switch.  
25

1 Q. BEGINNING ON PAGE 3 OF HIS DIRECT TESTIMONY, MR. GILLAN  
2 DESCRIBES WHAT HE CALLS THE "EXTENDED LOOP." COULD  
3 MEGALINK® SERVICE BE USED TO PROVIDE IDENTICAL  
4 FUNCTIONALITY AS THE "EXTENDED LOOP?"

5  
6 A. Yes. Mr. Gillan has simply applied a new name to old services called  
7 foreign central office service and foreign exchange service. Both those  
8 retail services allow an end user customer to draw dial tone from a switch  
9 distant from the central office in which the customer's loop is terminated.  
10 Correspondingly, MegaLink® service allows an end user customer to have  
11 its telephones connected to MCI's switch, which is "foreign" to the  
12 BellSouth central office in which the end user customer would otherwise  
13 be served from.

14  
15 Q. ON PAGE 4 OF HIS TESTIMONY, MR. GILLAN STATES "THERE IS NO  
16 MATERIAL DIFFERENCE (FROM THE PERSPECTIVE OF THE  
17 CUSTOMER) BETWEEN SERVICE PROVIDED WITH AN UNBUNDLED  
18 LOOP ALONE, AND THE SAME SERVICE "EXTENDED" TO THE  
19 CUSTOMER USING A COMBINATION OF THE UNBUNDLED LOOP  
20 AND TRANSPORT." DO YOU AGREE?

21  
22 A. No. Obviously, customers believe foreign central office and foreign  
23 exchange services provide a material difference in functionality compared  
24 to local exchange service. Foreign exchange service and foreign central  
25 office service are created by connecting a loop serving a given end user



1 customer (appearing in the "serving wire center) to interoffice transport  
2 facilities extending to a "foreign" central office for connection to a switch  
3 housed within the "foreign" central office. Customers evidence their belief  
4 that a material difference in functionality is provided by their willingness to  
5 pay rates for foreign exchange service or foreign central office service that  
6 are above the rates for local exchange service. This is clear evidence of a  
7 "material difference" in functionality provided over a loop by itself  
8 compared with a loop used in conjunction with interoffice transport to  
9 reach a "foreign" central office switch.

10  
11 **Q. ON PAGE 4 OF HIS DIRECT TESTIMONY, MR. GILLAN STATES " . . .**  
12 **MCI<sub>m</sub> WILL COMBINE THESE NETWORK ELEMENTS WITH ITS OWN**  
13 **LOCAL SWITCH TO CREATE A UNIQUE SERVICE IN EXACTLY THE**  
14 **SAME WAY THAT AN UNBUNDLED LOOP (BY ITSELF) WOULD BE**  
15 **COMBINED WITH THE MCI<sub>m</sub> SWITCH." DO YOU AGREE?**

16  
17 **A.** No. Mr. Gillan goes to great lengths to find different ways of saying the  
18 same thing. Mr. Gillan ignores the simple fact that not all retail  
19 telecommunications services are "switched" services. Retail services  
20 include transport services that carry traffic from one point to another.  
21 MegaLink® service is one such transport service. Mr. Gillan points to no  
22 other transport components or elements required to make MegaLink®  
23 service "work" when attached to MCI's switch other than the unbundled  
24 loop and the unbundled interoffice transport. Thus, he proffers no  
25 modification or enhancement to the MegaLink® service required to create

1 the "unique service" to which he refers. In fact, there is no "unique  
2 service." There is only the use of MegaLink® service in conjunction with  
3 local switching, an option clearly set forth in BellSouth's MegaLink®  
4 service tariff.

5  
6 **Q. ON PAGE 6 OF HIS DIRECT TESTIMONY, MR. GILLAN STATES**  
7 **"OBVIOUSLY, IF THE LOOP AND LOCAL SWITCHING NETWORK**  
8 **ELEMENTS ARE INSUFFICIENT TO RECREATE BASIC LOCAL**  
9 **SERVICE, THEN THE LOOP WITHOUT THE LOCAL SWITCHING**  
10 **NETWORK ELEMENT (I.E., THE ISSUE HERE) IS EVEN MORE**  
11 **DEFICIENT. IS HE CORRECT?**

12  
13 **A. No. Mr. Gillan's own reference to this Commission's Order PSC-98-0810-**  
14 **FOF-TP is sufficient to refute his claim.**

15 "Our discussion on access to services is important in determining  
16 which network elements are necessary to provide basic local  
17 service [i.e., the service offered by the entrant]. When an ALEC  
18 purchases a loop and port combination, those are the only  
19 elements it receives. Not only are operator services, DA, 911 and  
20 signaling system databases separate elements, but the trunks to  
21 access each of them are also separate elements."

22 While the Commission's Order pointed to other UNEs required to recreate  
23 local exchange service, Mr. Gillan points to no other UNEs required to  
24 recreate MegaLink® service other than the unbundled loop and unbundled  
25 interoffice transport. Thus, the very criteria he points to are sufficient for

1 this Commission to find that the combination of an unbundled loop with  
2 unbundled interoffice transport recreates MegaLink® service.

3  
4 **Q. ON PAGE 7 OF HIS DIRECT TESTIMONY, MR. GILLAN QUOTES**  
5 **FROM THE PREVIOUSLY CITED ORDER REGARDING “ADDITIONAL**  
6 **ARGUMENTS BY AT&T AND MCI THAT A SERVICE IS MORE THAN**  
7 **ITS NETWORK FUNCTIONS.” WHAT IS YOUR UNDERSTANDING OF**  
8 **THIS COMMISSION’S VIEW OF “MANAGEMENT COMPETENCY AND**  
9 **SKILLS, QUALITY OF SERVICE, CUSTOMER SUPPORT, AND**  
10 **MARKETING” AS DIFFERENTIATORS OF ONE SERVICE COMPARED**  
11 **TO ANOTHER?**

12  
13 **A.** The Order simply noted AT&T’s and MCI’s arguments and did so without  
14 endorsing them. Mr. Gillan does not explain how or why he believes such  
15 management skills would somehow differentiate the combination of the  
16 unbundled loop and unbundled interoffice transport from BellSouth’s  
17 MegaLink® service. Even if Mr. Gillan had elaborated or provided such  
18 an explanation, it would be irrelevant to the issue at hand. Management  
19 competency, service price, and the like may indeed compel a customer to  
20 buy from Provider A rather than Provider B. However, that is not the point  
21 in this proceeding. What is at question in this proceeding is whether the  
22 combination of an unbundled loop with unbundled interoffice transport  
23 recreates BellSouth’s MegaLink® service. It is clear that the “extended  
24 loop” Mr. Gillan refers to (that is, the combination of the unbundled loop  
25 with unbundled interoffice transport) is a recreation of BellSouth’s

1 MegaLink® service.

2

3 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

4

5 A. Yes.