

1 APPEARANCES: As heretofore stated.

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P R O C E E D I N G S

(Hearing reconvened at 9:35 a.m.)

(Transcript continues in sequence from
Volume 2.)

COMMISSIONER CLARK: Let's call the
hearing back to order.

You know what? I'm looking at my notes
here, and I just -- I don't recall where we were. Did
we hear from Ms. Caldwell? I think that's who we left
off with.

MS. MCKINNEY: Yes, Commissioner.

COMMISSIONER CLARK: Okay. Then who is the
next witness after that? Mr. Ripper again?

MS. MCKINNEY: Yes, Commissioner. We're
ready for rebuttal at this time.

COMMISSIONER CLARK: Great. All right.
Ms. Kaufman?

MS. KAUFMAN: Yes, Commissioner Clark.

COMMISSIONER CLARK: Let me just ask. Are
there any preliminary matters that we need to take up
before we resume witness testimony?

MS. KAUFMAN: I have two matters.

COMMISSIONER CLARK: Oh, okay.

MS. KAUFMAN: The first one is, I would
just ask for the Commission to take official

1 recognition of the FCC -- we call it the Louisiana II
2 order, Docket No. 98-121, that was entered on October
3 13, 1998.

4 COMMISSIONER CLARK: We'll be happy to take
5 official notice of it. Does anyone know what it means?

6 MS. KAUFMAN: Well, I have some idea about
7 what some of it means, and I'll probably put it in my
8 brief.

9 COMMISSIONER CLARK: Okay. That sounds
10 great. I think we're all kind of trying to figure out
11 now what do we do. So we will take official notice of
12 that court order.

13 MS. KAUFMAN: Thank you. And the other
14 preliminary matter is that I have the errata sheets
15 that need to be attached to the depositions of the
16 TCCF witnesses that have previously been entered into
17 the record, so I'll distribute those.

18 COMMISSIONER CLARK: All right. Would you
19 please make sure that they are given to the Clerk and
20 that they become part of those exhibits.

21 (Documents distributed.)

22 COMMISSIONER CLARK: I do. Thank you very
23 much.

24 Just for everyone's information, yes, I do
25 feel better, and I appreciate everyone who has said

1 something. You know, saying that if you don't -- if
2 you have your health, you have everything. I think
3 going through a week of having the flu, you begin to
4 appreciate that kind of statement. My advice is
5 everybody should get flu shots each winter.

6 All right. What is the next thing?

7 MS. KAUFMAN: That was the order for
8 official notice and the errata sheets.

9 COMMISSIONER CLARK: All right. Ms. Keyer,
10 do you have anything?

11 MS. KEYER: No, Commissioner.

12 COMMISSIONER CLARK: All right. We will go
13 ahead and resume the testimony.

14

15 ELDER N. RIPPER, III

16 was called as a rebuttal witness on behalf of
17 Telephone Company of Central Florida and, having been
18 previously sworn, testified as follows:

19 DIRECT EXAMINATION

20 BY MS. KAUFMAN:

21 Q Mr. Ripper, would you state your name and
22 business address, please?

23 A Yes. I am Elder N. Ripper, III. My
24 nickname is Kip. I'm the president and CEO of the
25 Telephone Company of Central Florida, and our business

1 address is 3599 West Lake Mary Boulevard, Suite B,
2 Lake Mary, Florida 32746.

3 Q And you're the same Mr. Ripper that was
4 sworn in the first day of this proceeding and
5 presented direct testimony?

6 A Yes.

7 Q Did you cause to be filed in this case
8 seven pages of rebuttal testimony, Mr. Ripper?

9 A Yes, I did.

10 Q Do you have any changes or corrections to
11 that testimony?

12 A No, I do not.

13 Q If I asked you the same questions today,
14 would your answers be the same?

15 A Yes, they would be.

16 MS. KAUFMAN: Commissioner Clark, I would
17 ask that Mr. Ripper's rebuttal testimony be entered
18 into the record as though read.

19 COMMISSIONER CLARK: It will be entered in
20 the record as though read.

21 BY MS. KAUFMAN:

22 Q Mr. Ripper, you do not have any exhibits to
23 your rebuttal testimony; is that right?

24 A That's correct.

25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REBUTTAL TESTIMONY

OF

ELDER N. RIPPER, III

1 Q. Please state your name, business address and position with the Telephone
2 Company of Central Florida (TCCF).

3 A. Elder (Kip) N. Ripper, III, 3599 West Lake Mary Boulevard, Lake Mary, Florida
4 32746. I am the Chief Executive Officer for TCCF.

5 Q. Are you the same Elder N. Ripper who filed direct testimony in this docket?

6 A. Yes.

7 Q. What is the purpose of your rebuttal testimony?

8 A. The purpose of my rebuttal testimony is to address the testimony of BellSouth
9 Telecommunications, Inc. (BellSouth) as presented by witnesses Jerry Hendrix and
10 Susan Arrington. I will discuss the errors in this testimony relating both to
11 TCCF's ESSX complaint and the issue of whether ESSX should be made available
12 for resale in the new Agreement between TCCF and BellSouth.

13 Q. Can you describe your basic areas of disagreement with the BellSouth
14 witnesses?

15 A. Yes. In his testimony, Mr. Hendrix attempts to rewrite history. Until his
16 testimony was filed in this case, there was never any question raised as to TCCF's
17 entitlement to resell ESSX under its current Resale Agreement; this last minute
18 change of position is astonishing and should be rejected by the Commission.

1 Further, BellSouth clearly did not provide ESSX as required by the current
2 Agreement. As to Ms. Arrington's testimony, I strongly disagree that ESSX
3 should not be made available for resale to new customers; as explained below, this
4 is the only way that BellSouth's failure to perform under the current Agreement
5 can be remedied.

6 **Complaint**

7 **Q. In his testimony, Mr. Hendrix describes the signing of the TCCF/BellSouth**
8 **Resale Agreement as "last minute" and infers that somehow this affects the**
9 **Commission's decision in this case. Please respond.**

10 **A.** As discussed in my direct testimony, it was always part of TCCF's Business Plan
11 to resell ESSX. The original Resale Agreement was signed at the time that it was
12 to ensure that TCCF would have that ability during the term of the Agreement.
13 This was confirmed to TCCF in correspondence attached to my direct testimony.
14 See Exhibit No. ___ (ENR-2), an April 18, 1997 letter signed by Mr. Hendrix
15 himself! Further, Mr. Hendrix admits in his direct testimony, that by signing the
16 73-month ESSX tariff offering, TCCF was able "to receive a pricing benefit on
17 the ESSX Service, based on a monthly tariffing arrangement as opposed to the
18 higher monthly rates." There is no secret about what TCCF was trying to
19 accomplish, and which it did accomplish, through execution of the original Resale
20 Agreement on May 26, 1996.

21 Mr. Hendrix's attempt to imply that there was something "last minute"
22 about my decision to sign the original Resale Agreement is just wrong. But

1 beyond, that, it is not relevant to the Commission's deliberations in this case. The
2 original TCCF/BellSouth Resale Agreement specifically provides for the resale of
3 ESSX and TCCF was so entitled. The fact that ESSX may have been
4 grandfathered after the Agreement was signed makes no difference.

5 **Q. Mr. Hendrix claims that TCCF was entitled to resell ESSX only for a two-day**
6 **period. Do you agree?**

7 A. Absolutely not. Pursuant to the clear terms of the original Resale Agreement,
8 TCCF was entitled to resell ESSX for the term of the Agreement (and as discussed
9 below is entitled to resell it under the new Agreement because BellSouth never
10 properly provisioned ESSX). Further, up until the time that Mr. Hendrix's
11 testimony was filed in this case, such a position was **never** taken by BellSouth.
12 I find it quite remarkable that over the past two and a half year period, TCCF has
13 continually tried to work with BellSouth to provision ESSX; at no time during our
14 many, many conversations and the reams of written correspondence did anyone
15 at BellSouth ever question TCCF's right to resell the service. If they had, we
16 would have immediately come to the Commission for relief. While we had many
17 problems with BellSouth and its inability to provision ESSX service, no one ever
18 suggested we were not entitled to resell it. Mr. Hendrix himself admits that this
19 issue was never raised with TCCF. BellSouth's 11th hour attempt to inject such
20 a suggestion into this case is simply another example of how far it is willing to
21 go to block the efforts of resellers to enter the local market. Finally, even if what
22 BellSouth says is correct (which TCCF vigorously disputes), certainly BellSouth's

1 conduct over the last two years evidences that it has waived any right to assert
2 such a position in this case.

3 **Q. Mr. Hendrix asserts that the 73-month ESSX tariff offering did not allow**
4 **TCCF to resell ESSX to new customers after the service was grandfathered.**
5 **Do you agree?**

6 A. No. The 73-month agreement provides that TCCF will be able to sell its services
7 for the entire period. Additionally, not once during the two and one-half years
8 since the May 25th contract signing has BellSouth disputed this position. Not one
9 letter has been written!

10 **Q. Mr. Hendrix insists that BellSouth had no problems provisioning ESSX to**
11 **TCCF. Is this correct?**

12 A. No. As both I and Mr. Koller describe in detail in our direct testimony, there
13 have been numerous problems with BellSouth's attempt to provision ESSX and
14 those problems are well-documented in the exhibits attached to my direct
15 testimony and Mr. Koller's direct testimony.

16 **Q. How do you respond to Mr. Hendrix's claim that TCCF wanted BellSouth's**
17 **ESSX service "to provide features and functions that the service was not**
18 **intended to provide"?**

19 A. This is not the case. Mr. Hendrix's testimony does not point out one element of
20 ESSX service that BellSouth was not obligated to provide. He makes a bald
21 accusation without supporting facts to back them up.

22 **Q. Mr. Hendrix says that BellSouth and TCCF reached a settlement on ESSX**

1 **issues. Please comment.**

2 A. The documents speak for themselves. Again, Mr. Hendrix seems to be very loose
3 with the facts. The Commission may ask BellSouth to see the settlement
4 agreement if it so desires. The bottom line is that ESSX has never been properly
5 provisioned by BellSouth. TCCF has always wanted to deliver to its customers
6 the services outlined in Ms. Webb's letter dated May 31, 1996. (Exhibit No. ____
7 (ENR-6)). BellSouth has not let us do so.

8 **Q. Mr. Hendrix also mentions "other adjustments" made to TCCF regarding**
9 **ESSX service. To what is he referring?**

10 A. BellSouth has had to make many adjustments to our billings for its numerous
11 billing errors. But after the initial ESSX settlement, no further credits were issued
12 related to ESSX.

13 **Q. Do you agree with Mr. Hendrix that BellSouth provided TCCF with ESSX**
14 **service in compliance with the parties' Agreement?**

15 A. No. First, as discussed above, I take strong issue with Mr. Hendrix's statement
16 that BellSouth was only obligated to provide the service for two days and
17 gratuitously took the rest of the actions detailed in my and Mr. Koller's direct
18 testimony for the past two and a half years. I take particular offense at the claim
19 that TCCF is somehow in violation of the Agreement. Putting aside Mr.
20 Hendrix's last minute excuse, it is abundantly clear from TCCF's direct testimony
21 that ESSX was not appropriately provisioned--customers were cut off from service
22 for days at a time and numerous other service problems occurred.

1 wants to send to ALECs who are attempting to enter the Florida market.

2 **Q. Ms. Arrington asserts that ESSX should not be made available for resale in**
3 **the new Agreement between TCCF and Bellsouth. How do you respond?**

4 A. First, Ms. Arrington makes the same argument as Mr. Hendrix that ESSX was
5 only available for resale for two days. For the reasons discussed above, this
6 should be rejected outright. Second, BellSouth has yet to properly provision
7 ESSX. Its failure to do so has resulted in severe financial losses to TCCF and has
8 damaged TCCF's reputation in the marketplace. The only way to address this
9 situation, enforce the Telecommunications Act and ensure that BellSouth does not
10 profit from its behavior is to permit TCCF to resell ESSX to new and existing
11 customers under the new Agreement.

12 **Q. Does this conclude your rebuttal testimony?**

13 A. Yes.

1 BY MS. KAUFMAN:

2 Q Have you prepared a summary?

3 A Yes, I have.

4 Q Okay. If you would, please give it.

5 A Good morning, Commissioners. I'm the
6 president of the Telephone Company of Central Florida,
7 better known as TCCF. As you know, TCCF is a small
8 reseller of telecommunication services. The last time
9 we were here, I explained how TCCF contracted with
10 BellSouth for ESSX Services. To refresh your memory,
11 we brought back our blowups of our first testimony,
12 and in a few minutes, I would like to go over those
13 with you.

14 Clearly, TCCF's intentions were, have been,
15 and now are to sell ESSX Services to our business
16 customers in the 23 wire centers or COs in which we
17 made individual contract commitments. Every document
18 you have been shown by the parties, either BellSouth
19 or TCCF, confirms that fact.

20 Equally important is the fact that TCCF
21 entered into its agreements for ESSX Services prior to
22 BellSouth's grandfathering this service offering.
23 Please note that if BellSouth had entered into these
24 agreements with a commercial customer, they would have
25 honored the commitment and would be responsible to

1 provide services as contracted for and committed to by
2 BellSouth prior to the grandfathering event.

3 TCCF entered into these ESSX agreements,
4 again, before they were grandfathered, with the full
5 knowledge and understanding of BellSouth. We never
6 hid our plans of our intentions to resell these
7 services. We in fact documented them beyond what
8 anyone would normally expect, especially since
9 BellSouth is TCCF's only real competitor in the
10 marketplace today. So we're competing against the
11 folks that provide us our services.

12 Commissioners, I would like to point out a
13 statement made by the Commission via Order No.
14 PSC96-1579-FOF-IF issued December the 31st, 1996. On
15 page 41, and I quote, "To do so might give ILECs an
16 incentive to grandfather services in an attempt to
17 retain customers to the detriment of competition."

18 I now submit to you that, in effect, this
19 has already occurred. ESSX Services were priced far
20 below any other BellSouth business service offering,
21 and they knew it.

22 MS. KEYER: Excuse me, Commissioner. I
23 hate to interrupt, but I believe this is beyond his
24 rebuttal testimony.

25 COMMISSIONER CLARK: Ms. Kaufman?

1 MS. KAUFMAN: Commissioner Clark, I think
2 Mr. Ripper is responding, and in his testimony he
3 discusses the order that he just referred to.

4 COMMISSIONER CLARK: Tell me where it is.

5 MS. KAUFMAN: On page 6, beginning at line
6 15, going over to the next page.

7 MS. KEYER: There's nothing in here about
8 below cost or any of the testimony he was getting
9 ready to get into.

10 MS. KAUFMAN: He was discussing, I think,
11 the import of the order that BellSouth raised in their
12 rebuttal to our testimony.

13 COMMISSIONER CLARK: I'll allow the
14 question.

15 WITNESS RIPPER: Let me start again.

16 COMMISSIONER CLARK: The summary, I
17 suppose.

18 WITNESS RIPPER: Okay. Again on page 41,
19 and I quote, "To do so might give ILECs an incentive
20 to grandfather services in an attempt to retain
21 customers to the detriment of competition."

22 I now submit to you that, in effect, this
23 has already occurred. BSSX Services were priced far
24 below any other BellSouth business service offering,
25 and they knew it. It allowed BellSouth to sell to its

1 business services a service so reasonably priced that
2 they could compete with any other service offerings
3 available. By virtue of its nearly 2,000 USOCs, you
4 could clearly bundle together each necessary network
5 element to build a product for a customer that would
6 avoid all other network fees and services not
7 necessary to support each of these end users.

8 Again, during the multitude of years it was
9 available since the early 1980s through today, no one
10 at BellSouth thought it was too complicated. In fact,
11 it was the company's flagship product. But as soon as
12 BellSouth's management realized how detrimental this
13 product could be to them as a resale product, they
14 immediately replaced it with MultiServ, moving the
15 price points up 40% and bundling the features and
16 services to keep it from being the resellers' road map
17 to success. This is why we made the commitments to
18 buy ESSX before the grandfathering event.

19 I also want to point out that we did change
20 the effective date on our resale agreement. That was
21 just good business judgment on our part. If BellSouth
22 did not like the date change, they could have said no.

23 Lastly and to the point, BellSouth has
24 tried to avoid the factual issues by introducing
25 discussions of unconfirmed agreements. They also want

1 to call our approach nonstandard. This is absolutely
2 not true. Until we received the testimony filed in
3 this case, we had never heard the term "nonstandard"
4 used by BellSouth. Again, I will respond by saying
5 TCCF's requirements are a standard application, and
6 that was confirmed as such in Charlotte Webb's letter
7 of May the 31st, 1996.

8 If it's okay, I would like to approach
9 these blowups just for a moment.

10 COMMISSIONER CLARK: Mr. Ripper, I would
11 only point out that you have six pages of testimony,
12 and this summary is going on a while.

13 WITNESS RIPPER: Oh, I'm virtually done,
14 except for the last paragraph.

15 COMMISSIONER CLARK: All right.

16 WITNESS RIPPER: Is this on? Can you hear
17 me?

18 I just want to point out that this document
19 lists all of the features, call forwarding, call hold,
20 call pickup, conference calling, DECAS, Assumed Dial
21 9, automatic route selection, and long distance, very
22 clearly in there, and that it's also very clear as to
23 how these services are going to function and how the
24 services are going to be provided, and there's a very
25 clear document here that shows this. Nowhere in this

1 document anywhere does it say that these are
2 nonstandard requirements or does it say that BellSouth
3 can't provide them. As a matter of fact, it clearly
4 states that they can. I just want to point that out
5 again.

6 And this letter confirms the May the 29th
7 commitments that we made to BellSouth the day before
8 the grandfathering process occurred.

9 If they disagreed with any of this, then
10 they should have documented that, and they could show
11 that in their testimony, and they didn't do that.

12 We, the small ALEC, depend on you, the
13 Commission, to protect our rights and provide a fair
14 forum for these types of disputes. After all the
15 time, effort, and monies TCCF has expended, we only
16 want to provide the services we promised our
17 customers. All we ask is that we be allowed to resell
18 ESSX Services in the 23 COs, 23 COs originally
19 contracted for, and that you confirm our rights to do
20 so.

21 We would also ask that if you do not
22 confirm our-- excuse me. My mouth is getting dry. We
23 would also ask that if you do confirm our request,
24 that since we have had such severe provisioning and
25 service problems in the past, that you appoint a Staff

1 oversight person to monitor the ongoing situation with
2 BellSouth's performance.

3 I'm completed, and thank you very much for
4 your patience.

5 MS. KAUFMAN: Mr. Ripper is available for
6 cross examination.

7 COMMISSIONER CLARK: Ms. Keyer?

8 CROSS EXAMINATION

9 BY MS. KEYER:

10 Q Good morning, Mr. Ripper.

11 A Good morning.

12 Q You indicated that you did know that the
13 ESSX Service was going to be grandfathered; isn't that
14 right?

15 A Yes.

16 Q And you expected that at some point you
17 would have to convert to MultiServ; isn't that right?

18 A Our contracts were for 73 months, and at
19 that end of time, we would have to make some decision
20 about a new product, yes.

21 Q Your resale agreement was for two years;
22 correct?

23 A That's true, but our ESSX contracts are
24 separate and apart from that agreement, and their term
25 was 73 months.

1 Q And I believe when we talked last time at
2 the first part of the hearing, there is a provision in
3 your contract that does state that grandfathered
4 services would not be available for resale; isn't that
5 right?

6 A It says that, yes. But we were told
7 because we made the commitment for ESSX before the
8 grandfathering event that we would not have to be
9 considered a grandfathered situation, and that's
10 confirmed in all the documents that have been filed.

11 Q You were one of the first ALECs to enter
12 into a resale agreement with BellSouth; is that true?

13 A I believe we were the first reseller to
14 sign an agreement, yes.

15 Q And during that time, initially, BellSouth
16 worked very hard, and actually during the whole time
17 that BellSouth had that contract with TCCF worked very
18 hard with TCCF, didn't it?

19 A I take exception with that. If they worked
20 very hard, we would have all of our services in place,
21 and we don't. So, no, I don't think they worked very
22 hard.

23 Q So you're saying that the account team and
24 the folks that you worked with on a daily basis did
25 not work very hard to try to provision and try to work

1 with TCCF?

2 A Let me answer that question from an
3 individual point of view a little bit differently.

4 Q Can you answer yes or no?

5 A Certain people did work very hard; others
6 didn't.

7 Q You were here for Mr. Koller's testimony, I
8 believe, at the hearing?

9 A Yes.

10 Q And would you agree with him that the
11 administrative portion of provisioning ESSX is an
12 administrative nightmare with the 2,000, some 2,000
13 USOCs?

14 A I don't agree to that at all.

15 Q Now, there were some -- you're familiar
16 with the term "bona fide requests" or -- are you
17 familiar with that?

18 A Yes. It has been used in this proceeding.

19 Q And it has been used over the time that you
20 were dealing with BellSouth in terms of what BellSouth
21 refers to as a nonstandard arrangement?

22 A Yes, I have had some discussions with
23 BellSouth about those issues.

24 Q And a bona fide request is in fact
25 something that is outside of the usual or outside of a

1 standard arrangement; isn't that true?

2 A I can't talk to other people's experience.
3 In our situation, we feel that those requests were
4 based on our needs for standard services.

5 Q I understand what you felt, but isn't a
6 bona fide request typically something outside the
7 standard?

8 A No, I don't believe so. I think it's a
9 request for services that needs special consideration,
10 but that doesn't mean it's nonstandard.

11 Q Now, the date of Ms. Webb's letter, I
12 think, is May 31, 1996; correct?

13 A Yes, it is.

14 Q That was just three days after you signed
15 the agreement, the resale agreement?

16 A Yes, it is.

17 Q And in Ms. Webb's letter she states that
18 she was sending you a drawing depicting her vision of
19 what you were requesting; isn't that right?

20 A It was a confirmation of discussions we had
21 had for several weeks and months before, yes.

22 Q And that was based on the information that
23 you had provided to Ms. Webb; correct?

24 A That's true.

25 MS. KEYER: I don't have any other

1 questions.

2 COMMISSIONER CLARK: Staff?

3 MS. MCKINNEY: Commissioner Clark, Staff
4 has no questions.

5 COMMISSIONER CLARK: Commissioner?

6 Mr. Ripper, I had a question from our last
7 meeting. You had indicated that BellSouth promised to
8 amend the agreement and absorb some costs, and they
9 didn't do it, or something to that effect. Can you
10 refresh my memory on that?

11 WITNESS RIPPER: I believe that at some
12 point in this hearing I had been asked about a
13 proposal that BellSouth made on October the 7th, and I
14 had responded to that proposal on October the 10th.
15 And I believe Ms. Keyer asked me if that proposal had
16 been confirmed, and I said we did what we were
17 supposed to do, but I never saw a confirming document
18 from BellSouth that would have amended the agreement
19 to add our agreement. And that still hasn't happened
20 to today.

21 COMMISSIONER CLARK: Well, my question to
22 you is, why didn't you send something back to them
23 saying, "Let's amend our agreement in this way"?

24 WITNESS RIPPER: I did send a letter on
25 October the 10th confirming my agreement with their

1 proposal and asking exactly for that. The document,
2 I believe, is in the testimony. It was a late-filed
3 document.

4 COMMISSIONER CLARK: And when did you send
5 that?

6 WITNESS RIPPER: In October.

7 COMMISSIONER CLARK: Did you do anything
8 after October when it was not sent back to you?

9 WITNESS RIPPER: We tried to implement the
10 mini-T1 proposal through the course of many, many
11 months. I did send several documents to Steve
12 Vinsavich's office, who is their attorney, telling
13 them they weren't performing. But when we began this
14 whole process of renegotiating our contract, that was
15 part of the contract negotiations. It never came to
16 fruition.

17 COMMISSIONER CLARK: Okay. Thank you.

18 MS. KAUFMAN: Commissioner Clark, that
19 letter is Exhibit No. 12, I think, that Mr. Ripper was
20 referring to.

21 COMMISSIONER CLARK: Go ahead.

22 REDIRECT EXAMINATION

23 BY MS. KAUFMAN:

24 Q I just have two questions for you,
25 Mr. Ripper.

1 First of all, Ms. Keyer asked you your view
2 as to whether the people on the account team worked
3 hard to help TCCF provision the ESSX Service. Do you
4 recall that?

5 A Yes, she did.

6 Q Can you tell us, in your view, what actions
7 were or were not taken that got in the way of ESSX
8 being provisioned?

9 A Yes, I think I can do that. The people
10 that we met with and dealt with on a day-to-day basis
11 constantly assured us, and it would appear, tried to
12 help us get the services provided. Everybody on Marc
13 Cathey's team seemed to be enthusiastic and wanted
14 things to go forward. Yet our real-life experience
15 showed us that every time we tried to process an
16 order, there were technical problems. People went out
17 of service, and we couldn't make things happen.

18 Now, is that Marc Cathey's fault or the
19 account team's fault? I can't tell you yes or no.
20 They seemed to want to help us. They always
21 apologized for the problems. But we didn't get good
22 performance on this contract from BellSouth. I mean,
23 there is a difference between people being nice and
24 people performing.

25 Q And my last question goes to Ms. Keyer's

1 question to you about the Charlotte Webb letter that's
2 on the blowup. Did Ms. Webb have any input into the
3 diagram and the contents of the letter?

4 A Oh, absolutely. We had spent many, many
5 weeks prior to the agreement on the resale agreement
6 working with the account team, Charlotte Webb in
7 particular, in coming up with this design. And this
8 was her way of confirming exactly what we were going
9 to go forward and install and provide to our customer
10 base. So, you know, I think that this is a
11 combination work effort between herself and myself.

12 MS. KAUFMAN: Thank you. That's all I
13 have, Commissioner Clark.

14 COMMISSIONER CLARK: And there are no
15 exhibits to his testimony; is that right?

16 MS. KAUFMAN: There are no exhibits.

17 COMMISSIONER CLARK: All right. Thank
18 you. You are excused.

19 WITNESS RIPPER: Thank you very much.

20 COMMISSIONER CLARK: Who's next?

21 MS. KAUFMAN: Ms. Welch is next.

22 COMMISSIONER CLARK: Okay.

23

24

ANDREA K. WELCH

25 was called as a rebuttal witness on behalf of

1 Telephone Company of Central Florida and, having been
2 previously sworn, testified as follows:

3 DIRECT EXAMINATION

4 BY MS. KAUFMAN:

5 Q Would you state your name and address for
6 the record, please?

7 A Yes. My name is Andrea Welch. My business
8 address is 3599 West Lake Mary Boulevard.

9 Q And you're the same Ms. Welch that appeared
10 and provided direct testimony and was sworn on the
11 first day of this proceeding?

12 A Yes, I am.

13 Q Ms. Welch, did you file 14 pages of
14 rebuttal testimony in this case?

15 A Yes, I did.

16 Q Do you have any changes or corrections to
17 that testimony?

18 A No, I do not.

19 Q If I asked you the questions contained in
20 your rebuttal testimony today, would your answers be
21 the same?

22 A Yes, they would.

23 MS. KAUFMAN: Commissioner, I would ask
24 that Ms. Welch's rebuttal testimony be inserted in the
25 record as though read.

1 COMMISSIONER CLARK: It will be inserted in
2 the record as though read,

3 BY MS. KAUFMAN:

4 Q Ms. Welch, you have no exhibits; is that
5 right?

6 A That is correct.
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Docket No. 981052-TP

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REBUTTAL TESTIMONY

OF

ANDREA K. WELCH

1 **Q. Please state your name, business address and position with the Telephone**
2 **Company of Central Florida (TCCF).**

3 **A. Andrea K. Welch, 3599 West Lake Mary Boulevard, Lake Mary, Florida 32746.**
4 **I am the Chief Operating Officer for TCCF.**

5 **Q. Are you the same Andrea K. Welch who filed direct testimony in this docket?**

6 **A. Yes.**

7 **Q. What is the purpose of your rebuttal testimony?**

8 **A. The purpose of my rebuttal testimony is to address the testimony of BellSouth**
9 **Telecommunications, Inc. (BellSouth) as presented by witnesses Susan Arrington**
10 **and D. Daonne Caldwell. I will point out the errors in their testimony, including**
11 **the unsubstantiated assertion that BellSouth has in place the nondiscriminatory**
12 **OSS as required by the Act.**

13 **Q. What are the basic differences between your testimony and the testimony**
14 **offered by Ms. Arrington?**

15 **A. My testimony is based on real world experience attempting to use BellSouth's**
16 **OSS in the marketplace, while Ms. Arrington's testimony appears to be based on**
17 **wishful thinking.**

1 Q. How do you respond to Ms. Arrington's comment that BellSouth has
2 developed and implemented the required nondiscriminatory electronic
3 interfaces required by the Act?

4 A. BellSouth clearly admits its obligation under the Telecommunications Act to
5 provide nondiscriminatory electronic interfaces; however, I totally disagree with
6 Ms. Arrington's unsupported contention that such systems have been provided.
7 In my direct testimony, I provided examples of OSS problems (such as no order
8 flow through) and will provide below further examples of the numerous
9 deficiencies in BellSouth's OSS. In contrast, Ms. Arrington provides one
10 unsubstantiated conclusion on the topic. Her statement ignores reality and the
11 numerous and continual problems experienced by resellers in attempting to use
12 BellSouth's OSS. Further, she makes no mention of the many functions for which
13 BellSouth has no electronic OSS and which must be done on a manual basis.

14 Q. Please illustrate the fallacy in Ms. Arrington's assertion that access to
15 nondiscriminatory OSS is in place.

16 A. Within the state of Florida, all orders processed by BellSouth personnel for
17 BellSouth end-user customers are processed (new orders as well as adds, moves
18 and changes) using one of two systems. If the order is for a residential account,
19 the system used is the Regional Negotiation System (RNS). For business
20 accounts, all orders are processed using the Direct Order Entry System (DOE).
21 RNS was implemented in 1991 and DOE was established in 1986. Order flow
22 through can be achieved by both systems.

1 According to BellSouth, order flow through can be achieved using LENS,
2 EDI and TAG. Speak with any reseller and they will tell you that order flow
3 through can only be achieved on "very vanilla" orders, such as residential
4 accounts, with one line. Even then, "flow through" is not always achievable.
5 BellSouth's response is, "order flow through can be achieved if the order is
6 completed properly by the reseller. If not, the order will "fall into clarification"
7 and manual processing will become necessary." This statement is BellSouth's fall
8 back answer which allows it to continue to explain away OSS deficiencies.

9 To provide nondiscriminatory access to OSS, BellSouth must provide
10 Florida-based resellers access to RNS and DOE. These systems have been
11 developed over time and allow BellSouth personnel to process orders error free
12 and to deliver well-defined, time-proven service intervals to their end-user
13 customers. To eliminate all of the finger pointing regarding OSS, the Commission
14 must require BellSouth to demonstrate RNS and DOE side-by-side with LENS,
15 EDI and TAG. A side-by-side comparison will prove that nondiscriminatory
16 access to OSS has not been provided.

17 TCCF does not believe that all resellers are incapable of submitting error
18 free orders to BellSouth for processing. Rather, the OSS offered to the resellers
19 are deficient and BellSouth is using the "clarification" explanation as a defense for
20 system deficiencies. Resellers are never given an adequate explanation for why
21 orders "error out" and "fall into clarification." The reseller sends the order
22 electronically, BellSouth intercepts the orders and processes it manually.

1 BellSouth's explanation is that the order fell into "clarification." TCCF believes
2 that the true answer lies with OSS deficiencies.

3 BellSouth has made a conscious effort not to provide resellers with order
4 processing tools that work. All BellSouth end-user orders are processed using one
5 of two fully integrated systems. By comparison, resellers have been provided with
6 bits and pieces of automation and are expected to pull all of the pieces together.
7 This approach does not work and does not provide the reseller with
8 nondiscriminatory access to OSS.

9 **Q. Do you have any specific examples?**

10 **A. Yes. For the past week, TCCF has dedicated one customer service representative**
11 **to TAFI and LENS. Putting an employee off the telephones to "play around" with**
12 **systems which, according to BellSouth, are fully operational, places a very real**
13 **strain on an organization the size of TCCF. How productive has this employee's**
14 **week been?**

15 Up to this point, a total of approximately 10 hours has been spent
16 attempting to get TAFI to work. After several hours of trying to get past the first
17 several screens, a call to the appropriate trouble desk resulted in our finding out
18 that "someone" had canceled TCCF's access to the program. BellSouth could not
19 tell us who had canceled access or when or why, but they did promise to have us
20 up and running within a few hours. Once again, our customer service
21 representative attempted to access TAFI. Now, we learn that our user passwords
22 have been canceled. Another call to the trouble desk results in another apology

1 and a promise to fix the passwords. Our employee could have opened numerous
2 trouble tickets manually in the amount of time invested simply to get onto the
3 system.

4 According to BellSouth, LENS can be utilized to accomplish more than
5 preordering functions. The ability to change a directory listing is one of the
6 functions which you should be able to accomplish using LENS. The same
7 customer service representative which invested ten hours attempting to use TAFI,
8 invested four hours attempting to change a yellow page heading code using LENS.
9 Our customer service representative called the BellSouth trouble desk looking for
10 assistance. He spoke with Jason Weaver at (888) 462-8030 who apologized for
11 the problems and suggested that the order be placed manually because he was
12 unable to help our employee.

13 After investing fourteen hours, TCCF's employee accomplished nothing.
14 BellSouth's response to this would probably be something like, "... that's the cost
15 of doing business. You have to invest the time required to become proficient with
16 the systems." I would agree if this were the first time that TCCF had attempted
17 to get BellSouth OSS to work, but it is not.

18 BellSouth's OSS do not work. TCCF has learned that it is more efficient
19 to place orders manually than it is to attempt to utilize existing OSS. We have a
20 business to run and should not be burdened with troubleshooting deficient OSS or
21 being required to use OSS which do not work.

22 Q. Ms. Arrington says that this Commission found that OSS costs may be

1 **recoverable costs. How do you respond?**

2 A. First of all, in a BellSouth/MCI and AT&T arbitration case regarding UNEs, the
3 Commission in reference to that case and those parties used the word may. The
4 Commission did not guarantee any such recovery and, in fact, in the order Ms.
5 Arrington refers to, the Commission struck the testimony on this topic, excluding
6 ordering charges from the costs set in that proceeding.

7 Much more on point is the following determination by the
8 Commission:

9 [W]e find that . . . operations support systems are
10 necessary for competition in the local market to be
11 successful. We believe that both the new entrants and the
12 incumbent LECs will benefit from having efficient
13 operational support systems. Thus, all parties shall be
14 responsible for the costs to develop and implement such
15 systems. . . .

16 [E]ach party shall bear its own cost of developing
17 and implementing electronic interface systems, because
18 those systems will benefit all carriers.

19 Order No. PSC-96-1579-FOF-TP at 87, emphasis supplied. Thus, the Commission
20 has already found that each party should bear its own costs, just as I have
21 suggested. Finally, in the event any recovery is permitted, I would hope that the
22 Commission would assure itself that BellSouth has systems in place that are in

1 compliance with the Act. As discussed in my direct testimony and above,
2 BellSouth is very far away from that day.

3 **Q. Ms. Arrington suggests that at the conclusion of the hearing in this case, the**
4 **Commission should direct the parties to negotiate OSS language. Do you**
5 **agree?**

6 **A. No. TCCF and BellSouth have been attempting to negotiate OSS language since**
7 **the beginning of May 1998. After initially agreeing to delete the OSS rate chart**
8 **and language requiring TCCF to pay for OSS development, BellSouth has been**
9 **intransigent and insisted that such language and chart appear in the new**
10 **Agreement. TCCF believes that no purpose is served (other than more delay and**
11 **expense to TCCF which inures to BellSouth's benefit) in sending the parties back**
12 **for more negotiation.**

13 **Q. Do you agree with the language on this issue which Ms. Arrington proposes?**

14 **A. No; the substance of the language Ms. Arrington advocates is at the heart of this**
15 **dispute. It would require resellers to pay for systems BellSouth must develop to**
16 **comply with the Act and it ignores the development and other costs which**
17 **resellers must bear. Lastly, it makes the unfounded assumption that appropriate**
18 **OSS systems exist.**

19 **Q. What language should be included in the new Agreement on OSS?**

20 **A. The new Agreement should state that BellSouth is required to supply the reseller**
21 **with nondiscriminatory access to OSS. Furthermore, a penalty of \$25 should be**
22 **imposed upon BellSouth for each order submitted manually, due to the lack of**

1 OSS. BellSouth seems to ignore the fact that TCCF has been forced to submit
2 orders manually for two and a half years.

3 At an absolute minimum, if the Commission allows BellSouth to recover
4 development and processing costs associated with OSS (which TCCF opposes), it
5 is imperative that the Agreement clearly state that no recovery will be permitted
6 until such time as BellSouth can prove that nondiscriminatory access to OSS has
7 been provided. Page 8 of my direct testimony provides the following suggested
8 language:

9 OSS Order Charge Rates (electronic and/or manual) will not
10 be applicable until such time as BellSouth has made
11 available to the reseller an automated means of processing
12 the applicable order type (i.e. adds, moves, changes, trouble
13 tickets) via an electronic interface.

14 **Q. Do you agree with the OSS rates included in Ms. Arrington's testimony?**

15 A. No; though it appears that the rates BellSouth has now proposed have been
16 reduced in comparison to what BellSouth offered TCCF in negotiation, the rates
17 are still excessive. Further, the large difference in the rates offered to TCCF in
18 negotiation with BellSouth and the rates in Ms. Arrington's testimony raise further
19 questions about the propriety of the rates.

20 **Q. Should rates for OSS be included in the new Agreement?**

21 A. No. OSS rates should not be included in the Agreement. Each party should bear
22 its own costs as the Commission has previously directed. If the Commission does

1 find charges for OSS to be appropriate, certainly no rates should be included until
2 the Commission has concrete answers to the questions raised on page 20 of my
3 direct testimony, as well as the issues raised below, including how such costs will
4 be apportioned among AIECs, what future OSS costs will be and assurance that
5 such systems function properly and at parity with BellSouth's retail systems. At
6 that time, the Commission can address the issue of appropriate OSS rates, if any,
7 on an industry-wide basis.

8 **Q. As to Ms. Caldwell's testimony, was any specific data underlying her cost**
9 **study provided?**

10 **A. No. Ms. Caldwell has provided some high level spreadsheets and information.**
11 **While in Docket No. 960757-TP, BellSouth provided an electronic filing with**
12 **complete data, no such supporting information was provided to TCCF. For**
13 **example, while various assumptions were provided, there appears to be no**
14 **information as to how or why such assumptions were chosen or whether they are**
15 **appropriate in this instance.**

16 **Q. Does TCCF have the resources to analyze the BellSouth cost study in depth?**

17 **A. Probably not, though without complete information, it is certainly impossible.**
18 **And, as a preliminary matter, let me reiterate that TCCF believes that no charges**
19 **are appropriate for OSS development or for processing fees, especially the inflated**
20 **fees for processing manual orders; thus, the cost information is irrelevant.**

21 Further, in comparison to BellSouth, TCCF is a very small company. We
22 simply have neither the personnel nor the resources to do a detailed analysis of the

1 BellSouth cost model. Additionally, we believe that it would frustrate the intent
2 of the Act to place such a tremendous burden on small carriers. For example, it
3 is my understanding that the BellSouth model uses several other complex models
4 and price calculators which would necessitate extensive analysis. If the
5 Commission is interested in evaluating BellSouth's cost studies or using them in
6 any way as a basis for OSS charges, it should open a generic docket and not allow
7 BellSouth to place the burden for analyzing its cost study on TCCF.

8 **Q. With the above comments in mind, do you have any general observations**
9 **about the BellSouth cost study?**

10 A. Yes. BellSouth's analysis appears to place many of the costs of doing business
11 on the reseller, thus, relieving BellSouth of many costs previously incurred by it.
12 However, BellSouth does not appear to have taken any of these cost reductions
13 into account when calculating OSS costs and fees.

14 For example, resellers are currently responsible for the costs of sales,
15 marketing, order entry, billing, collections, customer service, and bad debt
16 expense. This represents a significant cost reduction for BellSouth, but BellSouth
17 does not appear to have taken this into account or quantified it in any way. If
18 BellSouth is willing to work effectively with resellers instead of purposely creating
19 inefficiencies in the process, its costs could be even further reduced.

20 **Q. Can you provide examples of some of the inefficiencies to which you refer?**

21 A. Yes. Why must entirely new systems be created for resellers? One would think
22 that existing BellSouth systems could be utilized for reseller orders. There is no

1 evidence in Ms. Caldwell's testimony that BellSouth has thoroughly researched
2 potential options for OSS. Nor is there any explanation of why resellers cannot
3 use the current BellSouth systems. If a common OSS system is used, the cost of
4 a common OSS will be spread over a much larger user base and result in lower
5 reseller and end-user costs. There is no evidence that BellSouth has explored this
6 reasonable option.

7 **Q. Are there other issues the Commission should consider in looking at**
8 **BellSouth's cost study?**

9 **A. Yes. Those issues include:** what technologies have been analyzed for the
10 development of OSS; whether total development and support costs, including the
11 costs incurred by resellers, have been taken into account; whether any proposed
12 OSS project has been put out for bid to outside consultants to ensure that resellers
13 have some cost control over the systems for which BellSouth wants them to pay.
14 Of particular importance is the issue of how BellSouth itself will benefit from
15 improved OSS which it wants resellers to fund. Cost and operational efficiencies
16 must be taken into account when looking at any proposed reseller fee. Only
17 BellSouth has, and can provide, information on these issues to the Commission.
18 The Commission should require BellSouth to produce such information.

19 **Q. Has BellSouth addressed issues regarding order volume?**

20 **A. No. How projected order volume affects BellSouth's calculations of OSS charges**
21 **is unclear. As ALEC order volume increases, it is logical to assume that OSS fees**
22 **will decrease. But, there appears to be no mechanism in place to reduce fees if**

1 projected volumes (whatever they are) decline. Nor is it clear who is responsible
2 for monitoring the volume of orders and making the appropriate changes in the
3 resellers' fees BellSouth proposes. All of these important questions remain
4 unanswered. BellSouth should be required to demonstrate to the Commission what
5 volume of orders are needed/projected to pay for the OSS development costs it
6 claims. It should set out the volume projections used (and how those projections
7 were developed) in the current BellSouth calculations.

8 **Q. What about issues related to order rejection?**

9 A. We have been told by BellSouth that TCCF has an order reject rate of
10 approximately 13% versus an average of 35% for all resellers. Under these facts,
11 is it fair for all ALECs to pay the same OSS charge? Further, is any charge fair
12 if the order rejection is caused by BellSouth? That is, why should TCCF (or any
13 ALEC) be penalized for BellSouth's mistakes? The Commission should review
14 whether the customer representatives who process ALEC orders are as experienced
15 as those who process BellSouth retail orders and how the reject rates as to the two
16 types of orders compare. BellSouth has provided no information about this.

17 **Q. Do you have any comments regarding the duration of the OSS fees BellSouth**
18 **seeks?**

19 A. Yes. In my direct testimony, I said that it appears that BellSouth wants to collect
20 OSS fees forever. BellSouth's testimony confirms this. One would certainly
21 expect that once development costs are recovered, the fees would cease; however,
22 this does not appear to be what BellSouth contemplates. And, no information

1 about total development costs has been provided.

2 **Q. Are there other important issues Ms. Caldwell does not address?**

3 A. Yes. For example, what safeguards will protect resellers from the potential of
4 BellSouth booking unrelated costs against the OSS development for resellers?
5 How will resellers be compensated if fraudulent cost allocation practices occur?
6 Who will audit cost allocation? Will the results of any such audits be available
7 to ALECs for review and verification?

8 **Q. Do you have any concluding observations about the OSS charges BellSouth
9 wants to impose on TCCF?**

10 A. Yes. The only way to provide fair treatment for resellers is to charge a consistent
11 fee to BellSouth end-users and to resellers, but to discount resellers' fees to adjust
12 for the costs which resellers incur for their customers which BellSouth no longer
13 incurs, such as customer service, order entry, collections, billing costs, bad debt
14 expense, sales costs, etc. If the overall cost of doing business with BellSouth is
15 not compared to the cost of providing service to a BellSouth end-user, then the
16 local competition mandated by the Telecommunications Act of 1996 will never
17 become a reality. Resellers have very slim margins; it would not take much for
18 BellSouth to recapture that margin through excessive OSS fees. BellSouth could
19 create a scenario where OSS fees become a significant profit center. Such an
20 outcome would be short-lived, however, because it would cause the financial
21 collapse of the already struggling local resale market.

22 Additionally, by utilizing a common OSS system, which treats BellSouth

1 orders and reseller orders the same, parity of service can become a real possibility.
2 A common OSS system should hide the order's origin from the operational
3 support staff so that the potential for bias against resellers' orders is mitigated.
4 Parity of service remains a significant requirement of the Telecommunications Act
5 of 1996 which has not been yet realized by resellers.

6 **Q. Does this conclude your rebuttal testimony?**

7 **A. Yes.**

1 BY MS. KAUFMAN:

2 Q Have you prepared a summary of your
3 rebuttal testimony?

4 A Yes, I have.

5 Q Please give it to us now.

6 A Good morning, Commissioners and Staff. My
7 name is Andrea Welch. I am the chief operating
8 officer for the Telephone Company of Central Florida.
9 I am here this morning to summarize the rebuttal
10 testimony which I submitted in response to testimony
11 filed by BellSouth witnesses Susan Arrington and
12 Dagnne Caldwell.

13 Per Ms. Arrington's testimony, BellSouth
14 clearly admits their obligation under the Act to
15 provide nondiscriminatory electronic interfaces to the
16 resellers. Ms. Arrington states within her testimony
17 that such systems have been provided. She provides no
18 examples or information regarding OSS availability or
19 performance to substantiate her statement.

20 Furthermore, her statement does not take
21 into account the fact that BellSouth personnel use
22 only two systems when processing retail orders within
23 the State of Florida. The Regional Negotiation System
24 or RNS is used when processing residential account
25 orders. The Direct Order Entry system or DOE is used

1 when processing business orders. Order flow-through
2 can be achieved by both systems, and both provide
3 preordering and ordering capabilities.

4 By comparison, BellSouth has offered LENS,
5 EDI, and TAG to the resellers. According to
6 BellSouth, flow-through can be achieved using each of
7 these, LENS, EDI, and TAG. The truth is, TAG has not
8 been implemented by any reseller. This being the
9 case, how does BellSouth know that order flow-through
10 can be achieved in a real-world situation using TAG?
11 Speak with any reseller that has attempted to use or
12 is currently using LENS and EDI, and they will tell
13 that you only limited flow-through can be achieved.

14 BellSouth's response to this issue is that
15 flow-through can be achieved if the order is completed
16 properly by the reseller; if not, the order will fall
17 into clarification and manual processing will become
18 necessary. TCCF does not believe that all resellers
19 are incapable of submitting error-free orders for
20 processing. Rather, the OSS offered to the resellers
21 are deficient, and BellSouth is using the
22 clarification explanation as a defense for system
23 failures.

24 In my rebuttal testimony, I provide a few
25 examples of TCCF's recent attempts to use TAFI for

1 opening trouble tickets and LENS for ordering. After
2 investing approximately 14 hours attempting to use
3 these two OSS, TCCF had accomplished nothing. In both
4 cases, the TCCF customer service rep involved
5 contacted the BellSouth help desk and spoke with Jason
6 Weaver, who apologized for the problems and suggested
7 that the order TCCF was attempting to process via LENS
8 be processed manually.

9 BellSouth's OSS do not perform, as reported
10 by the witnesses that have testified in this
11 proceeding. Over the past one plus years, TCCF has
12 learned that it is more efficient to place orders
13 manually than it is to attempt to utilize existing
14 OSS. We have a business to run and should not be
15 expected to troubleshoot deficient OSS.

16 To eliminate all of the finger-pointing,
17 the Commission must require BellSouth to demonstrate
18 RNS and DOE side by side with EDI, LENS, and TAG. A
19 side-by-side comparison while processing like orders
20 will prove that nondiscriminatory access to OSS has
21 not been provided.

22 I do not agree with Ms. Arrington's
23 suggestion that the Commission at the conclusion of
24 this hearing should direct the parties to negotiate
25 OSS language. Based upon the amount of language that

1 was passed back and forth between the parties during
2 the renegotiation period, I believe that sending the
3 parties back to negotiate will only result in
4 additional delays and expense to TCCF and BellSouth.

5 TCCF does not agree with the OSS rates
6 included within Ms. Arrington's testimony. Even
7 though the rates now proposed have been reduced by
8 comparison with those proposed previously to TCCF, no
9 OSS rate should be included within the agreement.

10 TCCF is a small reseller and does not have
11 the personnel or the resources required to perform a
12 detailed analysis of the BellSouth cost model which
13 has been submitted by BellSouth's witness,
14 Ms. Caldwell. I did list a number of general
15 observations regarding the cost study within my
16 rebuttal testimony. The list of observations and
17 concerns is potentially endless.

18 The only way to provide fair treatment for
19 resellers is to charge a consistent fee for processing
20 all orders, reseller and retail, and to then provide a
21 discount to the resellers to cover the cost of sales,
22 marketing, customer service, order entry, collections,
23 billing, and bad debt. Previously incurred by
24 BellSouth, all of these costs are now the
25 responsibility of the reseller. This is the way the

1 system has been working. If the proposed OSS fees are
2 permitted, BellSouth will, in effect, be allowed to
3 recapture a portion of the discount established by
4 this Commission.

5 Thank you.

6 Q Does that conclude your summary?

7 A It does.

8 MS. KAUFMAN: Ms. Welch is available for
9 cross examination.

10 COMMISSIONER CLARK: Ms. Keyer?

11 CROSS EXAMINATION

12 BY MS. KEYER:

13 Q Good morning, Ms. Welch.

14 A Good morning.

15 Q You have indicated that you do not believe
16 that BellSouth is providing nondiscriminatory access.
17 Is it your position that nondiscriminatory access
18 would be allowing TCCF or the ALECs access to RNS and
19 DOE? Is that what you're saying?

20 A No, that's not what I'm saying.

21 Q Okay. You're saying -- so what is your
22 idea or your view of what nondiscriminatory access is?

23 A The resellers need to be given access to
24 OSS that perform equally to the OSS that your folks
25 use.

1 Q And it's your position that they're not?

2 A Absolutely.

3 Q And you're basing your testimony and your
4 position on TCCF's experience in playing around with
5 these systems; is that correct?

6 A I know you folks have taken exception or
7 capitalized on my using the "playing around" term, and
8 I guess it was a poor choice of words. We have not
9 played around with anything. We have been very
10 serious in our business. We've been a reseller for
11 close to three years. If we weren't serious, if we
12 weren't competent at what we do, I don't think we
13 would be here today.

14 Q Okay. My question is, Ms. Welch, your
15 opinion as to whether or not BellSouth is providing
16 nondiscriminatory access is based on TCCF's experience
17 as you described, I believe, in your direct testimony
18 and when you were here in the previous day of this
19 hearing?

20 A Is it based on our experience? Yes. I
21 mean, I have a very recent example that I can give
22 you.

23 Q No, I just wanted to know if your opinion
24 was based on your experience. That's what I wanted to
25 know, and you've answered that.

1 A Absolutely.

2 Q Thank you.

3 A And conversations with other resellers.

4 Q Now, you would agree, would you not, that
5 -- I think you talked about some orders falling into
6 clarification, falling out for clarification?

7 A I think you need to ask the question more
8 specifically.

9 Q Well, I haven't asked the question yet. I
10 was just referring you to your testimony about that.

11 A All right.

12 Q You would agree that orders, if they do
13 have errors on them, should not be processed, wouldn't
14 you? You would not want an order to flow through if
15 it had an error in it, would you?

16 A Correct.

17 Q As far as the language that was negotiated
18 between ICCF and BellSouth, wasn't the major dispute
19 as to the language the issue as to whether or not OSS
20 rates should be included?

21 A Ask your question again, please.

22 Q Wasn't the, I guess, major dispute as far
23 as the OSS language that was going to be included in
24 the resale agreement, wasn't that dispute over whether
25 or not OSS rates should be included?

1 A Well, I think the dispute was two-part.
2 One, we don't believe the rate should be included at
3 all. And number two, if they are mandated by the
4 Commission, what should the rates be? I believe the
5 rates in the agreement are excessive.

6 MS. KEYER: I don't have any further
7 questions.

8 COMMISSIONER CLARK: Staff?

9 MS. MCKINNEY: Yes, Commissioner.

10 CROSS EXAMINATION

11 BY MS. MCKINNEY:

12 Q Good morning, Ms. Welch.

13 A Good morning.

14 Q Just now when Ms. Keyer was asking you
15 questions, you made mention of a recent experience.
16 Could you tell us what that is, please?

17 A I'll be glad to. Last week we had a very
18 large customer that had not paid their bill. This
19 customer owed us in excess of \$120,000. One of the
20 approaches that you can take when a customer has not
21 paid their bill is to suspend their service for
22 nonpay, and once they've paid you, to do a restoral.

23 In the last day of testimony, I mentioned
24 that LBNS ordering has very limited capabilities. One
25 of those capabilities is supposed to be to do a denial

1 for nonpay and then a restoral. In this particular
2 case, we found out that we could not do either using
3 LENS. We had 573 lines that we needed to suspend for
4 nonpay.

5 COMMISSIONER JACOBS: Excuse me. Does LENS
6 interact with DOE and RNS, or is it separate?

7 WITNESS WELCH: That would have to be a
8 question for BellSouth. I don't know if it
9 interfaces.

10 COMMISSIONER JACOBS: How do you use it?

11 WITNESS WELCH: We sit in front of a
12 terminal and enter orders onto a screen. It's a menu
13 driven kind of product.

14 COMMISSIONER JACOBS: Are you interfacing
15 with LENS, or are you interfacing with the other two?

16 WITNESS WELCH: With LENS.

17 COMMISSIONER JACOBS: And you never -- in
18 your process, you never interact with DOE or RNS?

19 WITNESS WELCH: Not that I'm aware of,
20 unless it's at some point in the BellSouth shop.

21 COMMISSIONER JACOBS: Okay. Do you know if
22 that's the case or not, whether or not what they enter
23 ever interacts with RNS or DOE?

24 MS. KEYER: They are two different systems,
25 and we do have a witness who will be addressing the

1 OSS and can probably explain that in greater detail.

2 COMMISSIONER JACOBS: Okay.

3 MS. KEYER: But the ALECs would be using
4 the LENS to access our operational support systems,
5 and BellSouth would be using RNS and DOE. And they
6 have certain limitations, but the OSS witness would
7 be better to tell you that.

8 COMMISSIONER JACOBS: Okay. I'm sorry.

9 WITNESS WELCH: So again, back to last
10 week. We had 573 lines that we wanted to suspend for
11 nonpay. Looking at the specs on ordering in the LENS
12 area, we should have been able to handle this order.
13 We could not. So we had to disconnect 573 lines.

14 When the customer paid us and we wanted to
15 turn their service back on, we already knew that we
16 couldn't do the restoral, but we thought that we could
17 do a switch-as-is, another category that we have been
18 told that LENS can handle. Well, guess what? LENS
19 couldn't handle it.

20 Under this scenario, if we had signed the
21 agreement in May, we would have been charged \$23 times
22 573 lines for a service order. That's \$13,179. We
23 would have been charged \$20.08 times 573 lines to
24 disconnect this order. We would have been charged
25 \$20.08 times 573 lines to reconnect this customer.

1 Now, I have a customer that I've suspended
2 for nonpay, which would lead you to believe that they
3 don't have the money to pay their bill. I now am
4 sitting with \$36,190.68 worth of charges. What am I
5 supposed to do with those? That's excessive.

6 Now, do the OSS work as the witnesses that
7 have given testimony in this hearing say they do? No,
8 they do not.

9 MS. MCKINNEY: Thank you, Ms. Welch. No
10 further questions.

11 COMMISSIONER CLARK: Redirect?

12 MS. KAUFMAN: I have no redirect.

13 COMMISSIONER CLARK: Thank you, Ms. Welch.
14 Ms. Keyer?

15 MS. KEYER: BellSouth will call Susan
16 Arrington.

17 - - - - -

18 SUSAN ARRINGTON

19 was called as a rebuttal witness on behalf of
20 BellSouth Telecommunications, Inc. and, having been
21 previously sworn, testified as follows:

22 DIRECT EXAMINATION

23 BY MS. KEYER:

24 Q Would you please state your name?

25 A My name is Susan Arrington.

1 Q And by whom are you employed?

2 COMMISSIONER CLARK: Ms. Arrington, your
3 mike is not on.

4 WITNESS ARRINGTON: Okay. Can you hear me?

5 COMMISSIONER CLARK: Thank you.

6 BY MS. KEYER:

7 Q Much better. By whom are you employed,
8 Ms. Arrington?

9 A I'm employed by BellSouth
10 Telecommunications.

11 Q And have you previously caused to be
12 prepared and prefiled in this case rebuttal testimony
13 consisting of 13 pages?

14 A Yes, I have.

15 Q Do you have any changes to your testimony?

16 A No, I do not.

17 Q If I were to ask you the same questions
18 that were posed in your prefiled rebuttal testimony
19 today, would your answers be the same?

20 A Yes, they would.

21 MS. KEYER: I would like to have the
22 testimony of Ms. Arrington inserted into the record as
23 if read.

24 COMMISSIONER CLARK: It will be inserted in
25 the record as though read.

1 MS. KAUFMAN: Commissioner Clark, I believe
2 that some of Ms. Arrington's rebuttal testimony was
3 stricken.

4 MS. KEYER: Oh, you're right.

5 COMMISSIONER CLARK: Would you refresh our
6 memory?

7 MS. KAUFMAN: My notes reflect page 6,
8 lines 6 through 25; all of page 7; page 8, lines 1
9 through 24, and then SMA-5 and 6.

10 COMMISSIONER CLARK: SMA what?

11 MS. KAUFMAN: Her exhibits, SMA-5 and 6.

12 COMMISSIONER CLARK: Ms. Keyer, okay?

13 MS. KEYER: Yes. Thank you.

14 COMMISSIONER CLARK: The testimony will be
15 inserted in the record as though read, with the
16 exceptions noted by Ms. Kaufman. And at the
17 appropriate time we'll do the exhibits.

18 BY MS. KEYER:

19 Q Now, aside from Exhibits 5 and 6 to your
20 testimony, did you prepare other exhibits that were
21 associated with your rebuttal testimony?

22 A Yes, I did.

23 Q And were those exhibits prepared by your or
24 under your direction and supervision?

25 A Yes, they were.

1 Q Do you have any changes to those exhibits?

2 A No, I do not.

3 MS. KEYER: Okay. I would like to have the
4 exhibits attached to Ms. Arrington's deposition --
5 they were SMA-3 and SMA-4 -- marked for
6 identification.

7 COMMISSIONER CLARK: I'm sorry. You've
8 confused me. Are these -- what are the exhibits
9 attached to her testimony?

10 MS. KEYER: She had four exhibits that were
11 attached to her rebuttal testimony.

12 COMMISSIONER CLARK: Okay.

13 MS. KEYER: Two of which were stricken with
14 the stricken portions.

15 COMMISSIONER CLARK: Okay.

16 MS. KEYER: So she has two remaining, which
17 are SMA-3 and 4. And she had -- SMA-1 and 2, I
18 believe, were part of her direct.

19 COMMISSIONER CLARK: Okay. You said
20 deposition. That's what confused me.

21 MS. KEYER: I'm sorry.

22 COMMISSIONER CLARK: All right.

23 MS. KEYER: It's to her rebuttal testimony.

24 COMMISSIONER CLARK: All right. They will
25 be identified as Exhibit 21.

(Exhibit 21 was marked for identification.)

MS. KEYER: So you really do listen.

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2

BELLSOUTH TELECOMMUNICATIONS, INC.

3

REBUTTAL TESTIMONY OF SUSAN ARRINGTON

4

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

5

DOCKET NO. 981052-TP

6

DECEMBER 21, 1998

7

8 Q. PLEASE STATE YOUR NAME AND COMPANY NAME AND ADDRESS.

9

10 A. My name is Susan Arrington. I am employed by BellSouth
11 Telecommunications, Inc. as Manager- Interconnection Services Pricing. My
12 business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

13

14 Q. ARE YOU THE SAME SUSAN ARRINGTON WHO FILED DIRECT
15 TESTIMONY IN THIS PROCEEDING?

16

17 A. Yes.

18

19 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

20

21 A. The purpose of my testimony is to rebut the testimony filed in this docket by
22 Telephone Company of Central Florida (TCCF) witnesses, Andrea Welch and
23 Elder N. Ripper, regarding the arbitration and complaint issues in this
24 proceeding; cost recovery of the Operational Support Systems and the
25 availability of BellSouth's ESSX® Service for resale to new customers.

1 **Rebuttal to Ms. Welch's Testimony**

2

3 Q. MS. WELCH IMPLIES ON PAGE 5, LINE 7 OF HER DIRECT
4 TESTIMONY THAT THE MANUAL OSS RATES PROPOSED BY
5 BELLSOUTH ARE "PENALTIES" FOR THE MANUAL PROCESSING OF
6 ORDERS. DOES BELLSOUTH AGREE?

7

8 A. No they are not "penalties" for the manual processing of an order. BellSouth
9 incurs a cost for processing an order manually and electronically. As one
10 would expect, BellSouth's costs to process a manual order are higher than the
11 costs to process an electronic order. The OSS rates proposed by BellSouth are
12 based upon the developmental costs incurred by BellSouth, and the actual cost
13 to work an order either electronically or manually.

14

15 Q. TCCF CLAIMS BELLSOUTH IS ARBITRARILY IMPOSING THE OSS
16 RATES ON RESELLERS TO INFLATE THE RESELLER'S COST OF
17 DOING BUSINESS. PLEASE COMMENT ON THESE CLAIMS.

18

19 A. BellSouth is not arbitrarily imposing OSS rates on Resellers to increase the
20 Reseller's cost of doing business. The OSS rates proposed by BellSouth are
21 based upon cost studies addressed in Ms. Caldwell's Direct Testimony, and are
22 appropriate costs to be recovered by BellSouth from TCCF and other ALECs.
23 Under Federal law, BellSouth is allowed to recover its costs.

24

25

1 Q. DID BELLSOUTH CHANGE ITS POSITION ON THE PROPOSED
2 LANGUAGE REGARDING OSS IN ITEM U AFTER TCCF HAD
3 AGREED TO THE LANGUAGE?

4
5 A. No. BellSouth did not change its position on the language it proposed to
6 TCCF for Item U after TCCF had agreed to the language. The language
7 proposed by BellSouth for Item U was specific to the state of Florida as it cited
8 Florida Public Service Commission dockets. While the language was
9 appropriate for Florida, it was not appropriate for the other eight BellSouth
10 states.

11
12 BellSouth proposed alternative language for Item U to TCCF on August 11,
13 1998, which was appropriate for all BellSouth states including Florida. Even
14 after August 11, 1998, BellSouth continued to offer the original language that
15 TCCF had agreed to for the state of Florida, but TCCF was not interested in
16 negotiating separate agreements for each state and chose instead to arbitrate
17 this issue in Florida.

18
19 Q. WHY DID BELLSOUTH REJECT THE OSS COST RECOVERY
20 LANGUAGE PROPOSED BY TCCF ON SEPTEMBER 24, 1998?

21
22 A. BellSouth did not agree to the broad language proposed by TCCF on
23 September 24, 1998, because it prohibited BellSouth from recovering its OSS
24 costs until such time as a state commission established rates for electronic
25

1 interfaces. Furthermore, TCCF's proposed language did not allow BellSouth
2 to recover its costs for manual order processing.

3

4 Q. WHAT LANGUAGE DID BELLSOUTH PROPOSE IN RESPONSE TO
5 TCCF'S SEPTEMBER 24, 1998, PROPOSED LANGAUGE?

6

7 A. As Ms. Welch stated in her Direct Testimony on page 8, line 9, BellSouth
8 provided counter language to TCCF on September 29, 1998. BellSouth's
9 proposal is attached as Exhibit SMA-3. BellSouth's counter proposal differed
10 from TCCF's in that it included interim OSS rates for those BellSouth states
11 that had not yet ordered final OSS rates. As is the case with Florida, the
12 interim rates proposed by BellSouth, which included the cost of development,
13 processing, and maintenance of OSS systems, would be subject to true-up once
14 final rates were established by the Commission.

15

16 Q. TCCF ALLEGES THAT BELLSOUTH IS INCLUDING OSS RATES AS A
17 WAY TO INCREASE PROCESSING COSTS ASSOCIATED WITH
18 RESELLER ORDERS. PLEASE COMMENT ON THIS ALLEGATION.

19

20 A. This allegation is not true. TCCF seems to believe that BellSouth has singled
21 them out as a Reseller to assess OSS charges. The truth of the matter is that
22 BellSouth has negotiated OSS language and rates in a number of ALEC
23 agreements. The original OSS language proposed to TCCF was included in
24 BellSouth's standard agreements. During negotiations, BellSouth attempted to
25 negotiate OSS language that was acceptable to both BellSouth and TCCF,

1 while still permitting BellSouth to recover its OSS costs. As is the case in
2 negotiations, several versions of OSS language were exchanged between the
3 parties with the hope of reaching an agreement. BellSouth's only intent for
4 including OSS rates is to recover its costs of development, processing and
5 maintenance of the OSS interfaces for ALECs.

6
7 Q. ON PAGE 11, LINE 20, MS. WELCH STATES THAT "BELLSOUTH HAS
8 CONSCIOUSLY CHOSEN NOT TO PROVIDE RESELLERS ACCESS TO
9 ITS EXISTING SYSTEMS". HOW DOES BELLSOUTH RESPOND TO
10 THIS ALLEGATION?

11
12 A. This allegation is simply not true. BellSouth witness Ron Pate explains in his
13 Rebuttal Testimony how ALECs have nondiscriminatory access to electronic
14 interfaces for preordering, ordering, provisioning, maintenance and repair.

15
16 Q. ON PAGE 16, LINE 17 OF HER DIRECT TESTIMONY, MS. WELCH
17 ASKS THE QUESTION WHY RESELLERS SHOULD "BE CHARGED
18 \$22.00 (AS OPPOSED TO \$10.80) FOR THE MANUAL SUBMISSION OF
19 AN ORDER WHEN NO ALTERNATIVE MEANS OF SUBMITTING THE
20 ORDER EXISTS?" CAN YOU ADDRESS THIS QUESTION?

21
22 A. Yes. However, as a result of current BellSouth cost studies, the actual manual
23 charge proposed by BellSouth is \$20.08, not \$22.00 as originally proposed to
24 TCCF. The \$20.08 manual charge is based on BellSouth's cost to process
25 manual orders. Regardless of whether an alternative means is available for

1 submitting that order. BellSouth incurs a cost and that cost is being assessed to
2 the Reseller in the form of a manual OSS rate. BellSouth witness Ron Pate
3 explains in his Rebuttal Testimony why BellSouth does not offer an electronic
4 means for processing all resale orders.

5
6 Q. ON PAGE 3 OF MS. WELCH'S DIRECT TESTIMONY, SHE STATES
7 THAT THERE IS A NEED TO INCLUDE LANGUAGE IN THE RESALE
8 AGREEMENT TO ENSURE THAT THE SERVICE ORDER INTERVALS
9 AVAILABLE TO TCCF ARE AT PARITY TO BELL SOUTH'S SERVICE
10 ORDER INTERVALS. CAN YOU COMMENT ON THIS STATEMENT?

11
12 A. First, service order intervals was not an issue identified by the Parties and the
13 Staff. Second, BellSouth does not believe that service order intervals was an
14 "open issue" at the conclusion of the negotiation period and, therefore, is not
15 an appropriate issue in this arbitration proceeding. In a letter to TCCF dated
16 July 10, 1998, attached as Exhibit SMA-4, BellSouth stated that there were two
17 open issues that the parties had not been able to agree upon. These two issues
18 were identified as the provision of CENTREX service and electronic
19 interfaces. The service order intervals issue was not listed as an open issue and
20 TCCF never attempted to include it as an open issue at the time the letter was
21 received by TCCF. That being said, the service order intervals available to
22 ALECs, including TCCF, are at parity with BellSouth's service order intervals.

23
24 Q. DID THE PARTIES AGREE ON LANGUAGE REGARDING SERVICE
25 ORDER INTERVALS DURING NEGOTIATIONS?

1
2 A. Yes. The service order interval language, which was agreed to by the Parties is
3 found in both the current Resale Agreement and the Re-Negotiated Agreement
4 as Section VI, Item C and reads: "When notification is received from Reseller
5 that a current customer of the Company will subscribe to Reseller's service,
6 standard service order intervals for the appropriate class of service will apply."
7 Furthermore, Ms. Welch even states in her Direct Testimony on page 22, lines
8 19 through 22, "TCCF did not request the addition of any language or
9 revisions to the existing language because, as written, the language is clear and
10 obligates BellSouth to provide service order intervals equal to those provided
11 to their end user customers."

12
13 If TCCF believes that BellSouth is not adhering the terms and conditions of the
14 current Resale Agreement, TCCF has the option to avail itself of the Dispute
15 Resolution section of the Resale Agreement, and petition the Commission for a
16 resolution of the issue it disputes. However, this arbitration proceeding is not
17 the appropriate forum to discuss whether or not BellSouth is meeting its
18 contractual obligations with respect to service order intervals since both parties
19 agreed to the contractual language on this issue.

20
21 Q. DID TCCF RAISE SERVICE ORDER INTERVALS AS AN ISSUE
22 DURING NEGOTIATIONS?

23
24 A. Yes. Service order intervals were listed on TCCF's list of "Items for
25 Discussion" during negotiations. TCCF listed this issue as "Section VI, Item C

– Not happening. Need copy of most current Service Order Intervals.”

2 During negotiations, the parties discussed this issue and BellSouth advised
3 TCCF that the current service order intervals were available to TCCF via the
4 internet. BellSouth sent TCCF instructions on how to access the BellSouth
5 Interconnection Services web site and listed the types of information available
6 to TCCF from this web site. (Exhibit SMA-5). No further discussions were
7 held between the parties on this issue.

8
9 Furthermore, in a letter dated July 10, 1998, BellSouth made reference to the
10 fact that there were two open issues, electronic interfaces and Centrox type
11 services. TCCF never once attempted to amend this statement to include a
12 third issue, which would have addressed service order intervals.

13
14 **REGARDLESS OF WHETHER OR NOT THIS IS AN ISSUE IN THIS**
15 **PROCEEDING, WHAT IS BELLSOUTH'S POSITION REGARDING**
16 **SERVICE ORDER INTERVALS?**

17
18 A copy of BellSouth's standard Service Order Intervals are attached hereto as
19 Exhibit SMA-6. BellSouth provides these intervals to ALECs to use as a guide
20 for setting an installation interval based on the type of service being provided.
21 However, the various control centers adjust the appointment date given to the
22 ALECs based upon force and load conditions. The appointment dates are
23 adjusted in an identical manner for BellSouth's retail customers.

24
25 **REBUTTAL OF MR. RIPPER'S TESTIMONY**

1

2 Q. MR. RIPPER STATES ON PAGE 3, LINES 12 THROUGH 20 OF HIS
3 DIRECT TESTIMONY THAT THE ORIGINAL RESALE AGREEMENT
4 BETWEEN BELLSOUTH AND TCCF INCLUDED THE RESALE OF
5 ESSX® SERVICE. WHAT IS BELLSOUTH'S RESPONSE TO THIS
6 STATEMENT?

7

8 A. BellSouth does not dispute that the original Resale Agreement between TCCF
9 listed Centrex type services as available for resale by TCCF. However,
10 TCCF's Resale Agreement also stated that grandfathered services were not
11 available for resale. When TCCF signed the Resale Agreement, BellSouth's
12 ESSX® Service was not a grandfathered service and was available for resale
13 by TCCF. However, once BellSouth's ESSX® Service was grandfathered on
14 May 30, 1996, according to the tariff grandfathering this service as well as
15 Section III. A. of TCCF's own Resale Agreement, ESSX® Service was no
16 longer available for resale by TCCF to new customers.

17

18 Q. IS BELLSOUTH REQUIRED UNDER THE CURRENT TCCF RESALE
19 AGREEMENT TO PROVIDE A WORKING ESSX CENTREX NETWORK
20 TO TCCF AS SUGGESTED BY MR. RIPPER ON PAGE 4 OF HIS DIRECT
21 TESTIMONY?

22

23 A. No. Under the current Resale Agreement with TCCF, BellSouth is required to
24 make available to TCCF for resale its tariffed local exchange services,
25 including Centrex type services. However, the current agreement also states

1 that grandfathered services are not available for resale, therefore, once
2 BellSouth's ESSX® Service was grandfathered, BellSouth was no longer
3 obligated to make this service available to TCCF for resale to new customers.

4

5 Q. IS BELLSOUTH OBLIGATED UNDER THE ACT TO MAKE ITS ESSX®
6 SERVICE AVAILABLE FOR RESALE TO NEW CUSTOMERS BY TCCF
7 AS IMPLIED BY MR RIPPER IN HIS DIRECT TESTIMONY ON PAGE 9,
8 LINES 14 THROUGH 22?

9

10 A. No. BellSouth has no obligation under the Act to make its ESSX® Service
11 available for resale by TCCF to new customers. Section 251(c)(4) of the Act
12 requires BellSouth to make its telecommunications services that it provides at
13 retail, available for resale to subscribers who are not telecommunications
14 carriers. The FCC's Order dated August 8, 1996, finds that grandfathered
15 services are available for resale by resellers "for the purpose of serving
16 grandfathered customers." (FCC First Report and Order, p. 492.) Therefore,
17 grandfathered services are not available for resale to new customers.

18

19 Q. SHOULD THE COMMISSION REQUIRE BELLSOUTH TO OFFER ITS
20 ESSX® SERVICE ON A GOING-FORWARD BASIS TO TCCF AS MR.
21 RIPPER SUGGESTS ON PAGE 10, LINES 18 THROUGH 20?

22

23 A. No. This Commission should not require BellSouth to make its ESSX®
24 Service, a grandfathered service, available for resale to new customers by
25 TCCF. This Commission approved the tariff filing that grandfathered

1 BellSouth's ESSX® Service on May 30, 1996. Furthermore, this Commission
2 recognized in its December 31, 1996, Order in Docket Nos. 960833-TP,
3 960846-TP and 960916-TP, that grandfathered services should not be made
4 available for resale to new customers.

5

6 Q. SHOULD THIS COMMISSION REQUIRE BELLSOUTH TO OFFER ITS
7 MULTISERV® SERVICE (REPLACES ESSX®) TO TCCF AT THE SAME
8 PRICE POINTS AS ITS ESSX® SERVICE AS MR. RIPPER ALSO
9 SUGGESTS AS A POSSIBLE SOLUTION?

10

11 A. No. BellSouth should not be required to provide its MultiServ® Service to
12 TCCF at anything less than the tariffed rates minus the wholesale discount.
13 BellSouth filed, and this Commission has approved, its MultiServ® tariff with
14 its appropriate rates. It is not appropriate to require BellSouth to offer
15 MultiServ® to TCCF at the same price points as its ESSX® Service.

16

17 Q. IS BELLSOUTH WILLING TO OFFER TCCF A SPECIAL PRICING
18 ARRANGEMENT ON MULTISERV® IN PLACE OF ESSX® SERVICE?

19

20 A. No. As I have stated before, BellSouth's MultiServ® Service tariff rates have
21 been filed and approved by this Commission. The Parties have also agreed to a
22 wholesale discount rate on telecommunication services resold in the state of
23 Florida. TCCF is asking that BellSouth give it an additional discount over and
24 above the wholesale discount rate on a BellSouth retail service. BellSouth

25

1 should not be ordered to provision MultiServ[®] Service at the ESSX[®] Service
2 rates.

3

4 Q. DOES BELLSOUTH DISPUTE THE AVAILABILITY OF BELLSOUTH'S
5 ESSX[®] SERVICE TO TCCF'S CURRENT ESSX CUSTOMERS FOR THE
6 REMAINDER OF THE 73-MONTH PERIOD?

7

8 A. No. TCCF's current ESSX customers may remain on their existing ESSX
9 arrangement for the remainder of the 73-month period. However, TCCF may
10 not resell BellSouth's ESSX[®] Service to any new customers during the
11 remainder of this period. TCCF should not be allowed to violate the tariff
12 grandfathering BellSouth's ESSX[®] Service.

13

14 Q. IN HIS TESTIMONY ON PAGE 11, LINES 3 THROUGH 10, MR. RIPPER
15 SUGGESTS THAT THE COMMISSION SHOULD PLACE
16 REQUIREMENTS ON BELLSOUTH TO ENSURE THAT ESSX[®]
17 SERVICE IS PROVIDED APPROPRIATELY UNDER THE NEW
18 AGREEMENT. DOES BELLSOUTH AGREE?

19

20 No, BellSouth does not agree that this Commission should place requirements
21 on BellSouth for the provision of its ESSX[®] Service to TCCF. First,
22 BellSouth's ESSX[®] Service is a grandfathered service which is not available
23 for resale to new customers. Therefore, BellSouth is not required, nor should it
24 be required by this Commission, to make ESSX[®] Service available for resale
25 by TCCF to new customers. Furthermore, the provisioning problems

1 encountered by TCCF are more appropriate for the Complaint issue in this
2 proceeding and are not appropriate for discussion in response to the arbitration
3 issues.

4
5 Q. MR. RIPPER CONTENDS THAT THIS COMMISSION SHOULD
6 REQUIRE BELLSOUTH TO PROVIDE NEW ESSX® SERVICE FOR
7 RESALE BY TCCF BECAUSE BELLSOUTH DID "EVERYTHING IN ITS
8 POWER TO DELAY THE IMPLEMENTATION OF ESSX BY TCCF." IS
9 THIS TRUE?

10
11 A. No. In fact, as BellSouth witness Marc Cathey discusses in his Rebuttal
12 Testimony, the BellSouth Account Team worked very closely with TCCF to
13 provision the ESSX® Service for TCCF in the manner requested by TCCF. In
14 addition, BellSouth spent a great deal of resources on upgrades to its central
15 offices to provision the ESSX® Service to TCCF even though BellSouth was
16 not obligated to provision this service once it had been grandfathered.

17
18 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

19
20 A. Yes.

21

22

23

24

25

1 BY MS. KEYER:

2 Q Have you prepared a summary, Ms. Arrington,
3 of your testimony?

4 A Yes, I have.

5 Q Would you please give that to the
6 Commissioners?

7 A Good morning, Commissioners. My rebuttal
8 testimony addresses both the arbitration issues and
9 the complaint issues in this proceeding, mainly the
10 OSS rates and the resale of ESSX, a grandfathered
11 service.

12 TCCF does not believe that BellSouth has a
13 right to recover its OSS costs, when actually, under
14 federal law, BellSouth is permitted to recover those
15 costs associated with providing access to unbundled
16 network elements, and operational support systems are
17 considered to be an unbundled network element.

18 The OSS rates proposed by BellSouth in this
19 proceeding are cost-based rates to recover the costs
20 associated with providing ALECs such as TCCF access to
21 these operational support systems. The rates are
22 appropriate rates to be included in TCCF's resale
23 agreement.

24 The other arbitration issue is the resale
25 of ESSX, a grandfathered service. TCCF would like to

1 be able to resell this grandfathered service to new
2 customers under its new resale agreement. And as we
3 all know, ESSX was grandfathered in May of 1996 in a
4 tariff that was approved by this Commission. That
5 tariff clearly states that the ESSX Service is no
6 longer available for new customers. Both the FCC and
7 this Commission have also stated in orders that
8 grandfathered services should only be made available
9 for resale to existing customers, and these services
10 are not available for resale to new customers.
11 BellSouth is not required, nor should it be required,
12 to resell ESSX, a grandfathered service, or make this
13 grandfathered service available to TCCF to resell to
14 new customers in the new resale agreement.

15 Furthermore, BellSouth should not be
16 required to provide MultiServ Service, which is the
17 service that replaced ESSX when it was grandfathered,
18 available to TCCF at anything less than the Commission
19 approved tariffed rates for MultiServ Service.

20 Thank you.

21 Q Does that conclude your testimony -- I mean
22 your summary?

23 A Yes, it does.

24 MS. KEYER: Ms. Arrington is available for
25 cross.

1 COMMISSIONER CLARK: Ms. Kaufman?

2 MS. KAUFMAN: Thank you.

3 CROSS EXAMINATION

4 BY MS. KAUFMAN:

5 Q Good morning, Ms. Arrington.

6 A Good morning.

7 Q I want to look first at page 2 of your
8 rebuttal testimony, the first question and answer
9 there. If I understand what you're saying, you take
10 issue with Ms. Welch's description of the manual
11 charge you propose of \$20.03. You take issue with her
12 description of that as a penalty; is that correct?

13 A Yes, I do. It's not a penalty. This is a
14 cost that BellSouth incurs to process the order
15 manually.

16 Q Is it true, however, that if BellSouth does
17 not have an electronic system capable of processing
18 the order, that the reseller will be charged the
19 manual charge?

20 A They would have to process that order
21 manually, so, yes.

22 Q And I think we might have established this
23 last time, but the manual charge is about three times
24 more than the electronic ordering charge; right?

25 A It is a higher charge, and I think that's

1 pretty obvious. It costs more to process an order
2 manually than it does electronically.

3 Q You heard Ms. Welch's description of the
4 situation that occurred last week with her attempts to
5 use LENS. Do you hear her discussion?

6 A Yes, I did. Yes, I did.

7 Q And in that situation, you would want to
8 assess the manual charge; correct?

9 A If they processed the order manually, then
10 yes, the manual charge would apply.

11 Q On the next page of your testimony,
12 beginning at page 3, you say that during the
13 negotiations with TCCF, BellSouth did not change its
14 position on the language that relates to the OSS
15 charges; is that right?

16 A That's correct. And the language that
17 we're talking about here was language which referenced
18 Florida proceeding dockets, and therefore, that
19 language was not appropriate for the other eight
20 states.

21 Q Okay. Well, we're going to go through the
22 language. Do you have Ms. Welch's direct testimony
23 with you?

24 MS. KAUFMAN: Commissioners, unfortunately,
25 this is going to require some flipping back and forth,

1 because Ms. Welch's testimony is where the actual
2 language appears.

3 BY MS. KAUFMAN:

4 Q Do you have that, Ms. Arrington?

5 A Yes, I do.

6 Q Okay. If you'll turn to page 6 of
7 Ms. Welch's testimony, the top of the page, lines 1
8 through 14, that is Item U that you reference in your
9 rebuttal testimony, page 3, that we just discussed;
10 correct?

11 A That's correct, and it references the
12 docket numbers for the AT&T and the MCI arbitration
13 cases.

14 Q I understand. Okay. I just want to be
15 sure we're talking about the same language here.

16 And the language that you propose here on
17 page -- or that Ms. Welch has represented on page 6 is
18 acceptable to BellSouth today; is that correct?

19 A It's acceptable for the State of Florida.
20 It does not -- it's not applicable for the other eight
21 states.

22 Q I understand. And this language on page 6
23 of Ms. Welch's testimony doesn't have an OSS chart,
24 and it doesn't have any OSS rates pending the outcome
25 of the AT&T/MCI proceeding; right?

1 A There are no rates and there's no rate
2 table associated with this language, because what this
3 language says is that once BellSouth agrees to --
4 well, let me back up. The order that was issued in
5 these dockets required the parties to go and negotiate
6 OSS rates. Therefore, when we offered this language
7 to TCCF, what we were basically saying was, BellSouth
8 is going to negotiate OSS rates, both manual and
9 electronic, with the parties in these dockets.
10 Whatever rates we agree to with these parties will
11 apply to TCCF as well.

12 Q I understand. And I guess that was a long
13 yes to my question.

14 A Yes.

15 Q Which was, the language that's on page 6 of
16 Ms. Welch's testimony is acceptable in Florida to
17 BellSouth today?

18 A Yes.

19 Q Then Ms. Welch sent you some language in
20 response, I guess, and that appears in her testimony
21 on page 7, lines 1 through 14; is that right? That's
22 her September 24th language?

23 A I think it's lines 14 through 22.

24 Q I'm sorry. You're right. And it goes over
25 to the next page. That's the language that she sent

1 you in response to your Item U that we just looked at?

2 A Yes.

3 Q Okay. Now, when I look at Item U and what
4 Ms. Welch sent you, the only difference I see is that
5 the language she sent you makes the charges applicable
6 to all the states. In other words, to the extent that
7 Alabama comes up with some sort of charge, that would
8 be the charge you would apply to TCCF in Alabama. Do
9 you agree with that?

10 A Yes, I agree that that was the intent of
11 the language. However, the problem is, we don't know
12 when this issue is going to come before the
13 Commissions in some of the other states.

14 Now, it's true that some of the other
15 states within the BellSouth region have already
16 ordered OSS rates, but there are some states that have
17 yet to rule on this issue and actually establish a
18 rate for OSS.

19 Q Okay. So one reason that you were
20 unwilling to accept Ms. Welch's language that appears
21 on page 7 is that you were worried that in some states
22 rates might not be established; is that right?

23 A Yes, that's correct. They might not be
24 established in a relatively short time frame. Also,
25 TCCF's language did not allow for a manual charge.

1 Q Okay. We're going to -- you're
2 anticipating my next question. And you do say that
3 you can't accept their language because it doesn't say
4 anything about manual processing?

5 A Yes.

6 Q Okay. Now, if you turn back to the
7 language that you suggested on page 6, lines 1 through
8 14, that language in there doesn't say anything about
9 manual charges, does it?

10 A I'm sorry. Where are you referring?

11 Q This is Item U, Ms. Welch's direct, page 6,
12 lines 1 through 14, the language that you said was
13 acceptable.

14 A I'm sorry. I went back to mine.

15 Q I know. It's confusing going back and
16 forth.

17 A I'm sorry. Could you repeat the question?

18 Q Sure. One of the reasons that you said you
19 could not accept the language Ms. Welch proposed is
20 because it did not allow you to collect a fee for
21 manual processing; correct?

22 A That's correct.

23 Q Okay. Now, the language that's on page 6
24 of Ms. Welch's testimony, Item U, that does not
25 propose any manual charge, does it? It talks in terms

1 of electronic interfaces, electronic systems,
2 et cetera?

3 A It does not specifically state that there's
4 a manual charge. However, it references these
5 dockets. And if you go back to the order that was
6 issued by this Commission, the Commission recognized
7 that there were both -- that there may be both
8 electronic and manual costs that are incurred by
9 BellSouth for these OSS systems, and they encouraged
10 the parties to go and negotiate those OSS rates. And
11 we would negotiate both an electronic and a manual
12 rate with the parties in these dockets.

13 Q So it's your testimony today that by
14 proffering Item U that is still acceptable to
15 BellSouth, you believe that that language represented
16 there has something to do with manual processing, even
17 though the word "manual" doesn't appear anywhere in
18 that language?

19 A Yes, I do. And as I said, we would
20 negotiate both an electronic and a manual charge with
21 the parties in this proceeding.

22 Q Why is it that you didn't say that that
23 item was supposed to cover manual processing charges
24 when you proffered the language?

25 A I think it was just implied that that's how

1 BellSouth would handle it during negotiations.

2 Q Okay. I don't want to beat a dead horse,
3 but by my count, I see the word "electronic" in there
4 three times, and I don't see the word "manual" in
5 there at all. Would you agree with that?

6 A I would agree that it's not in there. But
7 as I said, we would negotiate both an electronic and a
8 manual rate with the parties in this proceeding, and
9 that was based on this Commission's order that
10 recognized that there were both an electronic and
11 manual cost that could be recovered by BellSouth.

12 Q After you rejected Ms. Welch's September
13 24th language that we've already looked at, then you
14 came back with some language that dealt with an
15 interim fee; correct?

16 A That's correct.

17 Q And that was the first time in the
18 negotiation that you had suggested there be some
19 interim fee; is that right?

20 A That's correct. And I would like to point
21 out, BellSouth is not currently charging OSS rates
22 today. We have been negotiating OSS rates with ALECs
23 within the nine-state region for the past year now and
24 including OSS rates in agreements. Now, most of the
25 language that we've negotiated does include interim

1 rates subject to true-up.

2 Q I guess my point was, we started from the
3 premise that BellSouth had not changed their position
4 during the negotiations, and I think you just told us
5 that in response to Ms. Welch's September 24th
6 language was the first time that you proposed any sort
7 of interim language for the agreement; correct? I
8 mean interim fee language.

9 A We just agreed in that language -- or I was
10 proposing to Ms. Welch that we would make these rates
11 interim subject to true-up. Ms. Welch's previous
12 language that she proposed was basically that we would
13 not charge OSS rates until Commissions ordered those
14 rates. In an attempt to take that into consideration,
15 we made the rates interim subject to true-up.
16 Therefore, if the Commission offered a lower rate or
17 ordered a lower rate, we would true up that rate for
18 FCCF.

19 Q I understand. And again, my point is just
20 that in your response to her September 24th language
21 was the first time that you raised the issue of
22 charging an interim rate prior to any Commission
23 ordering a rate; correct?

24 A Yes.

25 Q I want to switch gears to the ESSX issue

1 for a minute. And I'm right -- tell me if I'm right,
2 Ms. Arrington, that you haven't had any involvement
3 whatsoever with TCCF and Bell actually trying to
4 provision ESSX.

5 A No, I have not. That's not my area.
6 That's handled by the account team.

7 Q So you don't have any personal knowledge as
8 to whether or not BellSouth appropriately tried to
9 provision that service or not?

10 A I'm aware of what the account team has done
11 to provision the service.

12 Q Right. But you don't have any personal
13 knowledge?

14 A No, I do not.

15 Q If this Commission were to decide after
16 they've heard the evidence in this case that TCCF
17 wasn't able to resell ESSX under its current agreement
18 due to the failure of BellSouth to appropriately
19 provision it, wouldn't the only way that the
20 Commission could remedy that situation be to allow
21 TCCF to resell ESSX under the new agreement to attempt
22 to make them whole for BellSouth's failure? What else
23 could they do? is what I'm asking you.

24 A I don't think that that's an appropriate
25 remedy. As I've stated before, the ESSX Service was

1 grandfathered, and it is no longer available for
2 resale to new customers. BellSouth does not sell it
3 to new customers. It's grandfathered to existing
4 customers only. I think that would be a violation of
5 the tariff to allow TCCF to resell this grandfathered
6 service to new customers.

7 Q I clearly understand what your position
8 is. My question to you is, if the Commission agrees
9 with TCCF in regard to what has gone on with ESSX in
10 the past two and a half years, what would you
11 recommend the Commission do to remedy the situation?

12 A Well, first of all, I don't believe that
13 allowing TCCF to resell this grandfathered service is
14 an appropriate remedy. Second of all, I don't agree
15 that BellSouth was not able to provision ESSX per the
16 tariff for TCCF during the two years of their resale
17 agreement.

18 Q Okay. I'm going to ask it one more time.
19 Here's the hypothetical. Just assume that the
20 Commission agrees with TCCF's testimony in this case
21 and that BellSouth did not do what it should have done
22 during the term of the current agreement to provision
23 ESSX. Okay? We understand your position that you
24 don't think TCCF should be allowed to resell it in the
25 new agreement because it's a grandfathered service.

1 What other remedy is there? What can the
2 Commission do, in your view, to make TCCF whole under
3 that scenario?

4 A I'm not sure that there is a remedy. ESSX
5 Service when it was grandfathered was replaced with
6 MultiServ, and TCCF has the ability to resell
7 MultiServ to its customers. And as Mr. Ripper has
8 testified this morning, he was aware that ESSX was
9 going to be a grandfathered service and that at some
10 point in time he would have to make a decision about
11 his current ESSX arrangements and an alternative
12 service.

13 Q Okay. So your testimony is that if the
14 Commission agrees that TCCF -- excuse me, that
15 BellSouth has not appropriately provisioned ESSX,
16 there's nothing the Commission can do, and TCCF
17 doesn't have any remedy here? Is that what you're
18 saying?

19 A I'm saying that TCCF has the ability to
20 resell MultiServ, which is the service that replaced
21 ESSX.

22 Q Right. And you would agree with me that
23 MultiServ is a much more expensive product than TCC --
24 excuse me, than ESSX?

25 A I wouldn't necessarily agree. I think it

1 depends on the arrangement.

2 Q Well, did you hear Mr. Ripper testify? I
3 believe he testified the first day of the hearing and
4 today as well that MultiServ is approximately 40%
5 higher than the ESSX Service.

6 A Again, I think it depends on what you're
7 using the service for and how you're setting up your
8 arrangement.

9 Q Well, in his arrangement he testified that
10 it would be 40% higher; correct?

11 A That's his testimony.

12 Q Okay. So is your testimony that the only
13 remedy TCCF has is to purchase a service that's 40%
14 higher than the ESSX Service?

15 A That's the service that's available.

16 Q And in your view, that would be their
17 remedy?

18 A Yes.

19 MS. KAUFMAN: That's all I have.

20 COMMISSIONER CLARK: I think you said ESSX
21 Service is not available, or is available. What was
22 your answer?

23 WITNESS ARRINGTON: I'm sorry. I said
24 MultiServ was available to TCCF.

25 COMMISSIONER CLARK: I'm sorry. I thought

1 you said ESSX. Okay.

2 COMMISSIONER JACOBS: Does MultiServ -- I
3 have a chart here. I'm not sure what exhibit it is.
4 It's a late-filed exhibit to, I believe, Mr. Pate's
5 late-filed rebuttal, and it is a chart that appears to
6 be of MultiServ, a functional chart, if you will. It
7 seems to indicate that MultiServ allows direct access
8 into DOE.

9 WITNESS ARRINGTON: MultiServ wouldn't.
10 MultiServ is a product offering. Are you talking
11 about an operational support system?

12 COMMISSIONER JACOBS: I'm looking at a
13 chart here, and it seems to be a flow chart of how
14 MultiServ ordering works for retail, and -- this is
15 what I'm looking at.

16 MS. KEYER: I believe, Commissioner, that
17 is the order flow for ordering MultiServ Service, but
18 it really doesn't explain what MultiServ is or how
19 MultiServ works.

20 COMMISSIONER JACOBS: Okay. Let me ask you
21 this. In the provisioning of MultiServ, would a CLEC
22 have direct access to RMS or DOE?

23 WITNESS ARRINGTON: No, sir. Those
24 systems --

25 COMMISSIONER JACOBS: They're still going

1 to have to go through your account people?

2 WITNESS ARRINGTON: They would go through
3 the operational support systems that have been
4 developed and implemented for ALECs, for use by ALECs.

5 COMMISSIONER JACOBS: Now, does that mean
6 then that they still -- your people will have to do
7 the ordering and provisioning, or could the CLEC -- I
8 should say they're acting as an ALEC, is what you're
9 telling me, when they go through MultiServ? Is that
10 what you're telling me?

11 That really doesn't matter. My question
12 is, does that entity have the opportunity to directly
13 access DOB or RNS in that process?

14 WITNESS ARRINGTON: No. And I would refer
15 you to our OSS witness, Mr. Pate.

16 COMMISSIONER JACOBS: That's the other
17 person?

18 WITNESS ARRINGTON: Yes.

19 COMMISSIONER JACOBS: Okay.

20 MS. KAUFMAN: Commissioner Clark, could I
21 ask one more question before we go to cross? I think
22 I had already tendered the witness, but I want to --

23 COMMISSIONER CLARK: Go ahead.

24 BY MS. KAUFMAN:

25 Q Ms. Arrington, you recently filed some

1 testimony in Alabama; correct?

2 A Yes, I did.

3 Q And as I recall your direct testimony, and
4 I guess Ms. Caldwell's testimony, the rates that you
5 all have proposed are based on the nine-state region;
6 correct?

7 A I'm sorry.

8 Q The OSS rates that you have proposed are
9 based on a study of all nine BellSouth states;
10 correct?

11 A Yes, the systems are for all nine states.

12 Q Now, in the testimony that you filed in
13 Alabama, you have proposed some OSS rates; correct?

14 A Yes, I have.

15 Q And those are different than the rates that
16 you have proposed here in Florida; correct?

17 A Yes, they are. It's a little different,
18 but -- and this is really a cost issue. There are
19 some different factors that are state-specific that go
20 into developing those costs, and that's why you will
21 get a -- you might get a slightly different rate in
22 each of the states.

23 Q Well, Ms. Arrington, the rates are
24 substantially different, aren't they? For example --
25 and I'm not advocating this for Florida, but isn't it

1 true that you are --

2 MS. KEYER: Commissioner, I hate -- excuse
3 me. I hate to interrupt, but that is a cost issue,
4 and Ms. Caldwell has already testified. Ms. Arrington
5 -- I mean, that --

6 COMMISSIONER CLARK: Is this the witness to
7 ask this question of? Is this covered in her prefiled
8 rebuttal testimony?

9 MS. KAUFMAN: Well, this is the witness
10 that's sponsoring the rates.

11 COMMISSIONER CLARK: I didn't ask you
12 that. Tell me if it's in the rebuttal testimony.

13 MS. KAUFMAN: Let me look.

14 Well, she does say on page 2, line 11, "The
15 OSS rates proposed by BellSouth are based upon the
16 developmental costs incurred by BellSouth, and the
17 actual costs to work an order," so she does have --

18 COMMISSIONER CLARK: Okay.

19 MS. KAUFMAN: Thank you.

20 COMMISSIONER CLARK: Ask your question
21 again.

22 BY MS. KAUFMAN:

23 Q I think I was asking you, isn't it true
24 that the rates that you've suggested in Alabama are
25 substantially different? And by that I mean in

1 Florida, as I understand it, you suggested a manual
2 rate of \$20.08, and in this testimony that you filed
3 in Alabama on February 2nd, in your testimony you've
4 asked for a rate of \$25.15; is that right?

5 A I believe those numbers are correct for
6 what we've asked for in Alabama. And as I stated
7 before, there are certain cost factors that are
8 state-specific, and Ms. Caldwell would have to give
9 you the details on those factors that went into the
10 Alabama versus the Florida rates.

11 Q And on the electronic charge, I guess
12 there's not as big a difference, but in Florida you've
13 asked for \$6.78, while in Alabama your testimony asks
14 for \$7.36; correct?

15 A Yes, that's correct.

16 Q You also made some reference, I believe, to
17 the fact that this Commission has found that OSS is a
18 UNE and directed parties to negotiate?

19 A The FCC its First Report and Order found
20 that operational support systems were an unbundled
21 network element.

22 Q Now, resellers are not involved in the
23 business of purchasing UNEs, are they? In other
24 words, they resell BellSouth service, but they don't
25 purchase UNEs?

1 A That's correct. Under a resale agreement,
2 you would resell BellSouth services.

3 MS. KAUFMAN: That's all I have. Thank you
4 for letting me go back.

5 COMMISSIONER CLARK: Staff?

6 CROSS EXAMINATION

7 BY MS. McKINNEY:

8 Q Good morning, Ms. Arrington.

9 A Good morning.

10 Q In your summary and rebuttal testimony, you
11 discuss the grandfather tariff for BellSouth's ESSX
12 Service. Is it common practice for a grandfathered
13 service to run indefinitely?

14 A I'm sorry. I don't understand what you
15 mean by a grandfathered service running indefinitely.

16 Q You were talking about the grandfather
17 tariff for BellSouth's ESSX.

18 A Yes.

19 Q Your testimony was that existing customers
20 could keep it; however, new customers couldn't use
21 ESSX. They would need to get another service. For
22 example, Multiserv is what you were talking about. My
23 question is, is it common practice for a grandfathered
24 service to run indefinitely?

25 A I think it's realistic to allow existing

1 customers to continue on that arrangement for a period
2 of time. The service is no longer available for new
3 customers, but for those customers who had purchased
4 the service prior to it being grandfathered, yes, they
5 could continue on that arrangement.

6 Q Indefinitely, ma'am?

7 A I believe the tariff initially had a date
8 by when -- by which existing customers had to be off
9 of their ESSX arrangement. And there was a waiver
10 that was filed, and it was extended.

11 Q And it was extended indefinitely? I'm
12 trying to see can --

13 A Yes.

14 Q -- existing customers keep it forever if
15 that's what they choose to do.

16 A Yes. Yes, they can for right now, for the
17 tariff, yes.

18 Q And is that common practice with BellSouth?

19 A I don't know if that's a common practice.
20 That was a business solution or a business decision
21 that was made for this service.

22 Q Why would BellSouth want to extend
23 grandfathered ESSX indefinitely?

24 A I'm not sure of the rationale for that.

25 Q You were speaking with Ms. Kaufman a few

1 minutes ago, and you were asked questions about an
2 appropriate remedy for TCCF's problems with ESSX, and
3 you indicated the only solution was that TCCF could
4 resell MultiServ. Would it be reasonable for the
5 Commission to order BellSouth to provide MultiServ to
6 TCCF at a reduced price?

7 A BellSouth would certainly enter into
8 negotiations with TCCF for a type of volume and term
9 arrangement for their -- for a MultiServ arrangement
10 under a volume and term plan. We would not agree to
11 give them MultiServ service at the ESSX prices, no.

12 Q Excuse me, Ms. Arrington. I'm not talking
13 about your negotiations now. I'm going back to the
14 conversation that you had with Ms. Kaufman, and she
15 was specifically asking what the Commission should
16 order. So let's take it to the stage that a decision
17 has been made, hypothetically.

18 A Okay.

19 Q And the Commission orders that you give
20 TCCF MultiServ at a reduced price. Would that be
21 reasonable? is my question.

22 A Well, if the Commission ordered it, yes.

23 MS. MCKINNEY: Thank you, Ms. Arrington.
24 No further questions.

25 COMMISSIONER CLARK: Commissioner? Thank

1 you.

2 Redirect?

3 MS. KEYER: Yes, I do.

4 REDIRECT EXAMINATION

5 BY MS. KEYER:

6 Q Ms. Arrington, I believe Ms. Kaufman asked
7 you early on in her cross examination of you about
8 manual charges and when they would apply, and I
9 believe her question related to when there's no
10 electronic system available. What about when an ALEC
11 chooses to process orders manually? Is that another
12 situation where the manual charge would apply where
13 there may be a system, an electronic system available?

14 A Yes. They would be charged the manual
15 charge.

16 Q So there are other situations where an ALEC
17 may choose to manually process orders other than a
18 system not being available?

19 A Yes. We do have some ALECs who prefer to
20 submit orders manually.

21 Q Now, just generally, in the -- Ms. Kaufman
22 spent some time about the testimony as far as changing
23 BellSouth's position on Item U. Was it your
24 understanding that Ms. Welch was claiming that
25 BellSouth changed its position during the negotiations

1 process, or what was your understanding as to what
2 Ms. Welch was claiming in terms of changing
3 BellSouth's position? And I guess my question is
4 coming from -- Ms. Kaufman seemed to indicate that
5 when you submitted the interim rates that that was a
6 change in position. Did you understand Ms. Welch's
7 testimony to be saying that that was a change in
8 position?

9 A During negotiations, Ms. Welch never
10 expressed to me that she felt I had changed my
11 position. I had merely explained to her that that
12 language was not available for all nine states; it was
13 specific to Florida.

14 Q And when you're talking about that
15 language, you're talking about Item U?

16 A Yes, Item U.

17 Q Ms. McKinney asked you the last question in
18 terms of if that would be a reasonable solution. If
19 BellSouth were to have to make MultiServ available at
20 a reduced price to ALBCs, would they also have to make
21 that available to all customers?

22 A Yes, we would. Anything that we enter --
23 any type of an agreement that we enter into with any
24 ALBC is made available to all ALBCs.

25 Q And is that reasonable, to have MultiServ

1 at a reduced price or at the ESSX price points?

2 A No, it is not.

3 MS. KEYER: I don't have any other
4 questions.

5 COMMISSIONER CLARK: Exhibits?

6 MS. KEYER: Yes, I would like to move the
7 exhibits in.

8 COMMISSIONER CLARK: Exhibit 21 will be
9 admitted in the record without objection.

10 (Exhibit 21 was received in evidence.)

11 COMMISSIONER CLARK: Thank you,
12 Mr. Arrington.

13 (Transcript continues in sequence in
14 Volume 4.)

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<p>1 13 M 319:3 1998 M 319:3</p>	<p>318:5,11,12,14,15,16,19,23 319: 4,9,10,22 320:3,11,12 321:10,19 Company M 320:17,25 Conference M 318:21</p>	<p>K Kaufman M 317:9,11 318:17, 18,22,24 319:8,13 320:7,20 321: 16,21 Kayer M 317:12 320:9,11 kind M 319:10 320:4 Kip M 320:24</p>	<p>recall M 318:6 recognition M 319:1 Reconvened M 316:19 318:2 record M 319:17 321:16,20 Redirect M 317:9 REPORTED M 316:24 resolution M 318:8 resume M 318:21 320:13 Ripper M 318:13 320:15,21,23 321:3,8,22 Ripper's M 321:17 RPR M 316:24</p>
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