

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In Re:)
 Petition for Arbitration of)
 ITC^DeltaCom Communications, Inc.) Docket No. 990750-TP
 With BellSouth Telecommunications, Inc.)
 Pursuant to the Telecommunications)
 Act of 1996)

**ITC^DELTA COM COMMUNICATIONS, INC. d/b/a ITC^DELTA COM'S
 RESPONSES AND OBJECTIONS TO
 STAFF'S SECOND SET OF INTERROGATORIES (NOS. 15-30)**

COMES NOW, ITC^DeltaCom Communications, Inc. d/b/a ITC^DeltaCom ("ITC^DeltaCom"), pursuant to the Rules of the Florida Public Service Commission and hereby files its Responses to Staff's Second Set of Interrogatories (Nos. 15-30) as follows:

Interrogatory No. 15: In ITC^DeltaCom's prior agreement with BellSouth, did ITC^DeltaCom pay reciprocal compensation to BellSouth for all calls routed over local trunks, including calls to Internet Service Providers (ISPs)? If your response is affirmative, what was the rate? If your response is negative, what was the agreement for compensation for all calls routed over local trunks?

Response: ITC^DeltaCom has paid the bills presented by BellSouth for reciprocal compensation. ITC^DeltaCom has not investigated whether those bills did or did not include ISP minutes. There have been instances where BellSouth has billed local at switched access rates and ITC^DeltaCom has brought that to BellSouth's attention and disputed those charges. It wasn't until the end of 1998 that ITC^DeltaCom received bills from BellSouth that appears to zero-rate calls to ISPs.

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- APP _____
- CAE _____
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- EAG _____
- LEG 2
- MAS 5
- OPC _____
- PAI _____
- SEC 1
- WAW _____
- OTH _____

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Interrogatory No. 16: In ITC^DeltaCom's prior agreement with BellSouth, did BellSouth pay reciprocal compensation to ITC^DeltaCom for all calls routed over local trunks, including calls to Internet Service Providers (ISPs)? If your response is affirmative, what was the rate? If your response is negative, what was the agreement for compensation for all calls routed over local trunks?

Response: No. BellSouth has disputed reciprocal compensation payments for ISP calls. BellSouth appears to have arbitrarily assigned 90% of the traffic to ISP and only pays 10% of the bill.

Interrogatory No. 17: With regard to reciprocal compensation, are ITC^DeltaCom and BellSouth currently operating under the terms of their prior agreement? If your response is negative, please explain how reciprocal compensation is currently being handled by ITC^DeltaCom and BellSouth.

Response: The terms of reciprocal compensation in the parties' current interconnection agreement are in dispute. Thus far, ITC^DeltaCom has filed complaints in Alabama and South Carolina.

Interrogatory No. 18: For the purpose of responding to these requests, please refer to the issues listed in Appendix "A" attached to Order No. PSC-99-1589-PCO-TP.

(a) What is the definition of the term "extended loop", as used in Issue 8(a)?

Response: The extended loop that ITC^DeltaCom obtains from BellSouth consists of a UNE loop combined with a UNE cross-connect and then connected to a multiplexer and dedicated transport obtained from the BellSouth FCC Tariff # 1. Although ITC^DeltaCom opted to use the access dedicated transport, and BellSouth initially concurred by providing more than 2500 loops in this manner, ITC^DeltaCom believes that the transport could also be provided using UNE transport if the CLEC does not require the higher grade of service provided by access.

- (b) Does ITC^DeltaCom propose rates for extended loops or the loop/port combination? If your response is affirmative, what are ITC^DeltaCom's proposed rates? If your response is negative, please explain why.

Response: ITC^DeltaCom is not proposing permanent rates for extended loops in this arbitration, but is asking that the Commission adopt interim rates subject to true-up. The interim rates should reflect the adjustments described in the rebuttal testimony of Mr. Hyde (for nonrecurring rates) and Mr. Wood (for recurring rates). Until BellSouth produces a cost study for a loop/port combination or a loop/transport combination (i.e. extended loop) that (1) applies the FCC's reinstated pricing rules and (2) properly reflects the cost savings of providing these elements without physically separating them, the sum of the existing rates (subject to the adjustments described by Mr. Hyde and Mr. Wood) should be applied on an interim basis.

Interrogatory No. 19: For the purpose of responding to this request, please refer to witness Wood's direct testimony, page 25, lines 7-9. If "BellSouth's cost model used to develop recurring loop rates cannot be used to produce results that comply with the FCC's TELRIC standard", then what are ITC^DeltaCom's proposed recurring loop rates?

Response: ITC^DeltaCom is not proposing permanent rates for loops in this arbitration, but is asking that the Commission adopt interim rates subject to true-up. The interim rates should reflect the adjustments described in the rebuttal testimony of Mr. Wood for recurring rates.

Interrogatory No. 20: For the purpose of responding to this request, please refer to witness Wood's direct testimony, page 25, lines 9-13. Is witness Wood referring to his Rebuttal Testimony (filed on September 13, 1999) when he states that he "will supplement my testimony when I have had the opportunity to complete my analysis"? If your response is negative, please explain when and how will he supplement his testimony?

Response: Yes.

Interrogatory No. 21: For the purpose of responding to this request, please refer to witness Wood's Rebuttal Testimony, (e.g., page 12, lines 10-11; page 13, lines 21-23; page 16, lines 11-19; and page 21, line 5) where witness Wood refers to "Dr. Taylor's testimony".

There was no direct testimony filed by "Dr. Taylor" in this docket. Is witness Wood referring to the Rebuttal Testimony filed on September 13, 1999 by William E. Taylor, Ph.D., on behalf of BellSouth? Please explain.

Response: Yes. The arguments attributed to Dr. Taylor in Mr. Wood's rebuttal testimony have been presented by BellSouth as a part of its direct case in other arbitrations with ITC^DeltaCom.

Interrogatory No. 22: For the purpose of this request, please refer to witness Wood's Rebuttal Testimony, page 4, lines 9-20. Please identify, by issue number (as numbered in Order Establishing Procedure No. PSC-99-1589-PCO-TP, Attachment "A"), each FPSC decision in Dockets Nos. 960757-TP, 960833-TP, and 960846-TP, that witness Wood believes "must be updated to reflect the resolution of the outstanding disputes by the federal courts", and each issue "for which the Commission elected not to reach a decision pending the resolution of the outstanding disputes by the federal courts...".

Response: It is Mr. Wood's belief that the Commission must update its findings regarding the rates to be charged by BellSouth for UNEs (including OSS) and for combinations of those UNEs.

Interrogatory No. 23: For the purpose of this request, please refer to witness Wood's Rebuttal Testimony, page 8, lines 12-14. Please identify each input, assumption, or methodology in BellSouth's cost studies "that must be updated in order to comply with the FCC

[pricing] rules now in effect”, and explain how each does not currently comply with the FCC's pricing rules.

Response: Mr. Wood and ITC^DeltaCom have not identified each input and assumption in BellSouth's cost study that must be updated in order to generate results that comply with the FCC's pricing rules. It is Mr. Wood's belief that changes to inputs and assumptions will be insufficient to develop compliant results, because the BellSouth model is based on -- as fundamental and unalterable assumptions -- characteristics of BellSouth's embedded network. By doing so, it violates §51.505 (b)(1) and (d)(1). Because the BellSouth loop cost model can only develop costs as a simple statewide average, it also violates §51.507 (f).

Interrogatory No. 24: For the purpose of this request, please refer to witness Wood's Rebuttal Testimony, page 9, lines 7-9, where he states that "certain inputs and assumptions" can be changed so that UNE prices “will more closely approximate what the law requires”. Witness Wood then provides two examples.

- a) Why do BellSouth's fill factors, which are “based . . . on historic experience”, not “approximate what the law requires”? (See page 9, lines 9-11)

Response: BellSouth's fill factors violate §51.505 (b)(1) and (d)(1).

- b) Why does the use of UDLC instead of IDLC not "approximate what the law requires?" (See page 9, lines 11-19, and page 10, lines 1-4)

Response: BellSouth's use of UDLC violates §51.505 (b)(1).

Interrogatory No. 25: For the purpose of this request, please refer to witness Wood's Rebuttal Testimony, page 10, lines 14-16. Please identify each "adjustment to inputs" that must be made, other than fill factors and UDLC/IDLC, in order for costs to "comply with the FCC pricing rules”.

Response: Mr. Wood and ITC^DeltaCom have not identified each input and assumption in BellSouth's cost studies that must be updated in order to generate results that comply with the FCC's pricing rules. It is Mr. Wood's belief that changes to inputs and assumptions will be insufficient to develop compliant results. In the interest of developing interim rates that will more closely approximate compliant rates while they are in effect, Mr. Wood has proposed adjustments to BellSouth's assumptions regarding fill factors and the use of UDLC/IDLC.

Interrogatory No. 26: For the purpose of this request, please refer to witness Wood's Rebuttal Testimony, page 24, lines 9-16. Please identify, by name, an example of "an efficient carrier on a forward looking basis, if such a carrier were unconstrained by BellSouth's past and current operations".

Response: By definition, it is impossible to identify the costs of a carrier serving BellSouth's existing operating territory yet "unconstrained by BellSouth's past and current operations", because BellSouth's embedded costs are so constrained. The objective when developing UNE rates (both recurring and nonrecurring) is to estimate the costs that would be incurred if BellSouth had operated subject to the constraints of a competitive marketplace rather than the constraints imposed by a regulator.

Interrogatory No. 27: In the Rebuttal Testimony of witness Hyde (p.27, lines 1-4) he states: "ITC^DeltaCom has agreed to delete sections 9.10 and 9.17 in recent negotiations with BellSouth. With certain modifications as discussed by the parties on July 14, 1999, ITC^DeltaCom believes section 9.9 may be closed". Please explain this statement.

Response: During negotiations, on July 1999, ITC^DeltaCom reiterated that it was not a member of NECA and was not required by MECAB/MECOB to join. The parties discussed modifying section 9.9 to state that "The billing percentages shall be calculated by the Parties

according to one of the methodologies specified for such purposes in the MECAB document and, if applicable, filed by the Parties in the National Exchange Association ("NECA") FCC Tariff No. 4." During the August negotiations, BellSouth came back and stated that if ITC^DeltaCom does not file, BellSouth would impose a default of 95% BellSouth, 5% ITC^DeltaCom in NECA.

Interrogatory No. 28: For the purposes of the following requests, please refer to the Rebuttal Testimony of witness Hyde, page 27, lines 7-11.

- (a) Explain what an "assumed percentage" or "default percentage" is as it pertains to Meet Point Billing procedures.
- (b) Why does ITC^DeltaCom believe that this percentage should be 100% for ITC^DeltaCom and 0% for BellSouth?

Response: It is not justifiable to change the methods/procedures that are in place. ITC^DeltaCom doesn't currently have Meet Point Billing with BellSouth, as 100% of facilities are leased or owned by ITC^DeltaCom. ITC^DeltaCom has operated for the past two (2) years without Meet Point Billing.

Interrogatory No. 29: Please provide a list of all unbundled network element (UNE) combinations that BellSouth provided to ITC^DeltaCom under their existing agreement. For each UNE combination listed, indicate whether the UNEs were already combined in the network (preexisting combinations) or if BellSouth had to combine these UNEs.


Response: All UNE loops obtained from BellSouth are provided by BellSouth in a combined format. BellSouth refuses to allow CLECs to connect to loop UNEs on BellSouth's Main Distribution Frame (MDF) and therefore anytime a CLEC uses a BellSouth loop UNE, it **MUST** be combined by BellSouth with at least a cross-connect UNE. This is true whether ITC^DeltaCom uses the cross-connect to connect to a collocation space or to connect to BellSouth's access dedicated

transport. Since all existing cross-connects are used to connect the MDF to the BellSouth switch (IDLC does not have voice grade cross-connects), all cross-connects to collocation space or dedicated transport must be provided new. Therefore, BellSouth has to combine ALL loop UNES provided.

Interrogatory No. 30: For the purpose of this response, please refer to witness Rozycki's Rebuttal Testimony, page 26, line 8, where he stated that ITC^DeltaCom simply wants specific contract language in the parties' Interconnection Agreement. Please provide the specific contract language that should be included in the agreement that meets the concerns of witness Rozycki's concern.

Response: This statement made by witness Rozycki was intended to be a generic statement, albeit an important one. ITC^DeltaCom believes that the parties' interconnection agreement should have specific language that clearly sets forth the parties obligations. ITC^DeltaCom's proposed language is fully set forth in Exhibit A to ITC^DeltaCom's Petition for Arbitration.

Respectfully submitted, this 19 day of October, 1999.



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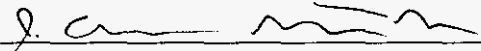
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been furnished this 19
day of October, 1999 to the following:

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Attorney

I, Brian Musselwhite, as authorized representative of ITC^DeltaCom Communications, Inc., do hereby depose and state that the answers set forth to the foregoing interrogatories are true and correct to the best of my knowledge and belief.

Dated this 19 day of October, 1999.

Brian Musselwhite
Print Name: Brian Musselwhite

STATE OF Alabama
COUNTY OF Madison

The foregoing instrument was acknowledged before me this 19th day of October, 1999, by Brian Musselwhite who is personally known to me or who has produced the following _____ as identification and who did take an oath that the foregoing answers set forth to the foregoing interrogatories are true and correct to the best of his/her knowledge and belief.



Rodney N. Harts
NOTARY PUBLIC
My Commission Expires: 04-23-00

(SEAL)