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Legal Department

E. EARL EDENFIELD, Jr.  
General Attorney

00 MAY -8 PM 4:30

BellSouth Telecommunications, Inc.  
150 South Monroe Street  
Room 400  
Tallahassee, Florida 32301  
(404) 335-0763

RECORDS AND  
REPORTING

May 8, 2000

Mrs. Blanca S. Bayó  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Docket No. 991947-TP

Dear Ms. Bayó:

Enclosed are an original and 15 copies of the BellSouth Telecommunications, Inc.'s Rebuttal Testimony of Alphonso J. Varner. Please file this document in the captioned matter.

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

Sincerely,

*E. Earl Edenfield Jr.*  
E. Earl Edenfield, Jr. (EEL)

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMJ \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- M/S \_\_\_\_\_
- OPC \_\_\_\_\_
- R/R \_\_\_\_\_
- SEC \_\_\_\_\_
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

Enclosures

cc: All parties of record  
M. M. Criser, III  
N. B. White  
R. D. Lackey

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05733 MAY-88

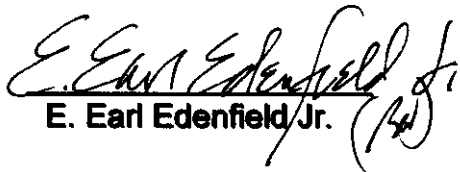
FPSC-RECORDS/REPORTING

**CERTIFICATE OF SERVICE  
DOCKET NO. 991947-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via  
U.S. Mail this 8th day of May, 2000 on the following:

Beth Keating  
Staff Counsel  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Paul B. Joachim  
Florida Telephone Services  
696 East Altamonte Drive  
Suite 4  
Altamonte Springs, FL 32701  
Phone No. 407-331-8622  
Fax No. 407-331-9427

  
E. Earl Edenfield Jr.

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BELLSOUTH TELECOMMUNICATIONS, INC.  
REBUTTAL TESTIMONY OF ALPHONSO J. VARNER  
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 991947-TP

MAY 8, 2000

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR BUSINESS ADDRESS.

A. My name is Alphonso J. Varner. I am employed by BellSouth as Senior Director for State Regulatory for the nine-state BellSouth region. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

A. Yes. I filed direct testimony in this proceeding on March 9, 2000.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my rebuttal testimony is to respond to the direct testimony of Florida Telephone Services, LCC's ("FTS's") witness Mr. Paul B. Joachim, filed with the Florida Public Service Commission ("Commission") on March 27, 2000. I will specifically respond to FTS's contention that BellSouth is not entitled to recover from FTS the costs incurred by BellSouth to provide access to BellSouth's

1           Operations Support Systems (“OSS”) to competitive local exchange carriers  
2           (“CLECs”).

3

4   Q.    PLEASE COMMENT ON MR. JOACHIM’S CONTENTION THAT FTS  
5           WOULD BE MADE “UNCOMPETITIVE” BY BELLSOUTH’S OSS CHARGES.

6

7   A.    Contrary to Mr. Joachim’s contention, it is BellSouth that would be disadvantaged  
8           should BellSouth be required to absorb the cost of providing FTS and all CLECs  
9           with access to its OSS interfaces. These costs are incurred regardless of whether  
10          the OSS interfaces are used for ordering unbundled network elements or resold  
11          services. Futhermore, neither the Act nor FCC contemplated such subsidy.

12

13   Q.    WHAT IS THE BASIS FOR BELLSOUTH’S CHARGING CLECs FOR ACCESS  
14          TO BELLSOUTH’S OSS?

15

16   A.    As I discussed in my direct testimony, BellSouth is entitled under the Act and the  
17          FCC’s orders and rules to recover its costs in providing CLECs access to  
18          BellSouth’s OSS. This issue has been addressed in numerous forums. For  
19          example, in AT&T’s appeal of the Kentucky Commission’s decisions on UNE cost  
20          rates (C.A. No. 97-79, 9/9/98) from AT&T’s arbitration proceeding, the United  
21          States District Court for the Eastern District of Kentucky expressly confirmed that  
22          BellSouth is entitled to recover its costs for developing access to BellSouth’s OSS  
23          for CLECs. The U.S. District Court’s Order at page 16 states: “Because the  
24          electronic interfaces will only benefit the CLECs, the ILECs, like BellSouth, should  
25          not have to subsidize them. BellSouth has satisfied the nondiscrimination prong by

1 providing access to network elements that is substantially equivalent to the access  
2 provided for itself. AT&T is the cost-causer, and it should be the one bearing all  
3 the costs; there is absolutely nothing discriminatory about this concept.”  
4

5 Even this Commission recognized that BellSouth should be able to recover its OSS  
6 costs. In Order No. PSC-98-0604-FOF-TP, issued April 29, 1998 in Docket Nos.  
7 960757-TP, 960833-TP, and 960846-TP, at page 165, the Commission recognized  
8 that “OSS costs, manual and electronic, may be recoverable costs incurred by  
9 BellSouth.”  
10

11 Q. IS IT APPROPRIATE FOR THIS COMMISSION TO ALLOW FTS TO UTILIZE  
12 BELL SOUTH’S OSS INTERFACES AT NO CHARGE?  
13

14 A. No. FTS should be required to pay for the development, ongoing maintenance and  
15 access to BellSouth’s OSS interfaces just like every other CLEC. As I discussed in  
16 my direct testimony, BellSouth is requesting that this Commission reconfirm,  
17 consistent with the Commission’s previous decisions, that BellSouth is entitled to  
18 recover its costs associated with the development of the OSS electronic interfaces  
19 and ongoing electronic and manual order processing. Upon such confirmation, the  
20 Commission should approve the interim rates proposed in my direct testimony and  
21 order the inclusion of these rates in the arbitrated agreement between FTS and  
22 BellSouth. Since the Commission intends to establish a generic OSS cost  
23 proceeding, any rates approved in this arbitration may be impacted by the outcome  
24 of the generic OSS proceeding.  
25

1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

2

3 A. Yes.

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