

ATTACHMENT C

BellSouth Telecommunications, Inc.
FPSC Docket No. 990649-TP
Supplemental Request for Confidential Classification
Page 1 of 1
9/6/00

**SUPPLEMENTAL REQUEST FOR CONFIDENTIAL CLASSIFICATION OF
BELLSOUTH INFORMATION INCLUDED IN THE AT&T REBUTTAL
TESTIMONY OF WITNESSES' CATHERINE E. PITTS AND JOHN C.
DONOVAN/BRIAN F. PITKIN FILED JULY 31, 2000 IN FLORIDA DOCKET
NO. 990649-TP**

One Highlighted Copy

All 3/6/07 (entire document)
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This confidentiality request was filed by or
for a "telco" for DN 11042-00 No ruling
is required unless the material is subject to a
request per 119.07, FS, or is admitted in the
record per Rule 25-22.006(8)(b), FAC.

appeal
DOCUMENT NUMBER-DATE
11042 SEP-68

FPSC-RECORDS/REPORTING

1 claimed by BellSouth. Unbundled local switching and trunk ports are
2 approximately 40% and 50%, respectively of BellSouth's claimed
3 BellSouth costs.

4 The restated BellSouth costs sponsored by Mr. King include the corrected
5 discount inputs.

6 **Q. PLEASE EXPLAIN WHY SOME ISDN RESULTS ARE NOT**
7 **RELIABLE.**

8 A. When AT&T attempted to calculate the offices in BellSouth's SCIS/MO,
9 multiple processing errors were displayed associated with calculating
10 ISDN on DMS RSC-S remotes.⁷ The ISDN port section of BellSouth's
11 SCIS/MO ISDN Investment report that was included in BellSouth's
12 electronic SCIS/MO filing is excerpted below:

13 *****Begin Proprietary*****

14 Min. Inv. per BRI (U/T Weighted):	162.40639
15 A. Working ISDN Line Inv.:	87.21107
16 C. Excess Capacity Inv.:	36.79089
17 D. Getting Started Inv. per BRI:	400.92860
18 D1: Breakage Inv.	8.52871
19 D2: Spare Inv.:	29.87572

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expiration dates.

⁷ While the user had to click on the error messages indicating that there were missing table items necessary to the calculations, SCIS/MO continued to calculate.

1 D3: Ext. Shf. Inv.: 362.52417

2 ***End Proprietary***

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4 Note that subcategory D is the sum of the D1, D2 and D3. Also note that
5 the Min. Inv. per BRI (ISDN 2-wire port) should be the sum of
6 subcategories A, C and D, but obviously it is not. It appears that the D3
7 category value, which is usually minimal, is wrong, but the printed value
8 not being added to the Min. Inv. per BRI.

9 The SST model, when importing the detailed results from SCIS, does load
10 the individual subcategory values to calculate an incorrect investment for
11 ISDN BRI ports.⁸ When we removed the wire centers with the DMS
12 RSC-S remote switches from the SCIS/MO study, the individual 'A, C,
13 and D' sub-elements added up correctly to the Min. Inv. per BRI and no
14 error messages were received during calculations.

15 **Q. HOW SHOULD THE ISDN COSTS BE CALCULATED?**

16 **A.** We removed the offices that had DMS RSC-S remotes with ISDN in order
17 to have SCIS/MO recalculate the ISDN port investments with corrected
18 discounts without processing errors. Therefore, the restated ISDN port
19 investments in Mr. King's testimony excludes these offices.

⁸ See, for example, Columns AA and AK of the SCIS Input Worksheet in FLST_SST-P.

1 Q. HOW DOES BELLSOUTH USE THE FLAWED AVERAGE
2 USAGE PER CATEGORY PER LINE?

3 A. BellSouth takes the call usage, multiplies it by the average number of
4 features per line times the averaged cost of the resources used in the
5 switch for a given category to generate the composite feature investment.
6 The number of busy hour calls per feature category that are used up to
7 make up the composite feature²³ is:

8 ***Begin Proprietary***

Feature Category	Busy Hour Calls	Features per Line
Processor	1.1	4.0
Line Path	0.7	2.2
Hardware	1.6	1.4
SS7	0.9	0.4

9 ***End Proprietary***

10 BellSouth stated that "... it can be concluded that the typical user activates
11 about 4.5 features *in the busy hour*."²⁴ However, according to BellSouth's
12 SCIS inputs, originating and terminating calls only average less than
13 ***Begin Proprietary*** 2.7 ***End Proprietary*** requiring more
14 than *** Begin Proprietary*** 1.5 ***End Proprietary*** features to
15 be active on every originating and every terminating call.

²³ See BellSouth's response to POD #141, Attachment 1 included as Exhibit CEP-5.

²⁴ BellSouth's response to ATT Item #89, attached as Exhibit CEP-7.

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1 cost - adding features do not cause BellSouth to purchase additional
2 processing equipment. The processor, along with the rest of the getting
3 started cost of the switch is a fixed cost and feature usage does not impact
4 the level of getting started investment. Historically, analog and earlier
5 digital switches could be call processing limited, but this is no longer true
6 with the dramatic increases in computer processing power.²⁵ The limiting
7 capacity of the current generation of switches is ports, not call processing.
8 When a switch's port capacity is reached, an additional switch must be
9 placed, thus incurring an additional getting started cost. A cost study,
10 based on true cost-causation, would allocate the processor and getting
11 started cost to all the ports in the switch, not the traffic sensitive minute of
12 use and feature costs.

13 Q. WHAT IS THE SWITCH ELEMENT CENTREX
14 FUNCTIONALITY?

15 A. BellSouth's Centrex functionality feature costs out intra-Centrex intercom
16 usage and assigns it as a flat-rate port additive.

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²⁵ In fact, BellSouth's inputs to SCIS/MO show less than *****Begin Proprietary***** 40% *****End Proprietary***** average processor utilization, including features. Features that simply add usage to a processor that will not exhaust has no economic processor-related cost.

1 Q. WHAT PROBLEMS DID YOU FIND WITH RESPECT TO
2 CALLER ID AND REMOTE CALL FORWARDING?

3 A. One of the key inputs to these features is the percent penetration of Caller
4 ID (for the CLASS Modem Card hardware cost) and Remote Call
5 Forwarding (for assignment of a second line port). BellSouth's support
6 for these penetration levels provided in BellSouth's response to POD Item
7 33 and its Attachment 1 (attached as Exhibit CEP-8) uses the number of
8 lines per office in order to develop the penetration of Caller ID (shown as
9 Calling Number Delivery -CND on BellSouth's POD) and lines that are
10 remotely call forwarded. BellSouth's SCIS inputs show different average
11 office line counts than what BellSouth used in its separate analysis
12 documented in POD Item #33 for these two features as shown below:

13 ***Begin Proprietary***

14 Lines Per Office

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	BellSouth's Feature Analysis POD Item #33	Bellsouth's SCIS/MO Inputs
Caller ID (CND)	16,191 avg. per office	38,000 avg. per DMS Office
Remote Call Forwarding	16,191 avg. per office	48,445 avg. for all Offices

15

16 ***End Proprietary*** Replacing the POD Item #33 line counts causes
17 with the SCIS line counts results in penetrations of ***Begin
18 Proprietary*** 23% and .13% ***End Proprietary*** for Caller ID
19 and RCF, respectively. These corrections are reflected in Mr. King's
20 restated costs.

SCIS/IN Features 2.6
 Investment Table - DMS-100 SN/ENET

State: Not Applicable

Today's Date: 07/18/2000

Item #	Description (Generic=NA0010 Date=1 Material	Engineering	Install.	
1.00	MDF Cost per Line or Ana Trk	9.8305	0.0000	4.2782
2.00	Protector Cost per Line	2.5379	0.0000	3.3969
3.00	Line Card - Loop Start (Type A)	185.7797	0.0001	0.0048
4.00	Line Card(B) w/+48v Grnd Start(NT6	265.1597	0.0001	0.0048
5.00	Line Card - Business Set (Type C)	235.3922	0.0001	0.0048
6.00	Line Card - Data LIU (Type D)	483.5597	0.0001	0.0048
7.00	Line Card - Type E	251.9297	0.0001	0.0048
8.00	Analog Trunk	1554.2447	2.0812	34.6829
9.00	Digital Trunk	504.3623	4.1612	4.2526
10.00	Reserved For Future Use	0.0000	0.0000	0.0000
11.00	Announcement/Music Channel	1381.4395	0.1435	11.3456
12.00	Reserved For Future Use	0.0000	0.0000	0.0000
13.00	Tone Circuit	841.1331	2.0800	48.7390
14.00	Reserved For Future Use	0.0000	0.0000	0.0000
15.00	Reserved For Future Use	0.0000	0.0000	0.0000
16.00	Reserved For Future Use	0.0000	0.0000	0.0000
17.00	Conference Circuit Port	530.3915	0.1387	5.2508
18.00	Reserved For Future Use	0.0000	0.0000	0.0000
19.00	Transmitter Circuit	841.1331	2.0800	48.7390
20.00	Reserved For Future Use	0.0000	0.0000	0.0000
21.00	Reserved For Future Use	0.0000	0.0000	0.0000
22.00	Massage Waiting Converter (6X20AA)	637.8046	0.0001	0.0048
23.00	Tone Detector Circuit	794.2900	2.0800	34.4390
24.00	Master Scanner Point	152.6856	0.2971	11.5199
25.00	AIOD Trunk/Receiver Ckt Cost NT2X0	1526.6822	2.0812	56.7329
26.00	Analog 4W 2Way Trunk - NTX2X72AA	1179.9460	2.0812	77.0329
27.00	Analog 2W 2Way Trunk - NTX2X81AA	1152.0947	2.0812	34.6829
28.00	Loop-Back Trunk - NT2X75AA	1005.7510	2.0812	34.6829
29.00	IOM Port Interface	1208.5702	0.2600	75.4861
30.00	IOC Port	2030.9969	0.0000	58.7889
31.00	Multi-Protocol Control I/O Port	2030.9969	0.0000	58.7889
32.00	Signal Distribution Point	154.6544	0.2971	11.5199
33.00	DS0 CCC Trunk	504.3623	4.1612	4.2526
34.00	Analog (Music) Trunk	1433.5210	2.0812	55.6829
35.00	Reserved For Future Use	0.0000	0.0000	0.0000
36.00	Asynchronous Interface Line Card	292.4597	0.0001	0.0048
37.00	Reserved For Future Use	0.0000	0.0000	0.0000
38.00	E-911 SMU T1	9453.9372	99.8932	151.1615
39.00	Reserved For Future Use	0.0000	0.0000	0.0000
40.00	Reserved For Future Use	0.0000	0.0000	0.0000
41.00	Reserved For Future Use	0.0000	0.0000	0.0000
42.00	Reserved For Future Use	0.0000	0.0000	0.0000
43.00	Reserved For Future Use	0.0000	0.0000	0.0000
44.00	Reserved For Future Use	0.0000	0.0000	0.0000
45.00	Reserved For Future Use	0.0000	0.0000	0.0000
46.00	Class Modem Resource Card	5490.0000	0.0000	0.0000

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SCIS/IN Features 2.6
Investment Table - DMS-100 SN/ENET

State: Not Applicable

Today's Date: 07/18/2000

Item #	Description (Generic=NA0010 Date=1	Material	Engineering	Install.
47.00	LPP Frame Relay Interface	22826.5620	0.0000	123.8000
48.00	LPP Ethernet Interface	14827.9425	0.0000	89.5000

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SCIS/IN Features 2.6
 Investment Table - 5ESS

State: Not Applicable

Today's Date: 07/18/2000

Item #	Description (Generic=5E12 Date=12/1998)	Material	E, F and I
1.00	1:1 SM term cost (trunks)	366.3733	399.3455
2.00	MDF term cost	9.8305	14.1087
3.00	AMA call - local	0.0000	0.0000
4.00	AMA call - toll	0.0000	0.0000
5.00	AMA call - packet	0.0000	0.0000
6.00	Tandem analog trunk cost	391.5500	433.4450
7.00	Tandem digital trunk cost	101.1568	105.3995
8.00	GDSU SM termination cost	364.5930	397.5417
9.00	GDSU peripheral termination cost	0.0000	0.0000
10.00	3-port circuit cost	1022.5423	1111.9329
11.00	6-port circuit cost	2045.0845	2223.8658
12.00	Trunk unit cost	108.6653	150.0181
13.00	DLTU2 cost	13.1106	17.2668
14.00	30-sec announcement cost	2112.5136	2239.4410
15.00	60-sec announcement cost	2859.4536	2986.3810
16.00	SM appearance cost	364.5930	397.5417
17.00	Metallic access point	201.0292	209.6625
18.00	Scan point	34.1764	38.3538
19.00	Signal distributor point	50.8373	66.6205
20.00	Digital trunk + DLTU2	101.1824	105.4339
21.00	Analog trunk + TU (loop out)	344.6160	386.5107
22.00	Analog trunk + TU (loop in)	396.8385	438.7332
23.00	Analog trunk + TU (EM4W)	282.8985	324.7932
24.00	Analog trunk + TU (EM2W)	404.4872	446.3819
25.00	DSU2/RAF/BRCS service group	17683.3825	17849.6325
26.00	XAT Channel Investment	538.1610	562.9560
27.00	DSU2/RAF/ASP service group	11315.4025	11481.6525
28.00	36A Voice Coupler	837.6700	837.6700
29.00	Protector Term Cost	2.5379	5.9348

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a	b	c	d	e	f	g	h	i	
Item	Switch	Feature Hardware	SESS Hardware	Vintage Date (YYYY)	Material Only Cost (\$)	Engineered Furnished & Installed Cost (\$)	Capacity	Capacity Units	BellSouth Utilization
1	SESS	3 Point Conference Circuit	GDSF Ckt Pack	2000	\$37,000.00	\$41,600.00	(42) 3-port conf ckt	Note 1, 5	
2	SESS	6 Point Conference Circuit	GDSF Ckt Pack	2000	\$37,000.00	\$41,600.00	(21) 6-port conf ckt	Note 1, 5	
3	SESS	30 Second Announcement	16A BLD3 CP	2000	\$7,000.00	\$7,680.00	(8) 60 sec ann	Note 2, 5	
4	SESS	60 Second Announcement	16A BLD3 CP	2000	\$7,000.00	\$7,680.00	(8) 60 sec ann	Note 2, 5	
5	SESS	DSU2/RAF BRCS	SAS svs grp	2000	\$23,000.00	\$24,450.00	10MB memory	Note 3, 5	
6	SESS	Announcement/Music Trunk	STSX-1 KTU1 CP	2000	\$147,875.00	\$154,876.00	(28) DS1 ckt	Note 4, 5	

NOTES

- The GDSF ckt pack can be programed for a combination of 3 & 6 port conf, ISTF and TTF functions. The capacity shown is the maximum qty of each type conference ckt supported on a dedicated GDSF pack. The GDSF mounts in a DSU3 unit. A DSU3 can support up to (4) GDSF packs, but is not usually fully equipped. The DSU3 has (6) slots available for packs, the first (2) are required for LDSF function(1st unit), leaving (4) for possible GDSF packs.
- The 16A announcement unit requires (1) T1 ckt and supports (3) 8-channel announcement ckt packs. The loaded price shown is for (1) 8 channel 60 second rec ann ckt pack with remote record option. The loaded price includes (when required) a misc cabinet and/or 16A ann unit. Not included in the pricing is the associated T1 trunk that is required for each 16A ann unit.
- The RAF service announcements have been replaced by SAS service announcements. The pricing reflects a loaded price for (1) SAS BRCS service group. A DSU2 can support up to (4) SAS service groups.
- The KTU1 circuit pack mounts on a DNU-S and supports 28 DS1s in a STSX-1 format.
- This is a loaded pricing estimate and includes an average price of associated office resources required to add this equipment.

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PROD Item No. 6
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BellSouth - Cost Matters
 E. J. Shadrick, 404-529-2922
 Room 30-B-49
 675 West Peachtree Street
 Atlanta, GA 30375

Item	Switch	Feature Hardware	PEC	Vintage Date (YYYY)	Material Only Cost (\$)	(EF&I) Engineered Furnished & Installed Cost (\$)
1	DMS	3 Point Conference Circuit	NT1X81AA Conference Trunk Module CP	2000	\$4,020.00	\$67.86
2	DMS	6 Point Conference Circuit	NT1X81AA Conference Trunk Module CP	2000	\$4,020.00	\$67.86
3	DMS	30 Second Announcement	NT1X80AA Enhanced Digitally Recorded Announcement Mach	2000	\$11,725.00	\$209.96
4	DMS	60 Second Announcement	NT1X80AA Enhanced Digitally Recorded Announcement Mach	2000	\$11,725.00	\$209.96
5	DMS	Metallic Access Point	NT3X09BA 6X8 Matrix CP	2000	\$1,174.18	\$94.54
6	DMS	Scan Point	NT0X10AA Misc Scanner	2000	\$197.65	\$76.56
7	DMS	Signal Distributor Point	NT2X57AA SD Card I	2000	\$208.03	\$76.56
8	DMS	Recorded Announcement for Coin	NT1X80AA Enhanced Digitally Recorded Announcement Mach	2000	\$11,725.00	\$209.96
9	DMS	XAT Channel Investment				
10	DMS	Voice Coupler				
11	DMS	Announcement/Music Trunk	NT2X88AA 4W INC/OG 600 E&M MF/DP	2000	\$362.14	\$34.80
12	DMS	Tone Circuit	NT6X70AA Continuity Tone Detector	2000	\$339.36	\$23.20
13	DMS	Transmitter Circuit Cost				
14	DMS	Modems				

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(CEP-)

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SST - Usage Study

Material \$	Discount Rate	EAI	Total	Capacity (per CCS)	SALE	Source
117,750.00	0%	1,200.00	118,950.00	100	118,950.00	Netel
4,000.00	0%	47.00	4,470.00	100	4,470.00	Netel
1,070.00	0%	17.00	1,087.00	100	1,087.00	Netel
1,541.00	20%	17.00	1,558.00	100	1,558.00	Netel
						SCS/M
						SCS/M
						SCS/M
						SCS/M

Equipment
Variable Announcement
8-post Conference Circuit
3-post Conference Circuit
Call Waiting Term
Average

Material \$	Discount Rate	EAI	Total	Capacity (per CCS)	SALE	Source
17,000.00	0%	180.00	17,180.00	100	17,180.00	Licent
1,000.00	0%	100.00	1,100.00	100	1,100.00	Licent
1,000.00	0%	100.00	1,100.00	100	1,100.00	Licent
1,000.00	0%	100.00	1,100.00	100	1,100.00	Licent
1,000.00	0%	100.00	1,100.00	100	1,100.00	Licent

Equipment
30-Second Announcement
80-Second Announcement
DSU/RAF/RICS
8-post Conference Circuit
3-post Conference Circuit
Average

Material \$	Discount Rate	EAI	Total	Capacity (per CCS)	SALE	Source

Equipment
DMS
Class Modern Card

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Restated Hardware Study using New Switch Discounts

Equipment	DMS				Capacity (per CCS)	\$/Unit	Utilization	Utilized		Source
	Material \$	Discount Rate	E&I	Total				Investment	Investment	
Variable Announcement	\$ 3,142.35	89%	\$ 168.82	\$ 514.48	24.0	\$ 21.44	\$ 0.85	\$ 25.22	Inv. from SCIS investment table; capacity from SCIS default table	
6-port Conference Circuit	\$ 3,182.35	89%	\$ 32.34	\$ 382.40	25.0	\$ 15.30	\$ 1.00	\$ 15.30	Inv. from SCIS/IN investment table; capacities from SCIS/IN default Table	
3-port Conference Circuit	\$ 1,591.17	89%	\$ 16.17	\$ 191.20	25.0	\$ 7.65	\$ 1.00	\$ 7.65	Inv. from SCIS/IN investment table; capacities from SCIS/IN default Table	
Call Waiting Tone	\$ 841.13	89%	\$ 50.82	\$ 143.34	18.4	\$ 7.79	\$ 1.00	\$ 7.79	Inv. from SCIS/IN investment table; capacities from SCIS/IN default Table	
Average								\$ 13.99		

Equipment	5ESS				Capacity (per CCS)	\$/Unit	Utilization	Utilized		Source
	Material \$	Discount Rate	E&I	Total				Investment	Investment	
30-Second Announcement	\$ 2,395.41	79%	\$ 168.82	\$ 671.86	1,152	\$ 0.58	85%	\$ 0.69	Inv. from SCIS investment table; capacity calculated per note	
60-Second Announcement	\$ 3,142.35	79%	\$ 168.82	\$ 826.72	1,152	\$ 0.72	85%	\$ 0.85	Inv. from SCIS investment table; capacity calculated per note	
DSU2/RAF/BRCS		79%	\$ -	\$ -	300	\$ 18.85	100%	\$ 18.85	Lucent	
6-port Conference Circuit		79%	\$ -	\$ -		\$ 68.29	100%	\$ 68.29	Inv., capacities and equations from SCIS/IN 6-port feature	
3-port Conference Circuit		79%	\$ -	\$ -		\$ 28.08	100%	\$ 28.08	Inv., capacities and equation from SCIS/IN 3-port feature	
Average								\$ 22.95		

Equipment	Discount				Capacity (per CCS)	\$/Unit	Utilization	Utilized		Source
	Material \$	Rate	E&I	Total				Investment	Investment	
Class Modem Card	\$ 5,490.00	89%	\$ 50.82	\$ 654.72	1,280	\$ 0.51	85%	\$ 0.60	Inv. from SCIS/IN investment table; capacities from SCIS/IN default Table	

Notes:

BS 5E Announcement Investments are for 8 channels with no trunk; SCIS is for one channel with trunk
 BS 5E Capacity appears to be 36 CCS per trunk * 8 channels; AT&T capacity is 36 CCS per trunk * 32 fanouts per announcement
 BS used investment for an 5E SAS announcement from its Engineering org., but incorrectly used the capacity from SCIS/IN for an RAF announcement.
 The SAS has a capacity of 638 CCS.
 Capacity of 5E DSU@/RAF is ~450 CCS - SCIS uses conservative 300 CCS, so no utilization adjustment should be applied
 BS DMS Announcement investment appears for announcement machine with multiple channels
 SCIS DMS announcement investment for one channel with trunk
 BS conference circuit investments and capacities include 10 3 port or 5 6 port circuits; SCIS investments are for 1 circuit
 SCIS capacities are already average utilizations, not capacity.
 SCIS/IN default table call waiting "capacities" are average utilizations, not capacities
 BS filed call waiting tone investment could not be identified in the SCIS/IN investment tables
 Capacity for CLASS Modem Resource Card is lines, not CCS as shown in BS Hardware Study
 SCIS/IN does not have capacity in default table, but BS's capacity is incorrect.
 A CMR card is required for each LGC. And LGC handles 16-20 DSA links. Each LCM requires 2-8 DSA links.
 LCMs per LGC therefore is min 16/6=2 to 20/2=10.
 Each LCM handles 640b line cards
 Lines per LGC is 640*2 = 1280 to 640*10=6400
 Therefore lines per CMR is 1280 to 6400

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	A	B	C
1	Florida		
2	Back-up for CLASS Modem Card Penetration		
3	Study Period: 2000-2002		
4			
5			
6	Item/Description	Source	Amount
7	Lines per Office w/ CND	Network	
8	Residence		12,000
9	Business		900
10			
11	Percent Distribution		
12	Residence		70%
13	Business		30%
14			
15	Melded Input - Lines per Office	$Ln8 * Ln12 + Ln9 * Ln13$	8,699
16			
17	Average Number of Lines per Office	SCIS/MO Inputs	16,191
18			
19	Penetration of CND	$Ln15 / Ln17$	54%

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1 Q. HAVE YOU BEEN ABLE TO CORRECT THIS
2 OVERSTATEMENT IN THE BSTLM?

3 A. Again, we have been unable to modify the BSTLM algorithms because
4 BellSouth has refused to provide the source code in a format that would
5 allow us to correct this problem. This Commission should require
6 BellSouth to fix this obvious overstatement in the BSTLM.

7 The BSCC distorts land and building investment

8 Q. HOW DOES THE BSCC DEVELOP LAND AND BUILDING
9 INVESTMENT?

10 A. The BSCC develops land and building investment by applying a factor to
11 other investments in the BSCC, specifically DLC investment. This
12 process assumes that required land and building investment is directly
13 proportional to these underlying investments. However, this is not an
14 appropriate way to develop investment because it assumes that two
15 different types of plug-in cards, which are each exactly the same size,
16 would require different amounts of land and building investment.

17 Consider the following example:

18 ***Begin Proprietary***

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- 19 • A central office terminal Vendor 'B' POTS channel unit card costs
20 \$76.00; and
21 • A central office terminal Vendor 'B' DS1 channel unit card costs
22 \$604.00.

1 Under this scenario, the BSCC would assign approximately *eight* times the
2 land and building investment to the DS1 card than it would to the POTS
3 card. *****End Proprietary***** This makes no sense, because both cards
4 are identical in size and therefore require identical land and building
5 investment.

6 **Q. HOW WOULD YOU PROPOSE TO FIX THIS PROBLEM?**

7 A. The current problem is created by the way BSCC calculates land and
8 building investment. Unfortunately, BellSouth has not provided us with a
9 way to correct this error in the BSCC. This Commission should require
10 BellSouth to use a more appropriate methodology for allocating land and
11 building investment. Two possible options would be to calculate land and
12 building investment based on equipment size or to apply a fixed land and
13 building investment per line.

14 **IV. RESULTS AND CONCLUSION**

15 **Q. WHAT ARE THE RESULTS OF YOUR ANALYSES?**

16 A. The testimony of Jeffrey A. King discusses the pricing proposals based on
17 our restatements of the BSTLM and the associated components of the
18 BSCC. The table in Exhibit JCD/BFP-15 provides the results of our
19 restatement for a few selected loop-related elements.

20 **Q. WHY DO YOUR RESTATEMENTS SHOW SUCH SIGNIFICANT
21 REDUCTIONS TO BELL SOUTH'S PROPOSED PRICES?**

22 A. Simply put, the BSTLM, with the adjustments we identify above,
23 estimates reasonable investment based on the underlying network. A

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	A	B	C	D	E	F	G
1	Comparison of Input Values						
2							
326							
327	Indoor FDI Terminals Primitives						
328	Type Value						
329	66 -type Punch-Down Contractor Blocks (50 pair)	\$	5.46	\$	8.71	Applied a 1.595 installation factor based on FCC FNPRM 99-120 Appendix D2: ratio of total SAI cost to total cost of material (\$21,708.00 / \$13,609.33)	
330	Backboard (In) (200 pair)	\$	8.87	\$	14.15	Applied a 1.595 installation factor based on FCC FNPRM 99-120 Appendix D2: ratio of total SAI cost to total cost of material (\$21,708.00 / \$13,609.33)	
331	189 type Protector (100 pair)	\$	307.81	\$	490.98	Applied a 1.595 installation factor based on FCC FNPRM 99-120 Appendix D2: ratio of total SAI cost to total cost of material (\$21,708.00 / \$13,609.33)	
332							
333	NID/NIU						
334	Type Value						
335	HDSLModem	1	\$ 144.34	\$	181.39	Same labor as the NID. HAI uses \$15 for labor and \$44 total, adjusted to \$50 for commission business NID for \$17.04 labor cost.	
336	NID	2	\$ 4.84	\$	30.00	USF Order. Docket No. 980696-TP. Order No. PSC-99-0068-FOF-TP.	465
337	NID	6	\$ 8.38	\$	50.00	USF Order. Docket No. 980696-TP. Order No. PSC-99-0068-FOF-TP.	465
338	NIDinlandProt	1	\$ 7.83	\$	-	Included in installed NID cost.	
339	NIU	1	\$ 169.85	\$	186.90	Same labor as the NID. HAI uses \$15 for labor and \$44 total, adjusted to \$50 for commission business NID for \$17.04 labor cost.	
340							
341	Service Description (Extended Range Cutover)						
342	Code Value						
343	A - 2WG UV		14,800		13,000	See testimony.	
344	a - LOCAL POTS/POTS-LINE		14,800		13,000	See testimony.	
345	b - PBX		14,800		13,000	See testimony.	
346	c - CENTREX		14,800		13,000	See testimony.	
347	d - COIN SMART LINE		14,800		13,000	See testimony.	
348	E - 2WVG USL FEEDER		14,800		13,000	See testimony.	
349	e - COIN REGULAR		14,800		13,000	See testimony.	
350	H - 2WVG U LOCAL CHANNEL(357C)		14,800		13,000	See testimony.	
351	J - SLV ANALOG 2W		14,800		13,000	See testimony.	
352	Q - UCL 2W		14,800		13,000	See testimony.	
353							
354	Service Description (DS0 Equivalence)						
355	Code Value						
356	B - 2WVG UDL ADSL		32		1	See testimony.	
357	C - 2WVG UDL HDSL		24		1	See testimony.	
358	D - 2WVG UDL ISDN		3		1	See testimony.	
359	F - ISDN LOC		3		1	See testimony.	
360	g - ISDN PBX		3		1	See testimony.	
361	J - 4WVG UDL (257C) HDSL		24		2	See testimony.	
362	k - DS1 DIGITAL MEGALINK ISDN		24		2	See testimony.	
363	K - 4WVG UDL (257C) DS1		24		2	See testimony.	
364	L - 4WVG USLC DS1		24		2	See testimony.	
365	p - DS1 DIGITAL ACCESS		24		2	See testimony.	
366	P - UCL (357C) LOCAL CHANNEL DS1 DIGITAL		24		2	See testimony.	
367	T - DS1 DIGITAL SWITCHED AREA COMM PLAN		24		2	See testimony.	
368							
369	Splicing And Placing Hours						
370	Drop Placing Hours (Travel)						
371	Rem. Value						
372	AenalCU		1.0392		-	Included in installed drop cost.	
373	BunedCU		1.4216		-	Included in installed drop cost.	
374	NIDCU		0.2500		-	Included in installed drop cost.	
375							

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	A	B	C	D	E	F	G
1	Comparison of Input Values						
2							
376	Engineering Rules						
377	Building Cable Rules						
378	Rule	Value	BellSouth Value	Restated Value	Reason	Page	
379	AvgLengthFloorToFloor		25	10	Commercial floors are 10 feet apart. Industry standard calls for vertically aligned telco closets.		
380							
381	Electronic and Fiber Sizing (Engineering Fill)						
382	Equipment	Value	BellSouth Value	Restated Value	Reason	Page	
383	DistFOFill		75.0%	100.0%	Distribution fiber optics not used. Also see comments below.		
384	DLCCOTFill		80.0%	90.0%	Universal DLC should not be used in favor of Integrated DLC (see testimony). Also see below.		
385	DLCRTFill		70.0%	90.0%	Standard engineering guideline is to provide for 6 months growth for line card additions.		
386	FdrFOFill		75.0%	100.0%	Standard design of 4 fibers rather than 2 per Remote Terminal provides an effective fill of 50%.		
387							
388	GIS Rules						
389	Rule	Unit	Value	BellSouth Value	Restated Value	Reason	Page
390	AALineMinimumLimit	Lines	10	1,800	See testimony.		
391	CopperLengthDesignLimit	Feet	12,000	15,999	See testimony.		
392	CopperLengthHardLimit	Feet	13,000	16,799	See testimony.		
393	DLCLengthDesignLimit	Feet	12,000	15,999	See testimony.		
394	DLCLengthHardLimit	Feet	18,000	16,799	See testimony.		
395	DLCLineMinimumLimit	Lines	10	1,800	See testimony.		
396	NumberNodesPerRing	Nodes	4	8	USF Order. Docket No. 980696-TP. Order No. PSC-99-0068-FOF-TP.		484
397							
398	Network Rules						
399	Rule	Value	BellSouth Value	Restated Value	Reason	Page	
400	AA24/26GaugeXover	Feet	12,000	16,800	See testimony.		
401	CSA24/26GaugeXover	Feet	9,000	16,800	See testimony.		
402	DesignPairsPerHU	Pairs	2.0	1.5	USF Order. Docket No. 980696-TP. Order No. PSC-99-0068-FOF-TP.		458
403	MinimumFOSize	Strands	12	6	Input in the BSTLM.		
404	MinimumPairsPerBusiness	Pairs	6	3	USF Order. Docket No. 980696-TP. Order No. PSC-99-0068-FOF-TP.		129
405							
406	DLC/ONU-Other						
407	COT Fiber Termination						
408	Plant Type	Type or Size	Value	BellSouth Value	Restated Value	Reason	Page
409	Fiber Terminating Frame	24	\$ 468.17	\$ 266.00	BellSouth's inputs are \$133 per 12 strand, applied this cost-per strand		
410	Fiber Terminating Frame	48	\$ 1,115.25	\$ 532.00	BellSouth's inputs are \$133 per 12 strand, applied this cost-per strand		
411	Fiber Terminating Frame	72	\$ 2,826.00	\$ 798.00	BellSouth's inputs are \$133 per 12 strand, applied this cost-per strand		
412	Fiber Terminating Frame	96	\$ 2,946.12	\$ 1,064.00	BellSouth's inputs are \$133 per 12 strand, applied this cost-per strand		
413	Fiber Terminating Frame	144	\$ 4,628.16	\$ 1,596.00	BellSouth's inputs are \$133 per 12 strand, applied this cost-per strand		
414	Fiber Terminating Frame	216	\$ 10,709.28	\$ 2,394.00	BellSouth's inputs are \$133 per 12 strand, applied this cost-per strand		
415							
416	DLC Vendor Mix						
417	DLC Type	Vendor	Value	BellSouth Value	Restated Value	Reason	Page
418	Integrated	Vendor "A"	42.0%	0.0%	See testimony.		
419	Universal	Vendor "A"	42.0%	0.0%	See testimony.		
420	Integrated	Vendor "B"	58.0%	100.0%	See testimony.		
421	Universal	Vendor "B"	58.0%	100.0%	See testimony.		
422							
423	SONET Terminals-Other						
424	Vendor Mix						
425	Terminal	Vendor	Value	BellSouth Value	Restated Value	Reason	Page
426	OC-1	Vendor "A"	60.0%	100.0%	See testimony.		
427	OC-3	Vendor "A"	60.0%	100.0%	See testimony.		
428	OC-12	Vendor "A"	60.0%	100.0%	See testimony.		
429	OC-48	Vendor "A"	60.0%	100.0%	See testimony.		
430	OC-1	Vendor "B"	40.0%	0.0%	See testimony.		
431	OC-3	Vendor "B"	40.0%	0.0%	See testimony.		
432	OC-12	Vendor "B"	40.0%	0.0%	See testimony.		
433	OC-48	Vendor "B"	40.0%	0.0%	See testimony.		

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