

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition of Level 3 Communications,)
LLC for arbitration of certain terms and)
conditions of proposed agreement with)
BellSouth Telecommunications, Inc.)
pursuant to the Telecommunications Act)
of 1934, as amended by the Telecommuni-)
cations Act of 1996.)
_____)

Docket No. 000907-TP

Filed: October 5, 2000

**DIRECT PREFILED TESTIMONY
OF
KEVIN PAUL
ON BEHALF OF
LEVEL 3 COMMUNICATIONS, LLC**

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1 **Q: PLEASE STATE YOUR NAME, TITLE, AND ADDRESS FOR THE**
2 **RECORD.**

3 A: My name is Kevin Paul. I am Vice President of Softswitch Deployment for
4 Level 3 Communications, LLC (“Level 3”). My address is 1025 Eldorado
5 Boulevard, Broomfield, Colorado, 80021.

6 **Q: PLEASE DESCRIBE YOUR RESPONSIBILITIES AT LEVEL 3.**

7 A: As Vice President of Softswitch Deployment, I am responsible for
8 engineering, network planning, network provisioning, network activation and
9 capacity management in support of Level 3’s softswitch services. I am also
10 responsible for managing Level 3’s interconnection agreements with other
11 local exchange carriers (“LECs”).

12 **Q: PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
13 **EXPERIENCE.**

14 A: I have worked in the telecommunications industry since 1980. I received my
15 college education from Rutgers University in New Jersey graduating in 1990
16 with a bachelor’s degree in Computer Science. I joined Level 3 on May 1,
17 2000 as Vice President of Softswitch Deployment. Prior to joining Level 3,
18 I was with MCI WorldCom and held the position of Director, Call Processing
19 Infrastructure. I came to MCI through the acquisition of RCA Global
20 Communications in 1988. While at MCI, I held a number of engineering
21 management positions over the years including Director of Intelligent Call
22 Center Applications, Senior Manager of Data Network Application
23 Development, Senior Manager of Network Information Systems Business
24 Analysis, and Manager of MCI International Product Development.

25 **Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

1 A: The purpose of my testimony is to address the factual basis in support of
2 Level 3's position on the following issues set forth in Level 3's Petition for
3 Arbitration: Interconnection Points (Issue 1), Access Service Requests (Issue
4 4), and Trunk Provisioning (Issue 5).

5 **Q: HAVE YOU PARTICIPATED IN LEVEL 3'S INTERCONNECTION**
6 **NEGOTIATIONS WITH BELLSOUTH?**

7 A: Yes, I have participated in some of the negotiating sessions. In addition,
8 members of my staff have been involved in each of the negotiating sessions,
9 and I have reviewed the points of contention raised during the negotiations
10 to ensure their consistency with Level 3's network planning and design
11 priorities.

12
13

14 **INTERCONNECTION POINTS**

15 **Q: PLEASE SUMMARIZE THE DISPUTE BETWEEN LEVEL 3 AND**
16 **BELLSOUTH CONCERNING INTERCONNECTION POINTS.**

17 A: The interconnection points ("IPs") dispute between Level 3 and BellSouth
18 (Issue 1 in our Petition) relates to the physical interconnection of the trunk
19 groups provided by each Party for the transport and termination of local
20 telephone calls between their respective networks. At least initially, Level
21 3 would like to establish a single IP in each local access and transport area
22 ("LATA") in which Level 3 provides local exchange service. Each carrier
23 should be responsible for providing facilities and trunking to the IP for the
24 hand off of local and toll traffic, and each carrier should be responsible for

1 completing calls to all end users on its network. BellSouth would like to
2 retain a unilateral right to designate multiple IPs.

3 **Q: WHY DOES LEVEL 3 REQUIRE A SINGLE IP?**

4 A: The location and number of IPs is a financial and operational issue, because
5 each carrier needs to install transmission facilities and equipment to deliver
6 its originating traffic to each IP, and to receive terminating traffic there. Of
7 course, BellSouth already has a ubiquitous network throughout many areas
8 of Florida and can use its existing facilities for these purposes. On the other
9 hand, Level 3 as a new entrant must construct (or lease or acquire) new
10 facilities for access to each IP. Therefore, this issue has competitive
11 implications as well.

12 The incumbent LEC ("ILEC") should not be permitted to impose
13 interconnection requirements on alternative LECs ("ALECs") that require
14 ALECs to duplicate the ILEC's legacy network architecture. Rather, new
15 entrants should be free to deploy least cost, forward-looking technology, such
16 as the combination of a single switching entity with a SONET ring to serve
17 an area that the ILEC may serve through a hub-and-spoke, switch-intensive
18 architecture. Initial interconnection at the tandem level and at a single IP per
19 LATA is crucial to providing new entrants this flexibility. For a new entrant
20 to begin service, it requires a single connection capable of handling all of its
21 calls, including local, toll, and access traffic. Level 3 agrees that sound
22 engineering principles may eventually dictate that Level 3 add new IPs at
23 other BellSouth switches. However, there is no reason for BellSouth to
24 demand, or the Commission to compel, interconnection at any point
25 unilaterally selected by BellSouth for its originated traffic. Taken to its

1 extreme, this could require Level 3 to interconnect at every end office or
2 every local tandem even if the amount of traffic originating from customers
3 served out of those offices is relatively small.

4 **Q: IS LEVEL 3 TRYING TO FOIST ONTO BELLSOUTH THE COSTS**
5 **OF LEVEL 3'S NETWORK DESIGN?**

6 A: No. In fact, the opposite is true. BellSouth is the Party that has created,
7 whether by choice or regulatory requirement, numerous local calling areas
8 within each LATA. In the contract, BellSouth is the Party asking Level 3 to
9 incur costs to mirror BellSouth's legacy network architecture by trunking to
10 each tandem, paying additional charges when BellSouth must switch Level
11 3-originated traffic through more than one tandem, and establishing dedicated
12 facilities to each BellSouth local calling area. While Level 3 has agreed to
13 trunk to each tandem where its NXXs are homed, and to pay additional
14 charges when BellSouth switches Level 3-originated traffic through more
15 than one tandem, it would be anticompetitive, inefficient, and a waste of
16 public switched telephone network ("PSTN") resources to require Level 3 to
17 mirror BellSouth's legacy network by establishing dedicated connections to
18 each BellSouth tandem or local calling area regardless of traffic volume.

19 **Q: DOES BELLSOUTH'S CONTRACT LANGUAGE REQUIRE LEVEL**
20 **3 TO ESTABLISH CONNECTIONS AT EACH BELLSOUTH**
21 **TANDEM OR IN EACH LOCAL CALLING AREA?**

22 A: No. However, the contract, as proposed by BellSouth, would permit
23 BellSouth to designate multiple IPs for delivery to Level 3 of
24 BellSouth-originated traffic. The contract places no limits on BellSouth's
25 designation of IPs. Although our experience with BellSouth to date has not

1 shown that they designate unreasonable IPs, their ability to do so has been
2 restricted by contract language.

3 Although the contract language does not require Level 3 to mirror
4 BellSouth's network by establishing IPs at each tandem or in each local
5 calling area, the contract gives BellSouth the unilateral right to require Level
6 3 to do so. In its response to our Petition, BellSouth admits that the contract
7 language it has proposed would permit BellSouth to designate an end office
8 as the IP to which Level 3 would have to build or purchase facilities. (See
9 BellSouth Response at ¶14). BellSouth offers to add a restriction by
10 committing to no more than a single IP in each local calling area. However,
11 this restriction, which is not currently in the proposed contract, still does not
12 address Level 3's concerns.

13 **Q: IS LEVEL 3 INTERCONNECTED WITH BELL SOUTH IN**
14 **FLORIDA?**

15 A: Yes. Level 3 is interconnected with BellSouth in the Miami LATA and the
16 Orlando LATA. In order to obtain speed to market, Level 3 initially
17 exercised its Section 252(i) right to adopt a previously approved
18 interconnection agreement between BellSouth and MCI.

19 **Q: HOW DOES THE MCI AGREEMENT PROVIDE FOR THE**
20 **SELECTION OF INTERCONNECTION POINTS?**

21 A: Section 1.2 of Attachment IV to the agreement permits Level 3 to establish
22 one IP per LATA. Although it includes an option of establishing additional
23 IPs, Level 3 is the Party that decides whether to establish additional IPs, not
24 BellSouth. Under this framework, Level 3 and BellSouth established one IP
25 in the Miami LATA at the BellSouth Central Office at 45 NW 5th Street

1 (which also houses the Miami Grande tandem). In the Orlando LATA, we
2 established one IP at the BellSouth Central Office located at 2315 E. Central
3 Boulevard (which also houses the Colonial tandem). Local network planners
4 for Level 3 and BellSouth confer on a weekly basis and review the Florida
5 network architecture as necessary during these weekly discussions. Once,
6 during the meetings, BellSouth raised concerns about the IP in the Miami
7 LATA. To address BellSouth's concerns, Level 3 agreed to permit BellSouth
8 to establish DS3 facilities directly from a few high volume end offices to our
9 POP.

10 **Q: DOES LEVEL 3 MAINTAIN A SINGLE IP IN EACH LATA OR**
11 **MULTIPLE IPS IN OTHER BELLSOUTH MARKETS?**

12 **A:** We have established interconnection with BellSouth under the MCI
13 agreement in Georgia and have selected the IPs in North Carolina under the
14 Interprise America agreement. In both states, Level 3 and BellSouth initially
15 agreed to a single IP per LATA. Level 3 later established a second IP in the
16 Atlanta LATA. The single IP per LATA upon initial market entry is similar
17 to the network architecture we have established with other ILECs. For
18 instance, when Level 3 initially deployed its network in Texas, Level 3 and
19 Southwestern Bell Telephone Company ("SWBT") negotiated a single IP per
20 LATA where Level 3 offered service. When Level 3 sought to provide
21 service in new areas in Texas, we worked with SWBT to establish additional
22 IPs where dictated by sound engineering principles. For instance, Level 3
23 established additional IPs, for a total of two IPs each, in the Dallas and
24 Houston LATAs. The same is true in California with Pacific Bell, where we

1 established a single IP initially in the San Francisco LATA, but then added
2 an additional IP in San Jose once traffic volumes warranted it.

3 **Q: IF THE NEW INTERCONNECTION AGREEMENT WERE TO**
4 **REQUIRE LEVEL 3 TO ESTABLISH IPS BASED ON**
5 **BELLSOUTH'S UNILATERAL DESIGNATION OF ADDITIONAL**
6 **IPS, HOW WOULD THAT AFFECT THE NUMBER OF IPS PER**
7 **LATA?**

8 A. Level 3 could be required to establish numerous IPs in both the Miami and
9 Orlando LATAs. In fact, there is no set limit on the number of IPs that
10 BellSouth could require.

11 **Q: DOESN'T THE CONTRACT LANGUAGE PROPOSED BY**
12 **BELLSOUTH PERMIT ESTABLISHMENT OF A SINGLE IP PER**
13 **LATA?**

14 A: Even if BellSouth were to agree to establish a single IP when Level 3 enters
15 a LATA, the broad contract language proposed by BellSouth would permit
16 them to alter that decision at any time, without Level 3's consent. If Level 3
17 initially established a single IP, and was later forced to meet with BellSouth
18 at multiple IPs at BellSouth's unfettered discretion, it would seriously retard
19 Level 3's growth and impose additional unnecessary costs on Level 3 without
20 any offsetting benefit.

21 As an initial matter, transitioning from one to multiple IPs would take
22 months and would seriously interfere with Level 3's operations during the
23 transition. Because of the ordering limitations imposed by BellSouth, I
24 understand that Level 3 would only be permitted to order and turn up five (5)
25 T-1s worth of trunks per day, per market. Assuming Level 3 were to attempt

1 to continue to grow its network during the transition to additional IPs, that
2 growth could be restricted because both our growth and transition orders
3 would have to fit under the BellSouth cap. (And again, there is no specified
4 limit as to how many IPs BellSouth could designate for its originating
5 traffic.) This would adversely affect Level 3's ability not only to turn up
6 services to new customers, but also to grow services for existing customers
7 as those customers request additional services from Level 3. In effect, by
8 demanding an additional IP, BellSouth would severely impair (or even stop,
9 depending upon how many IPs were required by BellSouth) Level 3's ability
10 to win new customers during the transition period and jeopardize the growth
11 of Level 3's existing customers' business. Requiring Level 3 to transition
12 from a single IP per LATA to multiple IPs thus gives BellSouth a
13 competitive advantage in either retaining its existing customers or winning
14 customers new to the market during the transition period.

15 Moving from one to multiple IPs per LATA would also impose
16 unnecessary economic costs on Level 3 if the Commission, contrary to Level
17 3's recommendation, adopts BellSouth's proposed trunking charges. Under
18 BellSouth's proposal, Level 3 will be required to pay substantial nonrecurring
19 ordering charges to establish each of its existing trunks to the single IP.¹ If
20 Level 3 were forced to add additional IPs in a LATA, it would incur
21 nonrecurring ordering charges for trunks to the new IP and nonrecurring
22 disconnect charges as each trunk was moved from the single IP to the new IP.

¹ Timothy Gates' testimony addresses the Parties' dispute regarding charges for trunks.

1 **Q: HOW DOES LEVEL 3 PROPOSE TO DETERMINE IF AND WHEN**
2 **ADDITIONAL IPS SHOULD BE ESTABLISHED?**

3 A: We believe that the question of whether multiple IPs need to be established
4 should be determined through consideration of specific network concerns by
5 the planners responsible for running the networks. Because the network
6 planners are most familiar with the network architecture, traffic volumes, and
7 forecasts, Level 3 prefers that the establishment of additional IPs be left to the
8 discretion of the network planners from both companies, consistent with
9 sound engineering principles. In considering new IPs, sound engineering
10 principles dictate a case-by-case analysis under which carriers should
11 consider factors such as the current network architecture, the current and
12 forecasted level of traffic flowing through the existing IP, the location(s)
13 from which traffic is flowing, the remaining capacity at the existing IP, and
14 the demand placed upon that IP. For example, a certain threshold of traffic
15 ("X") coming from and going to a given tandem serving area may dictate that
16 a new IP be established at that tandem based upon the number of customers
17 behind that tandem, while a higher threshold of traffic ("X+1") coming from
18 and going to another tandem serving area might justify the establishment of
19 a new IP at that second tandem if there are more customers (and more
20 potential simultaneous call paths) in that tandem serving area. After all of
21 these and other relevant factors are taken into account, an appropriate,
22 mutually agreeable determination can be made as to when and where an
23 additional IP may be needed.

1 **Q: HAS LEVEL 3 PROPOSED CONTRACT LANGUAGE TO APPLY**
2 **SUCH SOUND ENGINEERING PRINCIPLES TO THE**
3 **ESTABLISHMENT OF ADDITIONAL IPS?**

4 A: Yes. Level 3 presented two alternatives to BellSouth. The first alternative
5 focuses on traffic originating from and/or terminating to a BellSouth tandem
6 serving area and the second focuses on technically feasible IPs available on
7 Level 3's network.

8 **Q: CAN YOU PLEASE EXPLAIN THE FIRST PROPOSAL?**

9 A: Under the first proposal, the Parties would measure traffic originating from
10 and/or terminating to BellSouth customers served by a BellSouth access
11 tandem. Once the traffic reached the level of an OC-12, the Parties would
12 establish an additional IP at that tandem.

13 Level 3 proposed an OC-12 threshold for two reasons. First, if the
14 volume of traffic originating from and/or terminating to an additional
15 BellSouth tandem is low, BellSouth's transport and switching costs are also
16 relatively low. BellSouth has been in this business for over 100 years and has
17 built ubiquitous facilities to transport traffic throughout its serving area.
18 Since BellSouth already has facilities in place to carry this traffic, and
19 therefore benefits from certain economies of scale, its costs to switch and
20 transport traffic it exchanges with Level 3 are relatively low.

21 Second, Level 3 as a new entrant has not deployed transport facilities
22 throughout BellSouth's serving area. Thus, in order for Level 3 to reach
23 additional BellSouth-designated IPs, Level 3 must either construct facilities,
24 which requires local permits, digging up streets, etc., or lease existing
25 transport from BellSouth or another carrier. In short, where traffic volumes

1 to/from additional wire centers are low, if BellSouth requires Level 3 to
2 establish an IP at the additional wire center, BellSouth's avoided costs are
3 negligible but Level 3's costs are high. Furthermore, if Level 3 purchases the
4 transport from BellSouth, then BellSouth has succeeded, through its multiple
5 IP requirement, in generating a significant amount of revenue from selling
6 transport to Level 3.

7 In sum, the number of IPs is a financial issue for both Parties.
8 BellSouth's insistence on a unilateral right to designate additional IPs places
9 an undue financial burden on Level 3 to build out (or purchase or lease)
10 facilities to each of BellSouth's designated IPs. While Level 3 in the first
11 instance continues to advocate a case-by-case analysis based upon factors
12 unique to certain aspects of the Level 3 and BellSouth networks and certain
13 areas of each market, the OC-12 threshold is one means of prohibiting
14 BellSouth from imposing expensive and unnecessary IPs on Level 3.

15 **Q: WHY IS TRAFFIC VOLUME IMPORTANT?**

16 **A:** As I've already stated, traffic volume is one of several factors that should be
17 taken into account when establishing an IP. Let me give you an example that
18 shows the importance of traffic volume. In the Miami LATA, BellSouth has
19 five tandems. Since BellSouth provides service to customers behind all
20 tandems, BellSouth must maintain facilities to connect the tandems to permit
21 customers behind one tandem to reach customers behind the other tandems.
22 Under the proposed contract, Level 3 has agreed that for Level 3-originated
23 traffic, BellSouth may charge Level 3 for "Multiple Tandem Access," which
24 permits BellSouth to recover the additional transport and switching costs it
25 incurs for switching the call through two tandems (e.g., Miami Grange and

1 Palm Beach) before delivering it to the BellSouth customer. If, however,
2 BellSouth exercised its unilateral right to require Level 3 to establish an IP
3 at the Miami Grande tandem (and several other tandems or even end offices,
4 for that matter), whether for BellSouth- or Level 3-originated traffic, Level
5 3 could be forced to build facilities to those switches (and incur the time,
6 cost, and expense associated with such a build) or purchase facilities from
7 BellSouth. Even if Level 3 purchased the smallest facility available from
8 BellSouth, a DS1, to get to the Miami Grande tandem for example, BellSouth
9 would apparently assess Level 3 a nonrecurring charge ("NRC") of \$347.71
10 and a monthly recurring charge ("MRC") of \$186.82 for the DS1 (assuming
11 it is approximately one mile to this tandem) and a NRC of \$1,656.17 for the
12 trunks that ride on that DS1.² BellSouth could thus impose unnecessary costs
13 on Level 3 and strand valuable PSTN resources without regard for whether
14 traffic volumes justify such an investment in dedicated facilities. To prevent
15 this possibility, Level 3 has proposed that additional IPs be established at
16 tandems when traffic to and from a specific BellSouth tandem serving area
17 reaches the level of an OC-12.

18 **Q: WHAT IS LEVEL 3'S ALTERNATIVE PROPOSAL?**

19 **A:** Under our second proposal, BellSouth would have the right to designate
20 additional technically feasible IPs that exist on Level 3's network. These

²The MRC-DS-1 charge is two times the facility termination rate of \$93.31 plus one times \$0.2034 per mile. The NRC DS-1 charge is the total of the first (\$179.99) and additional (\$164.95) facility termination charges plus the electronic service order charge (\$2.77). The NRC trunk charge is the total of \$336.43 for the first trunk plus 23 times \$57.38 for each additional trunk.

1 points could include Level 3's switches or points of presence in the LATA
2 or collocation arrangements Level 3 has established in BellSouth premises.
3 Just as Level 3 has the right to designate any technically feasible point of
4 interconnection on BellSouth's network, this proposal would give BellSouth
5 the reciprocal right to choose a technically feasible point on Level 3's
6 network.

7 **ACCESS SERVICE REQUESTS**

8 **Q: PLEASE EXPLAIN THE PARTIES' DISPUTE ON ACCESS**
9 **SERVICE REQUESTS.**

10 **A:** The dispute regarding Access Service Requests ("ASRs") is set forth in Issue
11 4 of Level 3's Petition and concerns how quickly each Party notifies the other
12 of errors in the ASR that prevent processing the order.

13 In order to ensure that there are sufficient facilities in place to
14 exchange traffic with BellSouth, Level 3 must estimate the amount of traffic
15 the Parties will exchange over the following year. Based on anticipated
16 traffic flows, Level 3 then forecasts the number of trunks that will be
17 necessary to ensure the Parties can exchange traffic without calls being
18 blocked. Level 3 submits the forecasts to BellSouth so that BellSouth will
19 consider Level 3's trunking needs in its network planning process. It is
20 important to note, however, that BellSouth does not automatically turn up
21 trunks forecasted by Level 3. Rather, Level 3 and BellSouth must submit
22 orders (ASRs) to turn up trunks. Furthermore, the turn up of trunks is limited
23 by the ordering and provisioning process imposed by BellSouth (*e.g.*, the
24 limitations in terms of the number of T1s per day).

1 When one Party orders trunks from the other, it is because those
2 trunks are needed as soon as possible to respond to customer demand. It is
3 therefore critical that any errors in the ordering process are caught and
4 addressed as soon as possible. Level 3 recognizes that BellSouth cannot
5 begin to provision the trunks if Level 3's ASR contains clerical or
6 typographical errors. To ensure that the ordering process is quick and
7 efficient, Level 3 has proposed that each Party provide notice of all errors on
8 an ASR within two (2) business days of receiving the ASR. This will allow
9 both Parties to make any necessary corrections as promptly as possible so
10 that the Parties minimize delay in the trunk ordering process.

11 **Q: BELLSOUTH HAS OFFERED TO USE ITS "BEST EFFORTS" TO**
12 **IDENTIFY ALL ERRORS ON AN ASR FOR LOCAL**
13 **INTERCONNECTION TRUNKS (BELLSOUTH RESPONSE AT ¶ 23).**
14 **DOES THIS COMMITMENT ADDRESS LEVEL 3'S CONCERNS?**

15 A: No. Many of the network planning and provisioning aspects of the
16 agreement and the Parties' operations are so interrelated that adjusting one
17 aspect of the process can have an adverse effect on Level 3's ability to
18 exchange traffic with BellSouth and provide service to Level 3's customers.
19 The trunk forecasting, ordering, provisioning, and utilization requirements in
20 the agreement all impact the Parties' exchange of traffic. Level 3 has agreed
21 to trunk utilization levels that represent more than "best efforts" and we
22 believe that BellSouth should make similar, quantifiable commitments with
23 respect to processing and provisioning our trunk orders.

24 **TRUNK PROVISIONING**

1 **Q: PLEASE EXPLAIN THE DISPUTE REGARDING TRUNK**
2 **PROVISIONING.**

3 A: Level 3 has requested that the contract contain intervals for the provisioning
4 of new trunks and orders to augment existing trunk groups. However, the
5 Parties dispute what those intervals should be, and whether there should be
6 a separate interval in cases where blocking is occurring. For large trunk
7 groups involving 96 trunks or more, both new and augments, Level 3 seeks
8 an interval of 22 business days, or approximately one calendar month. For
9 trunk groups of less than 96 trunks, Level 3 seeks an interval of 15 business
10 days. For blocking situations, Level 3 seeks an interval of five business days.
11 In paragraph 24 of its response to our Petition, BellSouth offered an interval
12 of 45 days for orders of less than 96 trunks (approximately two calendar
13 months if counted in business days) and did not propose a separate interval
14 for large trunk groups or blocking situations. I understand BellSouth later
15 clarified that it only meant to offer the 45-day interval for augmentations of
16 less than 96 trunks. Level 3 believes that BellSouth's position is
17 unreasonable.

18 **Q: WERE YOU SURPRISED TO LEARN THAT BELL SOUTH WOULD**
19 **ONLY COMMIT TO PROVISIONING AUGMENTATION ORDERS**
20 **OF LESS THAN 96 TRUNKS IN 45 BUSINESS DAYS?**

21 A: Yes. Based on our negotiations, we were under the impression that
22 BellSouth had agreed to provision less than 96 trunks, whether new trunk
23 groups or augmentations, within 22 business days and 96 or more trunks,
24 whether new trunk groups or augmentations, within 45 business days.

25 **Q: WHY ARE INTERVALS NECESSARY?**

1 A: As I stated earlier, Level 3 and BellSouth place trunk orders in order to meet
2 customer demand. In addition, Level 3 has agreed to meet certain utilization
3 requirements for its trunk groups. For both of these reasons, Level 3 needs
4 to know how quickly BellSouth will provision trunks. Having set intervals
5 helps Level 3 meet customer demand and maintain trunk groups utilization
6 at levels required by the Agreement. Without intervals, Level 3 must guess
7 how much lead time is necessary to ensure orders will be filled in time to
8 meet customer demand. If Level 3 underestimates BellSouth's provisioning
9 time, Level 3's customers may experience blocking because new capacity
10 won't be added before new customers are added, or old customers' business
11 grows. If Level 3 overestimates BellSouth's provisioning time, its trunk
12 groups may have excess capacity and could be taken down under the
13 utilization provisions of the contract.

14 **Q: WHY ARE LEVEL 3'S INTERVALS REASONABLE?**

15 A: There are at least two reasons why our intervals are appropriate and
16 reasonable. First, it is important to note that in most cases we will be placing
17 orders for demand that have been included in forecasts provided to BellSouth.
18 BellSouth should not be overly surprised by Level 3 orders such that action
19 on the orders will take two months, or possibly longer under BellSouth's
20 proposed individual case basis. Rather, the purpose of giving forecasts is to
21 give BellSouth time to prepare for the orders it can reasonably expect from
22 Level 3 each quarter. Second, although BellSouth points to factors that may
23 delay trunk provisioning (such as a need for new construction), these factors
24 should be exceptions to the general rule. BellSouth has given Level 3 no
25 reason to believe that, under normal circumstances, it cannot complete

1 smaller orders within 15 business days and larger orders within 22 business
2 days.

3 **Q: LEVEL 3 HAS ALSO SOUGHT INTERVALS FOR BLOCKING**
4 **RELIEF. DOES BLOCKING ONLY AFFECT LEVEL 3'S**
5 **CUSTOMERS?**

6 A: No. Blocking creates problems not only for Level 3 customers who are
7 unable to complete calls, but also for those BellSouth customers who are
8 attempting to reach our customers. However, if the blocking occurs only
9 when the BellSouth customers call Level 3 customers, and not when they call
10 other BellSouth customers, the problem is perceived as being caused by
11 Level 3. Blocking therefore puts Level 3 at a competitive disadvantage
12 *vis-a-vis* BellSouth.

13 **Q: HAS LEVEL 3 EXPERIENCED BLOCKING PROBLEMS WITH**
14 **BELLSOUTH?**

15 A: Yes. We have experienced blocking with BellSouth in Miami and Atlanta.
16 Because BellSouth did not have facilities available in these markets, it took
17 four and three months in Miami and Atlanta, respectively, to relieve the
18 blocking problem. In other instances, where BellSouth had facilities
19 available, they have generally relieved the blocking within five to ten
20 business days. We therefore feel that a five business day interval is
21 reasonable and desirable from the perspective of both of our customer bases.

22 **Q: DOES THIS CONCLUDE YOUR TESTIMONY?**

23 A: Yes, it does.