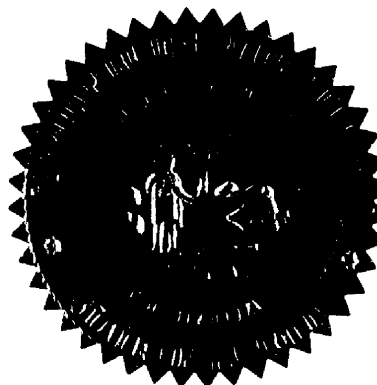


**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

DOCKET NO. 000731-TP

In the Matter of

**PETITION BY AT&T COMMUNI-
CATIONS OF THE SOUTHERN STATES,
D/B/A AT&T FOR ARBITRATION OF
CERTAIN TERMS AND CONDITIONS OF
A PROPOSED AGREEMENT WITH
BELLSOUTH COMMUNICATIONS, INC.
PURSUANT TO 47 U.S.C.
SECTION 252.**



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THE OFFICIAL TRANSCRIPT OF THE HEARING
AND DO NOT INCLUDE PREFILED TESTIMONY.**

VOLUME 7

PAGES 959 THROUGH 1098

PROCEEDINGS: HEARING

**BEFORE: CHAIRMAN E. LEON JACOBS, JR.
COMMISSIONER BRAULIO L. BAEZ
COMMISSIONER MICHAEL A. PALECKI**

DATE: Thursday, February 15, 2001

TIME: Commenced at 9:00 a.m.

**PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida**

**REPORTED BY: JANE FAUROT, RPR
FPSC Division of Records & Reporting
Chief, Bureau of Reporting**

APPEARANCES: (As heretofore noted.)

DOCUMENT NUMBER-DATE

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FLORIDA PUBLIC SERVICE COMMISSION

FPSC-RECORDS & REPORTING

I N D E X**WITNESSES**

NAME:	PAGE NO.
JOHN A. RUSCILLI	
Conitnued Cross-Examination by Mr. Lamouruex	962
Cross-Examination by Mr. Fordham	995
Redirect Examination by Mr. Lackey	1015
W. KEITH MILNER	
Direct Examination by Ms. White	1026
Prefiled Direct Testimony Inserted	1028

1
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EXHIBITS

NUMBER:		ID.	ADMTD.
18	Transcript of Tennessee Regulatory Authority, Intermedia Decision of February 6, 2001	962	
17			1026
18			1026
19	WKM-1	1097	

1 PROCEEDINGS

2 (Transcript continues in sequence from
3 Volume 6.)

4 CHAIRMAN JACOBS: Go back on the record. On
5 you.

6 MR. LAMOUREUX: Thank you. Right before we
7 broke, I handed out a document, but I forgot to ask that
8 it be marked as Exhibit 18.

9 CHAIRMAN JACOBS: Okay. This is the petition?

10 MR. LAMOUREUX: This is the transcript of the
11 Tennessee Regulatory Authority's decision in the
12 Intermedia arbitration in Tennessee.

13 CHAIRMAN JACOBS: Okay.

14 (Exhibit 18 marked for identification.)

15 JOHN A. RUSCILLI

16 resumed the stand as a witness on behalf of BellSouth
17 Telecommunications, Inc. and, having been previously sworn,
18 testified as follows:

19 CONTINUED CROSS-EXAMINATION

20 BY MR. LAMOUREUX:

21 Q And, Mr. Ruscilli, at lunch I found the page I
22 was looking for.

23 A Yes, sir.

24 Q Page 7 and 8. At the bottom of Page 7, you will
25 see that there was Issue 12, which was what is the

1 appropriate definition of currently combines pursuant to
2 FCC Rule 51.315(b). Do you see there that Director Greer
3 made a motion to define the term currently combines to
4 include any and all combinations that BellSouth currently
5 provides to itself anywhere in its network, thereby
6 rejecting BellSouth's position that the term means already
7 combined for a particular customer at a particular
8 location?

9 A Yes.

10 Q And you see that Chairman Kyle and Director
11 Malone both also agreed with his motion?

12 A Yes, I do.

13 Q In short, would you agree with me that the
14 Tennessee Regulatory Authority has rejected BellSouth's
15 position as to when it will provide combinations of
16 elements?

17 A Yes, they have. I think in this same one they
18 also rejected the position of tandem switching that
19 Intermedia introduced.

20 Q Okay. Would you agree with me that no
21 Commission has yet and specifically endorsed the BellSouth
22 proposal restricting its obligation to provide
23 combinations of elements?

24 A I don't recall that any have.

25 Q Let me change subjects on you and move to I

1 think what we have been calling the point of
2 interconnection issue.

3 A Yes, sir.

4 Q Or sometimes the network architecture issue.

5 A Yes, sir.

6 Q I think you will agree with me that the Act
7 allows AT&T to interconnect with BellSouth at any
8 technically feasible point, will you agree with that?

9 A Yes.

10 Q Okay. And BellSouth agrees that AT&T can choose
11 to interconnect with BellSouth at any technically feasible
12 point in a LATA, is that right?

13 A Yes.

14 Q Would you agree that the FCC has also said that
15 this idea that an ALEC can interconnect at any technically
16 feasible point means that ALECs may select the most
17 efficient points at which to exchange traffic with
18 incumbent LECs, thereby lowering the competing carrier's
19 costs of among other things transport and termination?

20 A Yes.

21 Q So the specific rationale for the FCC's
22 decision-making has been to allow the competing carriers
23 to reduce their costs of transport and termination?

24 A Yes.

25 Q Would you agree that the FCC has said that a

1 competitive LEC has the option to interconnect at only one
2 technically feasible point in each LATA?

3 A Yes, they have said that. They have got that
4 option.

5 Q All right. And would you agree there is no
6 technical impediment to designating a single point of
7 interconnection per LATA?

8 A Yes.

9 Q And generally BellSouth does not object to the
10 concept of AT&T designating a single point of
11 interconnection in each LATA, right?

12 A No.

13 Q The issue that we are here to discuss is
14 financial responsibility associated with that, would you
15 agree with that?

16 A That is correct, in a very limited situation.

17 Q All right. And would you agree that assuming
18 AT&T does designate a single point of interconnection in
19 the LATA, there is no dispute about financial
20 responsibility for getting calls from AT&T customers to
21 BellSouth customers?

22 A No. I agree. I'm sorry, there is no dispute.

23 Q And the dispute on this issue occurs when a
24 BellSouth customer calls an AT&T customer?

25 A Yes. It is more specific than that, but that's

1 true.

2 Q Okay. And in particular, do you have a copy of
3 your Exhibit JAR-2?

4 A Yes, sir.

5 Q Could you turn to that.

6 MR. LAMOUREUX: And, Mr. Chairman, if I may, I
7 have made a transparency of Mr. Ruscilli's exhibit, and I
8 would like, if I can, to put it on the overhead machine.

9 CHAIRMAN JACOBS: No objection? You may. I
10 think we need to get her to turn the light on.

11 MR. LAMOUREUX: I can do it without it.

12 THE WITNESS: Mr. Lamoureux, for the record this
13 is actually Exhibit JAR-3, not JAR-2.

14 BY MR. LAMOUREUX:

15 Q I'm sorry, what I meant was Page 2 of JAR-3.

16 A Yes, sir.

17 Q Sorry. Well, I will go ahead and -- to put it
18 on the overhead would help, but I don't need that.
19 Specifically, looking at this exhibit, when the AT&T
20 customer in the Lake City local calling area calls the
21 BellSouth customer in the Lake City local calling area,
22 there is no dispute that AT&T will bear the cost of
23 getting its originating traffic to the point of
24 interconnection that it has designated, in this case in
25 your hypothetical in the Jacksonville calling area, and

1 will pay BellSouth reciprocal compensation to BellSouth
2 for terminating that call to the BellSouth end user
3 customer?

4 A That is correct.

5 Q Okay. So AT&T will bear financial
6 responsibility for getting the call all the way from its
7 customer in the Lake City calling area to the BellSouth
8 customer in the Lake City calling area?

9 A That is correct.

10 Q Okay. Now, as you said earlier, the dispute on
11 this issue is when the call goes the other way, that is
12 when the BellSouth end user customer calls an AT&T end
13 user customer in that same local calling area, and the
14 point of interconnection is in a different local calling
15 area, right?

16 A Yes, that is correct.

17 Q Okay. So in this situation, we have got the
18 BellSouth end user customer and the AT&T end user customer
19 both in the Lake City calling area, but the point of
20 interconnection being in the Jacksonville local calling
21 area?

22 A Yes.

23 Q Okay. And the issue is BellSouth agrees that it
24 will -- well, BellSouth agrees that it will pay to get the
25 call from the end user customer to a point in its local

1 calling area. And BellSouth will pay AT&T reciprocal
2 compensation at the end of that call for AT&T to terminate
3 the call. But BellSouth will not pay for the cost to haul
4 the call for that middle point between its end office and
5 the BellSouth tandem in the other local calling area,
6 right?

7 A That is correct. It is labelled, this facility
8 is in dispute.

9 Q Okay. The reason I wanted to put that up -- I
10 just want to highlight that, if I may. When its going
11 from AT&T to BellSouth, AT&T has agreed that it will pay
12 and bear financial responsibility to get the call all the
13 way from its end user to the BellSouth end user, right?

14 A That is correct.

15 Q Okay. BellSouth agrees that it will incur the
16 cost to get the call to its end office, and will pay
17 reciprocal compensation for AT&T to terminate the call
18 from its switch to the end user, but BellSouth will not
19 pay to get the call from the end office to that point
20 where it begins to pay reciprocal compensation, is that
21 right?

22 A That is correct.

23 Q So whereas AT&T will pay to get the call all the
24 way from one end user to the other end user, BellSouth
25 will not pay for that middle chunk of that traffic flow,

1 right?

2 **A** **Yes, if I can explain. What is going on when an**
3 **AT&T end user is in Lake City, they are purchasing from**
4 **AT&T a long loop from AT&T's switch that is in**
5 **Jacksonville. So AT&T is getting recovery for that loop.**
6 **AT&T has an obligation to deliver that traffic to the**
7 **point of interconnection and then they will pay BellSouth**
8 **reciprocal compensation rates for BellSouth to complete**
9 **that call to the BellSouth end user that is in the same**
10 **local calling area as the AT&T end user.**

11 **But in the reverse situation, what is going on**
12 **here is that BellSouth now has to route that the traffic**
13 **outside of its local calling area to AT&T's point of**
14 **interconnection because that is where AT&T chose to put**
15 **it, and BellSouth would never route that call in that**
16 **manner under any other circumstances. If a BellSouth end**
17 **user in Lake City were to call another BellSouth end user**
18 **in Lake City, we would never take the call outside of Lake**
19 **City to complete that call.**

20 **So what is happening is because of AT&T's choice**
21 **of interconnection, we are having to incur or have**
22 **facilities out there to connect from Lake City all the way**
23 **over to Jacksonville just to carry what is really a local**
24 **call. And BellSouth feels that because AT&T has chosen**
25 **that method of interconnection, which we don't oppose them**

1 going that, but they need to bear the financial burden of
2 their choice of interconnection.

3 Q I think you just agreed that this is a local
4 call, right?

5 A Yes, sir.

6 Q It originates and terminates in the same
7 BellSouth basic local calling area, right?

8 A Yes. If you want me to read that from here --

9 Q It shows up a lot smaller than I thought it
10 would.

11 Would you agree with me that -- and I'm not even
12 going to try and read it off the screen.

13 A Thank you.

14 Q -- that 47 CFR 51.701(b)(1), and don't ask me to
15 rattle off those numbers again, specifically defines local
16 telecommunications traffic for carriers other than
17 commercial mobile radio carriers as traffic that
18 originates and terminates within a local service area
19 established by the state commission?

20 A Yes, that's what that says.

21 Q And this traffic specifically originates and
22 terminates within a basic local calling area approved by
23 this Public Service Commission, right?

24 A That is correct.

25 Q Do you agree with me that 51.703(b) specifically

1 says that a LEC may not assess charges on any other
2 telecommunications carrier for local telecommunications
3 traffic that originates on the LEC's network?

4 A Yes, that's what it says. But what is happening
5 is that now you are involving two different networks, and
6 actually you are involving three networks in making that
7 call that you had up there earlier. You have the local
8 network in the Lake City example. And if you had a point
9 of interconnection in Lake City we wouldn't be having this
10 discussion because we have reached agreement on what the
11 responsibilities are for reciprocal compensation
12 interconnection there.

13 But in order for BellSouth to get the call to
14 your customer who is also located in Lake City, we now
15 have to send that traffic over some interexchange
16 facilities, and this is interLATA so it would be ours
17 going onto our toll network, and then reintroduce it into
18 the local network that is over in Raleigh. So while you
19 are having a customer or two customers that are completing
20 a local call one to another, you are involving two other
21 BellSouth networks to complete that. And that is the
22 point of dispute.

23 Q The regulation does not say except where
24 BellSouth has to haul the traffic to a point of
25 interconnection outside the basic local calling area, does

1 it?

2 A No, it does not say that.

3 Q It says simply that BellSouth may not assess
4 charges on any other telecommunications carrier for local
5 telecommunications traffic that originates on BellSouth's
6 network, right?

7 A That is correct. But if you look back at Mr.
8 Follensbee's testimony yesterday, you talked about the TSR
9 Wireless order that came out by the FCC. And what the FCC
10 did in that is if you can draw the comparison, wireless
11 companies, cellular companies have a major trading area.
12 And these rules were discussed in that particular order
13 because the concept was does the ILEC have a
14 responsibility to deliver that traffic originating to that
15 other carrier, you know, free of charge like we are
16 talking here. They do. But there was nothing in there
17 that said in that order that the ILEC had any
18 responsibility to take that traffic from one local calling
19 area to another to have it routed back.

20 Q And, in fact, the FCC also did not say that the
21 ILEC has no responsibility to take that traffic to the
22 other local calling area and haul it back, did it?

23 A Not that I recall, no.

24 Q And so we are left with the regulation still
25 simply says BellSouth cannot charge for traffic that

1 originates on its network, local traffic that originates
2 on its network?

3 A Local traffic that originates on its network.

4 Q Now, even if we were talking about -- were you
5 here when Mr. Lackey crossed Mr. Follensbee?

6 A Yes.

7 Q Did you see the exhibit that Mr. Lackey used
8 with him that had sort of the football field grid lines on
9 it?

10 A Well, I have seen it before, yes.

11 Q Now, in that example we had local calling area
12 one through 20 and they were all within a LATA, right?

13 A Yes.

14 Q Would you agree with me that even if we were
15 talking about that entire LATA, BellSouth has in its
16 tariff local calling areas that go out to that LATA
17 boundary?

18 A Well, BellSouth has in its tariff what is called
19 an area plus service. And that is where a consumer
20 purchases from BellSouth for an additional charge over its
21 local service the ability to complete flat-rated toll
22 calls within the LATA boundaries.

23 Q And that service is specifically identified in
24 your tariff as a basic local exchange service, correct?

25 A I don't have the tariff in front of me, but I'll

1 take it. I'm sure you're going to hand it to me.

2 Q I have handed you a copy of your tariff where
3 that expanded area of service shows. Could you read the
4 heading for me at the top page of that tariff page?

5 A Yes. It's A.3, basic local exchange service.

6 Q So that LATA-wide service is a part of what
7 BellSouth sells as basic local exchange service?

8 A Yes, it's part of what they sell as basic local
9 exchange service. But what it is is just an alternative
10 to paying, you know, measured toll rates.

11 Q Are you telling me that you have misidentified
12 that service in your tariff?

13 A No.

14 Q And you stand by the fact that you have
15 identified that service in your tariff as basic local
16 exchange service?

17 A That's where it is in the tariff, yes.

18 Q And it is there -- would you agree with me that
19 it is basic local exchange service?

20 A Yes. But it's just an alternative for toll.

21 Q Now, I want to make absolutely clear the only
22 situation where you are going to try and charge or you are
23 going to make AT&T bear financial responsibility for those
24 transport costs is the situation where the call originates
25 and terminates in the same basic local calling area but

1 the point of interconnection lies outside that basic local
2 calling area?

3 A Yes.

4 Q So if, for example, a BellSouth customer in Lake
5 City calls an AT&T customer in a third basic local calling
6 area, and the point of interconnection is still in the
7 Jacksonville local calling area, that situation does not
8 give rise to this issue, is that correct?

9 A No. That situation would just be an ordinary
10 toll call because the customer in one local calling area
11 is calling another customer, and it doesn't matter whose
12 customer it is that is in a third local calling area. So
13 that is just ordinary toll traffic and that is not being
14 disputed here.

15 Q At Page 17 of your direct testimony you say that
16 BellSouth is not obligated to haul AT&T's local traffic to
17 a distant point dictated by AT&T?

18 A Lines 1 and 2?

19 Q Yes.

20 A Yes.

21 Q But we agreed that we are talking about traffic
22 that originates from a BellSouth end user customer, right?

23 A That is correct.

24 Q So it's not AT&T's traffic, it is BellSouth's
25 traffic, correct?

1 **A** **It is BellSouth's traffic originated towards an**
2 **AT&T customer.**

3 **Q** **Okay. Back to Rule 51.703(b), okay, the one**
4 **that talks about not being able to charge for traffic that**
5 **originates on the LEC network. That rule is nowhere in**
6 **your direct or rebuttal testimony, is it?**

7 **A** **No, it's not.**

8 **Q** **Okay. We have been arbitrating this issue**
9 **awhile, have we not?**

10 **A** **Yes.**

11 **Q** **And we have been talking about this rule for**
12 **quite some time, have we not?**

13 **A** **Yes.**

14 **Q** **Not once in all the months where we have**
15 **arbitrated this issue has BellSouth ever discussed in its**
16 **written testimony that rule, has it?**

17 **A** **No.**

18 **Q** **Under the current interconnection agreement,**
19 **BellSouth does not charge AT&T for hauling that traffic**
20 **outside the local calling area the traffic originates to**
21 **the point of interconnection, does it?**

22 **A** **That is my understanding.**

23 **Q** **So would you agree then by adopting the**
24 **BellSouth proposal the Commission would be shifting**
25 **financial responsibility for the cost at issue from**

1 **BellSouth to AT&T?**

2 **A Yes. But, I mean, it is the financial**
3 **responsibility that is being incurred because of AT&T's**
4 **design.**

5 **Q But there would be a shift in cost. Whereas**
6 **BellSouth agrees to accept it or has been accepting it**
7 **today, it would now be shifted over to AT&T?**

8 **A That is correct. That's why we are here**
9 **arbitrating this.**

10 **Q And that would be true for every ALEC in which**
11 **this is an issue?**

12 **A Yes.**

13 **Q Let's talk about the tandem reciprocal**
14 **compensation rate.**

15 **A Okay.**

16 **Q At Page 35 of your direct testimony you say that**
17 **the FCC determined that there should be two rates for**
18 **transport and termination; one rate applies where tandem**
19 **switching is involved, and the other rate applies where**
20 **tandem switching is not involved?**

21 **A Yes.**

22 **Q The specific FCC regulation that allows ALECs to**
23 **charge the tandem rate is 51.711(a)(3), is that right?**

24 **A That's one. I think there are two above it, (1)**
25 **and (2), but that is one of those in there on the tandem**

1 switching rate.

2 Q The other one that you want to refer to is
3 51.711(a)(1), is that right?

4 A Yes.

5 Q Can you show me where in 51.711(a)(1) the word
6 tandem is even mentioned?

7 A I don't have it in front of me, but -- the word
8 tandem is not in there. But I based my opinion and
9 BellSouth's policy is we are talking about incumbent LECs
10 and carriers assessing upon each other for the same
11 services.

12 Q But the only regulation that specifically
13 mentions by name the ability to charge the tandem rate is
14 51.711(a)(3)?

15 A Yes.

16 Q And would you agree with me that the reason
17 711(a)(1) discusses the services that are involved are
18 that the variation in costs and prices for the different
19 kind of switching we are talking about reflect differences
20 in the services being provided by the different kinds of
21 switches?

22 A I agree that is one of the reasons behind it,
23 yes.

24 Q Okay. And in your testimony you refer
25 specifically to Paragraph 1,090 of the FCC's First Report

1 and Order, correct?

2 A Yes.

3 Q Specifically in that paragraph, the FCC said
4 that the reason it was establishing a geographic
5 comparability test was that geographic comparability
6 serves as a proxy for the cost incurred by the ALEC in
7 providing switching?

8 A I don't remember it saying proxy for the cost, I
9 thought I said proxy for the rate. But I will take your
10 word on it.

11 Q Well, didn't the FCC say that where the
12 interconnecting carrier's switch serves a geographic area
13 comparable to that served by the incumbent's tandem
14 switch, the appropriate proxy for the interconnecting
15 carrier's additional costs is the LEC tandem
16 interconnection rate?

17 A It says that. But the whole paragraph together,
18 when you read top to bottom in that paragraph, what it is
19 doing is it is giving an alternative to ALECs to suggest,
20 okay, you can have a switch and you might be using another
21 technology that helps you accommodate a tandem switching
22 function, such as a fiber ring or a wireless technology.
23 It is not necessarily saying that they want to make it
24 technologically specific to an ALEC that they should have
25 a tandem switch like the Bell's tandem switch. But in

1 that body of the paragraph they are establishing the
2 tandem functionality. And so --

3 Q And the first part of that paragraph deals with
4 this idea of new technologies?

5 A Yes.

6 Q The last sentence of that paragraph specifically
7 says that geographic comparability serves as a proxy for
8 the additional interconnecting carrier's costs, right?

9 A Yes.

10 Q Now, specifically looking at just regulation
11 711(a)(3), that regulation itself requires only that the
12 ALEC switch serve a geographic area comparable to the area
13 served by the BellSouth switch, right?

14 A Three only says that. But (3) being part of (1)
15 and (2) above it is where BellSouth believes that the
16 functionality test is just equally important because it is
17 for these same services you need to be performing
18 transport and termination.

19 Q Can you show me -- I'm sorry, I did not mean to
20 interrupt.

21 A That's okay. Go ahead.

22 Q Can you show me where the word functionality
23 appears in 711(a)(1)?

24 A No, but it's for the same services.

25 Q And we agreed that the reason that you talk

1 about services is because what we are talking about is the
2 cost and the price associated with the provision of
3 certain services, that being tandem or end office
4 switching, right?

5 A Yes.

6 Q And the FCC has already established that the
7 proxy for the cost of those services is geographic
8 comparability, correct?

9 A Yes, in the latter part of that. But they have
10 also established, you know, we have got to be providing
11 the same services. BellSouth's policy is that that is
12 function. And if you are going transport and termination,
13 to do transport you have to have two switches involved. If
14 AT&T or any ALEC just has one switch, well, you are not
15 transporting between two switches, so you are not doing
16 the same service.

17 Q With respect just to the issue of geographic
18 comparability, okay, (a)(3) requires that our switches
19 serve an area geographically comparable to your tandem
20 switches in order for us to be able to charge the tandem
21 rate, just looking at (a)(3)?

22 A Yes. Actually it says serves, in the plural, a
23 geographic area. It doesn't say capable of serving or can
24 serve, it just says serves in the active sense.

25 Q That rule says nothing about the location of

1 **AT&T's customers, does it, specifically?**

2 **A No, just same geographic area.**

3 **Q And it says that our switches serve, in the**
4 **present tense, that geographic area, right?**

5 **A I didn't do well in English in college, and I'm**
6 **sorry, but serves seem to be like an active verb to me and**
7 **serve does not.**

8 **Q Let me ask you a question. Suppose there is a**
9 **subdivision in your territory in Florida that is a**
10 **moderately old subdivision. A customer moves out of**
11 **that subdivision, okay. Another customer doesn't move in**
12 **for six months. Are you serving that house?**

13 **A We would have Quickserve on the line.**

14 **Q Do you consider your switch to serve that house?**

15 **A Except for what I just said with Quickserve, no,**
16 **we are not providing service to an active customer there.**

17 **Q So if there is no customer in that house, you**
18 **don't consider your switch to be serving that house?**

19 **A Correct.**

20 **Q In order to meet your test, wouldn't we have to**
21 **be providing service to every single BellSouth customer in**
22 **your -- in the geographic area served by your tandem**
23 **switch?**

24 **A One more time.**

25 **Q Sure. Under your scenario, the only way we can**

1 prove that we serve a particular geographic area is if we
2 have actually got service flowing through to a particular
3 customer, right?

4 A Well, I mean, it's a test that is outlined by
5 (a)(3) here, and it says serves, and it has got to be the
6 same geographic area.

7 Q Your definition of serves is that we have to
8 have service actively flowing through our network to all
9 the customers in a particular geographic area, right?

10 A I don't know that it has to be all, because we
11 wouldn't necessarily have service flowing to all the
12 customers in a geographic area.

13 Q Well, guess what, I'm going move to the board
14 again.

15 A I know.

16 Q You just told me that if you are not providing
17 service to a customer you don't consider your switch to be
18 serving that customer, right?

19 A Right, outside of the Quickserve example.

20 Q All right. So let's say you have got a tandem,
21 okay, and these are all the customers that are actually
22 receiving service out of that tandem today, okay?

23 A Yes, sir.

24 Q The only way under your definition of serves
25 that we could ever prove that we had geographic

1 comparability is if we were actually providing service to
2 each and every one of those customers, right?

3 A Well, again, it's not our test that we are
4 trying to apply and it is certainly for the Commission to
5 decide, but maybe if I explained this in the opposite. As
6 an example if you just had the customer at 12:00 o'clock,
7 the X at 12:00 o'clock up there. I wouldn't see how you
8 could claim that you need or are entitled to tandem
9 switching function because you are not serving the
10 geographic area, you just have that one customer. Or if
11 you just had a cluster of customers in that one specific
12 area at 12:00 o'clock on your diagram, you are not
13 doing -- you are not satisfying, in my opinion, the
14 geographic requirement. But an absolute census of
15 customers I don't think was ever intended.

16 Q Well, let's refine my hypothetical. Let's say
17 these are just the customers, the furthest customers away
18 from the tandem switch that are actually receiving service
19 out of that tandem switch today. There are other
20 customers inside that boundary, okay. Under your
21 definition of the word serves, the geographic boundary
22 served by your tandem is the boundary that encapsulates
23 every one of those customers furthest away from the
24 tandem, right?

25 A It's the boundary of our tandem, yes.

1 **Q** **If we were providing service to every one of**
2 **those customers but one, under your definition of the word**
3 **serves we would not be able to prove that our switch**
4 **serves a geographically comparable area to yours, would**
5 **we?**

6 **A** **Well, again, it's a test that you would put**
7 **before this Commission. So I think the Commission would**
8 **be the best place to determine whether or not you are**
9 **servicing the geographic area. I don't know that you can**
10 **exclude one customer and say you don't or you do, or can**
11 **exclude 1,000 customers and say you don't or you do.**

12 **Q** **Sorry.**

13 **A** **I'm done. Go ahead.**

14 **Q** **Are you proposing any test whatsoever to this**
15 **Commission to determine whether we are serving a**
16 **geographic comparability area to your tandem switches?**

17 **A** **No, BellSouth is not proposing any test.**
18 **BellSouth is proposing that AT&T demonstrate to the**
19 **Commission that it is servicing a geographic area.**

20 **Q** **And we have proposed a test, correct?**

21 **A** **You have put some maps up that have been colored**
22 **with geographic areas.**

23 **Q** **We have proposed that as long as the scope of**
24 **our coverage is comparable to the scope of your coverage**
25 **we meet the definition, right?**

1 **A** **That is what you have proposed. But simply**
2 **drawing maps and coloring them in and saying we cover this**
3 **geographic area without actually serving customers seems**
4 **like you are not really demonstrating to the Commission**
5 **that you are serving the same geographic area.**

6 **Looking at it from another perspective, I mean,**
7 **I think the FCC when it designed this geographic coverage**
8 **test has just decided that you need to be as I look at it**
9 **in the verb there, serves, or serving those customers, not**
10 **just drawing a map.**

11 **Q** **You have proposed no counter test to the test**
12 **AT&T has proposed, correct?**

13 **A** **Correct.**

14 **Q** **So the only test proposed in this proceeding is**
15 **by AT&T to determine whether we meet that regulation?**

16 **A** **I guess if AT&T, you know, calls that a test,**
17 **yes. But they have just put a map up.**

18 **Q** **You have not in any way challenged the accuracy**
19 **of those maps attached to Mr. Talbott's and**
20 **Mr. Follensbee's testimony as to the geographic scope of**
21 **the coverage of AT&T's switches, have you?**

22 **A** **No, I have not.**

23 **Q** **So you don't deny the scope of coverage of**
24 **AT&T's switches serve what our maps say they serve? Let**
25 **me try that without using the word serve in it, okay. You**

1 don't deny that our maps show the correct geographic scope
2 of our switches?

3 A I don't deny that you have put out some maps
4 saying this is what you intend to cover.

5 Q Well, not what we intend to over. You don't
6 deny that those switches can provide service to those
7 areas shown in those maps?

8 A I don't deny that. You have not presented
9 anything but a map that is colored in.

10 Q Well, you keep saying we have not presented
11 anything but a map that is covered in. You have never
12 challenged that map, you have never challenged the
13 coloring in, you have never challenged the data on that
14 map, you have never challenged the accuracy of that map,
15 right?

16 A That is correct.

17 Q Let's talk about cancellation charges and the
18 conversion of special access.

19 A Yes, sir.

20 Q Conversion of special access to combinations of
21 UNEs is accomplished by BellSouth without any physical
22 wire work required, correct?

23 A Correct.

24 Q And so the only cost associated with that
25 conversion is the cost of a record change reflecting that

1 we are now buying UNE combinations instead of special
2 access, right?

3 A I'm not a cost expert, but I will take that,
4 yes.

5 Q So the cancellation charges, or termination
6 penalties, or whatever you want to call them, they are not
7 designed to recover any additional cost that BellSouth has
8 to incur because of the conversion, right?

9 A That's right. They are termination liabilities,
10 and they are designed for when a customer enters into a
11 contract with BellSouth for either an extended period of
12 time, or perhaps a volume of number of circuits that they
13 might buy, or a volume of dollars that they guarantee they
14 will spend with BellSouth, BellSouth through its tariffs
15 will make a more favorable rate available to that customer
16 than they would to a customer who signs up for a
17 month-to-month.

18 And the simple reason for that is that a
19 month-to-month customer could cancel at any given month
20 and walk away, whereas a customer that has committed to
21 some sort of term or volume is guaranteeing BellSouth a
22 revenue stream for a period of time, or a certain amount
23 of revenue. And so we give them a more favorable rate.

24 Q Okay. Now you mentioned both term and volume
25 commitments. Term obviously means a length of time, so

1 many months, right?

2 A Right.

3 Q Volume means we agree to purchase so great a
4 volume of service from you, right?

5 A Well, volume can have a couple of meanings.
6 Volume could be that you intend to buy X numbers of
7 circuits from BellSouth. Volume -- and you see this more
8 in the carrier world -- volume could also mean that I
9 guarantee that my number of circuits might change, but I
10 guarantee I will spend \$10,000 a month with you for a
11 certain period of time.

12 Q Okay. Let's talk about term. Now, you have
13 said you are concerned about our conversion from special
14 access to UNE combinations is that by doing so we may be,
15 for lack of a better word, breaching any term or volume
16 commitments we may have made when we bought this as
17 special access and therefore we should pay the appropriate
18 penalties, right?

19 A Yes, that is correct.

20 Q Has AT&T ever told you that by converting from
21 special access to UNEs we necessarily will not abide by
22 the term commitment that we might have made when we
23 purchased it as special access?

24 A Not told me personally, no, but that's why we
25 are arbitrating this.

1 **Q** Well, let's say that we bought special access
2 under a term commitment and we agreed to buy it for 12
3 months. If we agree to continue to abide by that 12-month
4 commitment, but purchased them as combinations of UNEs,
5 will you agree then that there should be no cancellation
6 charges because we are still abiding by the term
7 commitment?

8 **A** Well, no, because now you have bought UNEs.
9 What you agreed to when you signed into the contract was
10 that you were going to buy special access circuits from
11 BellSouth, and at some point in time you have elected to
12 convert those to UNEs. So it's different.

13 **Q** So it's not really a concern that we may be
14 breaching the term or the volume commitments, is it? It
15 is a concern that we are actually converting from special
16 access to UNEs.

17 **A** No, I disagree.

18 **Q** Well, I just told you that we would agree to
19 abide by the same term commitment. So the only difference
20 now is that we would be buying them as UNEs and not
21 special access.

22 **A** I'm sorry, you meant buy the UNEs under a term
23 commitment?

24 **Q** Yes. Let's say that if we had a term commitment
25 for 12 months when we purchase it at special access, okay,

1 and we are three months into it. We go to convert it to a
2 UNE combination and we say we will still fill out the
3 remainder of that nine months of that term commitment.
4 Are you still going to try and impose the termination
5 liability on it?

6 A Yes. Because when you originally entered into
7 the contract you guaranteed to BellSouth that you would
8 buy for a term of 12 months special access circuits at X
9 rate. That sounded bad. At a certain rate. And we gave
10 you a rate that is more favorable than we would give a
11 customer who would not commit to any term.

12 Now you have changed that scenario. Because you
13 are no longer buying it at that certain rate, you are
14 buying it at UNEs. It is no longer the special access
15 circuit that we sold to you as a retail customer.

16 Q So I guess my point is it is not really the term
17 or the volume commitment that you are concerned about,
18 your concern really is that we are now going to buy this
19 as UNE combinations and maybe get a better rate because
20 those UNE combinations have cost-based rates as opposed to
21 the rates for special access. Isn't that the real nub of
22 the issue?

23 A Well, no, the real nub of the issue is this, is
24 that you decided that you would spend with BellSouth for a
25 certain period of time a certain period of money the term

1 and the dollars you would spend associated with special
2 access service. We gave you a more favorable rate. Now
3 you want to convert that to UNEs, get a cheaper rate for
4 you.

5 Well, it presents a couple of issues. Now what
6 do we say to the customer who is not converting to UNEs
7 who wants to get out of his contract? Because it puts us
8 in a position of discriminating between one customer or
9 another because that customer had the same 12-month
10 contract and then decided six months into it that he
11 wanted to convert it, and we wouldn't let him because --
12 or we would let him, but we would make him pay the
13 termination liability. So he has to pay the liability and
14 you don't. You both bought the same service under the
15 same terms and conditions, and now we are in a
16 discrimination mode.

17 Likewise, we are discriminating against the
18 customer who has the month-to-month service. Because a
19 month-to-month customer is paying a higher rate so that
20 they can walk away from the circuit anytime they want to.
21 Well, so we charge you the higher rate, but guess what, we
22 let AT&T out of their contract early because they reduced
23 it down to UNEs. So we are creating a situation where
24 BellSouth is going to have to, you know, put customers at
25 disparate rate treatment for doing the exact same thing.

1 **Q** Well, now you just said you let AT&T out of the
2 contract early. My hypothetical to you is we agreed to
3 continue with the term commitment that we signed up for?

4 **A** You agreed with the term, but not the rate.

5 **Q** Okay. And if every ALEC has the exact same
6 option to convert special access to UNEs without having to
7 pay a termination liability as long as they agreed to meet
8 the volume or term commitments there is no discrimination,
9 is there?

10 **A** Yes, there is.

11 **Q** Every ALEC has the exact same choice whether to
12 purchase special access or whether to purchase UNE
13 combinations, right?

14 **A** Right.

15 **Q** And if an ALEC chooses to purchase special
16 access or UNE combinations, there is no possible
17 discrimination at that point, is there?

18 **A** Well, absolutely there is. Because ALECs are
19 not the only customers that buy special access. We have a
20 lot of customers that would buy special access that are
21 not in the communications business at all. So now what
22 you are doing is you are saying ALECs get special
23 treatment over Coca-Cola here who we won't give that to.
24 So there is discrimination right there between two bodies
25 of customers.

1 **Q** **Okay. Now, earlier on an answer earlier you**
2 **said we decided to buy special access. In fact, until**
3 **February of last year you would not provide UNE**
4 **combinations to us, would you?**

5 **A** **That is correct.**

6 **Q** **So up until February of 2000 we had no choice,**
7 **right?**

8 **A** **Right, you had to buy special access. You had a**
9 **choice over the contract rate you would pay, though.**

10 **Q** **But we had no choice whether to buy UNE**
11 **combinations or special access?**

12 **A** **You had to buy special access, right.**

13 **Q** **And even today we cannot order UNE combinations**
14 **electronically from you, can we?**

15 **A** **You need to ask Mr. Pate, I don't know.**

16 **Q** **We can order special access from you**
17 **electronically through the ASR process, correct?**

18 **A** **I believe so; but Mr. Pate, again.**

19 **Q** **From an end user perspective, if AT&T were to**
20 **convert special access to UNE combinations, aside from**
21 **anything that might occur in the conversion process, there**
22 **is actually no difference to the end user customer in what**
23 **the service looks like to them, right?**

24 **A** **Right. I mean -- correct.**

25 **MR. LAMOUREUX: That's all I have. Thank you,**

1 **Mr. Ruscilli.**

2 **THE WITNESS: Thank you, sir.**

3 **CHAIRMAN JACOBS: Staff.**

4 **MR. FORDHAM: Thank you, Mr. Chairman.**

5 **CROSS-EXAMINATION**

6 **BY MR. FORDHAM:**

7 **Q Mr. Ruscilli, we have had some rather extensive**
8 **conversation on Issue 7, but let me try just one**
9 **clarifying question and then we will try to move on.**

10 **Would it be BellSouth's position that in order**
11 **for BellSouth to deliver at no cost or no charge to AT&T,**
12 **would it be BellSouth's position that its originating**
13 **traffic to AT&T's point of interconnection, AT&T must have**
14 **a point of interconnection within the local calling area**
15 **in which the call is originated and terminated, is that**
16 **the only scenario in which there would be no charge to**
17 **AT&T?**

18 **A Yes, that I can think of. I mean, what we are**
19 **specifically talking about is when it is in two different**
20 **local calling areas.**

21 **Q Let's skip to Issue 4 for a minute. In your**
22 **mind is there a difference between elements being combined**
23 **as opposed to elements being connected?**

24 **A Well, yes. Let me explain on that. And I**
25 **apologize to the Commission and to staff for the -- Mr.**

1 Lamoureux and I, I think I was talking past him and not
2 hearing carefully what he was saying. BellSouth will have
3 loops that go to the main distribution frame and it will
4 have ports. But there is a distance between that port and
5 the main distribution frame, and it is not combined, and
6 that is what I thought I was understanding Mr. Lamoureux
7 to be asking about. And I know a couple of times he came
8 back and said are they combined.

9 There are other situations where BellSouth will
10 have loops that are run out to a new subdivision like Mr.
11 Lamoureux talked about, and we possibly will have those
12 combined, already hooked up to the ports, but the customer
13 has not bought service. And in that situation what we
14 have is Quickserve that I alluded to early on in this
15 discourse that we had. In a Quickserve type situation we
16 would sell that as is to an ALEC.

17 Q So under those varying terms, connected versus
18 combined, Quickserve is connected?

19 A Quickserve would be combined. And I don't want
20 to misunderstand what you are asking me, sir. When I see
21 connected or what I thought I understand you to ask me, if
22 you have got a loop, it is connected to the main
23 distribution frame, and you have got a port but the two
24 are not combined together, okay. So I'm getting the wire
25 from the customer's house to the frame in the central

1 office and I've got this computer over here with ports in
2 it, but they have not been combined yet. In a Quickserve
3 arrangement they are already combined.

4 Q Okay. I think that handles that. Regarding
5 Issue 12, you are aware, of course, that this Commission
6 has presently pending a generic docket regarding
7 reciprocal compensation. And I think that you are aware
8 that probably in Phase 2 of that generic docket this
9 Commission will set some policy regarding the matter of
10 when it is appropriate for an ALEC to receive compensation
11 at the tandem rate, is that a fair statement?

12 A Yes, sir, I understand that.

13 Q We would expect that anyway. Do you know
14 whether BellSouth would plan to incorporate whatever the
15 Commission's decision is in the generic docket into its
16 interconnection agreement with AT&T, even if it is
17 different from whatever decision comes out of this
18 hearing?

19 A Well, I know we would incorporate that decision
20 on a going-forward basis with contracts, contracts that we
21 may have already enacted. I'm not a lawyer, so I don't
22 know what the provisions are for making amendments or not.
23 If amendments are available, we would be consistent with
24 the Commission's order.

25 Q AT&T's position is that the splitter is part of

1 the basic local loop. Do you agree with that, sir?

2 A No, I don't. And they introduced that position,
3 I think, in the Texas order and --

4 Q Would you explain why you do not agree, sir?

5 A Well, it's not. It's a piece of electronics
6 that are used for a single purpose, which is to make the
7 high frequency portion of the loop available as a UNE. It
8 wouldn't exist unless it was there to do just that. And
9 the only time it exists as a UNE is when you are in a line
10 sharing arrangement.

11 Q Is a splitter necessary to provide basic local
12 service, POTS?

13 A Not to my understanding, no, sir.

14 Q Do you have any estimation of what percentage of
15 basic local loops might have splitters?

16 A I don't know the percentage. The only ones that
17 would have splitters on it are those where we have line
18 sharing or an xDSL service being provided over it. But I
19 don't know what those numbers are.

20 Q Do you know who might have that information?

21 A No, I sure don't.

22 Q Okay. Under what condition, if any, is
23 BellSouth willing to provide the splitter to AT&T at
24 TELRIC-based pricing?

25 A Well, we will provide the splitter under line

1 sharing as an option. With line sharing, and, again, that
2 is where BellSouth has the voice and AT&T or any other
3 ALEC that provides data has the data portion of it, we
4 will provide two options. We have got those rates filed
5 in my tariff and Ms. Caldwell can speak to those. One
6 option says that they can provide the splitter for line
7 sharing, and the other option is we can provide the
8 splitter.

9 Q Assume for a moment there is a line sharing
10 arrangement, and BellSouth is the voice provider but any
11 given ALEC may be providing the xDSL. Could the ALEC
12 provide the splitter in that scenario?

13 A Yes, that is one of the options that we provide
14 pricing for.

15 Q But BellSouth could also provide the splitter.
16 And if AT&T should win the voice customer, would BellSouth
17 then allow AT&T to purchase or lease the splitter at a
18 fair market price?

19 A No.

20 Q Are there any conditions under which BellSouth
21 would provide a splitter to AT&T?

22 A At this point in time, no, sir. And it is quite
23 simply like I said earlier in my testimony, BellSouth is
24 no longer a part of that situation. We are out of the
25 loop, it is now the data customer and the voice -- excuse

1 me, the data provider and the voice provider that are
2 interacting with the customer. And BellSouth, just from a
3 policy perspective, doesn't want to insert itself into the
4 middle of that.

5 Q Under the scenario that I just painted, you
6 would agree that there would be a splitter on the line,
7 regardless of the origin of it?

8 A That's correct. There would have to be a
9 splitter to accommodate that.

10 Q Okay. Keeping in mind in your earlier testimony
11 on currently combined, if BellSouth owned the splitter,
12 how would BellSouth remove the splitter when it is
13 currently combined in their network?

14 A Are you asking me technically how we would
15 remove it or --

16 Q Under 315(b).

17 A Well, the splitter is not a UNE associated with
18 that facility. If someone else wanted to put their own
19 splitter in there, BellSouth would basically take some
20 cross-connects from the loop over to that person's
21 collocation cage, take some cross-connects from the port
22 over to that ALEC's collocation cage and let them provide
23 the splitter.

24 Q It is correct, is it not, that BellSouth
25 provisions line sharing on a per shelf basis, 24 line

1 basis?

2 A I think there is 24 and 96. And then you buy
3 the card activation.

4 Q In your rebuttal testimony on Page 38, beginning
5 at Line 8, you point out that Paragraph 325 of the SBC
6 Texas 271 order which addresses the ALEC purchasing the
7 entire loop, at Line 21 you state that, quote, "When AT&T
8 purchases the UNE-P, it is not buying a loop, but is
9 buying a loop/port combination." Can you explain the
10 difference there?

11 A Well, sure. A loop/port combination, or the
12 UNE-P, is just that; it is the wire and the wires
13 connected to the main distribution frame, the main
14 distribution frame is then connected to the port. When
15 you have a splitter involved in that, it ceases to become
16 what we would call a UNE-P. Because in order to have that
17 splitter involved, you don't run -- you no longer run from
18 the main distribution frame to the port, which is a UNE-P,
19 a loop and a port. You now have to run to wherever that
20 splitter is in a collocation cage, separate out the data
21 with the splitter, and then run back to the port where the
22 voice is. So it's not a UNE-P.

23 Q Do you have in front of you there, sir, FCC
24 Order 01-26?

25 A I don't see it handy, but let me see. Yes, sir.

1 Q Would you look for a moment at Paragraph 19?

2 A Yes, sir.

3 Q Starting in particular the quote there in
4 Paragraph 19 where it says, "If a competing carrier is
5 providing voice service using the UNE platform it can
6 order an unbundled xDSL capable loop"?

7 A Yes, sir.

8 Q Does BellSouth agree that it is required to
9 combine the xDSL capable loop, switching and shared
10 transport at TELRIC rates?

11 A Give me a moment to read this. Yes, BellSouth
12 will do what is in this order. And it's what I just
13 explained a little bit earlier, and this is probably some
14 of the confusion about UNE-P and xDSL. If a carrier has
15 UNE-P, that is the loop and the port, and they want to
16 engage in some sort of activity of line splitting with
17 another carrier, BellSouth will let them take that UNE-P
18 loop, which is what is outlined here, carry it over to a
19 collocation cage, do the splitting, and then pick that up
20 with another jumper and go over to the switch and combine
21 that switch with the shared transport that you were asking
22 about. So, we will be consistent with this.

23 Q Would that apply if BellSouth was already in a
24 line sharing mode and the ALEC then ordered UNE-P?

25 A Well, if BellSouth was in a line sharing mode,

1 that means BellSouth has the voice and someone else has
2 the data, if an ALEC ordered that or wanted that converted
3 to a UNE-P, you have the situation that was discussed
4 earlier with Mr. Turner that is outlined in the first line
5 sharing order. And that is that the data LEC, the person
6 that has that high frequency portion as a UNE because they
7 are sharing it with the ILEC, the data LEC has first right
8 on that loop.

9 And BellSouth would go to that data LEC and say
10 the customer is switching us from BellSouth voice to
11 someone else, you have a right to this loop. If you want
12 to continue to provide your data service, you would be
13 required to buy that loop. And the simple reason for that
14 I think the FCC came out with is just this, if you have
15 got a customer out there in a line sharing arrangement,
16 you have got a high speed data service going over that
17 loop, that loop has already been determined it can support
18 it. So the data customer wouldn't want to have to go --
19 excuse me, the data LEC would not have to go through that
20 process again. It could just simply reuse that entire
21 loop.

22 Q Okay. If BellSouth does not provide the
23 splitter, would the data carrier and AT&T be allowed to
24 cross-connect?

25 A Well, what BellSouth would provide is if -- like

1 I said earlier, if we had two carriers that wanted to
2 engage in splitting and they wanted to use the UNE-P loop,
3 we would take the loop and we would take it over to
4 whichever carrier had the DSLAM, it most likely would be
5 the data carrier. And we would cross-connect from the
6 main distribution frame over to that collocation space,
7 let that carrier connect it to his DSLAM. Then he would
8 feed back to us in that collocation space the voice
9 portion. We would pick that up on a cross-connect and
10 carry it back to our port.

11 Q So he would have to feed it back to BellSouth,
12 he could not go directly to AT&T?

13 A I don't believe so. Mr. Milner would be the
14 best one to ask that.

15 Q When Mr. Turner was testifying this morning he
16 expressed some concerns of BellSouth terminating xDSL
17 customer contracts where AT&T would win the voice
18 customer. Are you aware of any instance where BellSouth
19 has disconnected an xDSL customer under those conditions?

20 A No, I'm not aware of any.

21 Q Is there any language that you are aware of in
22 BellSouth's contracts that would give BellSouth the right
23 to terminate xDSL customer -- or xDSL service to a
24 customer because of the customer's switch of voice
25 providers?

1 **A** **I'm not aware of any language, no, sir.**

2 **MR. FORDHAM: Staff has no further questions,**
3 **Mr. Chairman.**

4 **COMMISSIONER PALECKI: Mr. Chairman, I have just**
5 **a few.**

6 **CHAIRMAN JACOBS: Go ahead.**

7 **COMMISSIONER PALECKI: In your testimony you**
8 **talk about that measuring competition based solely on UNEs**
9 **is misguided. And you talk about three prongs, the two**
10 **others being building facilities and resale. Would a**
11 **measurement of competition using either of these other two**
12 **prongs yield a different result? What would our report**
13 **card be in the State of Florida?**

14 **THE WITNESS: Well, I don't know the actual**
15 **numbers in the State of Florida. But you have got three**
16 **ways for ALECs to compete, either with resale, just simply**
17 **reselling what BellSouth has, and I'm sure a good bit of**
18 **that goes on today. Or they could use the UNEs, either**
19 **combine them themselves or switch as is with the UNE**
20 **platform, and I'm sure that goes on today, too. I don't**
21 **know any specifics on numbers. And then the third area of**
22 **competition was where you would have direct facility-based**
23 **competition where a carrier such as AT&T would have its**
24 **own switch and its own wire or glass in the ground. And**
25 **some of that is certainly going on today, I think, in the**

1 business market. But I don't have any specifics on the
2 report card for the State of Florida.

3 COMMISSIONER PALECKI: And our competitive
4 report card in the State of Florida would be pretty poor
5 using any of those three criteria, would it not?

6 THE WITNESS: I don't know what the specifics
7 are in Florida, sir.

8 COMMISSIONER PALECKI: Now, when you talk about
9 how requiring BellSouth to combine UNEs would reduce the
10 overall degree of competition in the market, what are you
11 saying there?

12 THE WITNESS: Well, this really -- Justice
13 Breyer said this in the Supreme Court decision on this
14 particular issue of combination. If you have got a
15 marketplace where the ILEC -- and I think he even said
16 that there is no requirement in the Act for the ILEC to do
17 it all -- but if the ILEC is required to do everything,
18 and do everything at TELRIC, as an example, then you
19 really minimize the incentive for another carrier to
20 expend the resources and the dollars to put
21 facilities-based competition out into the marketplace.

22 Because he can just call up the BellSouth
23 wholesaler and say give me this and give me that in the
24 way I want it right now. So it creates a more difficult
25 decision for a facilities-based marketer to come into this

1 state or come into any state and begin to set up shop.

2 And you are going to get more robust competition
3 when you have somebody providing their own switch coming
4 up with brand new features, brand new ideas, brand new
5 ways to do services rather than simply reselling or
6 wholesaling what the ILEC has. And I think that is the
7 competition we all want.

8 COMMISSIONER PALECKI: Now, is combining UNEs a
9 means of facilitating initial entry into the market with
10 the other areas of building facilities and resale, perhaps
11 coming later?

12 THE WITNESS: It is a way, yes, sir. I think
13 you would see resale as probably the easiest alternative
14 for smaller carriers. Carriers that maybe had more
15 resources and more employees that had the skill and
16 expertise might engage in UNE combining or UNE sale. And
17 then the larger carriers again, and they could grow the
18 base and begin to provide switches to a customer. So it
19 is a three-prong approach by design to try to encourage as
20 much competition in the marketplace as there could be.

21 COMMISSIONER PALECKI: But wouldn't you agree
22 that this Commission needs to consider the cost of
23 combining UNEs as compared to building facilities in
24 making decisions in these dockets?

25 THE WITNESS: I certainly do. I think you need

1 to look at that and to compare that. But you have two
2 costs you want to consider. You have got the cost that is
3 the short-term cost of combining UNEs and providing
4 UNE-based competition, and then you have got the long-term
5 cost of having folks refraining from the decision to
6 deploy additional assets into your state to provide
7 additional services.

8 And, again, when I go back to what the Supreme
9 Court was saying on this Justice Breyer, I mean that is
10 where the real meat of really, gee whiz, competition is
11 going to occur. So you have got the short-term cost of
12 UNE, but then you have the long-term cost of the avoidance
13 of providing the facilities.

14 COMMISSIONER PALECKI: But you would agree that
15 combining UNEs is sometimes an appropriate way to
16 facilitate competition?

17 THE WITNESS: Yes. And, again, BellSouth where
18 UNEs aren't combined will make an offer to combine them
19 for ALECs. I think there was a little bit of a
20 mischaracterization that was going on. I'm sure it was
21 not intentional. We are not refusing to provide UNEs. We
22 are not refusing to provide UNEs at UNE rates. We are not
23 refusing to combine UNEs. But when we have to combine
24 UNEs that are, in fact, not combined for a customer, then
25 we want to charge a market rate for doing so.

1 **COMMISSIONER PALECKI: You said charge a market**
2 **rate?**

3 **THE WITNESS: Yes, sir.**

4 **COMMISSIONER PALECKI: And what would you**
5 **suggest?**

6 **THE WITNESS: I have a note here --**

7 **COMMISSIONER PALECKI: Has there been a market**
8 **rate filed or is there anything on the table?**

9 **THE WITNESS: I have something on my table, but**
10 **I have a note here. I think AT&T and BellSouth have**
11 **entered into a stand-alone agreement for new combos, and**
12 **it would be like \$28.90 cents for a UNE loop and UNE port.**
13 **That would compare to, in Zone 3, \$25. And compared to**
14 **Zone 1, \$16. So we have entered into a contract -- or,**
15 **excuse me, an agreement. I don't know if it is an**
16 **executed contract or not.**

17 **COMMISSIONER PALECKI: Thank you.**

18 **THE WITNESS: Yes, sir.**

19 **CHAIRMAN JACOBS: You addressed the issue of**
20 **alternative dispute resolution in this provision, and as I**
21 **understand it, you argue for continuing more formal**
22 **proceeding as opposed to informal?**

23 **THE WITNESS: Well, yes. What we want to**
24 **preserve for BellSouth is the right to bring before this**
25 **Commission or an appropriate staff person the ability to**

1 resolve disputes that may arise out of our agreement. The
2 limited past history that we have had with using outside
3 arbitration is that it is not necessarily timely. One of
4 them took almost a year to do. And it tends to be
5 expensive, because you have got to pay for the arbitrator
6 and all the expenses associated with that.

7 And so we just -- we certainly hope that we can
8 resolve any kind of dispute that we have with AT&T or
9 anybody else and not want to have to push that button to
10 take it to the next level. But if we need to take it to
11 the next level, we want to preserve the right to come back
12 to this Commission, or staff, or one of the Commissioners
13 and set up a more formal proceeding and resolve it.

14 **CHAIRMAN JACOBS:** It occurs to me that you get a
15 better opportunity to work through your issues through an
16 informal arbitration. Here once we click onto this mode,
17 it is pretty much -- well, I don't want to impute any ill
18 will to anybody, but the positions are fairly adversarial
19 at this point in time as opposed to in mediation and
20 arbitration you are really in a compromise mode throughout
21 that process.

22 **THE WITNESS:** That's true. But I think we would
23 also be in a compromise mode here as evidenced by how many
24 issues we closed out before we arrived before this body.
25 You certainly have, and I know I have every incentive of

1 trying to avoid an adversarial -- that's a joke -- an
2 adversarial type cross here. And so we certainly would
3 have an incentive by coming before this body to settle
4 issues, too.

5 CHAIRMAN JACOBS: I take it that you have
6 participated in a process outside of a Commission
7 proceeding?

8 THE WITNESS: I have not personally, no, sir.

9 CHAIRMAN JACOBS: And then the other question I
10 had has to do with the sharing. And I want to make sure
11 I'm clear on this. In the instance where you have a loop
12 and you are providing voice and data, and then an ALEC
13 comes in and gets the data portion, so you still have the
14 voice. You are going to keep that service unless the
15 customer shifts over, right? You are not going to --
16 there is no incentive for you not to keep the voice part
17 of that service, is there?

18 THE WITNESS: That is correct. We are actually
19 obligated to do that by the FCC. That is, in fact, the
20 definition of line sharing is that if we have got a
21 customer that is out there whether he has data with us or
22 not, if another data provider wants to win that customer's
23 business, we are obligated to make that high frequency
24 portion of the loop available, and will do so, and we will
25 share that.

1 **CHAIRMAN JACOBS:** Okay. Alternatively, if you
2 have the data part of that, but you don't have the voice,
3 you would probably be inclined to keep that whole loop,
4 wouldn't you anyway, because you are not going to want to
5 risk losing the data part of that transaction? So I would
6 think it would be in your best interest to keep the voice
7 loop going, as well, wouldn't it?

8 **THE WITNESS:** Well, what the first line sharing
9 -- I'm sorry, go ahead.

10 **CHAIRMAN JACOBS:** That is premised on the idea
11 that the data is not possible unless you have the loop
12 going, the voice loop going there, right?

13 **THE WITNESS:** Well, that is what the first line
14 sharing order was speaking to in that, is that when the
15 voice customer were to leave and go to somebody else, the
16 data provider has got the first right for that loop. And
17 as I said earlier, it is simply because that loop has
18 already been able to sustain the high speed data. And
19 rather than put somebody through some position of having
20 to try to find another loop, they have got first right at
21 it, yes, sir.

22 **CHAIRMAN JACOBS:** It strikes me that those same
23 interests are at stake when you begin to discuss some of
24 these issues we have talked about here. How do you -- how
25 do we -- in the interest of promoting competition, how do

1 we preserve that opportunity as best possible for all
2 comers? And it strikes me that if we don't agree with the
3 position that you have taken that these other steps now
4 have to be imposed, routing it through the collocation
5 space and all of those things, there is a greater
6 opportunity for that customer -- well, they may not, the
7 customer may not know all of that is going on, but there
8 will ultimately be a cost impact. And when the cost
9 impact reaches back to that serving customer, there is a
10 greater opportunity that serving customer will say, wait a
11 minute, it may be better for me to just keep this old
12 bundle together. What is your viewpoint on that?

13 **THE WITNESS:** I have a couple on that. Number
14 one, I don't know what the costs are associated with
15 splitting that apart and having somebody else provide that
16 splitter, but the cost of making those connections is 3
17 cents a month per connection. So it certainly wouldn't be
18 a market barrier cost. That's what we filed, I believe,
19 in a collocation cost study with this Commission. So the
20 costs are pretty small with respect to the recurring costs
21 for making those additional connections.

22 **But I think in the larger picture, the Gartner**
23 **Group (phonetic) came out with a study, and it was in PC**
24 **Magazine, I don't have it with me, but I subscribe to it,**
25 **xDSL is not the dominant player for high speed data in the**

1 marketplace, cable is. Cable modems. AT&T does that with
2 MediaOne today, and has a good business with it. And in
3 the next five years cable modems are still going to be the
4 big player in the marketplace, it is not going to be xDSL.

5 So this is getting to what the Act was all said
6 about, and that is to promote competition. And then they
7 placed requirements on the ILECs, but when certain levels
8 of competition were reached, the ILECs could be free of
9 those restrictions and requirements. Three that were in
10 this particular case that we have talked about, two of
11 them are circuit switching, operator service and directory
12 assistance, and this service here, which is packet-based
13 service.

14 And the FCC has made a judgment in all three of
15 those that in their expert position that there is
16 sufficient players out there in the marketplace to provide
17 these kinds of competitive service. So I think what you
18 are seeing is the growing pains associated with a lot of
19 competitors in the marketplace. BellSouth simply wants to
20 preserve its right to manage its business in a marketplace
21 that it is not going to be the dominant player in.

22 CHAIRMAN JACOBS: That's all the questions.

23 COMMISSIONER PALECKI: I would like to just
24 follow up on questions that the Chairman asked you about
25 using third-party arbitrators. Would the use of

1 third-party arbitrators help facilitate the Governor's
2 announced intent to reduce the governmental work force by
3 five percent each year? I mean, that is a directive this
4 Commission comes under, and wouldn't that arbitration
5 dispute resolution help this Commission in reducing its
6 dockets and consequently its work force?

7 **THE WITNESS:** I don't know that it would or it
8 wouldn't. I believe in some arbitrations when you go
9 through commercial arbitrations, if one party feels it is
10 still aggrieved, it will come back to the Commission
11 anyhow. So I'm not sure if it would help the Governor
12 implement that plan or not.

13 **COMMISSIONER PALECKI:** What if it was made
14 binding arbitration without recourse back to this
15 Commission?

16 **THE WITNESS:** Possibly, but I really don't know.

17 **COMMISSIONER PALECKI:** Thank you.

18 **CHAIRMAN JACOBS:** Redirect.

19 **MR. LACKEY:** Thank you, Mr. Chairman.

20 **REDIRECT EXAMINATION**

21 **BY MR. LACKEY:**

22 **Q** Mr. Ruscilli, now this is the most dangerous
23 part of the examination. Let me start with the Chairman's
24 question and Commissioner Palecki's question about ADR.
25 You said you hadn't participated in any of the ADR

1 proceedings, is that correct?

2 A That is correct.

3 Q Are you familiar, however, with what went on in
4 those ADR proceeding that BellSouth had?

5 A Yes.

6 Q Were they informal proceedings?

7 A No. We are in right now a formal proceeding in
8 a commercial arbitration with Supra.

9 Q And were they less adversarial or more
10 adversarial than the proceeding before this Commission?

11 A Again, I was not a participant, but they
12 certainly were adversarial is what I understand.

13 Q And we haven't used informal mediation, and that
14 is not what is being arbitrated here, is it?

15 A No, it has been formal.

16 Q Commissioner Palecki asked you also about
17 whether combining UNEs is a method of facilitating entry
18 into the local market. Do you recall that?

19 A Yes, sir.

20 Q When we talk about combining UNEs, we are
21 talking about putting together UNEs that aren't together
22 today for service to a customer, for use in servicing a
23 customer, right?

24 A That is correct.

25 Q Can you tell me how many lines we presently have

1 in service in Florida?

2 A Six million.

3 Q Now, for those six million lines that are
4 presently in service, they are already combined, right?

5 A They are combined, yes, sir.

6 Q And AT&T and any other ALEC is free to elect
7 those combinations as they want?

8 A That is correct. They can switch those as is.

9 Q Now, you said you didn't know what the state of
10 competition was in Florida, but do he know whether AT&T is
11 taking those existing UNEs and using them to provide
12 residential service in Florida, for instance, today?

13 A I don't believe they are, I don't know for
14 certain.

15 Q Now, I'm sorry, and you understood the entire
16 discussion about combining UNEs not to relate to those six
17 million, but to relate to some other combinations, right?

18 A Right. The discussion with Mr. Lamoureux was on
19 a hypothetical.

20 Q Well, I want to talk about Mr. Lamoureux's
21 hypothetical for just a moment, if I can. He used the
22 hypothetical of a loop and port that were combined and
23 taken to new construction, if I recall correctly. Is that
24 the way you recall his hypothetical?

25 A Yes, sir.

1 **Q** **If we have new construction where there is no**
2 **customer at the house who has taken service, can you tell**
3 **me whether the loop and port are normally combined at that**
4 **point?**

5 **A** **At that point they are not, no, sir.**

6 **Q** **Okay. So his hypothetical where he hypothesized**
7 **that the loop and port were combined at the new**
8 **construction wouldn't necessarily reflect how we do**
9 **business?**

10 **A** **That is correct.**

11 **Q** **Now, let's take that one step further. Let's**
12 **assume that we had, in fact, chosen to combine the loop**
13 **and port and carry them to new construction. What would**
14 **happen if you plugged in a phone at the network interface**
15 **device located at the new construction?**

16 **A** **You would be able to dial 911 as an example.**
17 **That is actually Quickserve is what that is.**

18 **Q** **Now, he pointed you to Page 5 of your testimony**
19 **where you said that the conditions were that we would**
20 **provide combinations at cost-based prices if the elements**
21 **are, in fact, combined and providing service to a**
22 **particular customer, do you recall that?**

23 **A** **Yes, sir.**

24 **Q** **Now, did you modify that definition to add**
25 **Quickserve to it?**

1 **A** **Yes, I did that in the deposition and also here**
2 **today.**

3 **Q** **Can you think of any situation where we would**
4 **have a loop and a port combined, taken to a new premises**
5 **where we wouldn't be providing Quickserve?**

6 **A** **No, sir, not when they are combined.**

7 **Q** **What is the company policy on -- or what does**
8 **the company provide as a matter of policy when it combines**
9 **loops and ports to existing premises?**

10 **A** **I'm sorry, sir, I didn't hear your question, you**
11 **moved away.**

12 **Q** **What is the company's policy when the company**
13 **combines a loop and a port and delivers them to a new**
14 **premises or even a vacant premises?**

15 **A** **We will make that available for UNE**
16 **combinations, because it has got Quickserve on it.**

17 **Q** **Okay. I'm sorry, I may have confused myself.**
18 **Can you think of any circumstance where we would provide a**
19 **loop and a port combination where there either wouldn't be**
20 **a service on it or Quickserve on it?**

21 **A** **The only one that might come to mind would be a**
22 **disconnect for nonpayment, but I think you could still**
23 **reach 111 on that, so that is probably Quickserve, but I**
24 **don't know for sure. Mr. Milner might know that one.**

25 **Q** **All right. But if you had a disconnect for**

1 nonpay, that would be for the existing customer on the
2 premises, right?

3 A That's right.

4 Q Do you remember Mr. Lamoureux asked you about
5 switch as is on UNE-Ps and asked you questions about
6 whether you could order vertical services at the same
7 time?

8 A Yes, sir.

9 Q And he asked you whether you would have to have
10 two orders?

11 A Yes, he asked me that. I qualified that I don't
12 really know ordering that well.

13 Q Well, that's what I was going to ask you. Are
14 you the expert in this proceeding on ordering?

15 A No, sir, Mr. Pate is.

16 Q Would you prefer to defer the answer to that to
17 Mr. Pate for an accurate answer?

18 A Yes, sir. For an accurate answer you need to
19 talk to Mr. Pate.

20 Q Thank you. On the point of interconnection
21 issue, we have -- and you agreed with Mr. Lamoureux that
22 AT&T could pick its own technically feasible point of
23 interconnection within the LATA, didn't you?

24 A Yes, sir.

25 Q All right. Has the FCC made any statement about

1 who pays when a point of interconnection that is selected
2 results in a particularly expensive form of
3 interconnection?

4 A Yes, they did. They said precisely that. Two
5 things, that an ALEC can choose its point of
6 interconnection, as Mr. Lamoureux had indicated, and
7 certainly has that right to do so to lower its cost of
8 transport and termination, which is reciprocal
9 compensation costs that they would pay. But at the same
10 time it caveated that with saying that, you know, however,
11 an ALEC that makes that choice should bear the burden of
12 the expense of that type of interconnection.

13 Q Do you also remember that in connection with the
14 point of interconnection issue Mr. Lamoureux directed your
15 attention to CFR 51.703(b)?

16 A Yes, sir.

17 Q And he also addressed your attention to TSR, the
18 FCC decision in TSR, again, correct?

19 MR. LAMOUREUX: Actually, I'm going to object.
20 While Mr. Ruscilli brought it up, I never asked any
21 questions about the TSR decision.

22 MR. LACKEY: I withdraw that question, then, Mr.
23 Chairman. I apologize, I had written that down
24 incorrectly.

25 BY MR. LACKEY:

1 **Q** You do recall that he directed your attention in
2 connection with the POI issue to CFR Section 51.703(b)?

3 **A** Yes.

4 **Q** Now, is this argument that Mr. Lamoureux was
5 raising with you the exact same argument that AT&T made in
6 the recent SBC Kansas/Oklahoma application for interLATA
7 relief?

8 **A** Yes, sir, it is. It was the same argument that
9 was in the handout that came out yesterday.

10 **Q** And did the FCC say, yes, AT&T, you're right,
11 you have to deliver it at no charge at any point within
12 the LATA?

13 **A** No, they did not. They had the issue squarely
14 before them and did not make a statement on it one way or
15 the other.

16 **Q** Now, do you recall in the discussion of the
17 geographic coverage of the tandem and the switching rate
18 that Mr. Lamoureux asked you about whether BellSouth had
19 proposed a test?

20 **A** Correct, I remember that.

21 **Q** And he referred you to the AT&T proposed test,
22 do you recall that?

23 **A** Yes.

24 **Q** And he asked you about the maps?

25 **A** Yes.

1 **Q Do you know whether anybody has actually**
2 **rejected that map approach?**

3 **A Yes. California specifically with AT&T looked**
4 **at the maps and decided that tandem switching was not**
5 **there and there was no proof that geographic coverage was**
6 **there.**

7 **Q Now, do you still have Exhibit 18 in front of**
8 **you, that is the Intermedia transcript from Tennessee?**

9 **A Give me a moment, sir. Yes, sir.**

10 **Q I think Mr. Lamoureux used this Exhibit to**
11 **address the question of currently combines on Page 7,**
12 **correct?**

13 **A Correct.**

14 **Q If you will turn to Page 3 of that exhibit. Did**
15 **Tennessee reject or did Tennessee require the two-pronged**
16 **geographic and function test in resolving this same issue**
17 **there?**

18 **A Yes, they did.**

19 **Q Do you know whether that two-pronged test has**
20 **also been applied in any other states, like South Carolina**
21 **or Georgia?**

22 **A Yes, Georgia appears to have used the**
23 **two-pronged test.**

24 **Q Do you know what the outcome of the AT&T**
25 **arbitration in South Carolina was?**

1 **A** **Yes. They used the two-pronged test there and**
2 **they rejected AT&T's petition for tandem switching.**

3 **Q** **Let's talk just briefly about the cancellation**
4 **issues.**

5 **A** **Yes, sir.**

6 **Q** **AT&T has a contract with BellSouth for special**
7 **access, is that correct?**

8 **A** **That is correct, through its tariffs.**

9 **Q** **They could have chosen to purchase special**
10 **access on a month-by-month basis, couldn't they?**

11 **A** **Yes, that option is available to anybody.**

12 **Q** **If they had we wouldn't have this issue today of**
13 **whether they should be held to their contract, would we?**

14 **A** **No, we wouldn't.**

15 **Q** **There was a discussion about UNE-P and**
16 **cross-connects, and I'm sorry, I don't recall who asked**
17 **it. Do you remember that discussion generally, though?**

18 **A** **Yes.**

19 **Q** **I think it was Mr. Fordham that asked you the**
20 **question. If AT&T is taking UNE-P from us and wants to**
21 **split the service, the voice is still delivered back to**
22 **BellSouth, correct?**

23 **A** **That is correct.**

24 **Q** **Because it's a UNE-P?**

25 **A** **Well, yes, that is part of the UNE-P that used**

1 to exist before they split it.

2 Q Because it started as a UNE-P?

3 A Right.

4 Q So it wouldn't be cross-connected to another
5 AT&T collocation space?

6 A No, it would be coming right back to our port on
7 the switch.

8 MR. LACKEY: Okay. That's all I have, Mr.
9 Chairman. I appreciate it. I would like to move my
10 Exhibit 17.

11 CHAIRMAN JACOBS: Very well. Without objection,
12 show Exhibit 17 is admitted.

13 MR. LAMOUREUX: I would also move -- I think 18
14 is the only one that I put in.

15 CHAIRMAN JACOBS: Right, the transcript.
16 Without objection.

17 MR. FORDHAM: Mr. Chairman, I'm a little
18 confused here. Was 18 the Tennessee Regulatory Authority
19 transcript?

20 MR. LACKEY: Yes.

21 CHAIRMAN JACOBS: Transcript excerpt, yes.

22 MR. LACKEY: And 17 was my prefiled exhibit.

23 CHAIRMAN JACOBS: Testimony exhibits.

24 MR. FORDHAM: Okay. And what number do we have
25 on the direct and rebuttal exhibits?

1 **Q** **Mr. Milner, would you please state your name and**
2 **address for the record?**

3 **A** **Yes. My name is W. Keith Milner, and my**
4 **business address is 675 West Peachtree Street, Atlanta,**
5 **Georgia.**

6 **Q** **By whom are you employed?**

7 **A** **I am an employee of BellSouth**
8 **Telecommunications, Incorporated.**

9 **Q** **Have you previously caused to be prepared and**
10 **prefiled in this case direct testimony consisting of 69**
11 **pages?**

12 **A** **Yes, that is correct.**

13 **Q** **Do you have any additions, changes, or**
14 **corrections to the testimony at this time?**

15 **A** **No.**

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

19 **A** **Yes, they would.**

20 **MS. WHITE: Mr. Chairman, I would like to have**
21 **the direct testimony of Mr. Milner inserted into the**
22 **record as if read.**

23 **CHAIRMAN JACOBS: Without objection, show the**
24 **testimony is admitted.**

25

1 **BELLSOUTH TELECOMMUNICATIONS, INC.**
2 **DIRECT TESTIMONY OF W. KEITH MILNER**
3 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
4 **DOCKET NO. 000731-TP**
5 **NOVEMBER 15, 2000**

6
7 **Q. PLEASE STATE YOUR NAME, YOUR BUSINESS ADDRESS, AND**
8 **YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS,**
9 **INC. ("BELLSOUTH").**

10
11 **A. My name is W. Keith Milner. My business address is 675 West**
12 **Peachtree Street, Atlanta, Georgia 30375. I am Senior Director -**
13 **Interconnection Services for BellSouth. I have served in my present**
14 **position since February 1996.**

15
16 **Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.**

17
18 **A. My business career spans over 30 years and includes responsibilities**
19 **in the areas of network planning, engineering, training, administration,**
20 **and operations. I have held positions of responsibility with a local**
21 **exchange telephone company, a long distance company, and a**
22 **research and development company. I have extensive experience in**
23 **all phases of telecommunications network planning, deployment, and**
24 **operations in both the domestic and international arenas.**

25

1 I graduated from Fayetteville Technical Institute in Fayetteville, North
2 Carolina, in 1970, with an Associate of Applied Science in Business
3 Administration degree. I later graduated from Georgia State University
4 in 1992 with a Master of Business Administration degree.

5

6 Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE ANY STATE PUBLIC
7 SERVICE COMMISSION?

8

9 A. I have previously testified before the state Public Service Commissions
10 in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, and
11 South Carolina, the Tennessee Regulatory Authority, and the North
12 Carolina Utilities Commission on the issues of technical capabilities of
13 the switching and facilities network introduction of new service
14 offerings, expanded calling areas, unbundling, and network
15 interconnection.

16

17 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?

18

19 A. In my testimony, I will address the technical aspects of network related
20 issues which have been raised in the Petition for Arbitration filed by
21 AT&T Communications of the Southern States, Inc. and TCG South
22 Florida (collectively "AT&T") in this docket. Specifically, I will address
23 the following issues, in whole or in part: Issues 8, 13-14, 18-21, 23,
24 and 25.

25

1 **Issue 8: What terms and conditions, and what separate rates if any,**
2 **should apply for AT&T to gain access to and use BellSouth facilities to**
3 **serve multi-unit installations?**

4

5 Q. BEFORE YOU GET INTO THE DETAILS OF THE DISPUTE
6 EMBEDDED IN THIS ISSUE, CAN YOU BRIEFLY DESCRIBE THE
7 PHYSICAL PLANT WE WILL BE TALKING ABOUT?

8

9 A. This issue involves multi-tenant units, either high rise buildings or
10 multiple buildings on a campus or garden-type apartments. I want to
11 describe the loop that we use to serve these types of customers. For
12 simplicity, a metallic loop (that is, one that does not use equipment
13 referred to as Digital Loop Carrier) that connects to a customer located
14 in a high rise building can be thought of having several parts: loop
15 feeder, loop distribution, intra-building network cable (INC) (sometimes
16 referred to as "riser cable"), and network terminating wire (NTW). The
17 loop then terminates in a network interface device (NID). I will
18 describe each of these separate items on the following pages.

19

20 Q. PLEASE DISCUSS THE LOOP FEEDER YOU MENTIONED.

21

22 A. Loop feeder has been referred to as "the first mile" of the loop in that it
23 is the first section of cable leaving the BellSouth central office headed
24 towards a customer's premises. The copper pairs of the loop feeder
25 cable are then individually cross-connected to pairs in smaller cables

1 called loop distribution. The loop distribution cables serve all the
2 houses or businesses in a sub-section of one of the central office's
3 serving areas.

4

5 Q. PLEASE DESCRIBE WHAT YOU REFERRED TO AS LOOP
6 DISTRIBUTION.

7

8 A. Loop distribution facilities have been referred to as the "last mile"
9 because these are the facilities that go the "last mile" to the customer's
10 premises. The loop distribution cables are used to, in effect, "fan out"
11 the cable pairs from the loop feeder cables. In this regard, the cables
12 one would see within a sub-division are generally the loop distribution
13 cables. Between the loop feeder cable and the loop distribution cable
14 is a cabinet, above ground "hut", or below ground "controlled
15 environment vault" within which cross-connections and/or electronics
16 are located.

17

18 Q. WHAT IS INTRA-BUILDING NETWORK CABLE (INC), WHICH IS
19 SOMETIMES REFERRED TO AS "RISER CABLE"?

20

21 A. At a single family home, the loop distribution element connects with
22 what we call a drop wire and the drop wire then connects to the NID
23 I mentioned. In multi-story buildings, INC is that part of BellSouth's
24 loop facilities extending from the building's cable entrance (often in the
25 basement or on the first floor) and rising to each floor. Sometimes INC

1 is connected to NTW, which is in turn connected to the NID. In other
2 cases, NTW is connected directly to the entrance cable. In either
3 case, the NTW terminates at the end-user's NID. INC is used not only
4 to multi-story building situations but also in campus situations where
5 cabling must be run from a central point to each of multiple one-story
6 buildings on the property. Thus, INC is a part of that sub-loop element
7 referred to as loop distribution and is located on the network side of the
8 demarcation point between BellSouth's loop facilities and the inside
9 wire at an end user customer's premises.

10

11 Q. YOU HAVE MENTIONED NETWORK TERMINATING WIRE (NTW).
12 PLEASE TELL US WHAT THAT IS.

13

14 A. In multi-story buildings, NTW is connected to the INC at cross-connect
15 terminals, usually on each floor of the building, and "fans out" the cable
16 pairs to individual customer suites or rooms on the floor. In other
17 structures such as "garden apartments", there is typically no INC (as
18 described previously) and, thus, the NTW connects directly to
19 BellSouth's loop distribution facilities. In this sense, NTW is the "last"
20 component of BellSouth's loop on the network side of the demarcation
21 point. Depending on the Alternative Local Exchange Carrier's
22 (ALEC's) network needs, NTW is a BellSouth sub-loop UNE offering
23 which can be purchased alone or in conjunction with INC when the
24 ALEC purchases unbundled INC. However, ALEC requests for INC as
25 a stand-alone UNE (i.e., without NTW) would be considered by

1 BellSouth via the Bona Fide Request (BFR) process.

2

3 **Q. ARE INTRA-BUILDING NETWORK CABLE (INC) AND NETWORK**
4 **TERMINATING WIRE (NTW) PART OF BELLSOUTH'S LOOP, OR**
5 **ARE THEY "INSIDE WIRE"?**

6

7 **A. INC and NTW are sub-elements of the loop. They are not inside wire**
8 **as that term has traditionally been used. ALECs are entitled to obtain**
9 **sub-loop elements on an unbundled basis, and BellSouth is entitled to**
10 **be compensated for the parts of BellSouth's loop used by an ALEC,**
11 **including INC and NTW. The loop, including all sub-elements, is on**
12 **the network side of the demarcation point or NID.**

13

14 **Q. PLEASE DESCRIBE THE NETWORK INTERFACE DEVICE (NID)**

15

16 **A. Simply stated, the NID provides a demarcation point between**
17 **BellSouth's facilities (that is, the loop) and the customer's facilities (that**
18 **is, the inside wire). Thus, the NID provides a way to connect the loop**
19 **to the inside wire. In some cases, the NID integrates other**
20 **components; for example, a lightning protector or loopback test**
21 **electronics.**

22

23 **Q. WHAT IS BELLSOUTH'S PROPOSAL FOR PROVIDING ACCESS TO**
24 **INTRA-BUILDING NETWORK CABLE (INC) AND/OR NETWORK**
25 **TERMINATING WIRE (NTW)?**

1

2 **A. BellSouth will provide access to INC and/or NTW wire pairs as**

3 **requested by the ALEC by terminating such pairs on separate**

4 **connecting blocks serving as an access terminal for the ALEC.**

5 **BellSouth currently has its own terminal in each garden apartment**

6 **arrangement or high rise building. BellSouth will create a separate**

7 **access terminal for any building for which such service is requested.**

8 **With regard to garden apartments, BellSouth will prewire the**

9 **necessary pairs to serve each facility on the access terminal BellSouth**

10 **builds. For garden apartments, this means that each cable pair**

11 **available to serve customers in that garden apartment building will**

12 **appear on BellSouth's terminal and on the access terminal. An ALEC**

13 **wanting to serve a customer in the garden apartment situation would**

14 **build its terminal at that location and then wire its cable pair to the**

15 **appropriate prewired location on the access terminal.**

16

17 **The treatment for high rise buildings will be different. BellSouth will still**

18 **build an access terminal to complement BellSouth's own terminal**

19 **located in the high rise building. The ALEC wanting to access those**

20 **facilities will still have to build its own terminal for its cable pairs.**

21 **However, rather than prewiring the access terminal, BellSouth**

22 **proposes that it will then receive orders from the ALEC and will wire**

23 **the access terminal it has created as facilities are needed by the**

24 **ALECs.**

25

1 BellSouth does not propose to prewire every pair to the access
2 terminal in high rise buildings because it is simply impractical to do so.
3 The garden apartment terminal might have 20 to 25 loops terminated
4 on it, thus making prewiring the access terminal something that can be
5 done with a reasonable effort. On the other hand, high rise buildings
6 may have hundreds or even thousands of pairs, which would make
7 prewiring the access terminal impractical.

8

9 **Q. WHAT IS YOUR UNDERSTANDING OF THE DISPUTE BETWEEN**
10 **AT&T AND BELL SOUTH REGARDING THIS ISSUE?**

11

12 **A. There are four parts to this issue. First AT&T wants this Commission**
13 **to revisit an earlier decision that it made when it determined that**
14 **BellSouth would be allowed to create the "access" terminal located**
15 **between BellSouth's terminal and the ALEC's terminal serving any**
16 **particular garden apartment, and by necessary extension, any high rise**
17 **building. Second, assuming AT&T convinces the Commission to**
18 **revisit this issue in the first instance, AT&T then wants to argue that it**
19 **should have direct access to certain sub-loop elements including NTW**
20 **and INC without the use of the access terminal. That is, AT&T**
21 **evidently thinks that it, and presumably any other ALEC in the state,**
22 **should have the right to go into an equipment closet or some other**
23 **place where BellSouth has network facilities, and be able to tap into**
24 **those facilities directly rather than being required to use the access**
25 **terminal that I described above. The third part of this issue involves a**

1 dispute over what sub-loop elements AT&T gets when AT&T
2 purchases unbundled NTW. The fourth sub-part deals with access to
3 the so-called "first" NTW pair, an issue that BellSouth believes settled
4 but which AT&T nonetheless raises.

5

6 **Q. TURNING TO THE FIRST SUB-ISSUE, HAS THIS COMMISSION**
7 **ALREADY DECIDED THE ISSUE OF WHETHER THERE SHOULD**
8 **BE AN ACCESS TERMINAL IN BOTH THE CASE OF GARDEN**
9 **APARTMENTS AND HIGH RISE BUILDINGS?**

10

11 **A. Yes. This Commission has considered the issue of access to the sub-**
12 **loop element referred to as NTW in the arbitration proceedings**
13 **between BellSouth and MediaOne in Docket No. 990149-TP.**

14

15 **This Commission denied MediaOne direct access to NTW and**
16 **required an access terminal to be placed between BellSouth's network**
17 **and MediaOne's network. The access terminal gives MediaOne the**
18 **access to NTW it desires without reducing network reliability and**
19 **security. BellSouth believes the underlying issues here (that is,**
20 **providing an ALEC unbundled access to INC while preserving network**
21 **reliability and security) are the same as were addressed in the**
22 **MediaOne arbitration cited above. This Commission determined that**
23 **MediaOne and others could gain access to unbundled NTW without**
24 **reducing network security and reliability by adopting BellSouth's**
25 **proposed form of access. A portion of that Order follows:**

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The record does not contain evidence of any case which would support a proposal where one party is seeking to use its own personnel to, in effect, modify the configuration of another party's network without the owning party being present. We find that MediaOne's proposal to physically separate BellSouth's NTW cross-connect facility from BellSouth's outside distribution cross-connect facilities is an unrealistic approach for meeting its objectives. Therefore, BellSouth is perfectly within its rights to not allow MediaOne technicians to modify BellSouth's network.

Based on the evidence presented at the hearing, we believe that it is in the best interests of the parties that the physical interconnection of MediaOne's network be achieved as proposed by BellSouth.

BellSouth believes the use of access terminals as ordered by the Florida Commission gives ALECs the requested access to unbundled sub-loop elements while still maintaining network reliability and security. Such access should apply to all sub-loop elements, including access to INC.

Q. WHAT DID MEDIAONE WANT WITH REGARD TO NETWORK TERMINATING WIRE (NTW) IN THE ARBITRATION REFERENCED?

1 **A. As with AT&T in this proceeding, MediaOne wanted direct access to**
2 **BellSouth's terminals at which BellSouth terminates its NTW for**
3 **multiple residential dwelling units without the involvement of a**
4 **BellSouth technician.**

5

6 **Q. WHAT WAS BELLSOUTH'S PROPOSAL AS PRESENTED IN THE**
7 **MEDIAONE DOCKETS?**

8

9 **A. I proposed the following in my direct testimony:**

10

11 **BellSouth offers a reasonable method of access to the**
12 **NTW in BellSouth's garden terminal. Using BellSouth's**
13 **proposed method, the ALEC installs its own terminal in**
14 **proximity to the BellSouth garden terminal. BellSouth**
15 **installs an access terminal that contains a cross-connect**
16 **panel on which BellSouth will extend the ALEC requested**
17 **NTW pairs from the garden terminal. The ALEC will then**
18 **extend a tie cable from their terminal and connect to the**
19 **pairs they have requested. The ALEC would then install**
20 **its own Network Interface Device (NID) within the end-**
21 **user apartment and connect the ALEC requested pair(s)**
22 **to this NID. This manner of access retains network**
23 **reliability, integrity, and security for both BellSouth's**
24 **network and the ALEC's network.**

25

1 Q. HAS THIS ISSUE BEEN CONSIDERED BY ANY OTHER STATE
2 COMMISSION IN BELL SOUTH'S REGION?

3
4 A. Yes. The Georgia Public Service Commission considered a similar
5 request by MediaOne. In Georgia the Commission also required the
6 use of an access terminal, but concluded that a BellSouth employee
7 did not have to be present when a MediaOne employee moved loops
8 from one terminal to the other. BellSouth obviously believes that the
9 Florida Commission's decision is more appropriate and serves to
10 protect the network more than the decision reached in Georgia

11
12 Q. HOW DOES THIS RELATE TO THE ISSUE OF ACCESS TO FACILITIES IN
13 HIGH RISE BUILDINGS?

14
15 A. Just as there was a very good reason to require an access terminal in
16 the garden apartment situation, there is even a better reason to require
17 such an access terminal in high rise buildings, for the reasons I
18 articulate below. I would note that my remarks here also address the
19 second sub-issue, which involves what the Commission should do if it
20 determines that it will revisit the issue of requiring an access terminal
21 between BellSouth's terminal and the ALECs' terminals for situations
22 where INC and NTW are involved.

23
24 Specifically, even in a simple residential garden apartment situation,
25 bridging the working pairs over to the access terminal could, in fact,

1 disturb working customers' services. In a commercial high-rise
2 building involving business customers with high-speed digital data
3 services operating 24 hours per day, the problem is even more acute.
4 Any disturbance of a working circuit would cause irreparable harm to
5 existing services and subject BellSouth to lawsuits and out-of-service
6 claims. Furthermore, such interruptions could and would be
7 considered by some customers as a serious breach of security.

8
9 Further, and while I am in no way disparaging AT&T's or any other
10 ALEC's technicians, with direct access it is possible for AT&T's or
11 other ALECs' technicians to intentionally or unintentionally disrupt
12 BellSouth's and other ALECs' end user services. That simply presents
13 an unnecessary risk for all involved parties, end users, BellSouth, other
14 ALECs, and AT&T itself (i.e., because such actions by some other
15 ALEC could have the same disrupting effect on existing sub-loop
16 elements that AT&T is utilizing.)

17
18 Further, with direct access, BellSouth would be at AT&T's and other
19 ALECs' mercy to tell BellSouth how, when, where, and the amount of
20 BellSouth's facilities that were being used. I will discuss the record
21 keeping issues involved below, but the bottom line is that such
22 uncontrolled access to these sub-loop elements would have a totally
23 debilitating effect on BellSouth's ability to maintain accurate cable
24 inventory records. It would be simply impossible for BellSouth to ever
25 have an accurate record of its facilities if every ALEC in the state had

1 direct access to these facilities. Of course, the lack of accurate
2 inventory information would result in imminent failure of BellSouth's
3 (and ALECs' using loops and sub-loop elements acquired from
4 BellSouth) service provisioning, maintenance and repair processes. I
5 do want to be perfectly clear about this. What we are talking about
6 here, if AT&T gets its way, is allowing technicians from any and every
7 ALEC in Florida to walk into an equipment room in a high rise building
8 and start appropriating pairs and facilities for its own use, without
9 consulting with anyone and without any obligation to keep appropriate
10 records so that the next person in the room knows what belongs to
11 whom. It doesn't take much imagination to know what a disaster this
12 would end up being for BellSouth and for the customers in the building
13 in question. It should be noted that *any* mechanized cable
14 management system (CMS) available in the telecommunications
15 market today has at its core the fundamental requirement that the
16 manager of the CMS maintain absolute and full control over cable pair
17 assignment. To do otherwise would result in chaotic failure of the
18 service delivery and maintenance system.

19

20 Q. PLEASE DISCUSS THE ISSUE YOU MENTIONED REGARDING
21 KEEPING RECORDS IF THE ALECS ARE ALLOWED TO WORK
22 DIRECTLY ON BELL SOUTH'S TERMINAL IN CIRCUMSTANCES
23 SUCH AS THOSE WE ARE TALKING ABOUT HERE.

24

25 A. Keeping accurate records of what pairs are spare, working, or

1 defective is critical to ensuring high quality service, both in provisioning
2 new or additional customer lines and in repairing existing customers'
3 service. In the case of INC, maintaining accurate inventory records is
4 especially critical. NTW records consist generally as paper tags for
5 each pair of wires that are present at the NTW garden terminal. A
6 technician can usually determine the use to which a particular pair is
7 being put while on-site either via the tag or by electrically testing the
8 NTW. However, such "intrusive testing" by electrically testing the NTW
9 is the cause of disturbance on the line. This is because such intrusive
10 testing cannot be done without interrupting existing line transmissions.
11 Such disturbances can quickly lead to end user dissatisfaction.

12
13 INC cable records are even more problematic because they are
14 mechanized records not available at the access terminal. As
15 mechanically inventoried records, individual assignments of INC pairs
16 are made as orders for service are processed. Should particular INC
17 pairs become unusable, a notation is made in the records system so
18 that the pairs are not assigned as the need arises for additional pairs.
19 Thus, a field technician has no way of using particular INC pairs
20 without risking disruption of service to existing end users. As I
21 discussed earlier, using a test set to determine whether the cable pair
22 is in use would disrupt an in-progress transmission. Utilizing INC pairs
23 at random could result in taking an existing end user out of service, or
24 in having the new end user's service be inoperable because of a faulty
25 INC pair. Should a technician by chance choose a spare INC pair and

1 **successfully install the end user's service, there is no means of**
2 **protecting that service from potential disruptions resulting from the next**
3 **technician entering that work area, no matter whether that technician is**
4 **employed by BellSouth, AT&T, or another ALEC. As subsequent**
5 **technicians enter the work scene, the existing INC cable pair records**
6 **would progressively deteriorate, creating an immediate and significant**
7 **service problem that would be extremely costly and difficult to correct.**

8

9 **The bottom line is that allowing an ALEC's technician to try to locate**
10 **spare facilities to provide service will result in service degradation and**
11 **chaotic service provisioning by all carriers.**

12

13 **Q. ARE THERE OTHER CONCERNS TO REPORTING AND**
14 **INVENTORY WITH RESPECT TO THIS ISSUE?**

15

16 **A. Yes, and these comments go directly to the heart of the issue of**
17 **whether a BellSouth technician will be allowed to place the jumpers for**
18 **the ALEC between the BellSouth terminal and the access terminal**
19 **created for the use of the ALECs. Without the involvement of a**
20 **BellSouth technician, BellSouth will have no way of knowing who is**
21 **using what pair and who should be paying for what pair. It would be**
22 **entirely possible for an ALEC to provide service over a pair without**
23 **BellSouth ever knowing that it should charge the ALEC.**

24

25 **Therefore, as it did with the garden terminals, BellSouth proposes to**

1 construct an access terminal. However, it is simply not feasible to
2 prewire every cable pair in every high rise building to the access
3 terminal. Unlike the situation with the garden terminals, there can be
4 hundreds or even thousands of pairs in a high rise building. What
5 BellSouth proposes therefore, is that it not prewire every cable pair, but
6 rather that it be allowed to take orders from the ALECs to prewire just
7 what each ALEC needs, as the ALEC needs the facilities.

8

9 **Q. HAVE YOU PREPARED AN EXHIBIT WHICH ILLUSTRATES**
10 **BELLSOUTH'S PROPOSAL REGARDING SUB-LOOP UNBUNDLING**
11 **IN A MULTI-STORY BUILDING?**

12

13 **A. Yes. Exhibit WKM-1, which is attached to this testimony, contains**
14 **three (3) pages that I hope will aid in understanding this issue. Page 1**
15 **shows a typical serving arrangement in multi-story buildings for which**
16 **BellSouth is, at present, the sole provider of telephone service. Page 2**
17 **shows BellSouth's proposed form of access for an ALEC to the sub-**
18 **loop elements INC and NTW. BellSouth proposes the use of an**
19 **access terminal that is cross-connected by tie cable with the terminals**
20 **of both BellSouth and the ALEC. The access terminal for unbundled**
21 **INC (UINC) and the access terminal for unbundled network terminating**
22 **wire (UNTW) access could also serve as a single point of**
23 **interconnection for use by multiple carriers. Page 3 shows the typical**
24 **access to UNTW in a "garden" apartment complex. The point to be**
25 **made here is that the access terminal is cross-connected by tie cable**

1 pairs with the terminals of both BellSouth and the ALEC thus allowing
2 an ALEC access while preserving network reliability and security.

3

4 Q. DOES AT&T HAVE ALTERNATIVES TO USING BELLSOUTH'S
5 FACILITIES IN GARDEN STYLE APARTMENT SETTINGS?

6

7 A. Yes. Testifying on behalf of AT&T and MCI WorldCom, witness Ms.
8 Brenda Kahn, addressed alternatives during a hearing before this
9 Commission in Docket No. 990649-TP. A relevant portion of the
10 transcript from that hearing beginning on page 2383 at line 13 where
11 Ms. Kahn testified is as follows:

12

13 *Q. Ms. Kahn, did I understand you to say that you could build*
14 *the garden terminals, that your real area of concern was the*
15 *high-rise building, access to the high-rise building?*

16

17 *A. That's my understanding, that we have several ways we're*
18 *offering cable telephony today. I know my niece in Denver has*
19 *cable telephony through AT&T, and we will do what's called*
20 *direct connect where we use our own facilities end to end.*

21

22 *In these garden terminal situations, it's easier to put your*
23 *own terminal on property because you have less concern about*
24 *space limitation.*

25

26 Q. WHAT DOES AT&T PREFER IN SITUATIONS WHERE THERE ARE
27 MULTIPLE GARDEN TERMINALS?

28

29 A. AT&T apparently prefers to do it themselves as evidenced by Ms.
30 Kahn's response to this question at the aforementioned hearing
31 beginning at line 8 of page 2384 of the transcript:

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Q. Is it your testimony then that you don't need direct access to the garden terminal situation in an apartment arena because you can construct your own garden terminal?

A. Well, I don't want to mislead you. I mean, there may be situations where we will want to use the BellSouth garden terminal; however, even in that situation, as I understand it, since there could be multiple garden terminals on the same property, we would prefer to actually meet the BellSouth – have the single point of interconnection at just one site rather than meeting them at, let's say, three garden terminals. So that's why I say it's more likely we build our own in a situation where there are multiple garden terminals.

Q. WOULD A COST ESTABLISHED BY THIS COMMISSION IMPEDE AT&T'S ABILITY TO COMPETE IN APARTMENT COMPLEXES?

A. Apparently not according to Ms. Kahn's comment beginning at line 17 on page 2385 of the transcript:

COMMISSIONER JABER: So if the cost is prohibitive for the apartment scenario, you have an alternative.

MS. KAHN: Yes.

Q. WHAT MEANS OF ACHIEVING A PROPERLY MAINTAINED ACCESS TERMINAL SHOULD BE ADOPTED BY THIS COMMISSION?

BellSouth believes the appropriate method is to require BellSouth to construct an access terminal for INC pairs as may be requested by an ALEC, specifically the number of pairs needed and the floors to which

1 the pairs are needed. AT&T (or another ALEC) would interconnect its
2 network to these constructed access terminals. Such a methodology
3 would permit ALECs appropriate access to end users while providing
4 both companies the ability to maintain appropriate records on an on-
5 going basis.

6

7 **Issue 13: What are the appropriate means for BellSouth to provide**
8 **unbundled local loops for provision of DSL service when such loops are**
9 **provisioned on digital loop carrier facilities?**

10

11 Q. WHAT IS YOUR UNDERSTANDING OF THE DISAGREEMENT
12 BETWEEN AT&T AND BELL SOUTH CONCERNING ISSUE 13?

13

14 A. BellSouth and AT&T disagree as to BellSouth's obligations in cases
15 where a given end user's loop is provided over equipment referred to
16 as Digital Loop Carrier and that end user wants Digital Subscriber Line
17 (xDSL) service which is incompatible with the DLC serving that end
18 user. AT&T has proposed that in such cases, BellSouth must provide
19 AT&T with three different solutions in that situation; BellSouth agrees
20 that two of the three solutions are acceptable, but the third method is
21 not.

22

23 Q. WHAT ARE THE TWO SOLUTIONS BELL SOUTH AGREES TO
24 PROVIDE TO AT&T?

25

1 **A.** **The first solution is to move the end user to a loop that is suitable for**
2 **xDSL service. For example, if the end user is served via DLC but a**
3 **spare copper loop is available to the end user's premises, BellSouth**
4 **agrees to move the end user to the copper loop that is capable of**
5 **supporting xDSL services. BellSouth provides access to all its loops**
6 **on an unbundled basis including those loops served by DLC**
7 **equipment. BellSouth has developed a number of different methods**
8 **for providing such unbundled access, thus ensuring that each and**
9 **every BellSouth loop can be provided on an unbundled basis**
10 **regardless of whether the end user (when that end user was a**
11 **BellSouth customer) is served via DLC.**

12

13 **The second solution is to allow AT&T to collocate its Digital Subscriber**
14 **Line Access Multiplexer (DSLAM) in the remote terminal housing the**
15 **DLC and give AT&T access to the unbundled network element referred**
16 **to as loop distribution. BellSouth agrees that in any case where it has**
17 **installed its own DSLAM in a given remote terminal, BellSouth will**
18 **accommodate collocation requests from AT&T or any other ALEC even**
19 **if that means that room inside the remote terminal must be augmented**
20 **or that the remote terminal itself must be expanded or replaced to**
21 **make room for AT&T's or another ALEC's DSLAM.**

22

23 **Q.** **ABOUT WHICH AT&T PROPOSED SOLUTION DO AT&T AND**
24 **BELLSOUTH DISAGREE?**

25

1 **A. AT&T has proposed as a third solution to this issue that BellSouth**
2 **would provide an unbundled loop and, in addition, would provide a**
3 **functionality referred to as Asynchronous Transfer Mode (ATM)**
4 **switching, a form of packet switching. BellSouth opposes the use of**
5 **this third method for two reasons. First, this solution is not needed. If**
6 **the loop serving the end user is not capable of DSL service, BellSouth**
7 **has agreed to provide another loop that is suitable to the extent that**
8 **such loop exists. If a suitable loop is simply not available, or if AT&T**
9 **prefers to, AT&T can collocate its DSLAM within BellSouth's remote**
10 **terminal as I described earlier. AT&T can then use its own DSLAM**
11 **plus unbundled loop distribution acquired from BellSouth to provide its**
12 **DSL service. AT&T has two viable options for providing DSL service**
13 **when the end user is served via DLC. Second, the FCC's recent**
14 **Advanced Services Order specifically exempts BellSouth from a**
15 **requirement to unbundle packet switching if it meets certain**
16 **requirements. That requirement is to accommodate an ALEC's**
17 **request for collocation of the ALEC's DSLAM in remote terminals**
18 **where BellSouth has installed its own DSLAM. As I noted above,**
19 **BellSouth has agreed to such collocation. Thus, there is no**
20 **requirement that BellSouth provide packet switching such as ATM on**
21 **an unbundled basis.**

22

23 **Q. WHAT OTHER SOLUTION DOES BELLSOUTH OFFER?**

24

25 **A. BellSouth will provide to AT&T unbundled access to the high frequency**

1 portion of the loop at the remote terminal as well as at the central
2 office. This arrangement is referred to as line sharing. BellSouth
3 proposes that AT&T could collocate its DSLAM equipment at the
4 remote terminal and BellSouth would provide a "splitter" at that same
5 remote terminal.

6

7 Q. WHAT IS A SPLITTER?

8

9 A. Splitters are used to separate the low frequency signals (that is, the
10 voice service that BellSouth would continue to provide to the customer)
11 from the high frequency signal (that is, the xDSL data traffic). The low
12 frequency portion of the local loop spectrum is routed to the voice
13 switch via the DLC equipment. The splitter routes the high frequency
14 portion of the circuit to the ALEC's xDSL equipment located in its
15 collocation space at the serving wire center or the remote terminal.

16

17 Q. WHAT SOLUTION TO THIS ISSUE DOES BELLSOUTH PROPOSE?

18

19 A. This Commission should affirm that BellSouth has met its obligations
20 for providing access to unbundled loops and for collocation in its
21 remote terminals and as a result is not obligated to provide AT&T with
22 unbundled packet switching.

23

24

25

1 **Issue 14: What coordinated cutover process should be implemented to**
2 **ensure accurate, reliable, and timely cutovers when a customer changes**
3 **local service from BellSouth to AT&T?**

4

5 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

6

7 A. The coordinated cutover process proposed by BellSouth ensures
8 accurate, reliable, and timely cutovers. No changes in this process are
9 necessary or appropriate at this time.

10

11 BellSouth and AT&T agree on many aspects of how hot cuts should be
12 performed. For example, BellSouth agrees with AT&T that the hot cut
13 process should be well documented and that procedures should be put
14 in place that will ensure that the process is adhered to during a
15 cutover. As a result of recent hearings before the North Carolina
16 Utilities Commission addressing this issue and despite agreement
17 between BellSouth and AT&T regarding most of the steps involved in
18 the hot cut process, there remain four areas of disagreement for which
19 the parties need this Commission's help in resolving.

20

21 Q. WHAT ARE THE FOUR AREAS OF DISAGREEMENT BETWEEN
22 BELL SOUTH AND AT&T REGARDING HOW HOT CUTS SHOULD
23 BE PERFORMED?

24

25 A. The first area of disagreement deals with whether BellSouth should

1 check to determine that appropriate loop facilities are available before
2 BellSouth returns a Firm Order Confirmation or "FOC" to AT&T in
3 response to AT&T's sending its order to BellSouth. With the FOC,
4 BellSouth provides to AT&T the date that, barring unforeseen
5 circumstances such as facility shortages, severe weather, acts of God,
6 manpower shortages, and the like, BellSouth will convert service from
7 BellSouth to AT&T. No facilities check is done, and AT&T wants this
8 changed so that BellSouth performs a facilities check before returning
9 the FOC to AT&T.

10

11 In response, I would make two points. BellSouth does not perform
12 facilities check for its own retail customers prior to establishing a due
13 date for the order. Therefore, under the present process, AT&T
14 receives the same treatment that BellSouth's own retail units receive
15 when an order is placed. Second, to advance the facilities check from
16 the provisioning portion of processing an order to the "ordering" stage,
17 which is what AT&T proposes, would delay the transmission of the
18 FOC which AT&T needs in order to confirm due dates with its end user
19 and to schedule its own resources needed for the cutover. I believe
20 the existing process strikes a balance between the need for timely
21 FOC production against the few instances where facilities are not
22 immediately available. These infrequent facilities shortages impact
23 BellSouth's customers and AT&T's customers equally.

24

25 The second area of disagreement is what BellSouth should do in

1 response to an error in the database that keeps records of Connecting
2 Facilities Assignments or "CFAs". As the name implies, connecting
3 facilities are the cables between BellSouth's distributing frame and
4 AT&T's collocation arrangement in a central office. The dispute here is
5 simple. When AT&T sends an order to BellSouth, AT&T dictates which
6 of the connecting facilities BellSouth is to use to connect a particular
7 customer's loop to AT&T's collocation arrangement. When an order is
8 placed and BellSouth finds that AT&T has made an error, such that the
9 designated connecting facility is not available to be used to work the
10 order AT&T has assigned it to, BellSouth asks AT&T for a clarification.
11 BellSouth asks for a clarification from AT&T because the order cannot
12 be worked until the conflict is resolved and only AT&T knows what
13 action it wants to take (for example, to use a different cable pair or
14 disconnect the first pair) in order to resolve the discrepancy.

15
16 On the other hand, instead of its order being returned for clarification
17 when BellSouth finds that AT&T has made an error, AT&T wants
18 BellSouth to notify AT&T that the order is in a jeopardy condition. The
19 difference is significant. If a clarification is requested, AT&T must
20 resubmit the order. If BellSouth issues a "jeopardy" notice, which
21 generally means something has gone wrong and it is BellSouth's
22 responsibility, the order holds its place in queue while BellSouth
23 attempts to resolve the issue. Obviously AT&T would rather have the
24 order hold its place, rather than resubmitting the order.

25

1 **However, BellSouth's mechanized systems do not allow for such**
2 **jeopardy notification of errors in AT&T's order. Further, even if**
3 **BellSouth's operations systems could treat AT&T's errors as jeopardy**
4 **conditions rather than clarifications, the net effect would be delays in**
5 **fulfilling the requests of other local service providers since BellSouth**
6 **would have to keep resources committed to AT&T's order until AT&T**
7 **resolved the jeopardy condition. I would note that a situation involving**
8 **CFA database discrepancies is the only situation of which I am aware**
9 **that could cause a clarification to be sent to AT&T after the FOC has**
10 **been sent to AT&T.**

11

12 **The third area of disagreement deals with when, before the cutover,**
13 **BellSouth is to call AT&T so that the final decision of whether to**
14 **proceed with the cutover can be made. BellSouth commits to**
15 **contacting AT&T 24 to 48 hours in advance of the cut to verify the**
16 **cutover time and to verify AT&T's readiness to convert the customer's**
17 **service as ordered. AT&T wants that call to always be made at 48**
18 **hours before the cutover. BellSouth position is that the call should be**
19 **made in the window of 24 to 48 hours before the cutover because**
20 **BellSouth does not always know with certainty 48 hours prior to the**
21 **cutover whether all required steps leading up to the actual cutover can**
22 **be completed in time. In other words, AT&T's proposal would require**
23 **the parties to decide 48 hours in advance whether to go forward with**
24 **the cutover. BellSouth's proposal would give the parties more time**
25 **and latitude to continue working on any remaining work steps so the**

1 cutover can go forward as originally scheduled. BellSouth is willing to
2 agree with AT&T to make the 48 hour call, and to make a go/no go
3 decision, provided that BellSouth is not charged with any due date
4 misses as a result of making such a call. Our point is, of course, that if
5 the cut is ready to go, then we will make the 48 hour call anyway. If it
6 is not ready to go, it is still possible that BellSouth could resolve
7 whatever jeopardy that existed within the 24 hours after the 48 hour
8 call and before the 24 hour call. Since AT&T would take this period
9 away from BellSouth, it is not fair to charge BellSouth with due date
10 misses that could have been avoided, but for AT&T's insistence on a
11 call.

12

13 The fourth area of disagreement deals with the manner in which
14 BellSouth notifies AT&T that the cutover is complete. Based on the
15 testimony of AT&T's witness Mills in North Carolina, it appears that the
16 parties may have resolved this part of the dispute. My understanding
17 of Mr. Mills' testimony is that AT&T is willing to provide an 800 number
18 for BellSouth's use in closing out AT&T's hot cut orders and that the
19 800 number will be staffed such that BellSouth's calls will not be routed
20 to a voicemail system. At times, when attempting to close out an order
21 to AT&T, BellSouth has had difficulty reaching technicians in AT&T's
22 work centers. When this occurred, BellSouth's calls were routed to a
23 voicemail system where the BellSouth technician left a message.
24 BellSouth agrees this part of this issue can be resolved once AT&T
25 provides such an 800 number to BellSouth. BellSouth is willing to call

1 the 800 number to close out AT&T's hot cut orders.

2

3 **Q. EVEN THOUGH THE FOUR REMAINING ISSUES SEEM**
4 **STRAIGHTFORWARD, CAN YOU PROVIDE THE COMMISSION**
5 **WITH SOME IDEA OF WHAT IS INVOLVED IN PERFORMING A**
6 **LOOP CUTOVER.**

7

8 **A. Yes. I have provided Exhibit WKM-2 that shows, pictorially and with a**
9 **brief narrative, the various work steps involved in a typical loop**
10 **cutover. These photographs were taken in BellSouth's Norcross,**
11 **Georgia, central office; however, the work steps are identical in all nine**
12 **states in BellSouth's region. Briefly, the work steps involved are as**
13 **follows:**

- 14 ● **The BellSouth central office technician receives a call to begin**
15 **cutover and asks for the cable pair number of the loop to be**
16 **cutover. This is shown on page 1 of Exhibit WKM-2.**
- 17 ● **The technician types the cable pair number into a database to find**
18 **the loop cutover work order number. This is shown on page 2 of**
19 **Exhibit WKM-2.**
- 20 ● **The technician retrieves a copy of the work order for the unbundled**
21 **loop. This is shown on page 3 of Exhibit WKM-2.**
- 22 ● **The technician in the BellSouth central office responds to the**
23 **BellSouth UNE Center's request to initiate coordination of the**
24 **overall cutover of service from BellSouth to the ALEC. This is**
25 **shown on page 4 of Exhibit WKM-2.**

- 1 ● The technician then verifies that the correct loop has been identified
2 for cutover. This is done using a capability referred to as Automatic
3 Number Announcement Circuit ("ANAC"). The technician attaches
4 a test set onto the loop and dials a special code. The telephone
5 number associated with that loop is played audibly. This is shown
6 on page 5 of Exhibit WKM-2.
- 7 ● Next, the technician locates the existing jumper on the BellSouth
8 Main Distributing Frame ("MDF") running between the loop and the
9 BellSouth switch port. This is shown on pages 6-7 of Exhibit WKM-
10 2.
- 11 ● The technician locates and removes the end of the jumper
12 connected to the BellSouth cable pair. This is shown on page 8 of
13 Exhibit WKM-2.
- 14 ● The technician then locates and removes the end of the jumper
15 connected to the BellSouth switching equipment. This is shown on
16 page 9 of Exhibit WKM-2.
- 17 ● The technician then connects the one end of a new jumper
18 between the loop and a connector block on a cable rack with tie
19 cables to the ALEC's collocation arrangement. This is shown on
20 page 10 of Exhibit WKM-2.
- 21 ● The technician then weaves the new jumper wire through the cable
22 rack to reach the tie cables to the ALEC's collocation arrangement.
23 This is shown on page 11 of Exhibit WKM-2.
- 24 ● The technician connects the second end of the new jumper to the
25 connector block and thus the tie cable to the ALEC's collocation

- 1 equipment. This is shown on page 12 of Exhibit WKM-2.
- 2 • The technician next verifies that the loop is connected to the
- 3 expected switch port and telephone number in the ALEC's switch,
- 4 again using ANAC capabilities. This is shown on page 13 of Exhibit
- 5 WKM-2
- 6 • Upon successful completion of the loop cutover, the technician
- 7 verifies with the ALEC that the order was correctly worked, closes
- 8 the work order, and notifies the UNE Center. This is shown on
- 9 page 14 of Exhibit WKM-2.

10

11 Naturally, any errors (both BellSouth's errors and the ALEC's errors)

12 slow the process while corrections are identified and made. While

13 BellSouth should clearly be responsible for its own errors, it should not

14 be held responsible for delayed cutovers due to problems or errors

15 caused by the ALEC. It is obvious from the many steps that have to be

16 taken to correctly perform a loop cutover that the timeframe

17 appropriate for a single loop would not be a reasonable timeframe for a

18 multiple loop cutover for a large end-user such as a major bank or

19 manufacturing firm as most of the individual work steps must be

20 repeated for each loop to be converted.

21

22 Q. IS BELLSOUTH IN TOTAL CONTROL OF THE LOOP CUTOVER

23 PROCESS?

24

25 A. No. As discussed above, loop cutovers require high levels of

1 coordination between BellSouth and the ALEC to which the unbundled
2 loop is being provided. If an ALEC fails to perform a function in a
3 timely fashion, the delay directly impacts the overall cutover time.
4 Therefore, any measurement of average loop cutover times will reflect
5 not only the efficiency of BellSouth's systems and employees' skills,
6 but also the efficiency of the ALEC's systems and employees' skills.
7 For example, one step in the process occurs after the loop is removed
8 from BellSouth's switch and is connected to the ALEC's switch. At this
9 point in the cutover, tests are performed to verify that the loop is
10 connected to the expected switch port and telephone number in the
11 ALEC's switch. However, if the ALEC has a defective switch port, or
12 has provided an invalid switch port number, or any of a number of
13 other possible errors occurs, BellSouth is powerless to move forward
14 until the ALEC takes appropriate corrective steps. While the ALEC is
15 doing so, the total cutover time clock is still running. Thus, while
16 BellSouth strives to complete loop cutovers in as timely and effective a
17 manner as possible, BellSouth cannot be saddled with the entire
18 responsibility for meeting the stated interval, especially given the
19 ALEC's contribution to total cutover time.

20

21 Q. CAN YOU DESCRIBE GENERALLY WHY AT&T'S ORIGINAL
22 PROPOSAL IS NOT ACCEPTABLE TO BELLSOUTH?

23

24 A. Yes. AT&T's proposed contract language, contained in Attachment 2,
25 Exhibit C of the proposed interconnection agreement, is not acceptable

1 to BellSouth. For completeness, I am first going to list the four issues
2 that I have just described and identified as still needing Commission
3 resolution. Then I will discuss the other points in AT&T's proposal that
4 were unacceptable, but that we believe we can resolve without the
5 Commission's assistance.

6

7 1. The first area of disagreement deals with AT&T's proposal that
8 BellSouth provide a facility check prior to providing a Firm Order
9 Confirmation (FOC). This would necessitate a change in
10 BellSouth's legacy operations support systems and require the
11 Loop Facility Assignment Control System (LFACS) to check facility
12 records prior to the order process. Changing the process to check
13 facilities availability prior to returning the FOC to the ALEC would
14 have the effect of slowing BellSouth's delivery of the FOC. Further,
15 except for certain access services and project managed service
16 activations, BellSouth does not check facilities availability prior to
17 committing to a due date for delivery of service to BellSouth's retail
18 customers.

19

20 2. The second area of disagreement deals with whether certain of
21 AT&T's orders should be clarified or instead placed in jeopardy
22 status. AT&T has proposed intervals for FOCs and clarification and
23 rejection notifications which are not consistent with BellSouth's
24 committed intervals. BellSouth believes its intervals for delivery of
25 FOCs and reject notifications are appropriate.

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Further, AT&T's language states in Paragraph 2.2.3 that "In no event shall BellSouth provide AT&T either a request for clarification or a reject message after BellSouth provides AT&T with a FOC". BellSouth agrees that in most cases there should not be a clarification or reject notification after it sends the FOC to the ALEC. However, there are certain situations where a clarification or reject notification is appropriate. One such example is the situation where AT&T gives BellSouth inaccurate CFA information via AT&T's Local Service Request (LSR) to BellSouth. BellSouth has no way of verifying AT&T's CFA information at the time of receiving AT&T's LSR. At the time such errors are discovered, which is often when BellSouth's mechanized assignment systems recognize that the CFA information provided is in error (a process always performed after the FOC is delivered to the ALEC), such clarification or reject notifications are appropriate. In this case, the cause of the clarification or reject notification is the result of AT&T's error rather than BellSouth's error. If BellSouth were to simply place AT&T's order in jeopardy status, the net effect would be to delay the completion of other ALECs' orders since BellSouth would have to keep resources scheduled and committed during the time it takes for AT&T to correct its problem.

3. The third area of disagreement concerns when BellSouth should call AT&T to confirm the hot cut schedule. AT&T has proposed that

1 prior to a final decision of whether or not to proceed with a cutover,
2 BellSouth contact AT&T 48 hours before the cutover. BellSouth
3 commits to contacting AT&T 24 to 48 hours in advance of the cut to
4 verify the cutover time and to verify AT&T's readiness to convert
5 the customer's service as ordered. BellSouth's position is that the
6 call should be made in the window of 24 to 48 hours before the
7 cutover because BellSouth does not always know with certainty 48
8 hours prior to the cutover whether all required steps leading up to
9 the actual cutover can be completed in time. In other words,
10 AT&T's proposal would require the parties to decide 48 hours in
11 advance whether to go forward with the cutover. BellSouth's
12 proposal would give the parties more time and latitude to continue
13 working on any remaining work steps so the cutover can go forward
14 as originally scheduled.

- 15
- 16 4. The fourth area of disagreement deals with procedures for closing
17 out orders with AT&T after the hot cut is completed. AT&T
18 (beginning with Paragraph 3.5.10) requires BellSouth to make
19 multiple attempts to contact a live AT&T technician (rather than
20 leaving a voicemail message) to advise AT&T of completion of the
21 wiring work. BellSouth asserts that if AT&T does not want
22 BellSouth to communicate via a voicemail message when
23 BellSouth's call to AT&T is not answered, then AT&T should
24 appropriately staff its work center to handle the completion calls
25 and acceptance calls from BellSouth's technicians. Again, we think

1 **this one is resolved.**

2

3 **Q. WHAT OTHER AREAS OF CONTRACT LANGUAGE ARE STILL**
4 **BEING DISCUSSED BETWEEN BELLSOUTH AND AT&T?**

5

6 **A. The following areas are still being jointly discussed between BellSouth**
7 **and AT&T with anticipation that they can be resolved without requiring**
8 **the Commission's involvement:**

9

10 **1. AT&T's language dealing with coordinated and non-coordinated**
11 **order conversions is both confusing and conflicting. For example,**
12 **AT&T discusses order coordination time specific for non-**
13 **coordinated orders. The simple fact is that there is no order**
14 **coordination time specific when AT&T (or any ALEC) orders a loop**
15 **without order coordination (Paragraph 2.1). At a joint**
16 **BellSouth/AT&T negotiation meeting held on May 16, 2000, AT&T**
17 **agreed that AT&T's language was confusing and not what AT&T**
18 **meant. As a result, I understand that AT&T is in the process of**
19 **revising the language.**

20

21 **2. AT&T's language assumes that the interval for all loops is the**
22 **same, which is not the case. With AT&T's proposal then, the timing**
23 **of a pre-conversion function would be predicated on every request**
24 **having the same overall installation interval. BellSouth's pre-**
25 **conversion and conversion testing and coordination activities are**

1 predicated on when the conversion is scheduled to take place.
2 This is to meant to ensure that both parties have completed wiring,
3 translations, and continuity checks and are ready to perform the
4 conversion at a time that has a high probability of success.
5 (Paragraphs 3.4 and 3.5).

6

7 3. AT&T proposes intervals for conversions that are not realistic
8 (Paragraph 3.5.4.). BellSouth does agree that both parties should
9 complete conversions of ten (10) loops or less in 60 minutes using
10 best efforts. However, AT&T proposes that loop cutovers of more
11 than 11 loops should be cut in less than 120 minutes. This is not
12 realistic. For example, the loop cutover might be for a customer
13 with 400 loops. Under AT&T's proposal, such a cutover could take
14 no more that 120 minutes. BellSouth proposes that the parties
15 would use best efforts to convert loop cutovers ten (10) loops or
16 less as quickly as possible but in less than 60 minutes. For
17 cutovers of between 11 and than 30 loops, BellSouth proposes the
18 conversion be completed as quickly as possible but in less than in
19 120 minutes.

20

21 4. AT&T's language in Paragraph 3.5.5 again deals with a non-
22 coordinated order that has time specific conversion language.
23 Also, AT&T's proposal calls for AT&T to port a number with no
24 confirmation that BellSouth has completed its wiring. In contrast,
25 BellSouth's process calls for a notification call to AT&T be made so

1 that AT&T can then send the activate message to the Number
2 Portability Administration Center (NPAC) reducing the possibility of
3 an end user experiencing outage unnecessarily.

4

5 5. Paragraph 3.5.11 is in conflict with Paragraph 3.5.5 again dealing
6 with BellSouth calling AT&T at completion of the wiring work to
7 notify AT&T to send its activate message to NPAC. AT&T's
8 proposal again makes confusing references to non-coordinated
9 orders and activities that only are associated with coordinated
10 orders (for example, references to time specific cutovers).

11

12 6. In Paragraph 3.5.11.2, AT&T's proposal makes confusing
13 references to non-coordinated orders and activities that only are
14 associated with coordinated orders (for example, the references to
15 time specific cutovers for non-coordinated orders).

16

17 7. AT&T provides an entire appendix dealing with new loop turn up
18 that uses the same language proposed for dealing with hot cut
19 conversions. This is not appropriate since there is no conversion of
20 live service (that is, the service is not "hot" at the time the loops are
21 turned up), but rather only the turn up of new service to the end
22 user. My understanding is that AT&T admitted in a meeting with
23 BellSouth on May 16, 2000, that the language proposed was not
24 what they intended and that they would rewrite their proposal.

25

1 Q. WHAT EFFECT OR IMPACT DOES BELLSOUTH'S HOT CUT
2 PROCESS HAVE ON CUSTOMERS WANTING TO CHANGE THEIR
3 LOCAL SERVICE TO AT&T?

4

5 A. A customer may experience service outage if either service provider
6 fails to follow a rational and consistent process for converting live
7 service. However, this is not the norm nor has BellSouth exhibited a
8 pattern of failure that has resulted in the level of service outage alleged
9 to have been experienced by AT&T end users.

10

11 BellSouth uses a very detailed process for conversion of live local
12 service and uses these same procedures across the region for all
13 ALECs with a high level of success.

14

15 Q. WHAT HAS BELLSOUTH PROVIDED TO AT&T REGARDING
16 BELLSOUTH'S HOT CUT PROCEDURES?

17

18 A. BellSouth and AT&T have created a detailed flow chart depicting the
19 entire process. This process flow is attached to this testimony as
20 Exhibit WKM-3. This information was shared with AT&T on May 14,
21 1999, and AT&T concurred on June 9, 1999, that this was an accurate
22 depiction of the process. BellSouth has met with AT&T on many
23 occasions to discuss and answer questions regarding the procedures
24 utilized. When AT&T converted to Electronic Data Interchange (EDI)
25 for its coordinated hot cut orders, the flow chart was revised to reflect

1 the electronic order flow. This revised process flow is depicted on
2 Exhibit WKM-4 which is attached to this testimony and was provided to
3 AT&T on April 26, 2000. BellSouth has recently modified its flow
4 charts to more accurately depict the appropriate BellSouth work group
5 performing a given function. These changes were minor modifications
6 and do not change the scope of BellSouth's pre-conversion,
7 conversion or post-conversion responsibilities. These changes reflect
8 only processes internal to BellSouth so the changes do not alter the
9 interactions between BellSouth and AT&T. This last process flow is
10 depicted in Exhibit WKM-5 which is attached to this testimony and has
11 been discussed with AT&T. I agree that continual process
12 improvement is good business practice. Process improvements have
13 been and likely will continue to be discovered and put into day-to-day
14 practice. However, what I do not agree with is that BellSouth's
15 practices are inadequate or that AT&T's proposed processes are an
16 improvement on BellSouth's processes for the reasons I pointed out
17 earlier.

18

19 Q. HAS BELL SOUTH PROPOSED CONTRACT LANGUAGE
20 INCORPORATING THIS PROCESS FLOW?

21

22 A. Yes. BellSouth has proposed language in the current ongoing contract
23 negotiations with AT&T which supports these detailed process flows
24 and provides additional support of BellSouth's commitment to provide
25 coordinated conversions to AT&T which afford a meaningful

1 opportunity to compete for local service.

2

3 BellSouth's processes provide for a conversion, which should ensure a
4 smooth transition for an end user electing to change local service
5 providers from BellSouth to AT&T with minimal end user service
6 interruption.

7

8 Q. HAS BELLSOUTH DEVELOPED METHODS AND PROCEDURES
9 (M&Ps) FOR ITS PROCESS FLOW?

10

11 A. Yes. BellSouth's M&Ps are attached to this testimony as Exhibit
12 WKM-6 and address the following:

- 13
- 14 • BellSouth's processes when AT&T orders a coordinated conversion
15 and whether they want to set the conversion time for an offered day
16 or whether they elect to have the time mutually agreed to prior to
17 conversion.
 - 18 • BellSouth's requirements to contact AT&T at any point in the
19 provisioning process where a jeopardy condition might result in a
20 conversion delay.
 - 21 • BellSouth's commitment to contact AT&T 24 to 48 hours in advance
22 of the cut depending on the interval for the service ordered, to
23 negotiate a non-time-specific conversion and/or to verify AT&T's
24 readiness to convert the customer's service as ordered.
 - 25 • BellSouth's testing responsibilities prior to conversion as well as on
the conversion date to ensure the conversion is completed

- 1 **successfully.**
- 2 • **BellSouth's willingness to notify and cooperatively work with AT&T**
- 3 **to correct any wiring defects which BellSouth identifies while**
- 4 **performing pre-testing activities whether the fault appears to be in**
- 5 **BellSouth's or AT&T's equipment.**
- 6 • **AT&T's ability to accept or reject the completion of a conversion**
- 7 **prior to BellSouth completing the service request and BellSouth's**
- 8 **obligation to timely notification to AT&T for the porting of telephone**
- 9 **numbers.**

10

11 **Q. HOW DOES BELLSOUTH'S CONFIRMATION PROVIDE AT&T WITH**

12 **A COMMITMENT FROM BELLSOUTH THAT THE HOT CUT WILL BE**

13 **PERFORMED AT THE REQUESTED TIME?**

14

15 **A. BellSouth provides two options to AT&T that I believe allow AT&T the**

16 **flexibility to meet AT&T's business needs. With the first option, AT&T**

17 **can set a time for a loop conversion by ordering and paying for time**

18 **specific order coordination. With this option, BellSouth commits to use**

19 **best efforts to complete the conversion as specified by AT&T at the**

20 **ordered time and by the offered date. If unforeseen circumstances**

21 **occur during the provisioning process which may cause the date or**

22 **time of the conversion to be in jeopardy, BellSouth notifies AT&T as**

23 **soon as the jeopardy is identified to allow AT&T to respond to its**

24 **customer as appropriate.**

25

1 **However, if AT&T elects not to order via the first option (that is, time**
2 **specific order coordination) AT&T may request order coordination from**
3 **BellSouth. This second option provides for BellSouth and AT&T to**
4 **mutually agree on the conversion time 24 to 48 hours in advance of the**
5 **conversion. Again, if unforeseen circumstances occur that may**
6 **jeopardize BellSouth's ability to perform the conversion, BellSouth**
7 **notifies AT&T as soon as the jeopardy is identified.**

8

9 **Q. PLEASE EXPLAIN THE PROCESS ASSOCIATED WITH**
10 **MAINTAINING THE CONNECTING FACILITY ASSIGNMENT (CFA)**
11 **DATABASE.**

12

13 **A BellSouth provides AT&T with the connecting facility assignments (that**
14 **is, cable and pair assignments for the cable between AT&T's**
15 **collocation arrangement and BellSouth's equipment such as**
16 **distributing frames or cross-connect bays) assigned to AT&T at the**
17 **time AT&T's collocation arrangement is made available. AT&T is**
18 **required to maintain its own connecting facility assignment records,**
19 **just as all other ALECs are required to do, and assign each pair that**
20 **AT&T wants BellSouth to use in order to connect BellSouth's facilities**
21 **to AT&T's facilities. In a case where BellSouth's processing of an**
22 **AT&T order identifies an error (for example, AT&T's order shows an**
23 **assignment for a CFA cable pair that is already working), BellSouth**
24 **sends a clarification request back to AT&T. This is because the order**
25 **cannot be worked until the conflict is resolved and only AT&T knows**

1 what action it wants to take (for example, to use a different cable pair
2 or disconnect the first pair) in order to resolve the discrepancy.

3

4 **Q. HAS BELLSOUTH INVESTIGATED THE CLAIMS BY AT&T THAT**
5 **THE CONNECTING FACILITY ASSIGNMENT DATABASE IS NOT**
6 **CURRENT?**

7

8 **A. Yes. BellSouth has performed audits for AT&T at no charge to**
9 **reconcile AT&T records. The findings were that the BellSouth**
10 **database was correct for 95% of the more than 3,400 AT&T**
11 **assignments and that AT&T's records were incorrect for 74% of the**
12 **assignments. I have attached as Exhibit WKM-7, BellSouth's response**
13 **to AT&T dated February 28, 2000, regarding this audit. Please note**
14 **that AT&T itself shares a responsibility in keeping the database by**
15 **accurately informing BellSouth of the facility assignments it expects**
16 **BellSouth to use. AT&T, at its discretion, could verify by physical**
17 **inspection at its collocation arrangement, the facility assignments it is**
18 **assigning to BellSouth and thus minimize or eliminate this source of**
19 **database inaccuracy.**

20

21 **AT&T also incorrectly asserts that customer service is in jeopardy**
22 **when porting numbers where "create" and "concurrency" messages**
23 **are exchanged prior to the cutover from BellSouth to AT&T. In fact,**
24 **the number is actually not ported until BellSouth and AT&T have**
25 **completed the conversion and AT&T has had an opportunity to accept**

1 the service. At this point, AT&T sends the "activate" message to the
2 NPAC which results in the porting of the number. The coordinated
3 conversion process is aimed at ensuring that both parties perform
4 required pre-service testing and wiring and that the transfer of the
5 physical work is completed before the number ports from one service
6 provider to another. BellSouth's procedures provide for this and are
7 consistent with standard industry processes utilized to coordinate and
8 port numbers associated with loop conversions.

9

10 Q. WHAT SOLUTION TO THIS ISSUE DOES BELLSOUTH PROPOSE?

11

12 A. This Commission should affirm that BellSouth uses a very detailed
13 process for conversion of live local service and that no changes in the
14 process are necessary. These same procedures are used with a high
15 level of success across the region for all ALECs. BellSouth has
16 proposed language that supports these detailed process flows and
17 provides additional support of BellSouth's commitment to provide
18 coordinated conversions to AT&T which afford a meaningful
19 opportunity for AT&T to compete for local service. BellSouth's
20 processes provide for a conversion that should ensure a smooth
21 transition for an end user electing to change local service providers
22 from BellSouth to AT&T with minimal end user service interruption.

23

24 **Issue 18: What are the appropriate intervals for the delivery of**
25 **collocation space to AT&T?**

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Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

A. BellSouth accepts the intervals that this Commission has established in arbitration proceedings to date. BellSouth acknowledges that this Commission has ordered that upon firm order by an applicant carrier, the Incumbent Local Exchange Carrier (ILEC) shall provision physical collocation within 90 calendar days or virtual collocation within 60 calendar days (PSC-99-1744-PAA-TP/PSC-99-2393-FOF-TP). These intervals will apply to both caged and cageless collocation as per this Commission's Final Order (PSC-00-0941-FOF-TP) in the Generic Collocation proceeding.

Q. WHAT PROCESS IS IN EFFECT FOR THOSE SITUATIONS SUCH AS MAJOR SYSTEM UPGRADES, DELAYED PERMITS, ETC., THAT MAY NECESSITATE EXTENDING THE PROVISIONING INTERVALS?

A. The FPSC has ordered that there is no reason for the provisioning intervals established by the Commission to be extended without agreement by the ALEC or without the filing of a request for an extension of time by the ILEC. In FPSC Order No. PSC-99-1744-PAA-TP, the Commission required that if an ILEC believed it would be unable to meet the applicable time frame, and the parties were unable to agree to an extension, the ILEC must seek an extension of time from the Commission within 45 calendar days of receipt of the firm order.

1

2 BellSouth has attempted to refine its processes to accommodate the
3 types of issues that have arisen as a result of various government
4 agencies' involvement. BellSouth has been increasingly successful in
5 working with the various governmental agencies in reducing the permit
6 approval interval. Further, BellSouth is communicating with the ALECs
7 so that they have a good understanding of the issues faced in
8 processing a collocation request.

9

10 **Issue 19: When AT&T and BellSouth have adjoining facilities in a**
11 **building outside BellSouth's central office, should AT&T be able to**
12 **purchase cross-connect facilities to connect to BellSouth or other ALEC**
13 **networks without having to collocate in BellSouth's portion of the**
14 **building?**

15

16 Q. WHAT IS BELL SOUTH'S POSITION ON THIS ISSUE?

17

18 A. AT&T's proposal has the effect of expanding the definition of premises
19 beyond that which is required by the FCC regulations or that which is
20 necessary. AT&T simply wishes to take advantage of its former
21 corporate ownership of BellSouth. BellSouth's agreement to AT&T's
22 terms would cause BellSouth to provide AT&T with more favorable
23 treatment than to other local service providers. AT&T has suggested
24 that it use cross connects between its equipment in AT&T's premises
25 with BellSouth's equipment in the BellSouth central office. The type

1 building AT&T is referring to might be thought of as a condominium
2 arrangement because AT&T's part and BellSouth's part adjoin each
3 other and sometimes have special conduits or other structures
4 between the two parts. However, AT&T's part of the building is not
5 part of BellSouth's premises. So what AT&T is really asking for is a
6 new form of interconnection which only AT&T could use since only
7 BellSouth and AT&T have this situation. However, the recent decision
8 by the United States Court of Appeals for the District of Columbia
9 Circuit (Argued February 2, 2000, Decided March 17, 2000, No.
10 99-1176) addresses the issue of ILEC obligations to provide cross-
11 connects and held that ILECs are required to provide collocation so
12 long as that collocation was on the ILEC's premises. Following is the
13 text from that decision regarding cross connects:

14
15 One clear example of a problem that is raised by the
16 breadth of the Collocation Order's interpretation of "neces-
17 sary" is seen in the Commission's rule requiring LECs to
18 allow collocating competitors to interconnect their equipment
19 with other collocating carriers. See Collocation Order, 14
20 FCC Rcd at 4780 p 33 ("We see no reason for the incumbent
21 LEC to refuse to permit the collocating carriers to cross-
22 connect their equipment, subject only to the same reasonable
23 safety requirements that the incumbent LEC imposes on its
24 own equipment."). The obvious problem with this rule is that
25 the cross-connects requirement imposes an obligation on

1 LECs that has no apparent basis in the statute. Section
2 251(c)(6) is focused solely on connecting new competitors to
3 LECs' networks. In fact, the Commission does not even
4 attempt to show that cross-connects are in any sense "neces-
5 sary for interconnection or access to unbundled network
6 elements." Rather, the Commission is almost cavalier in
7 suggesting that cross-connects are efficient and therefore
8 justified under s 251(c)(6). This will not do. The statute
9 requires LECs to provide physical collocation of equipment as
10 "necessary for interconnection or access to unbundled net-
11 work elements at the premises of the local exchange carrier,"
12 and nothing more. As the Supreme Court made clear in
13 Iowa Utilities Board, the FCC cannot reasonably blind itself
14 to statutory terms in the name of efficiency. Chevron defer-
15 ence does not bow to such unbridled agency action. [Emphasis
16 added]

17

18 **Q. HOW DID THE RECENT CIRCUIT COURT DECISION ADDRESS**
19 **COLLOCATION ON LEC'S PROPERTY?**

20

21 **A. Following is the text from the decision by the United States Court of**
22 **Appeals for the District of Columbia Circuit:**

23

24 The FCC offers no good reason to explain why a competitor, as
25 opposed to the LEC, should choose where to establish

1 collocation on the LEC's' property; nor is there any good
2 explanation of why LECs are forbidden from requiring
3 competitors to use separate entrances to access their own
4 equipment; nor is there any reasonable justification for the rule
5 prohibiting LECs from requiring competitors to use separate or
6 isolated rooms or floors. It is one thing to say that LECs are
7 forbidden from imposing unreasonable minimum space
8 requirements on competitors; it is quite another thing, however,
9 to say that competitors, over the objection of LEC property
10 owners, are free to pick and choose preferred space on the
11 LECs' premises, subject only to technical feasibility. There is
12 nothing in s251(c)(6) that endorses this approach. The statute
13 requires only that the LECs reasonably provide space for
14 "physical collocation of equipment necessary for interconnection
15 or access to unbundled network elements at the premises of the
16 local exchange carrier," nothing more.

17

18 Even if the FCC were to find that cross-connects are "necessary for
19 interconnection or access to unbundled network elements", it is clear
20 to me that such a requirement that BellSouth provide cross-connects is
21 limited to the situation where an ALEC such as AT&T is collocated
22 within the BellSouth premise. My reading of the Circuit Court's
23 decision in no way creates a requirement that BellSouth provide AT&T
24 with cross-connects in lieu of other forms of interconnection between
25 AT&T's network and BellSouth's network.

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Q. HAS THIS COMMISSION ADDRESSED THE ISSUE OF CROSS-CONNECTS BETWEEN COLLOCATORS?

A. Yes. In Docket Nos. 981834-TP and 990321-TP, the Commission's Staff recommended as follows:

Staff recommends that BellSouth's and GTEFL's Motions for reconsideration regarding the Commission's decision on cross-connects between collocators be granted. The FCC's Order 99-48 and the FCC Rules upon which the Commission relied for its decision on this point have been vacated by the DC Circuit. In view of the fact that a federal court has now rendered an interpretation of federal law that is directly contrary to this Commission's interpretation on this point may be considered in error. In conformance with the Court's decision, the Commission should find that ILECs are not required to allow collocators to cross-connect within a CO. Staff recommends, however, that ILECs be encouraged to consider requests by ALECs for permission to cross-connect.

At the October 17, 2000, Agenda Conference, this Commission approved the Staff's recommendation on this issue.

1 **Issue 20: Is conducting a statewide investigation of criminal history**
2 **records for each AT&T employee or agent being considered to work on**
3 **a BellSouth premises a security measure that BellSouth may impose on**
4 **AT&T?**

5

6 **Q. WHAT IS YOUR UNDERSTANDING OF THE DISPUTE BETWEEN**
7 **BELLSOUTH AND AT&T IN ISSUE 20?**

8

9 **A. AT&T and BellSouth disagree as to what security measures are**
10 **necessary to protect BellSouth's network when AT&T's employees or**
11 **agents are given unescorted access to BellSouth's premises.**

12

13 **Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?**

14

15 **A. BellSouth performs criminal background checks on its employees prior**
16 **to hiring. AT&T should do the same in order for AT&T's employees or**
17 **agents who enjoy unescorted access to BellSouth's central offices and**
18 **other premises. Such security requirements are reasonable in light of**
19 **the impact on public safety and the assets being protected as well as**
20 **the number of new entrants and other telecommunications carriers**
21 **who rely on the integrity and reliability of BellSouth's network. AT&T's**
22 **offer to indemnify BellSouth for bodily injury or property damage is not**
23 **sufficient in light of the asset at risk. Indemnification is an after the fact**
24 **solution. By requiring criminal background investigations, BellSouth is**
25 **seeking to protect the consumer and other ALECs up front from the**

1 **incumbent risks.**

2

3 **Although there have been no formal discussions, BellSouth is willing to**
4 **agree that it would be acceptable whereby any employees hired by**
5 **AT&T prior to January 1, 1995, would not be required to have criminal**
6 **background checks. That is, of course, assuming AT&T assures**
7 **BellSouth of no criminal activity on the part of the employee since that**
8 **time.**

9

10 **Q. DESCRIBE THE SPECIFIC SECURITY CHECKS BELLSOUTH**
11 **REQUIRES OF ITS EMPLOYEES, VENDORS, AND OTHER**
12 **AGENTS THAT ARE IN EFFECT TODAY.**

13

14 **A. BellSouth requires a seven (7) year criminal background check for all**
15 **of its employees prior to hiring, and a five (5) year criminal background**
16 **check for vendors and agents.**

17

18 **Q. ARE THERE ANY OTHER SPECIFIC REQUIREMENTS THAT THE**
19 **ALEC SHOULD CONSIDER WHEN ASSIGNING VENDORS AND**
20 **AGENTS TO BELLSOUTH'S PREMISES?**

21

22 **A. Yes. The ALEC should not knowingly assign to BellSouth's premises**
23 **any individual who was a former employee of BellSouth and whose**
24 **employment with BellSouth was terminated for a criminal offense**

1 **whether or not BellSouth sought prosecution of the individual for the**
2 **criminal offense.**

3

4 **Also, the ALEC should not knowingly assign to BellSouth's premises**
5 **any individual who was a former contractor of BellSouth and whose**
6 **access to BellSouth's premises was revoked due to commission of a**
7 **criminal offense whether or not BellSouth sought prosecution of the**
8 **individual for the criminal offense.**

9

10 **Q. DOES BELLSOUTH MEET THE FCC'S REQUIREMENT THAT**
11 **PERMITS COLLOCATORS DIRECT ACCESS TO ITS EQUIPMENT**
12 **WITHOUT BEING ESCORTED BY BELLSOUTH PERSONNEL AND**
13 **WITHOUT THE COLLOCATOR'S EQUIPMENT BEING PHYSICALLY**
14 **SEPARATED BY A WALL OR OTHER STRUCTURE FROM**
15 **BELLSOUTH'S EQUIPMENT OR THE EQUIPMENT OF OTHER**
16 **ALECs?**

17

18 **A. Yes. However, the FCC's Order raises serious concerns that must be**
19 **addressed in order to retain the level of network reliability and security**
20 **that currently exists and which end users and regulators have come to**
21 **expect. BellSouth has addressed those concerns and is compliant**
22 **with the FCC's requirements. A simple reading of today's newspaper**
23 **headlines reveals the need for stringent control over the access to and**
24 **operation of the public telephone network. In order to provide**
25 **reasonable security measures, BellSouth requires that all collocators'**

1 employees and agents undergo the same level of security training, or
2 its equivalent, that BellSouth's own employees, or third party
3 contractors providing similar functions, must undergo. Each collocator
4 must provide its employees and agents with picture identification,
5 which must be worn and be visible in the collocation space or other
6 areas in and around BellSouth's central offices. In its Order, the FCC
7 permitted incumbent LECs to impose security arrangements that are
8 as stringent as the security arrangements the incumbent LEC
9 maintains at its premises for its own employees. BellSouth is not
10 requiring ALECs to perform a seven (7) year criminal background
11 investigation, as it does for its own employees. Rather, BellSouth
12 requires only a five (5) year criminal background check of BellSouth's
13 vendors and agents and for collocators' employees or agents.
14 Collocators are required to conduct an investigation of criminal history
15 records for each of the collocator's employees and agents being
16 considered for work within or upon BellSouth's premises. Restrictions
17 are imposed on a collocator's employees or agents with felony or
18 misdemeanor criminal convictions. Also, the FCC's Order provides for
19 additional security measures such as allowing BellSouth to provide a
20 cage around its own equipment. Thus, BellSouth is in compliance with
21 the security provisions required by the FCC's Order.

22

23 Q. DOES BELLSOUTH REQUIRE THAT AT&T PERFORM SECURITY
24 CHECKS OF ALL ITS EMPLOYEES?

25

1 A. No. BellSouth is indifferent to the security measures and background
2 checks AT&T makes for its employees to access its own buildings.
3 However, BellSouth is rightly concerned for proper security measures
4 and background criminal checks for those of AT&T's employees for
5 which AT&T wants unescorted access to BellSouth's premises. If
6 AT&T doesn't want to perform background criminal checks of all of its
7 employees, it need only check those of its employees it wants admitted
8 to BellSouth's premises.

9

10 Q. IS THE CRIMINAL BACKGROUND CHECK PROPOSED BY
11 BELL SOUTH EFFECTIVE IN LIMITING OR RESTRICTING A
12 WORKER FROM HARMING OR DAMAGING PROPERTY?

13

14 A. Yes. Criminal background checks are a reasonable way to prevent
15 known criminals from even being in a place where they could cause
16 harm or damage to BellSouth's or an ALEC's network

17

18 Q. DOES BELL SOUTH'S PROPOSAL IMPOSE DISCRIMINATORY
19 SECURITY REQUIREMENTS ON AT&T THAT IT DOES NOT
20 IMPOSE ON ITSELF?

21

22 A. No. ILECs such as BellSouth are entitled under the FCC's order to
23 "impose reasonable security arrangements to protect their equipment
24 and ensure network security and reliability." Advanced Services Order
25 at paragraph 46. That is all BellSouth's policy is meant to do. Again,

1 BellSouth believes a simple reading of today's newspaper headlines is
2 sufficient to underscore the public's need for secure, reliable
3 communications. BellSouth's security policies are a reasonable
4 balance between giving ALECs unfettered access to BellSouth's
5 premises while maintaining network reliability and security.

6

7 **Issue 21: Unless otherwise specified, where Attachment 4 regarding**
8 **collocation refers to days, should those days be calendar days or**
9 **business days?**

10

11 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

12

13 A. BellSouth accepts the decision of this Commission that intervals will be
14 counted as calendar days. As I discussed in Issue 18, this
15 Commission has already determined an interval, and that interval is to
16 be reflected in calendar days.

17

18 **Issue 23: Has BellSouth provided sufficient customized routing in**
19 **accordance with State and Federal law to allow it to avoid providing**
20 **Operator Services/Directory Assistance ("OS/DA") as a UNE?**

21

22 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

23

24 A. BellSouth has available both an Advanced Intelligent Network (AIN)
25 solution for customized routing as well as the Line Class Code (LCC)

1 solution that was advocated by AT&T during the last round of
2 arbitrations. Thus, BellSouth has met its requirement to provide
3 customized routing and as a result is not obligated to provide access to
4 operator services and directory assistance at UNE rates.

5

6 Q. WHAT DO THE FCC RULES SAY ABOUT ACCESS TO OPERATOR
7 SERVICES AND DIRECTORY ASSISTANCE?

8

9 A. The FCC's Rule 319(f) makes clear that BellSouth is not required to
10 provide access to operator services and directory assistance where it
11 provides ALECs "with customized routing or a compatible signaling
12 protocol."

13

14 Q. WHAT IS CUSTOMIZED ROUTING?

15

16 A. Customized routing (which has also been referred to as selective
17 routing) allows calls from an ALEC's customers served by a BellSouth
18 switch to reach the ALEC's choice of operator service or directory
19 assistance service platforms instead of BellSouth's operator service
20 and directory assistance service platforms. Customized routing can be
21 provided when an ALEC acquires unbundled local switching from
22 BellSouth or resells BellSouth's local exchange services.

23

24 Q. BRIEFLY DESCRIBE THE METHODS AVAILABLE FOR
25 CUSTOMIZED ROUTING.

1

2 **A. The first method of providing customized routing that BellSouth has**
3 **made available is the Line Class Code (LCC) method. The LCC**
4 **method makes use of translations and routing capabilities in the end**
5 **office switch. Availability of customized routing capability using LCCs**
6 **is offered on a first-come, first-served basis. To date, BellSouth has**
7 **not denied any request for selective routing based on lack of LCC**
8 **capacity.**

9

10 **Q. IS THERE A LIMITATION ON THE AVAILABILITY OF CUSTOMIZED**
11 **ROUTING FOR ALECs?**

12

13 **A. No. Although BellSouth originally believed (based on representations**
14 **by AT&T and other ALECs) that ALEC demands for customized routing**
15 **would exhaust available LCCs, demands to date do not suggest**
16 **imminent risk of exhaustion of LCCs. However, even were that to**
17 **occur (which I do not believe will in fact occur), the AIN solution**
18 **discussed below would still be available. The AIN method eliminates**
19 **any potential exhaust concerns about the LCC method of customized**
20 **routing.**

21

22 **Q. PLEASE DESCRIBE THE SECOND METHOD BY WHICH**
23 **BELLSOUTH PROVIDES CUSTOMIZED ROUTING.**

24

25 **A. The second method for providing customized routing is through the**

1 use of BellSouth's AIN platform. A technical trial of customized routing
2 using BellSouth's AIN platform commenced in Louisiana, in August
3 1998, and was successfully completed in September 1998. A second
4 trial commenced from May 1999 and successfully completed in August
5 1999.

6

7 The AIN method for customized routing is available to ALECs in
8 addition to the LCC method. BellSouth has completed work on
9 enhancements to its AIN Service Management System (SMS) which
10 will facilitate ALEC's creating and updating routing information for the
11 ALEC's end user customers. BellSouth completed end-to-end testing
12 (ETET) of this enhancement on June 14, 2000. BellSouth anticipates
13 offering this enhanced method in the fourth quarter 2000.

14

15 By providing ALECs a choice of methods, BellSouth better enables
16 ALECs to compete based upon their own business plans and priorities.

17

18 Q. ARE BOTH METHODS PROPOSED BY BELLSOUTH AVAILABLE
19 TODAY?

20

21 A. Yes. Both the LCC method and the AIN method are available today.
22 The LCC method is available to ALECs in addition to BellSouth's AIN
23 version and both have been tested and proved workable. If AT&T
24 wants to use the LCC method, it merely needs to order it. Insofar as
25 tests are concerned, AT&T itself participated in cooperative testing of

1 BellSouth's AIN method for customized routing in 1997. Later
2 BellSouth offered to do a trial of the AIN method in Louisiana yet not
3 one ALEC, not even AT&T, showed the slightest interest in being part
4 of that trial. As with the LCC method, if AT&T wants to use the AIN
5 method, it merely needs to order it.

6

7 **Q. USING THE AIN SOLUTION, WOULD POST-DIALING DELAY**
8 **DURING CALL SETUP CREATE A CONCERN?**

9

10 **A. No. First of all, post dialing delay is the time between when the end**
11 **user finishes dialing and when the customer is informed (via ringing**
12 **signal, busy tone or the like) of the call's progress. All switching**
13 **systems take some time to translate the dialed digits, select an**
14 **appropriate trunk group and the like, and all these functions contribute**
15 **to post dialing delay. So, post dialing delay is not an artifact of**
16 **BellSouth's AIN customized routing solution. With the AIN solution, a**
17 **computer database is queried during call processing to determine the**
18 **ALEC's preferred routing for a particular end user. This database**
19 **query takes time and thus adds a small incremental bit of post dialing**
20 **delay to the overall processing of the call. Second, BellSouth believes**
21 **the post dialing delay will be only about one second. Third, if AT&T is**
22 **concerned with even that small an amount of post dialing delay, AT&T**
23 **can simply request the Line Class Code method and thereby eliminate**
24 **its concerns for post dialing delay.**

25

1 Q. WHY DOES BELLSOUTH CHOOSE TO PERFORM THE DATABASE
2 QUERY FROM THE AIN HUB RATHER THAN FROM EACH AND
3 EVERY END OFFICE SWITCH?
4

5 A. The AIN method of customized routing allows the use of the AIN "hub"
6 concept, which yields several advantages as follows:

- 7 • Allows the use of appropriate AIN "triggers" for all call types
8 rather than only a limited set of call types.
- 9 • Allows even those end office switches that are not AIN-capable
10 to use the AIN customized routing solution.
- 11 • Optimizes the use of trunk groups by allowing the carriage of
12 customized routing traffic over common trunk groups between
13 the end office switch and the AIN hub.

14

15 Thus, the AIN hubbing arrangement allows the use of the AIN method
16 in all switches, even those that are not AIN capable. Also, the AIN
17 hubbing arrangement allows some sharing of common trunk groups
18 that other ALECs have stated they prefer.

19

20 Q. HAS BELLSOUTH PROVIDED SUFFICIENT INFORMATION SUCH
21 AS ORDERING INSTRUCTIONS AND SUPPORTING
22 DOCUMENTATION TO AT&T FOR EACH OF THE CUSTOMIZED
23 ROUTING OPTIONS THAT BELLSOUTH WILL PROVIDE?
24

25 A. BellSouth has provided AT&T with a proposed contract language

1 addition for procedures for customized routing. (Attachment 7, Section
2 3.20 et seq.) This proposed language will provide specific ordering
3 procedures and documentation as requested by AT&T. If AT&T wants
4 the Line Class Code method of customized routing because AT&T
5 prefers it over the AIN method, AT&T should simply order the Line
6 Class Code method which is and has long been available to it.

7

8 Q. DOES BELLSOUTH HAVE AN OBLIGATION TO ROUTE OS/DA
9 CALLS USING EXISTING TANDEM ARCHITECTURE?

10

11 A. No. BellSouth has no obligation to route AT&T's operator services and
12 directory assistance traffic differently than BellSouth routes its own
13 operator services and directory assistance traffic. I am unaware of any
14 requirement that BellSouth route an ALEC's operator services and
15 directory assistance traffic via tandem. Further, that is not how
16 BellSouth routes its own operator services and directory assistance
17 traffic. Instead, BellSouth uses direct trunk groups between
18 BellSouth's end office switches and BellSouth's operator services and
19 directory assistance platforms. However, BellSouth will provide
20 unbundled tandem switching to AT&T and AT&T can use that
21 capability as it chooses, subject only to the technical capabilities of the
22 tandem switch.

23

24 Q. DOES BELLSOUTH HAVE AN OBLIGATION THAT ITS
25 CUSTOMIZED ROUTING ARCHITECTURE MUST BE FULLY

1 IMPLEMENTED AND AVAILABLE IN EVERY END OFFICE WHERE
2 TECHNICALLY FEASIBLE?

3

4 A. No. It would not be a wise decision for BellSouth to spend money to
5 equip each and every one of its end office switches for customized
6 routing on the chance that an ALEC, such as AT&T, might someday
7 order customized routing. BellSouth has no obligation to spend its
8 money in such a way. If, on the other hand, an ALEC, such as AT&T,
9 requests customized routing in each and every end office switch,
10 BellSouth will gladly fulfill that request.

11

12 Q. CAN BELLSOUTH'S CUSTOMIZED ROUTING SOLUTIONS, WHICH
13 INCLUDE BRANDED AND UNBRANDED RESPONSES, BE
14 PROVISIONED IN A SHORT TIME FRAME?

15

16 A. Yes. BellSouth's customized routing solutions can be provisioned
17 promptly and can handle both branded and unbranded responses to
18 end users' calls. AT&T need only place an order with BellSouth for
19 customized routing and BellSouth will provide it.

20

21 **Issue 25: What procedure should be established for AT&T to obtain**
22 **loop-port combinations (UNE-P) using both Infrastructure and Customer**
23 **Specific Provisioning?**

24

1 Q. WITH REGARD TO THE ISSUE OF USING LCCs FOR OS/DA
2 ROUTING, WHAT IS YOUR UNDERSTANDING OF WHAT AT&T
3 WANTS WITH REGARD TO THIS ISSUE?
4

5 A. BellSouth thinks that what AT&T is addressing is the fact that when a
6 BellSouth retail customer orders service, BellSouth defaults the
7 customer to BellSouth's own branded operation and directory services.
8 BellSouth believes that AT&T is asking BellSouth to create a situation
9 where AT&T too can have a default for its customers. That is, AT&T
10 could tell BellSouth that all of AT&T's customers should be routed to
11 an AT&T OS/DA platform, unless otherwise instructed. Alternatively,
12 AT&T could decide to tell BellSouth to route all of AT&T's traffic, unless
13 otherwise instructed, to an unbranded BellSouth OS/DA platform. If
14 this is what AT&T really wants, then BellSouth only has two issues.
15 The first is to set the level at which such instructions have to be given.
16 That is, will this default plan only apply to the region as a whole, on a
17 state-by-state basis, or perhaps on a different level. I will speak to this
18 more in a moment. Second, once the appropriate level for applying the
19 default is determined, AT&T has to tell us what the default will be. To
20 date, both of these issues have remained unresolved.
21

22 Q. WHAT IS NECESSARY FOR BELLSOUTH TO FULFILL AT&T's
23 ORDERS FOR CUSTOMIZED ROUTING?
24

25 A. In its Order responding to BellSouth's second Louisiana 271

1 application (Louisiana II), the FCC stated that if an ALEC informed an
2 ILEC of its single set of routing instructions, that the ILEC rather than
3 the ALEC could determine the appropriate Line Class Code to use in
4 for a given order. Following is the FCC's statement in paragraph 224
5 of its Louisiana II order:

6

7 We agree with BellSouth, that a competitive LEC must tell
8 BellSouth how to route its customers' calls. If a competitive
9 LEC wants all of its customer calls routed in the same way, it
10 should be able to inform BellSouth, and BellSouth should be
11 able to build the corresponding routing instructions into its
12 systems just as BellSouth has done for itself. If, however, a
13 competitive LEC has more than one set of routing instructions for
14 its customers, it seems reasonable and necessary for BellSouth
15 to require the competitive LEC to include in its order an indicator
16 that will inform BellSouth which selective routing pattern to use.
17 [Emphasis added]

18

19 To this point, no single routing instruction has been given to BellSouth
20 by AT&T.

21

22 BellSouth has no problem with the FCC's position, provided a single
23 routing instruction is given as the default. Line Class Codes are
24 assigned based on factors such as assigned class of service and the
25 routing desired by the ALEC for a given end user. I would note that

1 **AT&T could decide to treat two single-party residential customers**
2 **differently in terms of how those customers' calls to operator services**
3 **or directory assistance are handled. For one customer, AT&T could**
4 **decide that the customer's calls to operator services and directory**
5 **assistance were to be handled on an unbranded basis using**
6 **BellSouth's operators. For the second customer, AT&T could decide**
7 **that the customer's calls to operator services and directory assistance**
8 **were to be routed to AT&T's own operators for special treatment. Both**
9 **these arrangements are possible but obviously only AT&T knows how**
10 **it wants each of its customers treated. If AT&T wants to call one of**
11 **these patterns its "default" pattern and then change the default for the**
12 **second customer, that's fine. But AT&T needs to tell BellSouth what it**
13 **wants to do in the first instance.**

14

15 **Q. WHAT SPECIFIC INPUT DOES AT&T NEED TO PROVIDE TO**
16 **BELLSOUTH ?**

17

18 **A. First, AT&T needs to provide BellSouth with an indicator in its order for**
19 **customized routing that would inform BellSouth how to "map" or route**
20 **AT&T's customer to AT&T's choice of handling (branded, unbranded,**
21 **etc.). Obviously, only AT&T knows how it wants each of its customers**
22 **treated. Once an agreed upon default routing plan is established, the**
23 **appropriate LCC could be assigned to individual customer orders.**

24

1 **Second, AT&T needs to discuss with BellSouth the geographic scope**
2 **of its default routing plan (region, state, LATA, etc.) so BellSouth can**
3 **construct the required translations tables. In paragraph 224 of the**
4 **FCC's Louisiana II order, it states that if an ALEC has more than one**
5 **set of routing instructions for all its customers, it would be appropriate**
6 **for BellSouth to require the ALEC to include in the ALEC's order an**
7 **indicator that would inform BellSouth which selective routing pattern to**
8 **use. This would imply application on a region-wide basis. Thus,**
9 **BellSouth believes the FCC intended for an ALEC to have a default**
10 **routing plan for the entire region. To be as granular as to establish**
11 **routing patterns for each BellSouth end office must surely be "more**
12 **than one set of routing instructions". In addition, having different**
13 **default routing plans for each central office would not be practical as**
14 **BellSouth has more than 1,600 central offices in its nine-state region.**

15

16 **Q. IS BELLSOUTH WILLING TO DO WHAT AT&T WANTS?**

17

18 **A. Yes, provided AT&T tells BellSouth what it actually wants and the**
19 **request is reasonable. Having one set of default routing instructions**
20 **for all of AT&T's customers in BellSouth's nine-state region is**
21 **reasonable. Having over 1,600 sets of default routing instructions (that**
22 **is, one for each BellSouth central office) is not reasonable.**

23

24 **Q. HAS AT&T GIVEN BELLSOUTH A DEFAULT ROUTING PLAN FOR**
25 **AT&T's CUSTOMERS?**

1

2 **A. No. Instead of committing to a single routing plan as contemplated by**
3 **the FCC's Order, AT&T still insists that routing decisions (and thus**
4 **assignment of Line Class Codes) are situational and that AT&T will**
5 **decide on a routing pattern by end office, by LATA, or by state, at**
6 **AT&T's option. Thus it is clear that even now AT&T has no single**
7 **default routing plan that it can or will convey to BellSouth that is**
8 **instructive of how certain customers are to be handled. So AT&T**
9 **wants BellSouth to read AT&T's mind and assign Line Class Codes**
10 **correctly. This is simply not possible. If AT&T will commit to the single**
11 **default routing plan contemplated by the FCC in its Louisiana II order**
12 **and will inform BellSouth of its routing plan, then and only then can**
13 **BellSouth correctly assign Line Class Codes on AT&T's orders.**

14

15 **Q. WHAT DOES BELLSOUTH PROPOSE TO RESOLVE THIS ISSUE?**

16

17 **A. BellSouth asks this Commission to affirm that it has met its**
18 **requirements for providing customized routing and that BellSouth is not**
19 **required to provide operator services and directory assistance as**
20 **unbundled network elements at cost based rates.**

21

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

23

24 **A. Yes.**

1

2 **BY MS. WHITE:**3 **Q Mr. Milner, did you prepare any exhibits**
4 **associated with your testimony?**5 **A Yes, I did.**6 **Q And were those exhibits labelled WKM-1 through**
7 **WKM-7?**8 **A That is correct.**9 **Q Do you have any changes or corrections to those**
10 **exhibits?**11 **A No.**12 **Q Mr. Chairman, I would like --**13 **Were any of the Exhibits 1 through 7 associated**
14 **with the hot code issue that has been settled?**15 **A Yes. Exhibits 2 through 7 related to that**
16 **issue.**17 **Q Thank you. So at this time the only exhibit**
18 **that still remains that would be in connection with the**
19 **testimony is WKM-1?**20 **A Yes, you are correct.**21 **MS. WHITE: I would like to have Exhibit WKM-1**
22 **attached to Mr. Milner's direct testimony identified as**
23 **the next exhibit.**24 **CHAIRMAN JACOBS: It is Exhibit 19.**25 **(Exhibit 19 marked for identification.)**

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STATE OF FLORIDA)

: CERTIFICATE OF REPORTER


COUNTY OF LEON)

**I, JANE FAUROT, RPR, Chief, FPSC Bureau of Reporting
FPSC Commission Reporter, do hereby certify that the
Hearing in Docket No. 000731-TP was heard by the Florida Public
Service Commission at the time and place herein stated.**

**IT IS FURTHER CERTIFIED that I stenographically
reported the said proceedings; that the same has been
transcribed under my direct supervision; and that this
transcript, consisting of 140 pages, Volume 7 constitutes a
true transcription of my notes of said proceedings and the
insertion of the prescribed prefiled testimony of the
witnesses.**

**I FURTHER CERTIFY that I am not a relative, employee,
attorney or counsel of any of the parties, nor am I a relative
or employee of any of the parties' attorney or counsel
connected with the action, nor am I financially interested in
the action.**

DATED THIS 27TH DAY OF FEBRUARY, 2001.



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