

1 BELL SOUTH TELECOMMUNICATIONS, INC.

2 REBUTTAL PANEL TESTIMONY OF

3 JOHN RUSCILLI, ELIZABETH ROKHOLM AND SHELLEY WALLS

4 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

5 DOCKET NO. 010740-TP

6 AUGUST 27, 2001

7

8 Q. MR. RUSCILLI, PLEASE STATE YOUR NAME, YOUR POSITION WITH
9 BELL SOUTH TELECOMMUNICATIONS, INC. ("BELL SOUTH") AND
10 YOUR BUSINESS ADDRESS.

11

12 A. My name is John A. Ruscilli. I am employed by BellSouth as Senior Director for
13 State Regulatory for the nine-state BellSouth region. My business address is 675
14 West Peachtree Street, Atlanta, Georgia 30375.

15

16 Q. ARE YOU THE SAME JOHN RUSCILLI WHO FILED DIRECT TESTIMONY
17 IN THIS DOCKET ON AUGUST 20, 2001?

18

19 A. Yes.

20

21 Q. MS. ROKHOLM, PLEASE STATE YOUR NAME, YOUR POSITION WITH
22 BELL SOUTH AND YOUR BUSINESS ADDRESS.

23

1 A. My name is Elizabeth Rokholm. I am employed by BellSouth as a Director for
2 Small Business Services for the nine-state BellSouth region. My business address
3 is 1057 Lenox Park Boulevard, Room 2A2, Atlanta, GA 30319.

4

5 Q. DID YOU FILE DIRECT TESTIMONY IN THIS DOCKET?

6

7 A. No, I did not.

8

9 Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND
10 AND EXPERIENCE.

11

12 A. I attended the University of South Florida in Tampa, where I earned a Bachelor of
13 Science Degree in 1988. I also attended Nova Southeastern University in Fort
14 Lauderdale, Florida where I earned a Master of Business Administration in 1997.
15 I joined BellSouth in 1990, and I have held several positions with the Company
16 since that time. From March of 2000 until May of 2001, I was the manager of the
17 Small Business Service retail business office in Jacksonville, Florida. I assumed
18 my current position in May 2001, in which I have responsibilities for the
19 development and implementation of training for Small Business Service
20 representatives.

21

22 Q. MS. WALLS, PLEASE STATE YOUR NAME, YOUR POSITION WITH
23 BELLSOUTH AND YOUR BUSINESS ADDRESS.

24

1 A. My name is Shelley Walls. I am employed by BellSouth as a Manager for
2 Interconnection Services. My business address is 675 W. Peachtree Street, 34S91
3 Atlanta, GA 30375.

4
5 Q. DID YOU FILE DIRECT TESTIMONY IN THIS DOCKET?

6
7 A. No, I did not.

8
9 Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND
10 AND EXPERIENCE.

11
12 A. I attended Harding University in Searcy, Arkansas, where I earned a Bachelor of
13 Arts Degree in 1992. I also attended Texas A&M University in College Station,
14 Texas where I earned a Master of Business Administration in 1998. I joined
15 BellSouth in 1998, and I had responsibility for the IDS Interconnection
16 Agreement from 1998 to December 2000. I have held several positions with the
17 Company since that time. Earlier this year I assumed my current position in
18 which I have responsibilities dealing with several revenue management projects,
19 and I serve as a subject matter expert assisting the contract negotiators.

20
21 Q. WHAT IS THE PURPOSE OF THIS PANEL TESTIMONY?

22
23 A. The purpose of this panel testimony is to rebut the testimony filed with the Florida
24 Public Service Commission (the "Commission") on July 23, 2001 by IDS Long
25 Distance, Inc. N/K/A IDS Telcom, LLC ("IDS"). This panel testimony

1 specifically rebuts the testimony of IDS witnesses Mr. Bradford Hamilton and
2 Mr. Keith Kramer, and it addresses primarily the policy concerns associated with
3 issues 2 – 5. Other BellSouth witnesses rebut all issues of an operational nature.
4

5 Q. HOW IS YOUR TESTIMONY ORGANIZED?
6

7 A. The testimony addresses issues 2 and 5 separately, and jointly addresses issues 3
8 and 4. Unless a question is specifically addressed to Ms. Rokholm or Ms. Walls,
9 it should be presumed that Mr. Ruscilli answers the question.
10

11 **ISSUE TWO: *Has BellSouth breached its Interconnection Agreement with IDS by***
12 ***failing to provide IDS Unbundled Network Elements (“UNEs”) and***
13 ***Unbundled Network Element-Platforms (“UNE-Ps”) at parity?***
14

15 Q. MS. WALLS, ON PAGE 7 OF HIS TESTIMONY, MR. KRAMER BEGINS A
16 DISCUSSION OF A NOVEMBER 2, 1999 AMENDMENT TO THE PARTIES’
17 INTERCONNECTION AGREEMENT (REFERRED TO IN EXHIBIT KK-2 OF
18 MR. KRAMER’S TESTIMONY AS “ATTACHMENT 15 PROFESSIONAL
19 SERVICES AND COMBINATIONS”). PLEASE COMMENT ON MR.
20 KRAMER’S ALLEGATION ON PAGE 68 OF HIS DIRECT TESTIMONY
21 THAT “BELLSOUTH FRAUDULENTLY MISLED IDS INTO SIGNING”
22 THIS AGREEMENT.
23

24 A. As Mr. Ruscilli accurately explained in his direct testimony, BellSouth and IDS
25 entered into the amendment both knowingly and voluntarily. BellSouth did not

1 “fraudulently [seek] to circumvent its obligations under the Telecommunications
2 Act of 1996 to provide IDS OSS and UNEs and UNE-Ps at parity,” as Mr.
3 Kramer claims at page 68 of his direct testimony, and I know of no basis upon
4 which IDS could possibly support this claim. All of the negotiations on this
5 Amendment, as with all BellSouth’s negotiations, were conducted in an upfront
6 and professional manner. BellSouth was honest with IDS in that it was concerned
7 about some party attempting to subject the Amendment to the jurisdiction of a
8 regulatory body and the parties worked together to determine out all of the
9 possible scenarios and consequences to each scenario that would be acceptable to
10 both parties. Furthermore, as Mr. Ruscilli pointed out in his direct testimony, the
11 language of the Amendment is very clear that both parties agreed that the
12 Amendment placed obligations on BellSouth that were, otherwise, beyond the
13 scope of its obligations. The language also is very clear with respect to the
14 parties’ obligations if the regulatory environment changed.

15
16 Q. MR. RUSCILLI, WOULD YOU LIKE TO ADD ANYTHING TO MS. WALLS’
17 RESPONSE?

18
19 A. Yes. I would also note that the services covered by the amendment are not
20 subject to Section 251 or 252 of the Telecommunications Act of 1996 (“the Act”).
21 Mr. Kramer’s claims of fraud, therefore, are simply wrong.

22
23 Q. MS. WALLS, COULD YOU DESCRIBE THE NEGOTIATIONS LEADING UP
24 TO THE SIGNING OF THIS AMENDMENT?

25

1 A. Yes. Although there was extensive dialogue with regard to the services being
2 negotiated and the specific terms and conditions of the amendment, as I stated
3 above, everything was done in an upfront and professional manner. IDS
4 recognized that there was some chance that the Amendment could be subjected to
5 the jurisdiction of some regulatory agency because this issue was discussed at
6 length, and Michael Noshay, President, specifically asked me for a written
7 explanation of the final agreement, and when those consequences would affect
8 IDS and when and how the consequences would affect a party attempting to adopt
9 the Amendment. My response was attached to Mr. Ruscilli's direct testimony as
10 Exhibit JAR-1. I would point out here that this amendment was in effect for only
11 approximately five months, at which time the new Interconnection Agreement
12 discussed by BellSouth witness Ms. Shiroishi was executed.

13

14 Q. ON PAGE 12 OF HIS TESTIMONY, MR. HAMILTON OPINES THAT
15 "BELLSOUTH WILL NOT ALLOW IDS TO CONVERT AN ACCOUNT
16 WITH ADSL EVEN IF THE ADSL PROVIDER IS NOT BELLSOUTH AND
17 DESPITE BELLSOUTH'S ASSERTION TO THE CONTRARY." IS
18 BELLSOUTH REQUIRED TO PROVIDE THE SERVICE TO WHICH MR.
19 HAMILTON REFERS?

20

21 A. No. As I discussed on pages 8-11 of my direct testimony, and as this Commission
22 clearly stated in the BellSouth/MCI Arbitration Order, "the FCC requires
23 BellSouth to provide line sharing only over loops where BellSouth is the voice
24 provider." IDS is free to make other arrangements for providing ADSL over a
25 UNE loop that IDS purchases from BellSouth, but regardless of who the ADSL

1 provider is, BellSouth is not required to provide ADSL service over a loop if
2 BellSouth is not providing voice service over that loop. Thus, not only is Mr.
3 Hamilton's contention incorrect, but Mr. Kramer's allegation on page 67 that
4 "BellSouth has refused to convert IDS' customers' DSL lines to IDS for resale in
5 breach of the Interconnection Agreement" has no basis.

6
7 **ISSUE THREE:** *Has BellSouth engaged in anticompetitive activities against IDS in*
8 *violation of Chapter 364, Florida Statutes, and the Telecommunications*
9 *Act?*

10 **ISSUE FOUR:** *Has BellSouth inappropriately utilized IDS' CPNI data in violation of*
11 *the Telecommunications Act of 1996?*

12
13 Q. PLEASE RESPOND TO MR. HAMILTON, AT PAGES 2 AND 3, AND MR.
14 KRAMER, AT PAGES 56-62, WHERE THEY DISCUSS SOME OF
15 BELLSOUTH'S RECENT PROMOTIONAL OFFERINGS.

16
17 A. Mr. Hamilton and Mr. Kramer discuss three different promotions: Full Circle
18 Program, Full Circle 2001, and Advantage Plus. Mr. Hamilton's description of
19 the terms and conditions relating to the Full Circle and the Full Circle 2001
20 Promotions are generally accurate. Since the two promotions mentioned by Mr.
21 Hamilton are similar in nature, I will describe in more detail only the more recent
22 of the two, the Full Circle 2001 Promotion. Beginning on January 15, 2001, this
23 program was available to previous BellSouth customers who had gone to another
24 local service provider in the previous 2 years. The program provided a 10, 15, or
25 20% discount on monthly bills for services from BellSouth's General Subscriber

1 Services or Private Line Services Tariff (excluding Analog Private Line service)
2 depending on the customer's election agreement. Customers were required to
3 sign an 18, 24, or 36-month election agreement to participate in the program to
4 receive the reward as specified. The promotion was to be offered on both an
5 outbound and inbound basis from January 15, 2001 through July 13, 2001.

6 Monthly BellSouth revenue per customer was required to have been between \$70
7 and \$12,500. In addition, customers who participated and returned to BellSouth
8 for local exchange services would receive a waiver of all line connection charges
9 associated with the service order, including the Line Connection Charge.

10

11 Q. YOU MENTIONED THE ADVANTAGE PLUS PROMOTION IN YOUR
12 PREVIOUS ANSWER. IS MR. KRAMER'S ALLEGATION, FOUND ON
13 PAGE 30 OF HIS TESTIMONY, THAT "BELLSOUTH HAS ONLY
14 CHANGED THE NAME [OF THE FULL CIRCLE 2001 PROGRAM] AND
15 INTRODUCED A NEW PROMOTION CALLED THE 'ADVANTAGE PLUS'
16 PROMOTION IN FLORIDA" CORRECT?

17

18 No. In June of 2001, BellSouth posted a notification on its website regarding a
19 promotion called Advantage Plus. BellSouth, however, has not filed that
20 promotion with this Commission, it has not offered that promotion to any
21 customers in Florida, and it currently has no plans to file that promotion or to
22 offer that promotion in Florida.

23

24 Q. ON PAGES 3 AND 4 OF HIS TESTIMONY, MR. HAMILTON ALLEGES
25 "THERE IS NO VIABLE WAY THAT IDS OR OTHER CLECs CAN

1 PARTICIPATE IN A PROGRAM THAT IS TARGETED AT CUSTOMERS
2 WHO HAVE LEFT BELLSOUTH FOR THE COMPETITION.” IS HIS
3 ALLEGATION CORRECT?
4

5 A. No. As I explained in my direct testimony on page 21, according to the terms of
6 the parties’ Interconnection Agreement, any promotion that has a duration of
7 longer than 90 days is available for resale at the wholesale discount rate.
8 BellSouth’s Full Circle and Full Circle 2001 promotions, therefore, were both
9 available to IDS for resale at the wholesale discount rate. With regard to the Full
10 Circle 2001 Promotion specifically, the program would have been available to any
11 customer who had been a customer of IDS during the previous two years, who
12 was currently receiving local service from a provider other than IDS, and who met
13 all other eligibility requirements applicable to the promotion filed by BellSouth.
14

15 Q. HAS THE FCC ADDRESSED WHETHER WIN BACK EFFORTS BY ILECS
16 ARE APPROPRIATE?
17

18 A. Yes. As I discussed in my direct testimony, pages 17 and 18, the FCC discussed
19 win back efforts by ILECs in its September 3, 1999 Order on Reconsideration and
20 Petitions for Forbearance, CC Docket No. 96-149 (Order 99-223) (“Order on
21 Forbearance”). In its Order, the FCC noted that restrictions on win back activities
22 “may deprive customers of the benefits of a competitive market. . . .”
23 Additionally, in ¶70, the FCC concludes “once a customer is no longer obtaining
24 service from the ILEC, the ILEC must compete with the new service provider to
25 obtain the customer’s business. We believe that such competition is in the best

1 interest of the customer and see no reason to prohibit ILECs from taking part in
2 this practice.”

3
4 Q. PLEASE COMMENT ON MR. HAMILTON’S ALLEGATION, ON PAGE 4,
5 THAT “BELLSOUTH EFFECTIVELY SUBSIDIZED THE DISCOUNTS
6 BEING PROVIDED UNDER THE FULL CIRCLE TARIFF” BY
7 “SIMULTANEOUSLY RAISING BUSINESS LINE RATES FOR ITS
8 EXISTING CUSTOMERS.”

9
10 A. BellSouth did not subsidize the rates being offered under its Full Circle Tariff by
11 raising its business rates. BellSouth did raise its business rates on February 1,
12 2001, but as I made clear in my direct testimony, this rate increase had nothing to
13 do with BellSouth’s Full Circle 2001 promotion. The decision to increase
14 BellSouth’s business rates was part of BellSouth’s overall business plan, and it
15 was triggered by the lifting of the Price Regulation freeze on those rates, not by
16 the filing of a promotional tariff.

17
18 Q. ON PAGES 4 AND 5, MR. HAMILTON APPEARS TO CLAIM THAT
19 “PENALTIES FOR A CUSTOMER WHO CHOOSES TO TERMINATE THE
20 FULL CIRCLE 2001 CONTRACT BEFORE IT EXPIRES” ARE
21 INAPPROPRIATE. ARE THE TERMINATION CHARGES APPLICABLE TO
22 THE FULL CIRCLE PROMOTION INAPPROPRIATE?

23
24 A. No. Business customers that took advantage of the Full Circle promotion signed
25 an 18, 24, or 36-month election agreement. This is not an unusual condition of a

1 promotional offering, as I discussed in my direct testimony. Moreover, repaying
2 the benefits received under a term contract is not a new or an unusual
3 consequence of early termination of a term agreement without cause.

4
5 Q. PLEASE COMMENT ON MR. HAMILTON'S ALLEGATION, ON PAGE 5,
6 THAT BELLSOUTH'S "FULL CIRCLE 2001 PROMOTION UNFAIRLY
7 TARGET[S] CLEC CUSTOMERS AND, IN PARTICULAR, IDS'
8 CUSTOMERS."

9
10 A. Mr. Hamilton's allegation, as well as Mr. Kramer's allegations on page 59, that
11 BellSouth targeted IDS' customers, is simply not true. BellSouth offered its Full
12 Circle Promotion in several states – not just Florida. Additionally, many of
13 BellSouth's competitors are offering prices that undercut BellSouth's rates by
14 more than 20%. To give but one example, attached as Rebuttal Exhibit JAR-3 is
15 a recent advertisement from The Birmingham News in which Xspedius states that
16 it provides services at 30% less than BellSouth's rates. Thus, although one of the
17 discounts offered by BellSouth in its Full Circle promotion was the same as IDS'
18 alleged discount, that fact in no way substantiates a claim that BellSouth
19 specifically targeted IDS' customers. It may also be true that some of the
20 customers served by IDS are in the group of customers targeted by the BellSouth
21 promotions, but that is because those are the customers that are being most
22 aggressively targeted by the majority of ALECs (and they are the majority of the
23 customers that BellSouth is losing to its competitors). Again, however,
24 BellSouth's target group for its promotional offerings had nothing to do with IDS
25 specifically.

1 I would also note that Mr. Kramer's allegation on page 59, that "BellSouth
2 targeted IDS because of the daily volume of business IDS was doing" is also
3 wrong. Mr. Kramer alleges that IDS was converting 1,000 lines a day in Florida,
4 but BellSouth's billing data does not support that assertion. Instead, as Ms. Pryor
5 notes in her testimony, that data shows that at no time since IDS started to order
6 UNE-P has the average number of lines per day that IDS has converted from
7 another service or installed new approached the level of 1,000 lines per day.

8
9 Q. PLEASE COMMENT ON MR. HAMILTON'S ACCUSATION, ON PAGE 9,
10 THAT WHEN AN IDS CUSTOMER SIGNS UP FOR BELLSOUTH'S FULL
11 CIRCLE PROMOTION, "[T]HE CUSTOMER IS MISLEAD [SIC] INTO
12 THINKING HE IS GETTING THE SAME DISCOUNT AS IDS WAS
13 OFFERING, BUT IS NOT INFORMED THAT THE STANDARD RATES
14 HAVE BEEN RAISED BY BELLSOUTH, THEREFORE PROVIDING THE
15 CUSTOMER LESS OF A DISCOUNT THAN HE WOULD HAVE HAD
16 UNDER HIS PREVIOUS RATES WITH BELLSOUTH. . ."

17
18 A. Mr. Hamilton's statement is wrong, and BellSouth's Full Circle Promotion is not
19 misleading. The promotion tariff makes it clear that the discounts apply to
20 "services from the 'A' and 'B' tariffs excluding Analog Private Line service," and
21 it makes no reference whatsoever to the rates charged by any other local service
22 provider. It is clear, therefore, that the discounts offered in the promotion apply
23 to BellSouth's tariffed rates that are in effect when the customer signs up for the
24 promotion. BellSouth is not misleading customers with regard to any of the
25 specific terms and conditions of the Full Circle promotion.

1 Q. MS. ROKHOLM, ON PAGE 7, MR. HAMILTON ALLEGES THAT IF AN IDS
2 CUSTOMER CALLS BELLSOUTH ABOUT A SERVICE PROBLEM,
3 “BELLSOUTH’S SERVICE REPRESENTATIVES TAKE ADVANTAGE OF
4 AN OTHERWISE VULNERABLE CUSTOMER AND INFORMS HIM THAT
5 IF HE CANCELS HIS ORDER TO CONVERT HIS SERVICES TO IDS AND
6 STAYS WITH BELLSOUTH, HE CAN HAVE HIS SERVICE RESTORED
7 WITHIN A FEW MINUTES TO A COUPLE OF HOURS.” MR. KRAMER
8 ALSO MAKES THE SAME GENERAL ALLEGATION ON PAGES 28 AND
9 29 OF HIS TESTIMONY. PLEASE COMMENT.

10

11 A. If an IDS customer calls BellSouth about a service problem, that is a misdirected
12 call and the customer should be referred to IDS. It is not BellSouth’s policy to
13 use a misdirected call as a win back opportunity. Not only that, but also a
14 BellSouth service or repair representative does not have access to the systems that
15 are necessary to cancel an order transferring an end user’s service from BellSouth
16 to IDS.

17

18 Q. IN LIGHT OF THE PREVIOUS ANSWER, MS. ROKHOLM, PLEASE
19 COMMENT ON MR. KRAMER’S DISCUSSION, BEGINNING ON PAGE 27,
20 CONCERNING WHAT ALLEGEDLY OCCURS WHEN THE SERVICE OF
21 AN END USER CONVERTING FROM BELLSOUTH TO IDS IS
22 DISCONNECTED AND THE END USER CALLS A BELLSOUTH SERVICE
23 REPRESENTATIVE.

24

25

1 A. It is difficult to address these and other similar allegations made in the testimony
2 of Mr. Hamilton and Mr. Kramer without more specific facts, and BellSouth has
3 requested more specific facts from IDS in discovery. To date, however, IDS has
4 not provided any such facts. Thus, I will have to address these allegations by
5 explaining BellSouth's policy addressing the types of calls alleged by Mr.
6 Kramer.

7
8 First, both Mr. Kramer's allegation on page 28 (that when a customer converting
9 to IDS has an outage and calls BellSouth's Repair or Retail Business Office, the
10 customer "is told that IDS ordered a disconnection of his service"), as well as his
11 allegation on page 40 (that "BellSouth's Retail Customer Service Representatives
12 blame the disruption on IDS") are inconsistent with BellSouth's policy. As Mr.
13 Ruscilli made clear in his direct testimony, it is against BellSouth policy to
14 disparage its competitors. A service representative, therefore, should not
15 speculate that IDS (or any other ALEC) is the cause of, or the reason for, the
16 problem being reported by the end user. While no one can warrant that such
17 events have not occurred on occasion, BellSouth does not condone such conduct,
18 and when BellSouth learns of such conduct, appropriate steps are taken to prevent
19 further occurrences.

20
21 Mr. Kramer's allegation, on page 29 (that BellSouth "will refuse to assist the
22 customer unless he cancels the order to convert and accepts whatever current
23 BellSouth promotion is being offered") also is entirely inconsistent with
24 BellSouth's policy. In this type of situation, if the service representative enters
25 the telephone number of an end user who is in the process of transferring service

1 from BellSouth to IDS into the repair system (in this case TAFI), the system
2 would indicate only that another local service provider is involved with this
3 account. The service representative would then advise the customer to contact
4 their service provider. By not offering to assist the customer with any BellSouth
5 services and referring the customer back to the current carrier, BellSouth is
6 following the appropriate guidelines for dealing with customers of an ALEC.
7 This is considered a misdirected call and, as discussed above, it is BellSouth's
8 policy not to initiate win back attempts during misdirected calls.

9
10 Likewise, Mr. Hamilton's allegation on page 7 (that "[t]he BellSouth Repair
11 Department then refers the customer to BellSouth's Retail Business Office in
12 order to inquire about the problem") is inconsistent with BellSouth's policy. As
13 stated above, the repair system will indicate that another local service provider is
14 involved with the account, and therefore, the referral will be to the end user's
15 local service provider, not to the BellSouth Retail Business Office.

16
17 Q. MS. ROKHOLM, DOES BELLSOUTH CURRENTLY HAVE SPECIFIC
18 GUIDELINES FOR HANDLING THE SCENARIOS DESCRIBED ABOVE?

19
20 A. Yes. BellSouth's policy not to disparage its competitors has been in effect since
21 before BellSouth implemented the Full Circle promotion. This policy has been
22 more specifically implemented in the BellSouth Competitive Landscape
23 Operating Requirements training package, which outlines the verbiage to be used
24 when the types of calls described on pages 27 and 28 of Mr. Kramer's testimony
25 are received. The training material states, in part:

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Specialists should

- For misdirected calls, advise the customer to contact their provider.
“Mr. Customer, I regret that I am unable to assist you with that information. You will need to contact your current provider.”

Specialists should not

- Express an opinion about our competitors
- Attempt to access any wholesale information
- Address any competitor negatively
- Comment on a competitor’s service or financial condition
- Speculate about the cause of the service problem with the CLEC or offer a solution.
- Use the misdirected call as a win back attempt
- Quote competitor’s prices, promotions, etc.
“Mr. Customer, It is BellSouth's policy not to comment on our competitors, their services or their financial condition.”

The Competitive Landscape Operating Requirements training is mandatory for all customer contact personnel in the Consumer, Small Business and Large Business organizations. I do want to note that no one can guarantee that their representatives follow such policies every time, but BellSouth provides the necessary training to prevent such occurrences, supervises its employees, and takes appropriate action when it is discovered that appropriate policy is not being followed. If BellSouth obtains the necessary information from IDS to investigate any specific claims of such conduct that are relatively “fresh”, BellSouth will

1 take appropriate action. It is, of course, difficult to follow up on such claims
2 when they are months, or even years old.

3

4 Q. MS. ROKHOLM, PLEASE RESPOND TO MR. KRAMER'S CONTENTION,
5 ON PAGE 29 OF HIS DIRECT TESTIMONY, THAT BUSINESS
6 CUSTOMERS ARE "ACTUALLY PUNISHED BY BELLSOUTH IF THEY
7 REFUSE TO CANCEL THEIR CONVERSION ORDER BECAUSE THEY
8 ARE TOLD THAT THEY WILL HAVE TO CONTACT IDS."

9

10 A. Customers are not punished for not canceling their conversion to IDS.
11 BellSouth's guidelines provide that if an end user calls the BellSouth Retail
12 Business Office or Repair regarding a number that BellSouth's records show as
13 having another local service provider involved, the end user is referred to the end
14 user's local service provider. BellSouth operates within these guidelines, and this
15 procedure was developed based on input from the ALEC community.

16

17 Q. MS. ROKHOLM, DO YOU AGREE WITH MR. KRAMER'S ACCUSATION
18 ON PAGE 30 THAT BELLSOUTH IS HARDESELLING ITS FULL CIRCLE
19 PROGRAM BY "DANGL[ING] THE CARROT OF HAVING THE
20 CUSTOMER'S SERVICES RESTORED IN A MUCH MORE TIMELY
21 FASHION THAN IF THE CUSTOMER STAYS WITH HIS EARLIER
22 DECISION TO CONVERT HIS SERVICES TO IDS"?

23

24 A. Absolutely not. As I have stated repeatedly, the scenarios alleged by Mr. Kramer
25 involve misdirected calls, and BellSouth's policy is that BellSouth representatives

1 will not initiate win back discussions during such calls. The BellSouth
2 representative, therefore, should not initiate any discussion of restoring service or
3 coming back to BellSouth during such a call.

4
5 Q. MS. ROKHOLM, ARE THERE ANY CIRCUMSTANCES IN WHICH A WIN
6 BACK DISCUSSION DURING THE COURSE OF A MISDIRECTED CALL
7 WOULD BE APPROPRIATE?

8
9 A. Yes, but only if the end user (and not the BellSouth representative) initiates the
10 win back discussion. If an end user asks to be brought back to BellSouth during
11 any call (including a misdirected call), the service representative will determine
12 the appropriate course of action to bring the customer back.

13
14 If conversion orders are still pending and the end user asks to come back to
15 BellSouth, the end user should be directed to contact the local service provider
16 that submitted the pending conversion orders and to ask that provider to cancel
17 the orders. In this case, the service representative would not gain any sales credit,
18 or otherwise benefit from the transaction. After the pending conversion orders are
19 canceled, BellSouth will issue the standard trouble reports to repair any out-of-
20 service condition, and the standard processes for restoring or repairing service to
21 any BellSouth retail end user is followed.

22
23 If the conversion of the customer's service to the competitor has been completed,
24 the service representative should follow standard due date guidelines to issue
25 orders to bring the customer back to BellSouth, following the Letter Of Agency

1 (“LOA” and also referred to as a Letter of Authorization) or Third-Party
2 Verification (“TPV”) process, and the service representative can provide any
3 appropriate promotional or term agreement information. Contrary to Mr.
4 Kramer’s allegation on page 68, BellSouth’s policies require Letters of Agency or
5 Third-Party Verifications prior to switching customers to BellSouth. Mr.
6 Kramer’s allegation that BellSouth is not in compliance with Chapter 364, of the
7 Florida Statutes, or this Commission’s rules with regard to switching customers to
8 BellSouth should be rejected.

9
10 Q. IN YOUR ANSWER, MS. ROKHOLM, YOU MENTION “LETTER OF
11 AGENCY (‘LOA’ AND ALSO REFERRED TO AS A LETTER OF
12 AUTHORIZATION) OR THIRD-PARTY VERIFICATION (‘TPV’)”. PLEASE
13 EXPLAIN TO WHAT YOU ARE REFERRING.

14
15 A. Whenever a customer changes providers (either from BellSouth to an ALEC or
16 from an ALEC to BellSouth), an LOA or a TPV is necessary. An LOA is a letter
17 in which the end user authorizes the “new” local service provider to transfer the
18 end user’s service from the “current” local service provider to the “new” local
19 service provider. A TPV is a process by which a third party confirms that the end
20 user authorizes the “new” local service provider to transfer the end user’s service
21 from the “current” local service provider to the “new” local service provider.
22 These are the processes used to verify that the end user has given permission for a
23 carrier to change the end user’s service provider. Once an LOA or a TPV is
24 received, the “new” local service provider issues its order for change. The order
25 is processed to completion and, at that time, the “new” local service provider is

1 notified of the completion. Only at that point should the “new” local service
2 provider begin billing its customer.

3
4 Q. MS. ROKHOLM, PLEASE COMMENT ON MR. KRAMER’S
5 ALLEGATIONS, ON PAGES 60-62, REGARDING CUSTOMERS
6 CANCELLING ORDERS OR SWITCHING BACK TO BELLSOUTH
7 WITHOUT BELLSOUTH SECURING PROPER AUTHORIZATION.

8
9 A. I am a bit confused about Mr. Kramer’s allegations. As I mentioned above, even
10 if IDS has obtained an LOA or a TPV from an end user, it should not begin billing
11 that end user until BellSouth has notified IDS that the conversion process has
12 been completed. If the end user returned to BellSouth after the conversion
13 process was completed, the end user actually became a customer of IDS and it is
14 entirely appropriate for the customer to have received local service bills from
15 IDS. As I explained above, the end user can return to BellSouth before the
16 conversion process is completed only if IDS is contacted and IDS cancels the
17 pending conversion order. If this happens, the conversion never completes and
18 IDS should not issue a bill to the end user. Mr. Kramer’s scenario in which a
19 customer’s order is cancelled and yet the customer still receives a bill from IDS,
20 therefore, does not make sense. Again, if a customer cancels the conversion order
21 before it is completed, IDS should not be billing the customer.

22
23 As for Mr. Kramer’s allegation on page 68, that BellSouth is winning customers
24 from IDS without obtaining LOAs or TPVs, to date IDS has provided no
25 information in response to BellSouth’s discovery requests to substantiate this

1 claim. I can say, however, that if a conversion order has been completed and
2 BellSouth subsequently wins the end user back, BellSouth's policy is that it must
3 obtain an LOA or a TPV in order to bring that end user back to BellSouth. If a
4 conversion order has not been completed and the end user wants to cancel that
5 conversion order, only the LCSC can cancel that order, and it will not do so
6 unless IDS cancels that order.

7
8 Q. ON PAGE 35, MR. KRAMER DISCUSSES A SCENARIO WHERE "A
9 BELLSOUTH TECHNICIAN WOULD APPEAR ON THE PREMISES OF A
10 NEWLY-ACQUIRED IDS CUSTOMER AND THE TECHNICIAN WOULD
11 TELL THE CUSTOMER THAT HE WAS THERE TO DISCONNECT THE
12 CUSTOMER'S SERVICES." CAN YOU COMMENT ON THE ACCURACY
13 OF MR. KRAMER'S ALLEGATION?

14
15 A. Again, it is difficult to address this allegation because IDS has not yet provided
16 BellSouth with more specific facts regarding these allegations. It is not normal
17 procedure, however, nor is it necessary for BellSouth to dispatch a technician to
18 the end user's premises on an order that is strictly changing from resale to UNE-
19 P. Additionally, BellSouth's policy against making disparaging remarks about
20 BellSouth's competitors applies to its service technicians. As shown in Rebuttal
21 Exhibit JAR-4, BellSouth takes this policy seriously and it is reiterating this
22 policy as part of the continued training of BellSouth's Services Technicians and
23 Digital Technicians. Again, if IDS will provide BellSouth the specifics of any
24 instance where this type of behavior allegedly has occurred, BellSouth will
25 research such occurrences and take appropriate corrective actions as appropriate.

1 Q. PLEASE COMMENT ON MR. KRAMER'S DISCUSSION ON PAGES 40
2 AND 41 THAT BELL SOUTH HAS AN ADDED INCENTIVE TO PROVISION
3 RESALE ORDERS MORE ACCURATELY THAN IT DOES ORDERS FOR
4 UNE-P.

5
6 A. Once again, Mr. Kramer is mistaken. BellSouth has an equal incentive to
7 provision an order for UNE-P as it does to provision an order for resale. As IDS
8 has acknowledged, BellSouth has filed for 271 relief in Florida, and in other states
9 in its region. Because nondiscriminatory provision of UNEs is a prerequisite to
10 BellSouth's obtaining this relief, BellSouth obviously has an incentive to
11 provision UNEs in a nondiscriminatory manner. In addition, this Commission is
12 considering a performance evaluation and remedies plan to be implemented in
13 Florida. Pursuant to that plan, BellSouth will pay penalties if UNEs are not
14 provisioned in a nondiscriminatory manner.

15
16 Q. ON PAGE 67 OF HIS TESTIMONY, MR. KRAMER ALLEGES (IN ITEMS
17 NO. 16, 17, 18, AND 19) THAT BELL SOUTH HAS WRONGFULLY TAKEN
18 IDS' CUSTOMERS FROM IDS. PLEASE COMMENT ON THESE
19 ALLEGATIONS.

20
21 A. Each of these allegations that Mr. Kramer has made imply, or even state outright,
22 that BellSouth has wrongfully taken IDS' customers from IDS. BellSouth takes
23 these types of allegations very seriously, particularly in light of the affidavits that
24 Mr. Leiro attached to his testimony. As a result, BellSouth retained the firm of
25 Ernst & Young to conduct a survey of those customers who were formally IDS

1 customers who subsequently returned to BellSouth. BellSouth furnished Ernst &
2 Young the telephone numbers of more than 13,000 end users that moved from
3 IDS to BellSouth in 2000 and 2001. BellSouth obtained these numbers from its
4 business records. At BellSouth's request, Ernst & Young files testimony today
5 that details, with regard to this information, the work that they undertook, the
6 methodology they used and the results that they obtained. Those results are very
7 instructive.

8
9 Q. CAN YOU GIVE US SOME OF THE HIGHLIGHTS OF THE RESULTS?

10
11 A. Certainly. As I understand the situation, Ernst & Young is continuing the survey
12 and will obtain additional results as the survey progresses. They have furnished
13 BellSouth, however, with some preliminary results that clearly demonstrate that
14 BellSouth has not engaged in "wholesale theft" of IDS' subscribers.

15
16 Specifically, the results that Ernst & Young has obtained indicate that almost 29%
17 of these former IDS subscribers were "slammed"- that is, they had been moved
18 from BellSouth to IDS without the end user's permission in the first instance.
19 Beyond that, almost another 20% returned to BellSouth because of prices, 9%
20 returned because of a bad experience with an IDS customer representative, and
21 almost 9% returned because BellSouth's billing and accounting systems were
22 better. Less than 5% returned because they thought that BellSouth's features
23 were better and more reliable, and less than 8% returned because they said that
24 IDS' service did not work. While these last two figures are troublesome, because
25 IDS was simply reselling BellSouth's services, or using UNE-Ps to furnish

1 service to its customers, BellSouth does not dispute that IDS customers have had
2 difficulties on occasion with BellSouth's service, such as the instance when IDS
3 tried to effect a bulk conversion of resold services to UNE-P. While such things
4 are regrettable and should be avoided if at all possible, they happen to BellSouth's
5 retail customers as well, and certainly do not demonstrate any systemic failure on
6 the part of BellSouth, as IDS seems to suggest. Indeed, the reason for switching
7 back that includes the largest number of responses is that IDS "slammed" almost
8 29% of the group of customers that IDS is talking about.

9

10 Q. DOES THE SURVEY ALSO REFLECT THAT SOME OF THE CUSTOMERS
11 ALLEGED THAT BELLSOUTH "SLAMMED" THEM AS WELL?

12

13 A. Yes it does. Slightly less than 7% of the respondents stated that they were
14 "slammed" by BellSouth. That is, these customers state that they were customers
15 of IDS and BellSouth moved them from IDS against their wishes. BellSouth is
16 looking at the records of the end users that have been identified as having moved
17 from IDS to BellSouth in 2000 and 2001, and is attempting to determine how
18 many moved back to IDS. If such customers can be identified, BellSouth will
19 then have to look at internal documentation to see whether it can be demonstrated
20 that these customers were properly moved to BellSouth in the first instance.

21

22 Q. CAN YOU DRAW ANY OVERALL CONCLUSIONS FROM THE SURVEY?

23

24 A. Yes. Again, the survey is ongoing, but it basically shows that BellSouth did not
25 engage in "bad acts" or systemic anticompetitive behavior to take customers away

1 from IDS. Did such things ever happen? Certainly some of the IDS customers
2 whose affidavits Mr. Leiro attached to his testimony thought so. There is
3 absolutely no evidence, however, that such conduct was epidemic, and in fact the
4 reasons that customers left IDS and came back to BellSouth were, in the vast
5 majority of the cases, appropriate business reasons. For these reasons, Mr.
6 Kramer's allegations should be rejected.

7
8 **ISSUE FIVE:** *What remedies, if any, should the Commission order BellSouth to*
9 *provide IDS in the event IDS proves that BellSouth has breached the*
10 *Interconnection Agreement or engaged in anticompetitive activities?*

11
12 Q. ON PAGE 69 OF HIS DIRECT TESTIMONY, MR. KRAMER REQUESTS
13 THAT THIS COMMISSION ORDER BELLSOUTH TO "CEASE AND DESIST
14 FROM ANY PROMOTIONAL OR WIN BACK ACTIVITIES. . . ." PLEASE
15 COMMENT.

16
17 A. BellSouth has followed the appropriate procedures in its introduction of
18 promotional offerings. Mr. Kramer's allegation on page 65, that "BellSouth has
19 inappropriately utilized IDS' CPNI data in violation of the Telecommunications
20 Act of 1996" is unfounded. It is against BellSouth's policy to use CPNI
21 inappropriately in its win back efforts; it is against BellSouth's policies for
22 BellSouth's employees, agents, or contractors to disparage BellSouth's
23 competitors; and it is against BellSouth's policies to use misdirected customer
24 calls to initiate win back efforts.

25

1 Additionally, promotional offerings and win back programs are appropriate
2 business alternatives in the competitive Florida local telecommunications service
3 market. The appropriate time and manner for IDS to express any concerns it may
4 have with BellSouth's tariff filings is when such tariffs are filed and in the manner
5 established by this Commission. IDS, however, did not intervene in any of
6 BellSouth's promotional tariff filings. Now, in some cases nearly one year after
7 the fact, IDS has chosen to bring its concerns before this Commission. IDS'
8 arguments should be rejected, and its request for BellSouth to be ordered to cease
9 and desist should be denied.

10
11 Q. ON PAGE 69, MR. KRAMER REQUESTS THE COMMISSION TO ORDER
12 THAT "BELLSOUTH SHALL STRUCTURALLY SEPARATE ITS RETAIL
13 DIVISION FROM ITS WHOLESALE DIVISION SUCH THAT NO SHARING
14 OF IDS' OR ANY OTHER CLEC'S CPNI DATA WILL BE POSSIBLE IN THE
15 FUTURE." IS WHAT MR. KRAMER IS REQUESTING NECESSARY?

16
17 A. No, the Commission should deny IDS' request. First, IDS has not shown that
18 BellSouth is inappropriately using CPNI. Second, as I stated in my direct
19 testimony, page 30, the Commission does not have the authority to order the
20 structural separation of a telephone company like BellSouth. Finally, should this
21 Commission decide that structural separation is an issue that it should address
22 further, the Commission has set Docket No. 010345-TP for that very purpose.
23 The structural separation of BellSouth, therefore, is not an appropriate issue to be
24 addressed, or remedy to be ordered, in this proceeding.

25

1 Q. HAS BELLSOUTH “ENGAGED IN ANTICOMPETITIVE ACTIVITIES IN
2 VIOLATION OF THE TELECOMMUNICATIONS ACT OF 1996 AND
3 CHAPTER 364, FLORIDA STATUTES” AS ALLEGED BY MR. KRAMER
4 ON PAGE 65, AND ARE THE SANCTIONS REQUESTED BY MR.
5 KRAMER, ON PAGE 70, WITH REGARD TO THE CIRCUMSTANCES
6 SURROUNDING THE EXECUTION OF THE NOVEMBER 1999
7 AGREEMENT APPROPRIATE (REQUEST 6)?
8

9 A. No to both questions. Although I am not a lawyer, and this issue will certainly be
10 addressed in BellSouth’s brief in this proceeding, BellSouth is not in violation of
11 the Act or the Florida Statutes. Mr. Kramer presents nothing that should lead this
12 Commission to conclude that any of BellSouth’s actions with regard to the
13 November 1999 amendment were inappropriate. IDS did not make any claims as
14 to the impropriety of the amendment when it was executed, and IDS made no
15 such claims when the November 1999 amendment was superseded by the new
16 agreement in March 2000. Finally, neither IDS nor any other person or entity was
17 harmed by the existence of the amendment. It is neither necessary nor
18 appropriate, therefore, for the Commission to order BellSouth to pay any penalties
19 because of the amendment.
20

21 Q. PLEASE COMMENT ON MR. KRAMER’S REMEDY REQUEST NUMBER 7,
22 ON PAGE 70 OF HIS TESTIMONY.
23

24 A. As demonstrated in this panel testimony and in other BellSouth testimony filed in
25 this proceeding, BellSouth has methods and procedures in place to fully support

1 competition in the BellSouth region. Further, as addressed in my direct
2 testimony, BellSouth has always taken allegations of anticompetitive behavior
3 seriously, investigating and taking all necessary action as rapidly as possible.
4 None of the allegations that have been portrayed by IDS as systemic
5 anticompetitive behavior are correct nor do they rise to a level such that sanctions,
6 as requested by Mr. Kramer, should be imposed. Finally, this Commission has
7 established a separate docket to investigate alleged anticompetitive activities by
8 BellSouth, and IDS' allegations should be referred to that docket.

9

10 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

11

12 A. Yes.

13

14

15 (DOCS #407534)

FLORIDA DOCKET NO. 010740-TP

REBUTTAL EXHIBIT JAR- 3

AUGUST 27, 2001

• Sunday, August 19, 2001

The Birmingham News - 3D

1. Your phones.
2. Your phone number.
3. Your phone bill.

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FLORIDA DOCKET NO. 010740-TP

REBUTTAL EXHIBIT JAR- 4

AUGUST 27, 2001

Atlanta, GA
June 22, 2001

To: Network Vice-Presidents

From: Hal G. Henderson, Network Vice-President – Process Improvement
J. R. Satterfield – Vice-President – Network Operations

Re: I&M/SSI&M Technician Dialogue with CLEC/DLEC End-Users

Competitive Local Exchange Carriers (CLECs) and Data Local Exchange Carriers (DLECs) continue to assert that BellSouth field technicians, on occasion, make disparaging comments about CLECs/DLECs to their end-users. It is absolutely essential that all I&M/SSI&M personnel assigned to perform Unbundled Network Element work functions are instructed relative to BST's requirement to comply with the 1996 FCC Telecommunications Act.

Therefore, please forward this letter and the attached document entitled "CLECs and DLECs are Important Customers, Too!" to your organization and instruct them to cover all Services Technicians and Digital Technicians performing wholesale work functions. The package includes a 'sign-in' sheet to be used to document technician coverage and should be maintained by the local Network Manager.

Coverage is to begin in July of this year and a report should be provided on a quarterly basis to the state Network Vice Presidents indicating the coverage has been completed. Coverage is to be completed during the first month of each quarter until further notice.

The assertions by the CLECs/DLECs may or may not be accurate. But, the implementation of this process will facilitate the elimination of cases where the assertions are accurate and place a positive influence on BellSouth's attempts to provide equivalent levels of service to both wholesale and retail customers.

Your assistance in this matter is greatly appreciated and will contribute to BellSouth's compliance with the FCC order and our entry into the long distance market. Questions may be directed to Keith Futrell at (404) 529-7698.

Hal

Jim