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October 3, 2001

VIA HAND DELIVERY

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Re: Docket No.: 960786-A-TL

Dear Ms. Bayo:

On behalf of KMC Telecom, Inc. (KMC), enclosed for filing and distribution are the original and 15 copies of the following:

- ▶ Revised Rebuttal Testimony of Jim Sfakianos on Behalf of KMC Telecom, Inc.

Please acknowledge receipt of the above on the extra copy of each and return the stamped copies to me. Thank you for your assistance.

Sincerely,

Vicki Gordon Kaufman
Vicki Gordon Kaufman

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of]
BellSouth Telecommunications,]
Inc.'s entry into InterLATA Services]
Pursuant to Section 271 of the]
Telecommunications Act of 1996]

Docket No. 960786-A-TL

**REVISED REBUTTAL TESTIMONY
OF JIM SFAKIANOS ON BEHALF OF
KMC TELECOM, INC.**

October 3, 2001

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A.** My name is Jim Sfakianos, and my business address is 220 W. Garden Street,
3 Pensacola, Florida.

4 **Q. WHAT IS YOUR POSITION AND RESPONSIBILITIES WITH KMC**
5 **TELECOM?**

6 **A.** I am the City Director of KMC Telecom in Pensacola, Florida, and as such am
7 responsible for all daily business functions in the Pensacola area, including sales,
8 operations, construction, customer care and business development projects.

9 **Q. PLEASE DESCRIBE YOUR BACKGROUND AND PROFESSIONAL**
10 **EXPERIENCE.**

11 **A.** I joined KMC Telecom in April 1998, and have worked in the
12 Telecommunication field for 22 years, serving three of those years with BellSouth. I
13 have a Bachelor of Science Degree from the University of Alabama in Birmingham.

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
15 **PROCEEDING?**

16 **A.** I am testifying in opposition to BellSouth's draft application for authority to
17 provide in-region InterLATA services, in response to the Direct Testimony filed by
18 BellSouth on May 31, 2001.

19 **Q. PLEASE DESCRIBE THE NATURE OF YOUR TESTIMONY.**

20 **A.** My testimony will address the nature of KMC's relationship with BellSouth in the
21 State of Florida, from the perspective of my job as City Director for one of KMC's cities
22 within the state. From that perspective, I will address BellSouth's performance in
23 provisioning facilities and services to KMC.

24

1 **Q. CAN YOU SUMMARIZE THE NATURE OF KMC'S ACTIVITIES IN**
2 **PENSACOLA?**

3 **A.** KMC provides local, long distance and data services to customers in the
4 Pensacola area, utilizing a fiber network with SONET technology and a Lucent 5ESS
5 switch.

6 **Q. PLEASE PROVIDE EXAMPLES TO ILLUSTRATE SOME OF THE**
7 **CHECKLIST-RELATED PROBLEMS YOU ARE EXPERIENCING.**

8 **A.** Four particularly large KMC customers in Pensacola, which represent significant
9 revenue in our operation, lose their T-1 service virtually every time it rains. Over a three-
10 week period spanning late June and early July, 2001, the Pensacola-Bayview location of
11 a large hotel chain experienced *eight* outages, representing a total of 93 hours that the T-1
12 line was either down or experiencing trouble. Similarly, a Tractor and Equipment retailer
13 experienced *seven* outages, representing a total of 46 hours that their T-1 was either down
14 or experiencing trouble. A Credit Union experienced *five* outages totaling 36 hours that
15 their T-1 was down or experiencing troubles. Finally, a door company experienced *four*
16 outages that represented a total of *230* hours that their T-1 was either down or
17 experiencing problems. Unfortunately, there are numerous other examples.

18 **Q. WHAT IS THE EFFECT OF THESE PROBLEMS ON KMC'S ABILITY**
19 **TO COMPETE?**

20 **A.** These four particular customers have stated that they plan to switch back to
21 BellSouth. Even though these are knowledgeable customers, who know that the outages
22 are caused by BellSouth, they simply cannot be out of service every time rain clouds
23 appear. Although I never point the finger of blame at BellSouth, one of these customers
24 told me straight out, "I understand that it is BellSouth's problem, Jim, but when I was

1 their customer I did not experience these problems,” while another asked me whether I
2 “think that they [BellSouth] are doing this to you intentionally?” The loss of these
3 customers will mean the loss of thousands of dollars in revenue each month. While KMC
4 invested heavily in facilities, it is simply too expensive to replicate the last mile in many
5 instances. So even with the investment KMC has made in my city, we cannot compete
6 given the poor quality of the loops BellSouth provides.

7 **Q. BASED ON YOUR EXPERIENCE IN THE INDUSTRY, DO YOU FEEL**
8 **THAT KMC IS RECEIVING NON-DISCRIMINATORY ACCESS TO LOOPS?**

9 **A.** Absolutely not. During my years with BellSouth, T-1 loops almost never went
10 down. While I was with another CLEC in Birmingham, Alabama, we had more installed
11 T-1s but fewer outages; this leads me to believe that the BellSouth outage problems may
12 be worse in Florida, which is very costly for Florida business, or are targeted at KMC.
13 For the circuits to fail with the frequency that they do for KMC should make the
14 Commission, and any other neutral party, extremely suspicious. Based on my
15 understanding of the Telecommunications Act, there is simply no way BellSouth can
16 claim to be in compliance.

17 **Q. DO YOU ALSO EXPERIENCE ANY INSTALLATION PROBLEMS**
18 **WITH BELLSOUTH T-1 LINES?**

19 **A.** Yes. The major problem in this regard relates to a claimed lack of facilities by
20 BellSouth. In other words, BellSouth will fail to provision a T-1 line in accordance with
21 a previously issued Firm Order Confirmation (FOC), and will instead hold the order
22 Pending Facilities (PF).

1 **Q. DOES YOUR EXPERIENCE ACCORD WITH THAT OF OTHER KMC**
2 **FLORIDA CITY DIRECTORS REGARDING INSTALLATION PROBLEMS?**

3 A. Yes, it appears that we all suffer the same poor installation performance. Based
4 on conversations with Art Webb, City Director for Brevard, it appears that he too suffers
5 from an unacceptably high BellSouth missed appointment percentage in the 25-35%
6 range, which accords with the BellSouth reported percentage.

7 **Q. HAVE THESE ISSUES BEEN RAISED WITH BELLSOUTH CARRIER**
8 **MANAGEMENT?**

9 A. Yes, but BellSouth's performance has remained consistently poor. It is my
10 understanding that BellSouth has even created a chronic trouble team, ostensibly to
11 address KMC and CLEC-wide outages. Obviously, this apparent effort has been
12 ineffective, and the BellSouth Direct Testimony is noticeably silent regarding the
13 adequacy of BellSouth's repair performance.

14 **Q. WHAT TYPE OF WINBACK ISSUES HAS KMC BECOME AWARE OF?**

15 A. I am informed that BellSouth is utilizing questionable tactics in its effort to attract
16 former BellSouth customers that have switched to competitive providers. I am told that
17 these marketers are questioning KMC's viability and misrepresenting its status as a
18 facilities-based competitor. One customer relayed that he had been told by a BellSouth
19 representative that KMC did not have a switch in Pensacola and was backhauling traffic
20 to Mobile, Alabama – an obvious falsehood.

21 **Q. DOES KMC PROVIDE SERVICE IN ANY OTHER AREAS OF THE**
22 **STATE AND IN OTHER JURISDICTIONS?**

23 A. Yes. KMC has built out facilities in seven Florida cities, competing against
24 Verizon and Sprint in Tallahassee, Greater Pinellas, Sarasota and Fort Myers. KMC and

1 its affiliates are also authorized to provide facilities-based and/or resold local exchange,
2 switched and special access, and resold interexchange services throughout the United
3 States. KMC has a region-wide interconnection agreement with BellSouth, and has
4 operations in eight of the nine BellSouth monopoly states.

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

6 **A. Yes, it does.**

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Revised Rebuttal Testimony of Jim Sfakianos on Behalf of KMC Telecom, Inc. has been furnished by (*) hand delivery or by U. S. Mail on this 3rd day of October, 2001, to the following:

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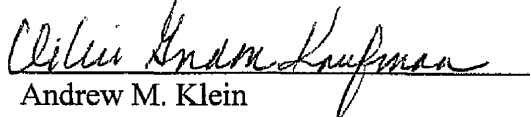
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