

ATTACHMENT C

BellSouth Telecommunications, Inc.  
FPSC Docket No. 990649A-TP  
Request for Confidential Classification  
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REQUEST FOR CONFIDENTIAL CLASSIFICATION OF REBUTTAL  
TESTIMONY OF JOHN C. DONOVAN AS FILED ON DECEMBER 10, 2001 IN  
FLORIDA PUBLIC SERVICE  
COMMISSION DOCKET 990649A-TP

PROPRIETARY

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*appeal*  
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1 unreasonable to expect a procuring and contracting organization to lump  
2 those two functions together.

3 Given the soil types in Florida, I am not surprised that there would  
4 be a significant amount of cable plowing being performed. In fact, Florida  
5 conditions make for easy plowing, and I find BellSouth's high plowing  
6 percentage in rural areas to be reasonable. Also, based on my experience  
7 in negotiating contracts for hundreds of miles of cable placement, plowing  
8 is a very inexpensive alternative. Although not Florida-specific, my  
9 experience with plowing cable in the much more difficult Adirondack  
10 Mountains of New York State cost me only \$0.60/ft. to \$0.80/ft. The FCC  
11 examined thousands of Rural Utility Service ("RUS") contracts, and  
12 concluded that even lower costs than mine are reasonable. In fact, the  
13 FCC's Synthesis Model generated an overall average cost of buried  
14 structures of all types (including the higher costs of trenching) in the rural  
15 density zones of only \$0.77 per foot. BellSouth, on the other hand, uses  
16 its across-the-board buried structure input value of **\*\*\*BEGIN**  
17 **PROPRIETARY \$5.18 END PROPRIETARY\*\*\***per foot for costs of  
18 plowing in buried cable. This level of cost disparity is beyond reason.

19 I recommend this Commission order the cable plowing input be set  
20 at no more than \$0.80 per foot.

21 Buried Restoration:

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1 BellSouth's input value for conduit material is another case of  
2 mismatching the numerator and denominator. The conduit material input  
3 should reflect the cost of 4-inch PVC conduit pipe, and should not contain  
4 any placing labor. However, BellSouth has included one line of contractor  
5 cost that inappropriately includes labor. This line of data, which is  
6 captioned, "This is conduit placed by contractor," should therefore be  
7 excluded from the average material cost of PVC conduit. In addition, and  
8 as noted on page 11 of Attachment JCD-2, I was unable to determine how  
9 BellSouth went from its proposed conduit material cost per foot plus  
10 25.43% miscellaneous loading (\*\*BEGIN PROPRIETARY \$1.58/ft. +  
11 \$0.40/ft. = \$1.98/ft. END PROPRIETARY\*\*) to its input value of  
12 (\*\*BEGIN PROPRIETARY \$2.77/ft. END PROPRIETARY\*\*), or  
13 an unexplained additional increase in material cost of another 50% of  
14 material. I therefore recommend that the Commission order a conduit  
15 material cost based on my correction to BellSouth data as indicated in  
16 Attachment JCD-2. This input value is slightly higher than my experience  
17 of \$0.60/ft. and the FCC's decision in its USF proceeding adopting an  
18 input value of \$0.72/ft.

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19 Manholes:

20 BellSouth attempted to use contract data to compute an average manhole  
21 cost per cubic foot. It then applied that cost to BSTLM manholes  
22 designated as Type-1, Type-2, Type-3, and Type-5. The BSTLM *Input*  
23 *Table - Underground Labor* describes manhole Type-1, Type-2, and

1 opinion, it is reasonable to expect BellSouth to encounter 15 minutes of  
2 travel time, and 30 minutes of setup time for cable placing operations,  
3 using a 2-technician crew size for underground placing and a 1-technician  
4 crew size for buried and aerial placing. I would expect an underground  
5 placing crew to place approximately 3,000 feet of cable per day, a buried  
6 crew to place approximately 8,000 feet of cable per day, and an aerial  
7 crew to place approximately 5,000 feet per day.

8 As indicated in Attachment JCD-5, I believe that BellSouth's  
9 manipulated costs for copper cable placing reflect **\*\*\*BEGIN**  
10 **PROPRIETARY one hour END PROPRIETARY\*\*\*** of travel and  
11 **setup, and a placing rate of \*\*\*BEGIN PROPRIETARY 2,800 feet**  
12 **per day. END PROPRIETARY\*\*\*** (It may be noted that BellSouth does  
13 not populate cable placing inputs for buried cable because it contends that  
14 cable placing is performed as part of the excavation contractors costs).  
15 Such a productivity figure for placing underground and aerial cables is  
16 less than I would expect of a competitive, well managed company, but is  
17 still not totally unreasonable if such setup and feet per day productivity  
18 inputs were actually used via the proper inputs to the model, which they  
19 are not.

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20 The reason why BellSouth's method fails is simple. The result of  
21 BellSouth combining setup costs into a Cable Feet Placed per Day  
22 productivity figure is equivalent to BellSouth assuming that its technicians  
23 will travel to the work site, place 100 feet of cable, and stop work. The

1 work crew would then travel to another work site, place 100 feet of cable,  
2 and stop work. It would then travel to a third work site, place 100 feet of  
3 cable, and return to the garage. Alternatively, the result would be that a  
4 work crew would travel to a work site, perform setup operations, place  
5 only \*\*\*BEGIN PROPRIETARY 640 END PROPRIETARY\*\*\* feet  
6 of cable, and quit for the day. That level represents absurdly poor  
7 productivity, and equates to placing only\*\*\*BEGIN PROPRIETARY  
8 one manhole-to-manhole section END PROPRIETARY\*\*\* of  
9 underground cable, or less than \*\*\*BEGIN PROPRIETARY one half of  
10 one 1200-foot long Suburban block END PROPRIETARY\*\*\* of aerial  
11 cable for the day. This is inconsistent with TELRIC principles and  
12 inconsistent with my experience.

13 **Q. WHAT DO YOU RECOMMEND?**

14 A. This Commission should compel BellSouth to comply with its *FL UNE*  
15 *Order* and file a bottoms-up cable placing inputs with reasonable  
16 productivity numbers.

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1 Q. WHAT METHOD HAS BELLSOUTH USED TO CAPTURE  
2 COPPER CABLE SPLICING COSTS IN THE REFILEING OF ITS  
3 COST MODEL?

4 A. As it did in the copper cable placing portion of the model, BellSouth failed  
5 to utilize the travel and setup time in its copper cable splicing portion of  
6 the model. The result of BellSouth combining setup costs into a Copper  
7 Cable Pairs Spliced per Hour productivity figure is equivalent to the  
8 creation of a linear Loading Factor.

9 In the case of any copper cable larger than 100 pairs, such as  
10 splicing a 200-pair cable, BellSouth's model creates costs equivalent to  
11 traveling to the job location, preparing the splice, splicing 100 pairs,  
12 closing up the splice case, driving around the block, opening up the same  
13 splice case, splicing 100 more pairs, closing up the splice case, and then  
14 going home for the day. In the case of a 4200-pair copper cable, the  
15 example is simply 42 iterations of the 100-pair splice operation. I  
16 illustrate this issue in Attachment JCD-5.

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17 Q. IS BELLSOUTH'S WIREWORK RATE FOR SPLICING  
18 INDIVIDUAL COPPER PAIRS ADEQUATE?

19 A. No. As prescribed by BellSouth, the wire work splicing rate of pairs per  
20 hour works out to a consistent \*\*\*BEGIN PROPRIETARY 76 END

1 Non-Exempt Material, BellSouth has created an "apples to oranges"  
2 problem. In addition, BellSouth has failed to comply with this  
3 Commission's order to create a bottoms-up approach to address the  
4 Commission's concern that BellSouth's use of linear loading factors  
5 reflects no economies of scale for exempt material.

6 I believe that Exempt Material is already included in the fully  
7 loaded labor rate proposed by BellSouth, and that the Miscellaneous  
8 Material Rate proposed by BellSouth should be disallowed as double  
9 counting.

10

11 In the alternative, if Exempt Material can be proven by BellSouth  
12 to have been excluded from its proposed fully loaded labor rate with  
13 adequate supporting evidence, then I recommend that this Commission  
14 adopt a reasonable Exempt Material load on labor not to exceed 20% of  
15 direct labor costs (**\*\*\*BEGIN PROPRIETARY** Use of 20% represents  
16 the high end of the \$6.00 and \$10.00 per hour when added to BellSouth's  
17 fully loaded labor rate as used in its filed costs. **END**  
18 **PROPRIETARY\*\*\***).

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