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January 28, 2002

Mrs. Blanca S. Bayó  
Director, Division of the Commission  
Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

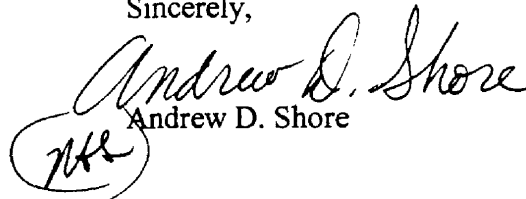
**Re: Docket No. 990649-TP (UNE Docket)**

Dear Mrs. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s revised Direct Testimony of Daonne D. Caldwell, and an original and fifteen copies of the revised Surrebuttal Testimony of Daonne D. Caldwell, which we ask that you file in the captioned docket. Please note, that in order to assist the Commission and the parties in identifying the changes to the testimony, we have also attached a redlined version of the testimony.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

  
Andrew D. Shore

Cc: Parties of Record  
Marshall M. Criser III  
R. Douglas Lackey  
Nancy B. White

00990-02 thru 00993-02

**CERTIFICATE OF SERVICE**  
**Docket No. 990649A-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via  
Email and Federal Express this 28<sup>th</sup> day of January, 2002 to the following:

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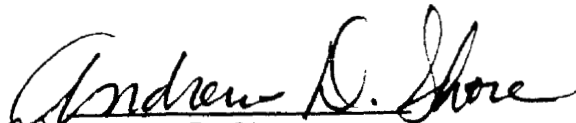
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Andrew D. Shore  
(NS) **(+) Signed Protective Agreement**

1                                   **BELLSOUTH TELECOMMUNICATIONS, INC.**  
2                                   **DIRECT TESTIMONY OF D. DAONNE CALDWELL**  
3                                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**  
4                                   **DOCKET NO. 990649A-TP**  
5                                   **(120-DAY ITEMS)**  
6                                   **NOVEMBER 8, 2001**  
7                                   **AMENDED JANUARY 28, 2002**

8  
9 **Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.**

10  
11 A. My name is D. Daonne Caldwell. My business address is 675 W. Peachtree St.,  
12 N.E., Atlanta, Georgia. I am a Director in the Finance Department of BellSouth  
13 Telecommunications, Inc. (hereinafter referred to as "BellSouth"). My area of  
14 responsibility relates to the development of economic costs.

15  
16 **Q. ARE YOU THE SAME D. DAONNE CALDWELL THAT PREVIOUSLY**  
17 **FILED TESTIMONY IN THIS DOCKET?**

18  
19 A. Yes.

20  
21 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

22  
23 A. In its May 25, 2001 Order No. PSC-01-1181-FOF-TP ("Order") in this docket, the  
24 Florida Public Service Commission ("Commission") outlined a number of issues  
25 that required responses by BellSouth within 120 days. The Order listed the

1 following as 120-day items: (1) Hybrid Copper/Fiber xDSL-capable loop, (2)  
2 xDSL nonrecurring costs that exclude the Design Layout Record (“DLR”), test  
3 point, and order coordination, (3) network security and inventory issues, (4)  
4 network interface device (“NID”) costs, (5) explicit modeling of loops, and (6)  
5 inflation. On September 24, 2001, BellSouth filed cost studies in this docket to  
6 address these “120-day” issues. On October 2, 2001, however, the Commission  
7 reversed its ruling on inflation in Order No. PSC-01-2051-FOF-TP; therefore,  
8 revised cost studies were filed on October 8<sup>th</sup> to include the impact of inflation.  
9 Further, on October 23, 2001, the Commission identified a number of issues  
10 precipitating from BellSouth’s filing, with the objective of resolving them during  
11 this phase of the docket. My testimony responds to those issues associated with  
12 cost development. In doing so, I will present and support the cost studies filed on  
13 October 8, 2001 and subsequently revised on January 28, 2002.

14

15 *Issue 1(a): Are the loop cost studies submitted in BellSouth’s 120-day filing*  
16 *compliant with Order No. PSC-01-1181-FOF-TP?*

17

18 **Q. PLEASE EXPLAIN WHY THE LOOP COST STUDIES BELLSOUTH**  
19 **FILED ON OCTOBER 8, 2001, AND SUBSEQUENTLY REVISED ON**  
20 **JANUARY 28, 2002, COMPLY WITH ORDER NO. PSC-01-1181-FOF-TP.**

21

22 A. The Commission outlined a number of modifications that impact both the  
23 recurring and nonrecurring cost results for loops. Some of these adjustments are  
24 relatively easy to implement, while others required BellSouth to not only expend  
25 substantial resources, but also to alter the manner in which costs were developed.



1 The simpler Commission-ordered modifications reflected in BellSouth's October  
2 8<sup>th</sup> and January 28, 2002 cost studies include:

3  
4 Cost of Capital – The Commission set the forward-looking cost of capital for  
5 BellSouth at 10.24% (60/40 equity/debt ratio, debt = 7.3%, equity = 12.2%).

6  
7 Depreciation - The Commission adjusted the economic lives for metallic cable  
8 accounts and digital switching equipment. The Commission accepted BellSouth's  
9 salvage values. The chart below compares BellSouth's initially proposed  
10 economic lives and the ones ordered by the Commission. The Commission-  
11 ordered lives are reflected in the studies filed on October 8, 2001 and January 28,  
12 2002.

13  
14

	<b>BellSouth</b>	<b>Commission –Ordered</b>	
15			
16	Digital Switching	10	13
17	Aerial Metallic Cable	15	18
18	Underground Metallic Cable	14	23
19	Buried Metallic Cable	15	18
20	Submarine Metallic Cable	15	18

21  
22 BellSouth asked for reconsideration on two other depreciation modifications  
23 originally reflected in the Commission-ordered rates; i.e., modifications to analog  
24 switching equipment and to submarine fiber cable. In its October 2, 2001 ruling  
25 (Order PSC-01-2051-FOF-TP), the Commission agreed that the analog switching

1 equipment economic life should be retained as BellSouth's input. In that ruling,  
2 however, the Commission rejected the other request and stated that the Order did  
3 alter the submarine fiber cable life and that it should be set at 20 years. The cost  
4 study reflects the analog switching equipment life of 1.6 years and the submarine  
5 fiber cable life of 20 years.

6

7 Taxes – The Commission ordered Florida-specific tax rates as follows: a combined  
8 state and federal income tax rate of 38.57% and an ad valorem tax rate of .9515%.  
9 Also, the “gross receipts tax” factor was set at .15%. The cost study reflects these  
10 modifications.

11

12 Each of the Commission-ordered adjustments discussed above impact the  
13 development of the shared and common cost factors. Thus, BellSouth  
14 appropriately reflected these modifications in the Shared and Common  
15 Application, which develops the shared and common cost factors.

16 Additionally, the deaveraging of loops was based upon the methodology adopted  
17 by the Commission and the details provided in Appendix B of the Order, which  
18 listed the wire centers by zone.

19

20 **Q. YOU MENTIONED THAT THERE WERE ADDITIONAL COMMISSION-**  
21 **ORDERED MODIFICATIONS THAT WERE MORE DIFFICULT TO**  
22 **MAKE. WHAT WERE THOSE MODIFICATIONS?**

23

24 A. The first modification that was more difficult to incorporate into the studies was the  
25 nonrecurring work time estimates. The Order detailed the extensive examination

1 of three representative UNEs; the ADSL loop, CCS7 Signaling and Interoffice  
 2 Transport – DS0. Based on the Commission’s analysis of these three UNEs,  
 3 adjustments to the work time estimates were recommended and outlined as listed  
 4 below (Order, page 364):

Category	Approved Adjustments for BellSouth’s Installation and Disconnect Work Groups and Work Times
CRSG Incremental Time	Eliminate work times
CRSG	Reduce work times by 55%
LCSC	Reduce work times by 75%
SAC	Reduce work times by 50%
AFIG	Reduce work times by 50%
CPG	Reduce work times by 50%
UNEC Provisioning Variables	Eliminate work times
UNEC	Reduce work times by 45%
WMC	Reduce work times by 65%
CO I&M	Reduce work time by 20%
SSI&M	Reduce work times by 35%

25

1 2 3 4	Category	Approved Adjustments for BellSouth's Installation and Disconnect Work Groups and Work Times
5	Travel	No Adjustment
6	All other work groups	Reduce work times by 45%

7 These are the modifications BellSouth used to develop the nonrecurring costs  
8 contained in the cost studies. In order to implement these reductions, BellSouth  
9 went into each input file and recalculated the originally proposed time estimates.  
10 In fact, in order to allow review of BellSouth's calculations, the input files show  
11 the Commission's modifications in red. The Commission also ordered a 50/50  
12 sharing of the cost of access to sub-loop elements, which is also reflected in both  
13 BellSouth's input files and cost results.

14  
15 The other Commission-ordered modification that was difficult to implement was  
16 one specifically listed as a "120-day" item – the explicit modeling of "all cable and  
17 associated supporting structure engineering and installation placements." (Order,  
18 Page 242) BellSouth has provided, as ordered by the Commission, a "bottoms-up"  
19 study of outside plant cable and structures using the BellSouth  
20 Telecommunications Loop Model ("BSTLM<sup>®</sup>"). Whenever possible, either actual  
21 data or subject matter experts' estimates have been used in the BSTLM. Execution  
22 of the "bottoms-up" directive required activities such as: code modifications to the

23  
24 <sup>®</sup> 1999 INDETEC International and BellSouth Corporation All Rights  
25 Reserved (BSTLM)

1 BSTLM, which BellSouth witness Mr. Stegeman addresses, review of outside  
2 contractor contracts, weighting of contractor prices by relative use, development of  
3 structure sharing percentages, estimation of BellSouth placing and splicing hours,  
4 and determination of probabilities by terrain and density.

5

6

7 **Q. ARE THERE OTHER MODIFICATIONS THAT HAVE BEEN MADE TO**  
8 **THE NONRECURRING COSTS IN ADDITION TO THOSE CONTAINED**  
9 **IN THE ORDER?**

10

11 A. Yes. As noted in the cost study there were further changes to nonrecurring cost  
12 development that need to be considered. These modifications reduce the  
13 provisioning time and thus, should reduce the nonrecurring cost. These additional  
14 input changes are detailed on pages 25-30 of the cost study. For example, the  
15 amount of time a loop is not found in LFACS was lowered from 58% to 20% and  
16 Work Management Center ("WMC") time was set at 2 minutes (down from 15).

17

18 **Q. PLEASE PROVIDE AN OVERVIEW OF THE INPUTS USED IN**  
19 **BELLSOUTH'S "BOTTOMS-UP" COST DEVELOPMENT.**

20

21 A. BellSouth's "bottoms-up" inputs were obtained from two basic sources. First  
22 Outside Plant Contractor costs for each district in Florida were reviewed. These  
23 contracts provided the individual work item price, e.g. the price to place a pole, to  
24 bore a driveway, or to bury a cable. BellSouth then used the amount of usage that  
25 occurred during 2000 to develop an average contractor cost for each type of activity.

1 Attachment 3 in Appendix B of the cost study details the calculations performed to  
2 develop the contractor cost input associated with pole placement, conduit, manhole,  
3 and their placements, buried cable placement, etc.

4

5 The second input source was the Outside Plant Construction Management  
6 (“OSPCM”) system. The OSPCM is the same system used by BellSouth’s Network  
7 organization to estimate job costs. Attachment 4 in Appendix B of the cost study  
8 provides the source code data and assumptions taken from the OSPCM system for  
9 the development of splicing and placing time inputs.

10

11 **Q. CAN YOU PROVIDE A DESCRIPTION OF THE SOURCES AND**  
12 **ASSUMPTIONS USED IN THE DETERMINATION OF EACH**  
13 **CATEGORY OF INPUT IN THE “BOTTOMS-UP” ANALYSIS?**

14

15 A. Yes. The following discussion will describe how each category of input, as they  
16 correspond to the BSTLM input tables, was derived. Attachment 1 in Appendix B  
17 of the cost study displays the resulting input.

18

19 **Aerial Structure Contract Labor**

20 Contract labor costs for placing poles were obtained from actual outside contractor  
21 contracts in each district in Florida. Each district contractor’s price was weighted  
22 by the amount of usage in the district in 2000 to arrive at a weighted average price  
23 for an average size pole placement in the state. Contract labor associated with  
24 placement of anchors was also obtained from the outside contractor contracts in  
25 each district in Florida. Guys are placed by BellSouth personnel, and the time

---

1 required to install a guy was obtained from the OSPCM system.

2

3 **Aerial Structure (Material)**

4 Pole material prices were also obtained from actual outside contractor contracts in  
5 each district in Florida. Each district contractor's price was weighted by the  
6 amount of usage in the district in 2000 to determine a weighted average material  
7 price for an average size pole in the state. The material costs of anchors and guys  
8 are exempt material and are captured in the exempt material loading for poles.

9

10 **Buried Excavation Contract Labor**

11 While the BSTLM input tables were modified to allow contractors' buried  
12 excavation prices to vary dependent on the terrain type, agreements between  
13 BellSouth and its outside contractors do not differentiate prices by terrain type.  
14 Therefore, all excavation cost values are the same, regardless of terrain type.  
15 Excavation costs were determined in the same manner as the aerial structure  
16 contract labor costs. Contract labor costs for buried excavation activities were  
17 obtained from actual outside contractor contracts in each district in Florida. Each  
18 district contractor's price was weighted by the amount of usage in the district in  
19 2000 to arrive at a weighted average price per foot for buried excavation in the  
20 state.

21

22 **Underground Excavation Contract Labor**

23 While the BSTLM input tables were modified to allow contractors' underground  
24 excavation prices to vary dependent on the terrain type, the agreements between  
25 BellSouth and its outside contractors do not differentiate prices by terrain type.

1 Therefore, all underground excavation cost input is the same regardless of terrain  
2 type. Underground excavation costs were determined in the same manner as the  
3 buried excavation contract labor costs. Contract labor costs for underground  
4 excavation activities were obtained from actual outside contractor contracts in each  
5 district in Florida. Each district contractor's price was weighted by the amount of  
6 usage in the district in 2000 to calculate a weighted average price per foot for  
7 underground excavation in the state.

8 **Structure Sharing**

9 BellSouth only expects to share in the cost of buried structure approximately 6% of  
10 the time in Florida. When sharing occurs, BellSouth has assumed that BellSouth  
11 and two other parties will share in the cost of buried placement. Therefore, buried  
12 sharing is calculated as follows:

13

14	94% X 100%	= 94%
15	6% X 33.33%	= 2%
16	Total	96%

17 The 96% reflects the amount of buried structure cost assigned to BellSouth.

18

19 For aerial plant sharing, BellSouth owns approximately 40% of the poles in its  
20 territory in Florida. Therefore, BellSouth has used 40% as the amount of pole  
21 costs assigned in its cost studies.

22

23 For underground sharing, BellSouth rarely, if ever, shares conduit placement costs  
24 with another party. BellSouth does lease a small amount of its conduit space to  
25 others and has included that amount in the underground sharing percentage as



1 follows:

2

3	Duct feet in Florida	192,128,640
4	Leased to others	129,754
5	Assigned to BellSouth	99.93%

6

7 **Facility Sharing (between feeder and distribution)**

8 The BSTLM provides the ability for sharing of structure between feeder and  
9 distribution cables when both are located along the same path; however, this type  
10 of sharing of structure rarely occurs according to Network subject matter experts.  
11 This lack of sharing between feeder and distribution occurs for many reasons  
12 including the fact that placement of feeder and distribution cables do not always  
13 coincide in timing, often access to distribution cables is needed more frequently  
14 than manhole spacing for feeder cable would allow, etc. Based on the fact that  
15 experts predict very little sharing of structure between distribution and feeder,  
16 BellSouth has assumed that when both are found on the same path that sharing of  
17 structures occurs 25% of the time in a forward-looking environment. While  
18 BellSouth believes the actual sharing will be less, the 25% reflects the expected  
19 upper limit.

20

21 **Media Sharing**

22 In BellSouth's previous filing, the Media Sharing table was populated with input  
23 values that resulted in a 50%/50% sharing of structure between copper and fiber  
24 when both copper and fiber cables were placed on, or in, the same structure. These  
25 values were not used in previous filings since all structure costs resulted from

1 either in-plant factors or pole/conduit factors in the BellSouth Cost Calculator  
2 rather than from the BSTLM, itself. However, since the BSTLM is calculating  
3 structure costs in this filing, the BSTLM approach was changed to improve the  
4 logic previously provided through this table. Now, instead of using the Media  
5 Sharing table, the logic of the updated BSTLM apportionments, on both distribution  
6 and feeder routes that have both copper and fiber cables, the costs of structure  
7 (poles, trenching, etc.) between the media based on the number of DS0 equivalents  
8 on each cable. This is consistent with how DLC common equipment, fiber, and  
9 the structure for fiber are apportioned in the model. Additionally, in its Order in  
10 this docket, the Commission found with respect to the use of DS0 equivalents: "Of  
11 the two factors, competitive impact or causal linkage, we believe that where  
12 possible, cost causal connections should get the nod when designing cost models.  
13 Thus, based on the evidence, we find that the BSTLM method of allocating shared  
14 investments based on DS0 equivalents is reasonable." (Order, Page 134)

15

16 **Feeder Distribution Interface (FDI) Placing Hours**

17 The BSTLM is designed to assume that FDIs are placed by telephone company  
18 personnel (i.e., placement hours X labor rate), however, FDIs are typically placed  
19 by outside contractors in BellSouth. This inconsistency in the BSTLM approach  
20 and BellSouth input was not discovered in time to correct the model. Therefore,  
21 BellSouth has taken contractor costs and converted them to hours by dividing the  
22 contractor costs by the BellSouth installation labor rate. Further, the outside plant  
23 contracts have a fixed placement cost for FDIs weighing between 101 and 800  
24 pounds, another cost for 801 to 1700 pounds, and a third price for 1701 to 4000  
25 pounds. These contractor costs for various weights have been used for each

1 applicable FDI size in the BSTLM after being converted to labor hours to fit the  
2 format of the BSTLM input table.

3

4 **Aerial Structure Placing Hours (Telco)**

5 Since outside contractors place poles for BellSouth, this table is only used for the  
6 time to place a guy, which is handled by BellSouth personnel.

7 **DTBT Splicing and Placing Hours**

8 Times for closure and setup, cross connects and splicing were obtained from the  
9 OSPCM system used by BellSouth to estimate job costs for internal purposes.  
10 While the material prices for terminals of sizes 100 pairs or less are exempt  
11 material, the labor to install these terminals is not. Therefore, the times are  
12 populated for all sizes of terminals.

13

14 **Media Splicing and Placing Hours**

15 Times for placing and splicing aerial, buried and underground copper and fiber  
16 cables were obtained from the OSPCM system used by BellSouth to estimate job  
17 costs for internal purposes. Since outside contractors place buried cable, buried  
18 placing costs are zero in this table.

19

20 **FDI Splicing**

21 Times for FDI splicing were obtained from the OSPCM system used by BellSouth  
22 to estimate job costs for internal purposes.

23

24 **Percent Activities**

25 Similar to other proxy-type cost models, the BSTLM requires knowledge of not

1 only the cost of various activities associated with placing the structure for cable,  
2 but also the likelihood that each of those activities will occur in various density  
3 zones and various terrain types. Actual data regarding these probabilities by  
4 density and terrain type does not exist. However, BellSouth's subject matter  
5 experts previously reviewed the default percentages used in the BenchMark Cost  
6 Proxy Model ("BCPM") and found them to be a reasonable reflection of BellSouth  
7 experience in various terrain and density combinations. Additionally the  
8 Commission approved the use of these "percent activities" in the Universal Service  
9 Fund ("USF") Docket No. 980696-TP. BellSouth used those same percentages in  
10 this filing. Modifications were required, however, since the BCPM included nine  
11 density zones and separated feeder from distribution. The BSTLM, on the other  
12 hand, includes a breakdown into three density groups (which are groupings of the  
13 density zones) – urban, suburban and rural – and combines feeder and distribution  
14 into one table. Thus, BellSouth combined the feeder percent activities previously  
15 approved by the Commission such that areas with fewer than 200 lines per square  
16 mile are classified as rural, areas with between 201 and 5000 lines per square mile  
17 are treated as suburban, and areas with more than 5000 lines per square mile are  
18 considered urban.

19

20 **Other Material Loadings**

21 While BellSouth has used the capabilities of the BSTLM to develop a "bottoms-  
22 up" approach to determining installation and engineering costs, there remain  
23 certain items of investment that are calculated via factors. Those items include  
24 sales tax, exempt material, supply expense, and other items such as indirect labor  
25 costs, right of way and tree trimming associated with initial cable placements, and

1 interest during construction. These items are included in this filing in the Material  
2 Loading table. Attachments 5 and 5A in Appendix B to the cost study provide a  
3 description and explain the development of these factors.

4

5 **Pole, Guy and Anchor, and Manhole Spacing**

6 Pole spacing was determined by examining 12/31/00 ARMIS Report 43-08 for  
7 Florida to determine the number of poles in the state relative to the sheath distance  
8 of aerial cable in the state. Worksheets displaying the development of the pole  
9 spacing input are shown in Attachment 1 of Appendix B to the cost study. The  
10 number of poles owned by BellSouth in Florida were adjusted by the percentage of  
11 poles owned by BellSouth to arrive at the total number of poles to which BellSouth  
12 cable is attached in Florida. Then, this adjusted number of poles was divided into  
13 the aerial sheath feet in Florida. The result was 112 feet of aerial sheath per pole.  
14 BellSouth rounded this up to an even 120 feet. This result is extremely  
15 conservative given the fact that this methodology assumes only one existing  
16 BellSouth sheath on each pole line route, when in reality there are often two or  
17 more sheaths on a given pole line. If one were to assume 1.5 sheaths, on average,  
18 per pole line, the spacing interval would drop to approximately 75 feet.

19

20 Anchor and guy spacing is estimated to be every 500 feet (roughly every 4 poles)  
21 and manhole spacing is assumed to be every 625 feet based on subject matter  
22 expert estimates.

23

24 **Underground Conduit and Manhole Contractor Costs**

25 Conduit duct costs and manhole costs, like the underground excavation contract

1 labor costs, were also obtained from actual outside contractor contracts in each  
2 district in Florida. Each district contractor's price was weighted by the amount of  
3 usage in the district in 2000 to determine a weighted average price for furnishing  
4 and installing conduit and manholes in the state. As specified in the contracts,  
5 contractors charge to place manholes on a per cubic foot basis. Therefore, the  
6 BSTLM inputs for manhole costs were based upon the total cubic feet of the  
7 different sizes.

8

9 **Engineering**

10 The BSTLM's internal logic in the previous filing (August 2000) calculated  
11 engineering as a loading on material. For the 120-day filing, the BSTLM logic  
12 has been modified to now calculate engineering costs by applying factors to the  
13 total of non-engineering investments (i.e., as a loading on material, installation  
14 labor, sales tax, and other loadings.) The engineering factors used and included in  
15 the January 28, 2002 filing are account-specific and were developed from the  
16 same data source previously used to derive in-plant factors, the 1998 State and  
17 Local Sales Taxes, Resource Tracking Analysis and Planning ("RTAP") System,  
18 and Special Report/File 542 - 1998 Investments. The basic factor calculation is  
19  $(\text{TELCO Engineering} + \text{Vendor Engineering}) / (\text{TELCO Labor} + \text{Vendor Labor} +$   
20  $\text{Exempt Material} + \text{Non-exempt Material} + \text{Other})$

21

22 **Outside Contractor Use (Engineering Rules)**

23 This input table was not used in the previous filing by BellSouth since all  
24 contractor and BellSouth labor was calculated via in-plant factors in the Cost  
25 Calculator. This table directs the BSTLM to use either contractor installation or

1 BellSouth personnel installation (“Y” indicates contractor while “N” indicates  
2 BellSouth personnel). Since poles are placed by contractors and guys are placed  
3 by BellSouth personnel, the table was modified to include a third option for Poles  
4 (“B” indicates that both contractor and BellSouth installation is required).  
5 Additionally, even though not used, this table was populated in the previous filing  
6 and two entries required correction. The indicators for DTBT and FDI were  
7 changed from “Y” to “N” to reflect the fact that BellSouth personnel placed FDI  
8 (see discussion of FDI placing hours above) and terminals.

9

10 **Q. HOW DO THE RECURRING COSTS OBTAINED FROM USE OF THE**  
11 **“BOTTOMS-UP” APPROACH COMPARE TO COSTS USING IN-PLANT**  
12 **FACTORS?**

13

14 A. Some of the element costs have increased, while others have decreased, even  
15 though all costs are based on the same “bottoms-up” input values and BSTLM  
16 algorithms. For example, the Service Level 1 (“SL1”), SL2, ISDN, and 4 wire  
17 DS1 loops have increased in every zone as compared with the current  
18 Commission-ordered rates. On the other hand, 2 wire and 4 wire UCL-Long loops  
19 have decreased in every zone. Additionally, for a given element, one deaveraged  
20 zone cost may have increased while another zone cost has decreased. For  
21 example, the 2 wire UCL-Short loop’s zone 1 cost increased while zones 2 and 3  
22 decreased. Exhibit DDC-1\_120 compares BellSouth’s “bottoms-up” cost study to  
23 the revised Commission-ordered rates contained in Appendix A of Order PSC-01-  
24 2051-FOF-TP. (The Commission-ordered rates are those that reflect the impact of  
25 inflation.) As one can see from reviewing this exhibit, the differences do not seem

1 to follow any pattern.

2

3 *Issue 1(b): Should BellSouth's loop rates or rate structure previously approved*  
4 *in Order No. PSC-01-1181-FOF-TP be modified? If so, to what*  
5 *extent, if any, should the rates or rate structure be modified?*

6

7 **Q. FROM A COST PERSPECTIVE, WHAT IS YOUR OPINION ON THIS**  
8 **ISSUE?**

9

10 A. First, the Commission must also consider Order PSC-01-2051-FOF-TP, which re-  
11 instated the impact of inflation. Once the decisions contained in that ruling are  
12 considered, there is no reason to modify the loop rates or the rate structure. From  
13 the discussion I have presented on the input development, one can see that the  
14 "bottoms-up" approach taken by BellSouth is a much more complex study of loop  
15 costs than the previously filed study based upon the use of in-plant factors and  
16 structure loading factors. BellSouth continues to believe, however, that the use of  
17 in-plant factors and structure loading factors produces reasonable, accurate results  
18 and that the ordered rates should remain as is. Cost studies produce estimates of  
19 cost, not absolute results. While the "bottoms-up" approach produces very specific  
20 results, these results are a combination of a much larger number of influencing  
21 variables and inputs than was present under the factor approach. Under the  
22 "bottoms-up" method, depending upon the customer location, the type and size of  
23 facilities, and number of services, the costs can vary substantially, as Exhibit  
24 DDC-1\_120 illustrates. In contrast, in-plant and loading factors reflect  
25 experienced cost relationships between material prices and labor/engineering costs.



1

2 Furthermore, the “bottoms-up” approach introduces an extensive set of new inputs  
3 that can be questioned, criticized and manipulated by intervening parties. While  
4 BellSouth is not afraid of this scrutiny, it does not believe that the end-result of  
5 such an effort will produce either a better quality result or a more “TELRIC-  
6 compliant” result.

7

8 *Issue 2(a): Are the ADUF and ODUF cost studies submitted in BellSouth’s*  
9 *120-day filing compliance filing appropriate?*

10 **Q. WHY DID BELLSOUTH FILE ADUF AND ODUF COSTS IN THIS PHASE**  
11 **OF THE DOCKET?**

12

13 A. Even though the Commission’s Order did not specifically include these elements  
14 in the 120-day requirement, substantial changes to the study inputs necessitated  
15 that BellSouth advise the Commission. The costs for the DUF elements BellSouth  
16 filed reflect the applicable Commission-ordered modifications I discussed  
17 previously. As I explain below, BellSouth is revising the DUF element costs  
18 further and is filing a revised cost study simultaneously with this testimony (Cost  
19 Study - Revision 2).

20

21 **Q. PLEASE BRIEFLY EXPLAIN WHAT THE ADUF AND ODUF**  
22 **ELEMENTS ARE AND HOW THE COSTS WERE DEVELOPED.**

23

24 A. In fact, there are three different daily usage offerings; Access Daily Usage Files  
25 (“ADUF”), Optional Daily Usage Files (“ODUF”), and Enhanced Optional Daily

1 Usage Files ("EODUF"). Each of the offerings provides electronic billing data to  
2 the ALECs:

3

4 ADUF – information of end user's daily originating and terminating access carrier  
5 messages. BellSouth extracts and distributes call detail on these access messages.

6

7 ODUF – call detail information for billable messages transported through  
8 BellSouth's network and processed in BellSouth's CRIS (Customer Records  
9 Information System) billing system. BellSouth extracts and distributes call detail  
10 on messages such as, Measured Local, IntraLATA Toll, and operator-handled calls  
11 if the ALEC purchases Operator Services from BellSouth. This element is  
12 applicable to both UNEs and resale.

13

14 EODUF – usage data for local calls that originate from resold, flat-rated business  
15 and residential lines. BellSouth extracts and distributes call detail on these  
16 messages.

17

18 BellSouth has developed unique programs at the ALEC's request in order to  
19 extract the billing data they requested, in a format such that they can bill their end-  
20 users. The costs associated with this on-going process and the computer resources  
21 required to implement and support the programs are reflected in BellSouth's cost  
22 study. These costs are incremental to BellSouth's normal billing process.

23

24 **Q. WHY WERE THESE COST STUDIES FOR THE DAILY USAGE FILE**  
25 **("DUF") ELEMENTS REVISED?**

1

2 A. When BellSouth developed the cost study inputs in the original filing (August  
3 2000), the actual number of records was low and rather stagnant. The projected  
4 demand reflected this trend. Since the time the original cost study was filed in this  
5 docket, however, BellSouth experienced a dramatic increase in the number of  
6 message records. The increase in the number of resale to UNE-P (combination)  
7 conversions may have caused this upswing. Since the cost results for the DUF  
8 elements are demand-dependent, BellSouth included the DUF elements as part of  
9 the 120-day items. In fact, in gathering cost input for the most recently initiated  
10 generic cost docket in BellSouth's region (Georgia Docket No. 14361-U),  
11 projected demand for ADUF and ODUF has increased over what was filed on  
12 October 8<sup>th</sup> in Florida. (The EODUF demand has decreased, increasing the costs  
13 slightly.) Exhibit DDC-1\_120 displays the results of updating this demand. As I  
14 mentioned previously, concurrent with the filing of this testimony, BellSouth is  
15 filing its revised cost study to incorporate this change in demand to the DUF  
16 elements. Only the DUF results changed from the study filed on October 8, 2001.  
17 The DUF elements were not impacted by any of the revisions made with the  
18 January 28, 2002 filing.

19

20 ***Issue 2(b): Should BellSouth's ADUF and ODUF rates or rate structure***  
21 ***previously approved in Order No. PSC-01-1181-FOF-TP be***  
22 ***modified? If so, to what extent, if any, should the rates or rate***  
23 ***structure be modified?***

24

25 **Q. WHAT IS YOUR OPINION ON THIS ISSUE?**

1

2 A. The Commission should consider the updated information on DUF costs filed here.  
3 BellSouth, in good faith, has advised this Commission of a supportable change to a  
4 cost study input. Since the change results in a reduction of ADUF and ODUF  
5 rates, the intervening parties would not be adversely affected by a decision to  
6 consider the revised cost study. Let me clarify one point, the issue here is whether  
7 or not the rates should be revised. It is NOT a question of whether or not DUF  
8 rates are appropriate. This issue has already been litigated in the first phase of this  
9 proceeding and the Commission established rates in both Order No. PSC-01-1181-  
10 FOF-TP and in Order No. PSC-01-2051-FOF-TP, which considered inflation.

11

12 *Issue 3(a): Are the UCL-ND loop cost studies submitted in BellSouth's 120-day*  
13 *filing compliant with Order No. PSC-01-1181-FOF-TP?*

14

15 **Q. WHY DID BELLSOUTH FILE A COST STUDY FOR UCL-ND IN THIS**  
16 **PHASE OF THIS DOCKET?**

17

18 A. One of the "120-day" requirements identified by this Commission was to  
19 determine xDSL nonrecurring costs that exclude the Design Layout Record  
20 ("DLR"), test point, and order coordination. The Unbundled Copper Loop – Non-  
21 Designed ("UCL-ND") fulfills that obligation. In addition, this all copper loop  
22 offering satisfies the Commission's requirement that BellSouth provision SL1  
23 loops and guarantee not to roll them onto another facility or convert them to  
24 another technology. The UCL-ND gives the ALECs what they need to provide  
25 xDSL service, but does not unduly restrict BellSouth in providing voice grade

1 service over the most efficient technology.

2

3 **Q. HOW DOES THE UNBUNDLED COPPER LOOP – NON-DESIGNED**  
4 **DIFFER FROM THE UNBUNDLED COPPER LOOPS PREVIOUSLY**  
5 **FILED BY BELL SOUTH IN THIS DOCKET?**

6

7 A. As the name implies, these loops do not go through the design process BellSouth  
8 utilizes to provision UCL-Short and UCL-Long loops. Thus, they are not  
9 provisioned with a test point and a DLR will not be provided. Additionally, the  
10 UCL-ND loop will not have a specific length limitation. Since its resistance is  
11 restricted to 1300 ohms, however, the UCL-ND loop generally will be 18,000 feet  
12 or less. However, in some cases, the length may be longer based on gauge.

13

14 Even though the DLR is not provided with the UCL-ND loop, ALECs may request  
15 an Engineering Information document from BellSouth (element A.1.8). This  
16 document provides loop make-up information, similar to a DLR. The October 8<sup>th</sup>  
17 cost study also includes the cost development for this optional element. The cost  
18 of Element A.1.8 was not impacted by the January 28, 2002 revision.

19

20 **Q. HOW DOES THE RECURRING COST OF UCL-ND LOOPS COMPARE**  
21 **TO OTHER TYPES OF LOOPS?**

22

23 A. The table below compares the statewide average recurring cost of an SL1, SL2,  
24 ADSL, HDSL, UCL-Short and UCL-Long to the UCL-ND loop based on the  
25 “bottoms-up” approach.

1			
2	A.1.1	2-Wire Analog Voice Grade Loop - Service Level 1	\$19.52
3	A.1.2	2-Wire Analog Voice Grade Loop - Service Level 2	\$21.72
4	A.6.1	2-Wire Asymmetrical Digital Subscriber Line (ADSL) Compatible Loop	\$15.66
5	A.7.1	2-Wire High Bit Rate Digital Subscriber Line (HDSL) Compatible Loop	\$13.60
6	A.13.1	2-Wire Copper Loop – short	\$15.66
7	A.13.7	2-Wire Copper Loop – long	\$32.19
8	A.13.12	2-Wire Copper Loop – ND	\$15.21

9

10 Note that the UCL-ND loop is less than both an UCL-Short loop and an SL1 loop,  
 11 and significantly less than the UCL-Long loop. This is consistent with the fact that  
 12 test points have been removed and that the UCL-ND has no length restriction, but  
 13 is generally less than 18,000 feet because of the 1300-ohm resistance limit. In  
 14 running the Copper-Only scenario in the BSTLM, the loop limit was set at 24,000  
 15 feet in order to capture those loops that potentially would still meet the 1300-ohm  
 16 restriction, but exceed the 18,000 feet limit. In fact, the average loop length for the  
 17 UCL-ND generated by the BSTLM is 13,258 feet.

18 **Q. HOW DOES THE NONRECURRING COST OF UCL-ND LOOPS**  
 19 **COMPARE TO OTHER TYPES OF LOOPS?**

20

21 A. The nonrecurring cost of an UCL-ND is less than the nonrecurring costs associated  
 22 with designed loops. Additionally, it is less than the SL1 because it is an all-  
 23 copper loop and thus, a plug-in does not have to be provisioned in the digital loop  
 24 carrier system.

25

1 **Q. ARE THERE OTHER ADJUSTMENTS TO THE COST STUDY THAT**  
2 **ARE REQUIRED DUE TO THE UCL-ND OFFERING?**

3

4 A. Yes. As I mentioned previously, this type of loop is non-designed. Thus, no test  
5 point is provisioned. ALECs, however, may desire a joint acceptance test to  
6 benchmark the transmission quality of the loop and to ensure compatibility with  
7 the xDSL service they wish to provide. These testing parameters include, but are  
8 not limited to, testing for non-loading, balance of pair, and continuity from the  
9 main distribution frame ("MDF") to the network interface device ("NID").  
10 BellSouth filed Testing Beyond Voice (A.19 elements) previously in this docket.  
11 These costs, however, only considered testing a designed loop that had been  
12 conditioned. The adjusted loop testing elements also consider testing parameters  
13 for non-designed loops (SL1 or UCL-ND). .

14

15

16 *Issue 3(b): What modifications, if any, are appropriate and what should the*  
17 *rates be?*

18

19 **Q. SHOULD THIS COMMISSION USE THE COSTS FILED HERE TO SET**  
20 **RATES FOR UCL-ND ELEMENTS?**

21

22 A. No. As discussed in response to Issue 1(b), BellSouth does not believe that the  
23 "bottoms-up" approach develops a more representative result than the use of  
24 factors. Let me note that BellSouth has also filed the UCL-ND elements in Docket  
25 No. 960786-TP (271 docket) based on the use of in-plants and loading factors.

1 Those cost studies reflect the Commission-ordered adjustments except for the re-  
2 instatement of inflation. BellSouth requests that the Commission establish rates  
3 for the UCL-ND related elements in Docket No. 960786-TP once inflation is  
4 considered.

5

6 *Issue 4(a): What revisions, if any, should be made to NIDs in both the BSTLM*  
7 *and the stand-alone NID cost study?*

8 *Issue 4(b): To what extent, if any, should the rates or rate structure be modified?*

9

10 **Q. ARE REVISIONS REQUIRED TO THE CALCULATION OF BOTH**  
11 **TYPES OF NID COSTS?**

12

13 A. No. Adjustments are not required to both the NID cost considered in the BSTLM  
14 and to the stand-alone NID costs. The stand-alone NID costs, however, do require  
15 revision. Let me explain.

16 At pages 192-93 of Order No. PSC-01-1181-FOF-TP, the Commission noted an  
17 inconsistency in the treatment of exempt/miscellaneous material for the stand-  
18 alone NID and the exempt/miscellaneous material associated with the NID when it  
19 is provisioned with the loop (via the BSTLM).

20

21 Typically, the NID is provisioned with the loop at the time the residence or  
22 business is constructed and the drop wire is placed and treated as capitalized  
23 investment. For most cable placements in BellSouth's studies, exempt material is  
24 recovered through an In-Plant factor; however, a different approach is taken for the  
25 NID and drop. BellSouth, in the BSTLM, directly identifies items normally



---

1 captured in an In-Plant factor (labor, exempt materials, sales tax, etc.) for the  
2 capitalized drop and NID.

3

4 Thus, because the NID investment generated by the BSTLM already considers  
5 exempt material, taxes, labor, etc., the BellSouth Cost Calculator does not need to  
6 apply the In-Plant factors to drop and NID investments. BellSouth reflected this by  
7 assigning special “sub-FRCs” to the drop and NID. These special sub-FRC codes  
8 are 22C-01 or 45C-01. The “01” sub-FRCs instruct the BellSouth Cost Calculator  
9 not to apply In-Plant factors to those items of plant. Therefore, BellSouth’s NID  
10 costs associated with unbundled loops are correct and no “double-counting” of In-  
11 Plant costs associated with the NID or drop occurs.

12

13 On the other hand, Stand-Alone NID/NID Access is a separate UNE offering  
14 designed for situations where the existing NID is not suitable for ALEC connection  
15 and where BellSouth terminates its loop directly to the inside wire, or at the  
16 ALEC’s request. BellSouth charges a nonrecurring fee for the installation of,  
17 material for, and cross connect (if appropriate) to the stand-alone NID. The stand-  
18 alone NID material (housing, interface, and protectors) is exactly the same as the  
19 NID placed with the loop. As found by the Commission in its Order, BellSouth  
20 did not apply exempt materials in the stand-alone NID study. In fact, BellSouth  
21 should indeed have included exempt material in its stand-alone NID costs.

22 BellSouth has included this adjustment in this filing. Further, these are the  
23 appropriate costs to be used to establish rates for Stand-Alone NID/NID Access  
24 elements.

25

1 *Issue5 (a): What is a "hybrid copper/fiber xDSL-capable loop" offering and*  
2 *is it technically feasible for BellSouth to provide it?*

3

4 *(b) Is BellSouth's cost study contained in the 120-day compliance*  
5 *filing for the "hybrid copper/fiber xDSL-capable loop" offering*  
6 *appropriate?*

7

8 *(c) What should the rate structure and rates be?*

9

10 **Q. THE COMMISSION'S ORDER STATED "WE BELIEVE BELLSOUTH IS**  
11 **OBLIGATED, IF TECHNICALLY FEASIBLE, TO PROVIDE HYBRID**  
12 **COPPER/FIBER xDSL-CAPABLE LOOPS TO DATA ALECS." WHAT**  
13 **COST SUPPORT HAS BELLSOUTH FILED IN SUPPORT OF THE**  
14 **HYBRID COPPER/FIBER LOOP?**

15

16 **A.** BellSouth filed the recurring and nonrecurring costs associated with providing data  
17 ALECs the ability to utilize a loop served by fiber-fed digital loop carrier ("DLC")  
18 systems (i.e., loops comprised of fiber feeder and copper distribution) to offer  
19 digital subscriber line ("DSL") services to their end-users, without unbundling  
20 packet switching. The distribution portion of the loop is comprised of a dedicated  
21 2-wire physical transmission facility which is connected to a dedicated 16-port  
22 Digital Subscriber Line Access Multiplexer ("DSLAM"). From the DSLAM, a  
23 dedicated DS1 is required through the DLC remote terminal ("RT") to the central  
24 office terminal ("COT") to the ALEC's collocated space in the central office.  
25 Exhibit DDC-2\_120 depicts the components of the Hybrid Copper/Fiber loop.

---

1 BellSouth witness Mr. Jerry Kephart addresses the feasibility issue and discusses  
2 why this configuration fulfills the Commission's directive. I address how the costs  
3 were developed.

4  
5 The BSTLM developed the investments associated with the DS1 component of the  
6 Hybrid Copper/Fiber Loop. Let me note that this sub-loop feeder DS1 is not the  
7 same as the unbundled sub-loop feeder – 4-wire DS1 (element A.9.2) also filed in  
8 this docket. The sub-loop feeder DS1 (A.9.2) includes the feeder portion of all  
9 DS1 loops. These include DS1 loops served by both copper feeder and those  
10 served by fiber feeder facilities to a remote DLC terminal. The Hybrid  
11 Copper/Fiber DS1 (element A.20.1), on the other hand, only considers locations  
12 served via a remote DLC terminal served by fiber. Thus, all of the locations used  
13 in the calculation of the sub-loop feeder – 4-wire DS1 are not included in the cost  
14 calculation of the Hybrid Copper/Fiber DS1. The material prices for the 16-port  
15 DSLAM were obtained from vendor contracts.

16 The nonrecurring costs reflect the work activities required to connect and turn-up  
17 the DS1 and the 2-wire transmission facility onto the DSLAM. In order to make  
18 this a functional loop and to reflect the manner in which the loop will be  
19 provisioned, the individual network components must be summed into (1) System,  
20 (2) DS1, and (3) Activation elements.

21

22 **Q. PLEASE DESCRIBE WHICH COMPONENTS ARE CONSIDERED IN**  
23 **THE SYSTEM, DS1, AND ACTIVATION COSTS.**

24

25 A. The System element represents the cost of the DSLAM (element A.20.3) with an

1 administrative DS1 (A.20.1), which is used for BellSouth's management of the  
2 DSLAM. This administrative DS1 does not terminate at the ALEC's collocation  
3 space. Instead, it terminates into a DSL hub bay in order to allow BellSouth to  
4 control the provisioning, maintenance, and repair of the xDSL Hybrid  
5 Copper/Fiber loop. The cost of the administrative DS1 does not differ from the  
6 DS1 that terminates into the ALEC's collocation space.

7  
8 The DS1 element accounts for the cost of the fiber DS1 that essentially connects  
9 the DSLAM at the RT to the ALEC's collocated space in the central office. The  
10 recurring cost is equal to the Hybrid Copper/Fiber DS1 (element A.20.1). The  
11 nonrecurring cost is the sum of the DS1 establishment element (A.20.2) and the  
12 nonrecurring cost associated with the Sub-loop Feeder per 4-wire DS1 element  
13 (A.9.2). Let me note that the nonrecurring cost for A.9.2 was not restudied since  
14 the Commission has set a rate for this element. Rather, the rate (\$133.77) was  
15 hard-coded into the Final Cost Summary.

16 The Activation nonrecurring cost is the sum of the channel activation cost (element  
17 A.20.4) and the nonrecurring cost associated with the 2-wire distribution sub-loop  
18 (element A.2.2).

19 ***Issue 6: In BellSouth's 120-day filing, has BellSouth accounted for the impact***  
20 ***of inflation consistent with Order No. PSC-01-2051-FOF-TP?***

21

22 **Q. WHAT IS YOUR RESPONSE TO THIS ISSUE?**

23

24 A. BellSouth's cost studies are in compliance with the Commission's directive on  
25 inflation. Order No. PSC-01-2051-FOF-TP states: "we hereby reconsider our

1 decision to reject BellSouth's proposed inflation factor, because it was based upon  
2 a misinterpretation and misrepresentation of the facts presented." (Page 5) Thus,  
3 the Commission found that the application of inflation factors to both the  
4 investment and to labor rates is appropriate. The cost study filed on October 8,  
5 2001 reflects the impact of inflation based on factors originally filed in this docket.  
6 BellSouth made no adjustment to the inflation application in the January 28, 2002  
7 filing.

8

9 *Issue 7: Apart from issues 1-6, is BellSouth's 120-day filing consistent with*  
10 *the orders in this docket?*

11

12 **Q. WHAT IS YOUR RESPONSE TO THIS ISSUE?**

13

14 A. The cost studies filed by BellSouth incorporate all of the adjustments ordered by  
15 this Commission. I have described the modifications as part of this testimony.  
16 Further, the cost study contains a detailed discussion of the adjustments made by  
17 BellSouth in order to comply with the Commission's directive.

18

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

20

21 A. Yes.

22

23

24

25

		Zone	Recurring	Staff Rec (9/11/01)	Difference	% Difference
<b>A.1</b>	<b>2-WIRE ANALOG VOICE GRADE LOOP</b>					
A.1.1	2-Wire Analog Voice Grade Loop - Service Level 1	1	\$14.59	\$12.79	\$1.80	14.1%
		2	\$19.77	\$17.27	\$2.50	14.6%
		3	\$50.06	\$33.36	\$16.72	50.1%
A.1.2	2-Wire Analog Voice Grade Loop - Service Level 2	1	\$16.79	\$14.50	\$2.29	15.8%
		2	\$21.98	\$19.57	\$2.41	12.3%
		3	\$52.29	\$37.82	\$14.47	38.3%
<b>A.2</b>	<b>SUB-LOOP</b>					
A.2.1	Sub-Loop Feeder Per 2-Wire Analog Voice Grade Loop	1	\$7.89	\$8.05	-\$0.16	-2.0%
		2	\$9.89	\$10.57	-\$1.01	-9.3%
		3	\$20.50	\$21.00	-\$0.50	-2.4%
A.2.2	Sub-Loop Distribution Per 2-Wire Analog Voice Grade Loop	1	\$10.57	\$7.81	\$2.96	38.9%
		2	\$13.38	\$10.27	\$3.11	30.3%
		3	\$33.37	\$19.85	\$13.52	68.1%
A.2.11	Sub-Loop Distribution Per 4-Wire Analog Voice Grade Loop	1	\$14.87	\$8.12	\$6.75	83.1%
		2	\$32.09	\$16.96	\$21.13	192.8%
		3	\$43.02	\$21.18	\$21.84	103.1%
A.2.14	2-Wire Intra-building Network Cable (INC)		\$3.86	\$3.50	\$0.46	13.1%
A.2.15	4-Wire Intra-building Network Cable (INC)		\$9.37	\$6.68	\$2.69	40.2%
A.2.24	Sub-Loop - Per 4-Wire Analog Voice Grade Loop / Feeder Only	1	\$17.50	\$17.26	\$0.24	1.4%
		2	\$29.39	\$23.29	\$6.10	26.2%
		3	\$55.70	\$46.00	\$10.70	23.8%
A.2.25	Sub-Loop - Per 2-Wire ISDN Digital Grade Loop / Feeder Only	1	\$18.78	\$17.04	\$1.72	10.1%
		2	\$24.14	\$23.00	\$1.14	5.0%
		3	\$47.58	\$44.43	\$3.15	7.1%
A.2.29	Sub-Loop - Per 4-Wire 56 or 64 Kbps Digital Grade Loop / Feeder Only	1	\$18.55	\$18.88	-\$0.12	-0.6%
		2	\$27.02	\$25.12	\$1.90	7.6%
		3	\$29.69	\$48.71	-\$19.02	-39.0%
A.2.30	Sub-Loop - Per 2-Wire Copper Loop / Feeder Only	1	\$8.27	\$7.35	\$0.92	13.5%
		2	\$5.58	\$9.79	-\$4.21	-43.0%
		3	\$4.30	\$18.92	-\$14.62	-77.3%
A.2.32	Sub-Loop - Per 4-Wire Copper Loop / Feeder Only	1	\$12.01	\$14.22	-\$2.21	-16.5%
		2	\$9.85	\$19.20	-\$9.35	-48.7%
		3	\$9.18	\$37.09	-\$27.91	-78.2%
A.2.40	Sub-Loop - Per 2-Wire Copper Loop / Distribution Only	1	\$9.12	\$6.25	\$2.87	45.9%
		2	\$10.83	\$8.44	\$2.49	29.5%
		3	\$18.00	\$18.30	-\$0.30	-1.8%
A.2.42	Sub-Loop - Per 4-Wire Copper Loop / Distribution Only	1	\$12.11	\$5.20	\$6.91	132.9%
		2	\$17.96	\$7.02	\$10.97	147.7%
		3	\$24.68	\$13.55	\$11.13	82.1%
<b>A.4</b>	<b>4-WIRE ANALOG VOICE GRADE LOOP</b>					
A.4.1	4-Wire Analog Voice Grade Loop	1	\$29.39	\$23.02	\$6.37	27.7%
		2	\$59.21	\$31.07	\$28.14	90.6%
		3	\$97.28	\$60.02	\$37.24	62.0%
<b>A.5</b>	<b>2-WIRE ISDN DIGITAL GRADE LOOP</b>					
A.5.1	2-Wire ISDN Digital Grade Loop	1	\$25.14	\$21.75	\$3.38	15.6%
		2	\$35.33	\$29.39	\$5.95	20.3%
		3	\$67.42	\$58.78	\$10.66	18.8%
A.5.6	Universal Digital Channel	1	\$25.14	\$21.75	\$3.38	15.5%
		2	\$35.33	\$29.39	\$5.95	20.3%
		3	\$67.42	\$58.78	\$10.66	18.8%

	Zone	Recurring	Staff Res (9/11/01)	Difference	% Difference
A.6 2-WIRE ASYMMETRICAL DIGITAL SUBSCRIBER LINE (ADSL) COMPATIBLE LOOP	1	\$14.49	\$12.65	\$1.84	14.5%
	2	\$15.62	\$17.08	-\$1.46	-8.5%
	3	\$19.40	\$33.00	-\$13.60	-41.2%
A.7 3-WIRE HIGH BIT RATE DIGITAL SUBSCRIBER LINE (HDSL) COMPATIBLE LOOP	1	\$12.80	\$9.97	\$2.83	28.4%
	2	\$13.55	\$13.46	\$0.09	0.7%
	3	\$16.23	\$26.00	-\$9.77	-37.8%
A.8 4-WIRE HIGH BIT RATE DIGITAL SUBSCRIBER LINE (HDSL) COMPATIBLE LOOP	1	\$20.81	\$16.69	\$5.12	32.6%
	2	\$20.72	\$21.17	-\$0.46	-2.1%
	3	\$20.38	\$40.90	-\$20.54	-60.2%
A.9 4-WIRE DS1 DIGITAL LOOP					
	A.9.1 4-Wire DS1 Digital Loop				
	A.9.2 Sub-Loop Feeder Per 4-Wire DS1 Digital Loop				
A.9.1 4-Wire DS1 Digital Loop	1	\$65.13	\$73.44	\$21.09	29.5%
	2	\$140.36	\$96.13	\$41.23	41.6%
	3	\$332.57	\$191.51	\$141.06	73.7%
A.9.2 Sub-Loop Feeder Per 4-Wire DS1 Digital Loop	1	\$50.71	\$46.27	\$4.44	8.6%
	2	\$89.88	\$82.45	\$27.21	43.6%
	3	\$291.77	\$120.65	\$171.12	141.8%
A.10 4-WIRE 19, 56 OR 64 KBPS DIGITAL GRADE LOOP					
	A.10.1 4-Wire 19, 56 or 64 Kbps Digital Grade Loop				
A.10.1 4-Wire 19, 56 or 64 Kbps Digital Grade Loop	1	\$31.42	\$26.39	\$6.03	19.1%
	2	\$49.21	\$35.62	\$13.60	38.2%
	3	\$61.39	\$68.62	-\$7.43	-10.9%
A.12 CONCENTRATION PER SYSTEM PER FEATURE ACTIVATED (OUTSIDE CENTRAL OFFICE)					
	A.12.5 Unbundled Sub-loop Concentration - USLC Feeder Interface				
A.12.5 Unbundled Sub-loop Concentration - USLC Feeder Interface	1	\$71.04	\$45.17	\$26.87	57.3%
	2	\$64.15	\$60.67	\$23.18	36.0%
	3	\$241.84	\$117.79	\$124.06	106.3%
A.13 2-WIRE COPPER LOOP					
	A.13.1 2-Wire Copper Loop - short				
	A.13.7 2-Wire Copper Loop - long				
A.13.1 2-Wire Copper Loop - short	1	\$14.49	\$12.65	\$1.84	14.5%
	2	\$15.62	\$17.08	-\$1.46	-8.5%
	3	\$19.40	\$33.00	-\$13.60	-41.2%
A.13.7 2-Wire Copper Loop - long	1	\$24.88	\$37.07	-\$12.41	-33.5%
	2	\$30.55	\$50.04	-\$19.49	-38.9%
	3	\$71.39	\$96.67	-\$25.28	-28.2%
A.13.12 2-Wire Unbundled Copper Loop - Non Design	1	\$13.70	New	#VALUE!	#VALUE!
	2	\$15.10	New	#VALUE!	#VALUE!
	3	\$20.32	New	#VALUE!	#VALUE!
A.14 4-WIRE COPPER LOOP					
	A.14.1 4-Wire Copper Loop - short				
	A.14.7 4-Wire Copper Loop - long				
A.14.1 4-Wire Copper Loop - short	1	\$22.85	\$18.03	\$4.82	26.7%
	2	\$25.92	\$24.34	\$1.58	6.5%
	3	\$32.54	\$47.02	-\$14.48	-30.8%
A.14.7 4-Wire Copper Loop - long	1	\$46.11	\$64.52	-\$18.41	-28.5%
	2	\$79.35	\$87.09	-\$7.74	-8.9%
	3	\$110.48	\$188.25	-\$67.79	-34.3%
A.16 UNBUNDLED NETWORK TERMINATING WIRE (NTW)					
	A.16.1 Unbundled Network Terminating Wire (NTW) per Pair	\$ .4572	\$0.2288	\$0.23	100.0%

	Zone	Recurring	Staff Rec (9/11/01)	Difference	% Difference
<b>A.16 HIGH CAPACITY UNBUNDLED LOCAL LOOP</b>					
A.16.1		\$386.88	\$386.88	\$0.00	0.0%
A.16.2		\$10.92	\$10.92	\$0.00	0.0%
A.16.15		\$426.80	\$426.80	\$0.00	0.0%
A.16.16		\$10.92	\$10.92	\$0.00	0.0%
<b>A.18 MULTIPLEXERS</b>					
A.18.1		\$146.77	\$146.77	\$0.00	0.0%
A.18.2		\$2.10	\$2.10	\$0.00	0.0%
A.18.3		\$3.66	\$3.66	\$0.00	0.0%
A.18.4		\$1.38	\$1.38	\$0.00	0.0%
A.18.5		\$211.19	\$211.19	\$0.00	0.0%
A.18.6		\$13.76	\$13.76	\$0.00	0.0%
<b>A.20 HYBRID COPPER/FIBER xDSL - CAPABLE LOOP</b>					
A.20.System DSLAM with Administrative DS1					
A.20.1		\$150.08			
A.20.3		\$374.90			
A.20.3.16	1	\$624.37	New		
		\$174.92			
		\$374.90			
A.20.3.16	2	\$549.82	New		
		\$420.75			
		\$374.90			
A.20.3.16	3	\$795.65	New		
A.20.DS1 Copper/Fiber DS1 into DSLAM					
A.20.1		\$150.08	New		
A.20.1	2	\$174.92	New		
A.20.1	3	\$420.75	New		
A.20.2 Hybrid Copper/Fiber DS1, per DS1					
A.20.Active End User Activation					
A.2.2		\$10.57	New		
A.2.2	2	\$13.38	New		
A.2.2	3	\$33.37	New		
<b>B.0 UNBUNDLED LOCAL EXCHANGE PORTS AND FEATURES</b>					
<b>B.1 EXCHANGE PORTS</b>					
B.1.1		\$1.40	\$1.40	\$0.00	0.0%
B.1.3		\$6.73	\$6.73	\$0.00	0.0%
B.1.4		\$54.95	\$54.95	\$0.00	0.0%
B.1.5		\$6.63	\$6.63	\$0.00	0.0%
B.1.6		\$82.74	\$82.74	\$0.00	0.0%
<b>D.0 UNBUNDLED TRANSPORT AND LOCAL INTEROFFICE TRANSPORT</b>					
<b>D.2 INTEROFFICE TRANSPORT - DEDICATED - VOICE GRADE</b>					
D.2.1		\$0.0081	\$0.0081	\$0.00	0.0%
D.2.2		\$25.32	\$25.32	\$0.00	0.0%
<b>D.3 INTEROFFICE TRANSPORT - DEDICATED - DS0 - 64KB Kbps</b>					
D.3.1		\$0.0081	\$0.0081	\$0.00	0.0%
D.3.2		\$16.44	\$16.44	\$0.00	0.0%
<b>D.4 INTEROFFICE TRANSPORT - DEDICATED - DS1</b>					
D.4.1		\$186.44	\$186.44	\$0.00	0.0%
D.4.2		\$86.44	\$86.44	\$0.00	0.0%



	Zone	Recurring	Staff Fee (8/11/01)	Difference	% Difference
<b>D.5 LOCAL CHANNEL - DEDICATED</b>					
D.5.1	Local Channel - Dedicated - 2-Wire Voice Grade				
	1	\$22.97	\$21.94	\$1.03	4.7%
	2	\$46.78	\$29.82	\$17.14	57.9%
	3		\$57.22		
D.5.2	Local Channel - Dedicated - 4-Wire Voice Grade				
	1	\$24.08	\$22.81	\$1.27	5.8%
	2	\$47.87	\$30.79	\$17.08	65.5%
	3		\$59.48		
D.5.24	Local Channel - Dedicated - DS1				
	1	\$52.90	\$35.28	\$17.62	49.9%
	2	\$88.89	\$47.83	\$21.06	44.2%
	3	\$275.83	\$92.01	\$183.92	199.9%
<b>D.8 INTEROFFICE TRANSPORT - DEDICATED - DS3</b>					
D.8.1	Interoffice Transport - Dedicated - DS3 - Per Mile	\$3.87	\$3.87	\$0.00	0.0%
D.8.2	Interoffice Transport - Dedicated - DS3 - Facility Termination	\$1,071.31	\$1,071.00	\$0.31	0.0%
<b>D.10 INTEROFFICE TRANSPORT - DEDICATED - STS-1</b>					
D.10.1	Interoffice Transport - Dedicated - STS-1 - Per Mile	\$3.87	\$3.87	\$0.00	0.0%
D.10.2	Interoffice Transport - Dedicated - STS-1 - Facility Termination	\$1,068.07	\$1,068.00	\$0.07	0.0%
<b>D.12 INTEROFFICE TRANSPORT - DEDICATED - 4-WIRE VOICE GRADE</b>					
D.12.1	Interoffice Transport - Dedicated - 4-Wire Voice Grade - Per Mile	\$0.091	\$0.091	\$0.00	0.0%
D.12.2	Interoffice Transport - Dedicated - 4-Wire Voice Grade - Facility Termination	\$22.58	\$22.58	\$0.00	0.0%
<b>L.1 ACCESS DAILY USAGE FILE (ADUF)</b>					
L.1.1	ADUF, Message Processing, per message	\$0.001858	\$0.014391	-\$0.01	-87.1%
L.1.2	ADUF, Data Transmission (CONNECT/DIRECT), per message	\$0.00012450	\$0.0001297	\$0.00	-4.0%
<b>M.1 ENHANCED OPTIONAL DAILY USAGE FILE</b>					
M.1.1	Enhanced Optional Daily Usage File: Message Processing, Per Message	\$0.236116	\$0.229109	\$0.01	2.8%
<b>M.2 OPTIONAL DAILY USAGE FILE</b>					
M.2.1	Optional Daily Usage File: Recording, per Message	\$0.0000071	\$0.0000071	\$0.00	0.0%
M.2.2	Optional Daily Usage File: Message Processing, Per Message	\$0.002506	\$0.00684	\$0.00	-85.4%
M.2.3	Optional Daily Usage File: Message Processing, Per Magnetic Tape Provisioned	\$36.91	\$48.98	-\$13.06	-26.7%
M.2.4	Optional Daily Usage File: Data Transmission (CONNECT/DIRECT), Per Message	\$0.00010375	\$0.0001081	\$0.00	-4.0%
<b>P.0 UNBUNDLED LOOP COMBINATIONS</b>					
<b>P.1 2-WIRE VOICE GRADE LOOP WITH 3-WIRE LINE PORT (RES, BUS, COIN, CENTREX, PBX)</b>					
<b>P.1 RESSL 2-Wire VQ Loop/Port Combo (Res, Bus, Coin)</b>					
	P.1.1 2-Wire Voice Grade Loop	\$13.75	\$12.94		
	P.1.2 Exchange Port - 2-Wire Line Port	\$1.17	\$1.17		
	1	\$14.92	\$14.11	\$0.81	5.7%
		\$18.23	\$17.06		
	2	\$1.17	\$1.17	\$1.17	6.4%
		\$19.40	\$18.23		
		\$48.99	\$31.87		
	3	\$1.17	\$1.17	\$17.12	51.8%
		\$50.16	\$33.04		
<b>P.1.PBX 2-Wire VQ Loop/Port Combo (PBX)</b>					
	P.1.1 2-Wire Voice Grade Loop	\$13.75	\$12.94		
	P.1.2 Exchange Port - 2-Wire Line Port	\$1.17	\$1.17		
	1	\$14.92	\$14.11		
		\$18.23	\$17.06		
	2	\$1.17	\$1.17	\$1.17	6.4%
		\$19.40	\$18.23		
		\$48.99	\$31.87		
	3	\$1.17	\$1.17	\$17.12	51.8%
		\$50.16	\$33.04		

	Zone	Recurring	Staff Rec (W11/01)	Difference	% Difference
P.1 CENTF 2-Wire VG Loop/Port Combo (Centrex) P.1.1 2-Wire Voice Grade Loop P.1.2 Exchange Port - 2-Wire Line Port		\$13.75	\$12.94		
		\$1.17	\$1.17		
	1	\$14.92	\$14.11	\$0.81	5.7%
		\$18.23	\$17.06		
		\$1.17	\$1.17		
	2	\$19.40	\$18.23	\$1.17	6.4%
P.3 2-WIRE VOICE GRADE LOOP WITH 2-WIRE DID TRUNK PORT P.3 2-Wire VG Loop/2-Wire DID Trunk Port A.1.2 2-Wire Analog Voice Grade Loop - Service Level 2 P.3.2 Exchange Ports - 2-Wire DID Port for Combinations		\$48.99	\$31.87		
		\$1.17	\$1.17		
	3	\$50.16	\$33.04	\$17.12	51.8%
		\$18.79	\$23.21		
		\$8.71	\$8.71		
	1	\$27.50	\$31.92	-\$4.42	-20.1%
P.4 2-WIRE ISDN DIGITAL GRADE LOOP WITH 2-WIRE ISDN DIGITAL LINE SIDE PORT P.4 2W ISDN Digital Grade Loop/2W ISDN Digital Line Side Port P.4.1 2-Wire ISDN Digital Grade Loop P.4.2 Exchange Port - 2-Wire ISDN Line Side Port		\$21.08	\$28.28		
		\$8.71	\$8.71		
	2	\$30.08	\$38.08	-\$8.01	-17.1%
		\$62.29	\$48.53		
		\$8.71	\$8.71		
	3	\$81.00	\$55.24	\$25.76	10.4%
P.5 4-WIRE DS1 DIGITAL LOOP WITH 4-WIRE ISDN DS1 DIGITAL TRUNK PORT P.5 4W DS1 Digital Loop/4W ISDN DS1 Digital Trunk Port A.9.1 4-Wire DS1 Digital Loop B.1.8 Exchange Ports - 4-Wire ISDN DS1 Port		\$19.87	\$24.71		
		\$7.38	\$7.38		
	1	\$27.25	\$32.09	-\$4.84	-15.1%
		\$29.25	\$33.77		
		\$7.38	\$7.38		
	2	\$38.83	\$38.75	-\$0.02	-4.0%
	\$82.42	\$82.58			
	\$7.38	\$7.38			
3	\$99.80	\$98.94	\$0.86	15.4%	
P.6 4-WIRE DS1 DIGITAL LOOP WITH 4-WIRE ISDN DS1 DIGITAL TRUNK PORT P.6 4W DS1 Digital Loop/4W ISDN DS1 Digital Trunk Port A.9.1 4-Wire DS1 Digital Loop B.1.8 Exchange Ports - 4-Wire ISDN DS1 Port		\$95.13	\$188.18		
		\$82.74	\$82.74		
	1	\$177.88	\$270.92	-\$93.04	-25.8%
		\$140.36	\$181.87		
		\$82.74	\$82.74		
	2	\$223.09	\$264.61	-\$41.52	-15.7%
	\$332.67	\$274.25			
	\$82.74	\$82.74			
3	\$415.31	\$356.99	\$58.32	16.3%	

	Zone	Recurring	Staff Req (9/11/01)	Difference	% Difference
<b>P.6 EXTENDED 2-WIRE VOICE GRADE LOOP WITH DEDICATED DS1 INTEROFFICE TRANSPORT</b>					
P.6-1	Final 2W VG in DS1				
	A.1 2-Wire Analog Voice Grade Loop - Service Level 2	\$16.79			
	D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination	\$88.44			
	A.18.1 Channelization - Channel System DS1 to DS0	\$146.77			
	A.18.4 Interface Unit - Interface DS1 to DS0 - Voice Grade Card	\$1.38			
		<u>\$253.38</u>	\$251.09	\$2.29	0.9%
		\$21.98			
		\$88.44			
		\$146.77			
		\$1.38			
		<u>\$258.87</u>	\$256.18	\$2.41	0.9%
		\$52.29			
		\$88.44			
		\$146.77			
		\$1.38			
		<u>\$289.88</u>	\$274.41	\$14.47	5.3%
P.6-2	Per Mile				
	D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile	\$1.856	\$0.1856	\$0.00	0.0%
P.6-3	Additional 2W VG in same DS1				
	A.1 2-Wire Analog Voice Grade Loop - Service Level 2	\$16.79			
	A.18.4 Interface Unit - Interface DS1 to DS0 - Voice Grade Card	\$1.38			
		<u>\$18.17</u>	\$15.88	\$2.29	14.4%
		\$21.98			
		\$1.38			
		<u>\$23.36</u>	\$20.95	\$2.41	11.5%
		\$52.29			
		\$1.38			
		<u>\$53.67</u>	\$39.20	\$14.47	36.9%
<b>P.7 EXTENDED 4-WIRE VOICE GRADE LOOP WITH DEDICATED DS1 INTEROFFICE TRANSPORT</b>					
P.7-1	Final 4W VG in DS1				
	A.4.1 4-Wire Analog Voice Grade Loop	\$29.39			
	D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination	\$88.44			
	A.18.1 Channelization - Channel System DS1 to DS0	\$146.77			
	A.18.4 Interface Unit - Interface DS1 to DS0 - Voice Grade Card	\$1.38			
		<u>\$265.98</u>	\$259.61	\$6.38	2.5%
		\$59.21			
		\$88.44			
		\$146.77			
		\$1.38			
		<u>\$295.80</u>	\$287.86	\$28.14	10.5%
		\$97.26			
		\$88.44			
		\$146.77			
		\$1.38			
		<u>\$333.85</u>	\$296.61	\$37.24	12.6%
P.7-2	Per Mile				
	D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile	\$1.856	\$0.1856	\$0.00	0.0%

	Zone	Resources	Staff Rate (6/11/01)	Difference	% Difference
P 7-3 Additional 4W VG in same DS1 A.4.1 4-Wire Analog Voice Grade Loop A.18.4 Interface Unit - Interface DS1 to DS0 - Voice Grade Card	1	\$29.39	\$24.40	\$6.37	26.1%
		\$1.38			
		<u>\$30.77</u>			
2	\$59.21	\$32.46	\$28.14	86.7%	
	\$1.38				
	<u>\$60.59</u>				
3	\$97.26	\$61.40	\$37.24	60.7%	
	\$1.38				
	<u>\$98.64</u>				
P.8 EXTENDED 4-WIRE 56 OR 64 KBPS DIGITAL LOOP WITH DEDICATED DS1 INTEROFFICE TRANSPORT P.8-1 Final 4W 56 / 64 in DS1	1	\$31.42	\$263.70	\$6.03	1.9%
		\$88.44			
		<u>\$119.86</u>			
2	\$49.21	\$272.93	\$13.59	5.0%	
	\$88.44				
	<u>\$137.65</u>				
3	\$61.39	\$306.13	-\$7.42	-2.4%	
	\$88.44				
	<u>\$149.83</u>				
P.8-2 Per Mile D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile		\$1.866	\$0.1866	\$0.00	0.0%
P.8-3 Additional 4W 56 / 64 in same DS1 A.10.1 4-Wire 19, 56 or 64 Kbps Digital Grade Loop A.18.2 Interface Unit - Interface DS1 to DS0 - OCU-DP Card	1	\$31.42	\$38.40	\$6.03	17.7%
		\$2.10			
		<u>\$33.52</u>			
2	\$49.21	\$37.72	\$13.69	36.0%	
	\$2.10				
	<u>\$51.31</u>				
3	\$61.39	\$70.92	-\$7.43	-10.6%	
	\$2.10				
	<u>\$63.49</u>				

	Zone	Recurring	Staff Rec (9/11/01)	Difference	% Difference
<b>P.11 EXTENDED 4-WIRE DS1 DIGITAL LOOP WITH DEDICATED DS1 INTEROFFICE TRANSPORT</b>					
P.11-1 Fixed					
A.9.1 4-Wire DS1 Digital Loop					
D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination					
	1	\$95.13 \$88.44 <u>\$183.57</u>	\$161.88	\$21.88	13.4%
	2	\$140.38 \$88.44 <u>\$228.80</u>	\$187.57	\$41.23	22.0%
	3	\$332.57 \$88.44 <u>\$421.01</u>	\$276.95	\$141.06	50.4%
P.11-2 Per Mile					
D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile					
		\$ 1.856	\$0.1856	\$0.00	0.0%
<b>P.12 EXTENDED 4-WIRE DS1 DIGITAL LOOP WITH DEDICATED DS1 INTEROFFICE TRANSPORT</b>					
P.12-1 Fixed DS1 in DS3					
A.9.1 4-Wire DS1 Digital Loop					
D.6.2 Interoffice Transport - Dedicated - DS3 - Facility Termination					
A.18.5 Channelization - Channel System DS3 to DS1					
A.18.8 Interface Unit - Interface DS3 to DS1					
	1	\$95.13 \$1,071.31 \$211.19 \$13.76 <u>\$1,381.39</u>	\$1,366.59	\$22.00	1.6%
	2	\$140.38 \$1,071.31 \$211.19 \$13.76 <u>\$1,436.62</u>	\$1,395.08	\$41.54	3.0%
	3	\$332.57 \$1,071.31 \$211.19 \$13.76 <u>\$1,628.83</u>	\$1,467.48	\$141.37	9.5%
P.12-2 Per Mile					
D.6.1 Interoffice Transport - Dedicated - DS3 - Per Mile					
		\$3.87	\$3.87	\$0.00	0.0%
P.12-3 Additional DS1 in same DS3					
A.9.1 4-Wire DS1 Digital Loop					
A.18.8 Interface Unit - Interface DS3 to DS1					
	1	\$95.13 \$13.76 <u>\$108.89</u>	\$87.20	\$21.88	24.9%
	2	\$140.38 \$13.76 <u>\$154.12</u>	\$112.89	\$41.23	36.5%
	3	\$332.57 \$13.76 <u>\$346.33</u>	\$205.27	\$141.06	66.7%
<b>P.15 4-WIRE DS1 DIGITAL LOOP WITH DD17S PORT</b>					
P.15 4-Wire DS1 Digital Loop with DD17S Port					
A.9.1 4-Wire DS1 Digital Loop					
B.1.4 Exchange Ports - DD17S Port					
	1	\$95.13 \$54.95 <u>\$150.07</u>	\$128.38	\$21.88	16.9%
	2	\$140.38 \$54.95 <u>\$195.30</u>	\$154.08	\$41.22	26.8%
	3	\$332.57 \$54.95 <u>\$387.52</u>	\$246.46	\$141.06	67.2%

	Zone	Requirements	Staff Rec (M/11/01)	Difference	% Difference
<b>P.16 2-WIRE LOOP/ 2 WIRE VOICE GRADE IO TRANSPORT/ 2 WIRE PORT</b>					
P.16-1 Fixed					
		A.1.2 2-Wire Analog Voice Grade Loop - Service Level 2	\$16.79		
		D.2.2 Interoffice Transport - Dedicated - 2-Wire Voice Grade - Facility Termination	\$25.32		
		B.1.1 Exchange Ports - 2-Wire Analog Line Port (Res., Bus., Central, Coin)	\$1.40		
	1		<u>\$43.52</u>	\$41.22	\$2.30 5.6%
			\$21.98		
			\$25.32		
			\$1.40		
	2		<u>\$48.70</u>	\$48.29	\$2.41 5.2%
			\$52.29		
			\$25.32		
			\$1.40		
	3		<u>\$79.02</u>	\$64.54	\$14.48 22.4%
P.16-2 Per Mile					
		D.2.1 Interoffice Transport - Dedicated - 2-Wire Voice Grade - Per Mile	\$0.0081	\$0.0081	\$0.00 0.0%
<b>P.23 EXTENDED 2-WIRE VOICE GRADE LOOP/ 2 WIRE VOICE GRADE INTEROFFICE TRANSPORT</b>					
P.23-1 Fixed					
		A.1.2 2-Wire Analog Voice Grade Loop - Service Level 2	\$16.79		
		D.2.2 Interoffice Transport - Dedicated - 2-Wire Voice Grade - Facility Termination	\$25.32		
	1		<u>\$42.12</u>	\$39.82	\$2.30 5.6%
			\$21.98		
			\$25.32		
			\$47.30		
	2		<u>\$47.30</u>	\$44.89	\$2.41 5.4%
			\$52.29		
			\$25.32		
			\$77.61		
	3		<u>\$77.61</u>	\$63.14	\$14.47 22.9%
P.23-2 Per Mile					
		D.2.1 Interoffice Transport - Dedicated - 2-Wire Voice Grade - Per Mile	\$0.0081	\$0.0081	\$0.00 0.0%
<b>P.24 EXTENDED 4-WIRE VOICE GRADE LOOP/ 4 WIRE VOICE GRADE INTEROFFICE TRANSPORT</b>					
P.24-1 Fixed					
		A.4.1 4-Wire Analog Voice Grade Loop	\$29.38		
		D.12.2 Interoffice Transport - Dedicated - 4-Wire Voice Grade - Facility Termination	\$22.68		
	1		<u>\$51.97</u>	\$45.80	\$6.37 14.0%
			\$59.21		
			\$22.68		
			\$81.78		
	2		<u>\$81.78</u>	\$53.65	\$28.13 62.4%
			\$87.25		
			\$22.68		
			\$119.94		
	3		<u>\$119.94</u>	\$82.80	\$37.24 45.1%
P.24-2 Per Mile					
		D.12.1 Interoffice Transport - Dedicated - 4-Wire Voice Grade - Per Mile	\$0.0081	\$0.0081	\$0.00 0.0%

	Zone	Recurring	Staff Pac (W/1107)	Difference	% Difference
<b>P.25 EXTENDED DS3 DIGITAL LOOP WITH DEDICATED DS3 INTEROFFICE TRANSPORT</b>					
P.25-1 Fixed					
A.16.1 High Capacity Unbundled Local Loop - DS3 - Facility Termination					
D.6.2 Interoffice Transport - Dedicated - DS3 - Facility Termination					
		\$396.88			
		\$1,071.31			
		<u>\$1,468.19</u>	\$1,457.88	\$0.31	0.0%
P.25-2 Per Mile - Interoffice					
D.6.1 Interoffice Transport - Dedicated - DS3 - Per Mile					
		\$3.87	\$3.87	\$0.00	0.0%
P.25-3 Per Mile - DS3 Loop					
A.16.2 High Capacity Unbundled Local Loop - DS3 - Per Mile					
		\$10.92	\$10.92	\$0.00	0.0%
<b>P.26 EXTENDED STS1 DIGITAL LOOP WITH DEDICATED STS1 INTEROFFICE TRANSPORT</b>					
P.26-1 Fixed					
A.16.15 High Capacity Unbundled Local Loop - STS-1 - Facility Termination					
D.10.2 Interoffice Transport - Dedicated - STS-1 - Facility Termination					
		\$428.60			
		\$1,058.07			
		<u>\$1,486.67</u>	\$1,482.60	\$0.07	0.0%
P.26-2 Per Mile - Interoffice					
D.10.1 Interoffice Transport - Dedicated - STS-1 - Per Mile					
		\$3.87	\$3.87	\$0.00	0.0%
P.26-3 Per Mile - Loop					
A.16.16 High Capacity Unbundled Local Loop - STS-1 - Per Mile					
		\$10.92	\$10.92	\$0.00	0.0%
<b>P.50 4-WIRE DS1 LOOP WITH CHANNELIZATION WITH PORT</b>					
P.50.VG-1 First Voice Grade In DS1					
A.6.1 4-Wire DS1 Digital Loop					
B.1.1 Exchange Ports - 2-Wire Analog Line Port (Res., Bus., Centrex, Coin)					
Q.1.1 D4 Channel Bank Inside CO - System					
Q.1.4 Unbundled Loop Concentration - POTS Card					
		\$96.13			
		\$1.40			
		\$118.06			
		\$,6402			
	1	<u>\$215.23</u>	\$193.64	\$21.68	11.2%
		\$140.36			
		\$1.40			
		\$118.06			
		\$,6402			
	2	<u>\$260.46</u>	\$219.23	\$41.23	18.8%
		\$332.67			
		\$1.40			
		\$118.06			
		\$,6402			
	3	<u>\$422.87</u>	\$311.61	\$141.08	45.3%
P.50.VG-2 Additional Voice Grade In same DS1					
B.1.1 Exchange Ports - 2-Wire Analog Line Port (Res., Bus., Centrex, Coin)					
Q.1.4 Unbundled Loop Concentration - POTS Card					
		\$1.40			
		\$,6402			
		<u>\$2.04</u>	\$2.04	\$0.00	0.0%
P.50.DID-1 First 2-Wire DID In DS1					
A.9.1 4-Wire DS1 Digital Loop					
B.1.3 Exchange Ports - 2-Wire DID Port					
Q.1.1 D4 Channel Bank Inside CO - System					
Q.1.4 Unbundled Loop Concentration - POTS Card					
		\$96.13			
		\$8.73			
		\$118.06			
		\$,6402			
	1	<u>\$222.96</u>	\$200.87	\$21.68	10.8%
		\$140.36			
		\$8.73			
		\$118.06			
		\$,6402			
	2	<u>\$287.78</u>	\$228.58	\$41.22	18.2%
		\$332.67			
		\$8.73			
		\$118.06			
		\$,6402			
	3	<u>\$480.00</u>	\$318.94	\$141.08	44.2%

	Zone	Recurring	Staff Rec (9/11/01)	Difference	% Difference
P 50 DID-2 Additional 2-Wire DID in same DS1					
B.1.3 Exchange Ports - 2-Wire DID Port		\$8.73			
Q.1.4 Unbundled Loop Concentration - POTS Card		\$ 64.02			
		<u>\$ 72.75</u>	\$9.37	\$0.00	0.0%
P 50.ISDN- First ISDN in DS1					
A.9.1 4-Wire DS1 Digital Loop		\$96.13			
B.1.6 Exchange Ports - 2-Wire ISDN Port		\$8.83			
Q.1.1 D4 Channel Bank Inside CO - System		\$118.06			
Q.1.3 Unbundled Loop Concentration - ISDN (Brite Card)		\$2.92			
	1	<u>\$224.94</u>	\$203.25	\$21.69	10.7%
		\$140.36			
		\$8.83			
		\$118.06			
		\$2.92			
	2	<u>\$270.17</u>	\$228.94	\$41.23	18.0%
		\$332.57			
		\$8.83			
		\$118.06			
		\$2.92			
	3	<u>\$462.38</u>	\$321.32	\$141.06	43.0%
P 50.ISDN- Additional ISDN in same DS1					
B.1.6 Exchange Ports - 2-Wire ISDN Port		\$8.83			
Q.1.3 Unbundled Loop Concentration - ISDN (Brite Card)		\$2.92			
		<u>\$11.75</u>	\$11.75	\$0.00	0.0%
P.51 EXTENDED 2-WIRE ISDN LOOP WITH DS1 INTEROFFICE TRANSPORT					
P 51-1 First 2-Wire ISDN in DS1					
A.5.1 2-Wire ISDN Digital Grade Loop		\$25.14			
D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination		\$98.44			
A.18.1 Channelization - Channel System DS1 to DS0		\$148.77			
A.18.3 Interface Unit - Interface DS1 to DS0 - BRITE Card		\$3.66			
	1	<u>\$274.01</u>	\$260.63	\$13.38	1.3%
		\$36.33			
		\$98.44			
		\$148.77			
		\$3.66			
	2	<u>\$274.20</u>	\$268.25	\$5.95	2.2%
		\$67.42			
		\$98.44			
		\$148.77			
		\$3.66			
	3	<u>\$308.29</u>	\$295.63	\$12.66	3.6%
P.51-2 Per Mile					
D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile		\$1.856	\$0.1856	\$0.00	0.0%
P.51-3 Additional 2-wire ISDN in same DS1					
A.5.1 2-Wire ISDN Digital Grade Loop		\$25.14			
A.18.3 Interface Unit - Interface DS1 to DS0 - BRITE Card		\$3.66			
	1	<u>\$28.80</u>	\$25.42	\$3.38	13.3%
		\$36.33			
		\$3.66			
	2	<u>\$38.99</u>	\$32.04	\$6.95	21.7%
		\$67.42			
		\$3.66			
	3	<u>\$71.08</u>	\$60.42	\$10.66	17.8%



	Zone	Recurring	Staff Rec (8/1/01)	Difference	% Difference
<b>P.52 EXTENDED 4-WIRE DS1 DIGITAL LOOP WITH DEDICATED STS-1 INTEROFFICE TRANSPORT</b>					
P.52-1 First In DS1 In STS1					
		\$85.13			
		\$1,066.07			
		\$211.19			
		\$13.76			
	1	\$1,376.15	\$1,354.39	\$21.76	1.6%
		\$140.38			
		\$1,066.07			
		\$211.19			
		\$13.76			
	2	\$1,421.38	\$1,360.08	\$61.30	3.0%
		\$332.57			
		\$1,066.07			
		\$211.19			
		\$13.76			
	3	\$1,613.80	\$1,472.46	\$141.14	9.8%
P.52-2 Per Mile					
		\$3.87	\$3.87	\$0.00	0.0%
P.52-3 Additional DS1 In same STS1					
		\$85.13			
		\$13.76			
	1	\$108.89	\$87.20	\$21.69	24.6%
		\$140.38			
		\$13.76			
	2	\$154.12	\$112.89	\$41.23	36.5%
		\$332.57			
		\$13.76			
	3	\$346.33	\$206.27	\$141.06	68.7%
<b>P.53 EXTENDED 3-WIRE VOICE GRADE LOOP WITH DEDICATED DS1 INTEROFFICE TRANSPORT W/ 3/1 MUX</b>					
P.53-1 First 2-Wire VG In First DS1 In DS3					
		\$16.79			
		\$88.44			
		\$211.19			
		\$13.76			
		\$146.77			
		\$1.38			
	1	\$476.34	\$476.04	\$2.30	0.5%
		\$21.88			
		\$88.44			
		\$211.19			
		\$13.76			
		\$146.77			
		\$1.38			
	2	\$483.82	\$481.11	\$2.41	0.5%
		\$62.29			
		\$88.44			
		\$211.19			
		\$13.76			
		\$146.77			
		\$1.38			
	3	\$513.64	\$499.38	\$14.48	2.9%

	Zone	Resubmits	Staff Rec (W/11/01)	Difference	% Difference	
P.53-2		Per Mile per DS1 D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile	\$ 1856	\$0.1856	\$0.00	0.0%
P.53-3		Additional 2-Wire VG in same DS1 A.1 2 2-Wire Analog Voice Grade Loop - Service Level 2 A.18.4 Interface Unit - Interface DS1 to DS0 - Voice Grade Card	\$15.79 \$1.38 \$18.17	\$15.88	\$2.29	14.4%
	1					
		\$21.98 \$1.38 \$23.36	\$20.95	\$2.41	11.5%	
	2					
		\$52.29 \$1.38 \$53.67	\$39.20	\$14.47	36.9%	
	3					
P.53-4		Additional DS1 in same DS3 D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination A.18.1 Channelization - Channel System DS1 to DS0 A.18.6 Interface Unit - Interface DS3 to DS1	\$88.44 \$146.77 \$13.78 \$248.97	\$248.97	\$0.00	0.0%
P.54		EXTENDED 4-WIRE VOICE GRADE LOOP WITH DEDICATED DS1 INTEROFFICE TRANSPORT W/ 3/1 MUX				
P.54-1		First 4-Wire VG in First DS1 in DS3 A.4.1 4-Wire Analog Voice Grade Loop D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination A.18.5 Channelization - Channel System DS3 to DS1 A.18.6 Interface Unit - Interface DS3 to DS1 A.18.1 Channelization - Channel System DS1 to DS0 A.18.4 Interface Unit - Interface DS1 to DS0 - Voice Grade Card	\$29.39 \$88.44 \$211.19 \$13.78 \$146.77 \$1.38 \$490.94	\$494.58	\$6.36	1.3%
	1					
		\$59.21 \$88.44 \$211.19 \$13.78 \$146.77 \$1.38 \$560.78	\$498.81	\$28.15	5.7%	
	2					
		\$97.26 \$88.44 \$211.19 \$13.78 \$146.77 \$1.38 \$568.61	\$521.56	\$37.25	7.1%	
	3					
P.54-2		Per Mile per DS1 D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile	\$ 1856	\$0.1856	\$0.00	0.0%
P.54-3		Additional 4-Wire VG in same DS1 A.4.1 4-Wire Analog Voice Grade Loop A.18.4 Interface Unit - Interface DS1 to DS0 - Voice Grade Card	\$29.39 \$1.38 \$30.77	\$24.40	\$6.37	26.1%
	1					
		\$59.21 \$1.38 \$60.59	\$32.46	\$28.14	88.7%	
	2					
		\$97.26 \$1.38 \$98.64	\$61.40	\$37.24	60.7%	
	3					

	Zone	Requiring	Staff Pac (9/11/01)	Difference	% Difference
P.54-4		Additional DS1 in same DS3 D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination A.18.1 Channelization - Channel System DS1 to DS0 A.18.8 Interface Unit - Interface DS3 to DS1	\$86.44 \$146.77 \$13.76 <u>\$246.97</u>	\$246.97	\$0.00 0.0%
P.55		EXTENDED 4-WIRE 56 OR 64 Kbps DIGITAL LOOP WITH DEDICATED DS1 INTEROFFICE TRANSPORT W/ 3/1 MUX			
P.55-1		First 4-Wire in First DS1 in DS3 A.10.1 4-Wire 16, 56 or 64 Kbps Digital Grade Loop D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination A.18.6 Channelization - Channel System DS3 to DS1 A.18.8 Interface Unit - Interface DS3 to DS1 A.18.1 Channelization - Channel System DS1 to DS0 A.18.2 Interface Unit - Interface DS1 to DS0 - OCU-CP Card	\$31.42 \$86.44 \$211.19 \$13.76 \$146.77 \$2.10 <u>\$483.68</u>	\$488.65	\$5.04 1.0%
	1		\$49.21 \$86.44 \$211.19 \$13.76 \$146.77 \$2.10 <u>\$511.48</u>	\$497.88	\$13.60 2.7%
	2		\$61.39 \$86.44 \$211.19 \$13.76 \$146.77 \$2.10 <u>\$523.65</u>	\$531.08	-\$7.42 -1.4%
P.55-2		Per Mile per DS1 D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile	\$1.856	\$0.1856	\$0.00 0.0%
P.55-3		Additional 4-Wire in same DS1 A.10.1 4-Wire 16, 56 or 64 Kbps Digital Grade Loop A.18.2 Interface Unit - Interface DS1 to DS0 - OCU-CP Card	\$31.42 \$2.10 <u>\$33.52</u>	\$26.48	\$5.03 17.7%
	1		\$49.21 \$2.10 <u>\$51.31</u>	\$37.72	\$13.58 26.0%
	2		\$61.39 \$2.10 <u>\$63.49</u>	\$70.92	-\$7.43 -10.6%
P.55-4		Additional DS1 in same DS3 D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination A.18.1 Channelization - Channel System DS1 to DS0 A.18.8 Interface Unit - Interface DS3 to DS1	\$86.44 \$146.77 \$13.76 <u>\$246.97</u>	\$246.97	\$0.00 0.0%

		Zone	Requirements	Staff Rec (9/11/01)	Difference	% Difference
P.56	EXTENDED LOOP 2-WIRE HDN WITH DS1 INTEROFFICE TRANSPORT W/ 3/1 MUX					
P.56-1	First 2-Wire In First DS1 in DS3					
	A.5.1 2-Wire ISDN Digital Grade Loop		\$26.14			
	D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination		\$88.44			
	A.18.5 Channelization - Channel System DS3 to DS1		\$211.19			
	A.18.6 Interface Unit - Interface DS3 to DS1		\$13.78			
	A.18.1 Channelization - Channel System DS1 to DS0		\$146.77			
	A.18.3 Interface Unit - Interface DS1 to DS0 - BRITE Card		\$3.86			
		1	<u>\$485.97</u>	\$485.58	\$3.39	0.7%
			\$35.33			
			\$88.44			
			\$211.19			
			\$13.78			
			\$146.77			
			\$3.86			
		2	<u>\$485.16</u>	\$483.20	\$1.96	1.2%
			\$67.42			
			\$88.44			
			\$211.19			
			\$13.78			
			\$146.77			
			\$3.86			
		3	<u>\$531.25</u>	\$520.58	\$10.67	2.0%
P.56-2	Per Mile per DS1					
	D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile		\$1.856	\$0.1856	\$0.00	0.0%
P.56-3	Additional 2-Wire in same DS1					
	A.5.1 2-Wire ISDN Digital Grade Loop		\$26.14			
	A.18.3 Interface Unit - Interface DS1 to DS0 - BRITE Card		\$3.86			
		1	<u>\$28.90</u>	\$25.42	\$3.38	13.3%
			\$35.33			
			\$3.86			
		2	<u>\$38.99</u>	\$33.04	\$5.95	18.0%
			\$67.42			
			\$3.86			
		3	<u>\$71.08</u>	\$60.42	\$10.66	17.8%
P.56-4	Additional DS1 in same DS3					
	D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination		\$88.44			
	A.18.1 Channelization - Channel System DS1 to DS0		\$146.77			
	A.18.6 Interface Unit - Interface DS3 to DS1		\$13.78			
			<u>\$248.97</u>	\$248.97	\$0.00	0.0%

	Zone	Recurring	Staff Rec (9/11/01)	Difference	% Difference
<b>P 37 EXTENDED 4-WIRE DS1 DIGITAL LOOP WITH DEDICATED DS1 INTEROFFICE TRANSPORT W/ 3/1 MUX</b>					
P.57-1 Fixed 4-Wire DS1 in DS3					
A.9.1 4-Wire DS1 Digital Loop		\$95.13			
D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination		\$88.44			
A.18.6 Channelization - Channel System DS3 to DS1		\$211.19			
A.18.8 Interface Unit - Interface DS3 to DS1		\$13.78			
	1	<u>\$408.52</u>	\$386.63	\$21.89	5.6%
		\$140.38			
		\$88.44			
		\$211.19			
		\$13.78			
	2	<u>\$453.75</u>	\$412.62	\$41.13	10.0%
		\$332.57			
		\$88.44			
		\$211.19			
		\$13.78			
	3	<u>\$645.93</u>	\$504.90	\$141.03	27.9%
P.67-2 Per Mile per DS1					
D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile		\$1.958	\$0.1958	\$0.00	0.0%
P.67-3 Additional 4-Wire DS1 In same DS3					
A.9.1 4-Wire DS1 Digital Loop		\$95.13			
A.18.8 Interface Unit - Interface DS3 to DS1		\$13.78			
D.4.2 Interoffice Transport - Dedicated - DS1 - Facility Termination		\$88.44			
	1	<u>\$197.33</u>	\$175.84	\$21.49	12.3%
		\$140.38			
		\$13.78			
		\$88.44			
	2	<u>\$242.58</u>	\$201.33	\$41.25	20.6%
		\$332.57			
		\$13.78			
		\$88.44			
	3	<u>\$434.77</u>	\$293.71	\$141.06	48.0%
<b>P 58 EXTENDED 4-WIRE 96 OR 64 Kbps DIGITAL LOOP WITH DS0 INTEROFFICE TRANSPORT</b>					
P.58-1 Fixed					
A.10.1 4-Wire 19, 56 or 64 Kbps Digital Grade Loop		\$31.42			
D.3.2 Interoffice Transport - Dedicated - DS0 - Facility Termination		\$18.44			
	1	<u>\$49.87</u>	\$44.83	\$5.04	11.2%
		\$49.21			
		\$18.44			
	2	<u>\$67.65</u>	\$64.08	\$3.58	26.1%
		\$61.39			
		\$18.44			
	3	<u>\$79.84</u>	\$87.28	-\$7.42	-8.9%
P.58-2 Per Mile					
D.3.1 Interoffice Transport - Dedicated - DS0 - Per Mile		\$0.0081	\$0.0081	\$0.00	0.0%