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March 26, 2002

Mrs. Blanca S. Bayó
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and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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Re: Docket No. 011119-TP (XO Florida)

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Rebuttal Testimony of John A. Ruscilli, which we ask that you file in the captioned docket.

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,

James Meza III
James Meza III (JA)

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

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CERTIFICATE OF SERVICE
Docket No. 011119-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Electronic Mail and Federal Express this 26th day of March, 2002 to the following:

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(+) Signed Protective Agreement

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BELLSOUTH TELECOMMUNICATIONS, INC.
REBUTTAL TESTIMONY OF JOHN A. RUSCILLI
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 011119-TP
MARCH 26, 2002

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. (“BELLSOUTH”) AND YOUR BUSINESS ADDRESS.

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

Q. ARE YOU THE SAME JOHN RUSCILLI THAT FILED DIRECT TESTIMONY IN THIS DOCKET ON MARCH 12, 2002?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF THIS TESTIMONY?

A. The purpose of my testimony is to rebut the testimony presented by XO Florida, Inc.’s (“XO’s”) witnesses Rex Knowles and John Seaton, filed with this Commission on March 12, 2002. Specifically, my rebuttal testimony responds to Issues 4, 7(a), 8 and 11 that were addressed in the testimony presented by XO. To

1 the extent, however, that XO's witnesses present no new evidence from that
2 presented in XO's Petition, and to the extent that my direct testimony has
3 adequately responded to those issues, this testimony generally will not restate
4 BellSouth's case.

5

6 **ISSUE 4: After XO has ordered a loop, should BellSouth be allowed to modify that**
7 **loop without XO's consent?**

8

9 Q. PLEASE DISCUSS XO'S SUMMARY OF THE DISPUTE IN ISSUE 4, AS
10 PRESENTED ON PAGE 3 OF MR. KNOWLES' TESTIMONY.

11

12 A. XO expresses concern that once it obtains loop make-up ("LMU") information,
13 decides the loop currently meets its specifications and orders the loop, that
14 "BellSouth wants the ability to modify the facilities, even *after* XO has paid for
15 them and deployed services over them." (Emphasis in original.)

16

17 First, what XO fails to point out is that, in the scenario it describes, XO may be
18 searching for and finding loops that will allow XO to provide a service for which
19 the loop was never intended. Specifically, there is no guarantee that an SL1 UNE
20 loop will support xDSL type service. BellSouth's SL1 UNE loop offering was
21 developed at the request of the ALECs for a less expensive, "no frills" loop. If an
22 SL1 UNE loop is what XO orders to provide xDSL service, then XO must be
23 prepared to accept the inherent risk in doing so.

24

25 If XO desires a DSL compatible loop and wants to ensure that BellSouth will not

1 roll that loop to another facility, or in other words, that BellSouth will not convert
2 that loop to an alternative technology during any modification, XO has the option
3 of ordering an Unbundled Copper Loop – Non-Designed (“UCL-ND”) or an
4 ADSL loop. Neither of these loop types would be subject to modifications that
5 would preclude XO from continuing to provide xDSL service to its customer. As
6 noted in my direct testimony, when BellSouth performs loop modifications, loops
7 will retain the same service characteristics and will retain the same technical
8 characteristics as are outlined in BellSouth’s Technical Reference 73600 (“TR
9 73600”). The UCL-ND loop or the ADSL loop would be more appropriate for
10 the service, and provide the guarantee, that XO apparently wants.

11
12 In addition, BellSouth would also point out that XO is only leasing from
13 BellSouth the UNEs to which it is referring; it is not purchasing them. As such,
14 XO is subject to the specific terms and conditions of the UNE leased. In this case,
15 the terms and conditions do not include use of the SL1 loop for provision of
16 xDSL service, nor do they provide any guarantee that the loop will not be moved
17 to a different technology (e.g., Digital Loop Carrier [“DLC”]). SL1 loops,
18 however, will always meet the parameters necessary to provide voice service.

19
20 Q. DO YOU HAVE ANY ADDITIONAL COMMENTS ON XO’S SUMMARY OF
21 THE DISPUTE?

22
23 A. Yes. XO expresses a concern, and rightly so, that modifications to a loop (not
24 specifically intended for the provision of xDSL service) could disrupt service to
25 XO’s customer. XO, however, incorrectly puts the onus on BellSouth stating,

1 “BellSouth does not know what services XO is offering over those facilities. As
2 such, BellSouth does not know whether its changes will disrupt an XO end-user’s
3 service.” Although XO is correct, its argument is irrelevant. BellSouth’s
4 responsibility is to ensure that the loop will continue to meet the parameters that it
5 was designed for (e.g., a voice grade loop will continue to meet the standards of a
6 voice grade loop; a loop designed to be DSL compatible will remain DSL
7 compatible). If XO wants to ensure that a loop will continue to provide a service
8 XO wishes to offer, then XO should order loops designed for that purpose.

9
10 Q. ON PAGE 4, XO STATES THAT BELLSOUTH “SHOULD NOT BE ABLE TO
11 CUT-OFF THE SERVICE OF A COMPETITOR’S CUSTOMERS” WHEN
12 BELLSOUTH UPGRADES ITS NETWORK. PLEASE COMMENT.

13
14 A. Generally, BellSouth would agree with XO. And certainly, BellSouth would
15 never intentionally cut-off a competitor’s customer in the situation described by
16 XO. BellSouth reiterates that its policy on network upgrades is that no service
17 meeting the parameters of the UNE purchased will be altered. The net of XO’s
18 argument is that if an SL1 UNE loop can support xDSL (there is no guarantee that
19 an SL1 loop will support xDSL, however, an SL1 UNE loop will always support
20 voice) then BellSouth must never change that loop without XO’s permission. XO
21 has the opportunity to order two other UNE loop types that will give XO the
22 guarantee that it wants, however, to date, XO chooses not to.

23
24 Q. WHAT IS BELLSOUTH REQUESTING THAT THE COMMISSION FIND ON
25 THIS ISSUE?

1

2 A. BellSouth requests the Commission to find that BellSouth's SL1 UNE loop is
3 intended to be a loop that meets the parameters of TR73600 and that it does not
4 include a guarantee that the loop will not be rolled to another facility or converted
5 to an alternative technology. Further, BellSouth has developed the UCL-ND that
6 meets the needs expressed by XO. The UCL-ND and the ADSL loop meet the
7 requirements set forth by the Commission in its Generic UNE Docket-Phase I
8 Order, and allows BellSouth to recover the non-recurring costs associated with
9 tagging a loop, and also allows BellSouth to perform loop modifications in the
10 course of properly maintaining and upgrading its network facilities. If XO
11 chooses to order the lower cost SL1 alternative for providing DSL service, then
12 XO must also accept that there are certain inherent risks in that choice.

13

14 **ISSUE 7: (a) Is XO entitled to the tandem switching rate for the exchange of local**
15 **traffic?**

16

17 Q. HAS XO DEMONSTRATED THAT IT IS ENTITLED TO THE TANDEM
18 SWITCHING RATE IN THE MIAMI LATA?

19

20 A. No. BellSouth does not believe that XO has provided sufficient information to
21 demonstrate that it is entitled to the tandem switching rate in the Miami LATA.
22 XO has provided a colored map and a list of NPA/NXX codes. XO, however, has
23 not provided a description of how customers are being served, or demonstrated
24 that it is actually serving customers, as it did in Georgia, and as is required by the
25 Commission's adoption of the Staff Recommendation in Docket No. 000075-TP.

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Q. WHAT IS BELLSOUTH ASKING OF THE COMMISSION ON ISSUE 7?

A. This is the first opportunity for the Commission to review this issue since it adopted the Staff Recommendation in Docket No. 000075-TP. BellSouth does not believe that the information provided by XO satisfies the Commission's requirements necessary to demonstrate that XO is entitled to the tandem switching rate, and BellSouth asks the Commission to rule accordingly. In addition, BellSouth asks that the Commission specify what additional information is required, in order that BellSouth can more reasonably judge documentation that it receives in the future.

ISSUE 8: Should BellSouth be able to change the rates, terms and conditions of this agreement by referring to the jurisdictional report requirements, rules and regulations for Interexchange Carriers specified in BellSouth's Intrastate Access Services Tariff?

Q. DOES BELLSOUTH HAVE ANYTHING FURTHER TO ADD ON THIS ISSUE?

A. Yes. BellSouth would point out three things. First, the section of the Interconnection Agreement under dispute refers to a usage factor that is generally governed by BellSouth's Intrastate Access Services Tariff under the jurisdiction of this Commission. The purpose of BellSouth referencing that tariff is to ensure that any changes made to that tariff apply equally to all carriers to whom the tariff

1 applies.

2

3 Second, BellSouth actually is striving to do exactly what Mr. Knowles requests in
4 his concluding sentence, that is, to treat XO fairly, as well as to treat all other
5 carriers fairly. All carriers, ALECs and interexchange carriers alike, should be
6 subject to the same terms and conditions when using the Intrastate Access
7 Services Tariff provisions. BellSouth should not be hamstrung by having
8 Intrastate Access Services Tariff provisions apply in some circumstances, and not
9 apply in others, especially considering that this Commission has rules and
10 regulations regarding the filing, approval and use of such tariffs.

11

12 Finally, Mr. Knowles' contention that BellSouth can unilaterally make changes to
13 its tariffs is incorrect. As stated above, this Commission has rules with regard to
14 changes to BellSouth's tariffs. Any changes made to BellSouth's tariffs are
15 subject to approval, intervention and suspension. XO, and any other ALEC, can
16 avail themselves of this process if it objects to changes that BellSouth proposes to
17 make to its Intrastate Access Services Tariff, or any other tariff, for that matter.

18

19 Q. WHAT DOES BELLSOUTH WANT THIS COMMISSION TO FIND?

20

21 A. BellSouth asks the Commission to deny XO's request to include its exception
22 language (included on page 12 of Mr. Knowles' testimony) in Attachment 3,
23 Section 5.8 of the Parties' Interconnection Agreement, and find that XO should be
24 governed by BellSouth's Intrastate Access Services Tariff with regard to the
25 application of the Percent Interstate Usage ("PIU") factor in deriving intrastate

1 switched access usage.

2

3 **ISSUE 11: Should BellSouth be subject to the same credit and deposit requirements**
4 **as XO when purchasing services from XO?**

5

6 Q. WHY DOES BELLSOUTH REQUIRE A SECURITY DEPOSIT FROM
7 PARTICULAR ALEC CUSTOMERS?

8

9 A. BellSouth is legally obligated to make available resold services, UNEs and
10 interconnection to any ALEC, at nondiscriminatory rates, terms and conditions.
11 Because ALECs have varying degrees of assets and credit worthiness, it is
12 entirely appropriate for BellSouth to seek some protection against uncollectable
13 debts by requiring ALECs to pay deposits on a nondiscriminatory basis.
14 BellSouth's losses in the interconnection/wholesale arena are rising. Between the
15 years 2000 and 2001, BellSouth's uncollectables (actual bad debts, not disputed
16 items), in this arena alone, rose over 230%. BellSouth must have a system that
17 allows it to offset the possibility of at least a portion of this magnitude of loss.

18

19 Q. DOES BELLSOUTH REQUIRE DEPOSITS OF ALL ALECS?

20

21 A. No. As detailed in my direct testimony, BellSouth analyzes all ALECs' credit
22 worthiness at various times, and based on the results of that analysis, an ALEC
23 may or may not be required to provide a security deposit, or additional deposit.
24 BellSouth requires security deposits on a non-discriminatory basis. To ensure
25 parity, BellSouth reviews the credit worthiness of all ALECs, including those that

1 are also large interexchange carriers. If an ALEC falls within the acceptable
2 boundaries, no security deposit is required.

3

4 Q. SHOULD THE PARTIES' INTERCONNECTION AGREEMENT INCLUDE A
5 PROVISION THAT COULD REQUIRE BELLSOUTH TO PROVIDE XO A
6 SECURITY DEPOSIT FOR SERVICES THAT BELLSOUTH PURCHASES
7 FROM XO?

8

9 A. No. The relationship between XO and BellSouth was initiated by XO. XO does
10 not have to come to BellSouth for service. There are other alternatives available.
11 Further, XO does not have an obligation to serve "all comers."

12

13 BellSouth, however, generally does not have the luxury of deciding what
14 customers BellSouth serves. BellSouth has no choice as to whether it provides
15 XO the services required by the Act that XO is requesting. Not only does
16 BellSouth have no choice as to whether it provides such services to XO,
17 BellSouth also must provide all services required by the Act to any other ALEC
18 that makes such request. BellSouth should not be required to provide deposits to
19 each of these companies just because they have chosen to do business with
20 BellSouth, in other words, because BellSouth is complying with its legal
21 obligations.

22

23 Q. WHAT IS BELLSOUTH REQUESTING OF THE COMMISSION ON ISSUE
24 11?

25

1 A. BellSouth requests that the Commission find that the BellSouth/XO
2 Interconnection Agreement should not include the requirement for BellSouth to
3 be subject to the same credit and deposit requirements as BellSouth requires of
4 XO.

5

6 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

7

8 A. Yes.

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10 PC DOCS #439421

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