

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 990649B-TP

In the Matter of

INVESTIGATION INTO PRICING OF
UNBUNDLED NETWORK ELEMENTS
(SPRINT/VERIZON TRACK).

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CONFIDENTIAL PORTION OF VOLUME 6

PROCEEDINGS: HEARING

BEFORE: CHAIRMAN LILA A. JABER
COMMISSIONER J. TERRY DEASON
COMMISSIONER BRAULIO L. BAEZ
COMMISSIONER MICHAEL A. PALECKI
COMMISSIONER RUDOLPH "RUDY" BRADLEY

DATE: Monday, April 29, 2002

TIME: Commenced at 9:30 a.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

APPEARANCES: (As heretofore noted.)

CONFIDENTIAL
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APR 25 2003 See DN 01219-03
FLORIDA PUBLIC SERVICE COMMISSION

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WITNESSES

NAME:

PAGE NO.

DAVID G. TUCEK

Cross Examination by Mr. Hatch

3

CONFIDENTIAL EXCERPT

DAVID E. TUCEK

1
2
3 continues his testimony under oath from Volume 6:

CONTINUED CROSS EXAMINATION

BY MR. HATCH:

4
5
6 Q Now, based on this document, it indicates that ATM is
7 being provided in Verizon's network, is that correct?

8 A Yes, it does, but it doesn't say that it is being
9 provided in Florida. We have one Tampa switch or one tandem
10 switch in Florida in Tampa. It is a DMS 100. To my knowledge
11 we have no plans to replace it, so we modeled the tandem switch
12 as a DMS 100 in ICM-Florida.

13 Q Now, is ATM switching a forward-looking technology?

14 A You're really out of my league here, but my
15 understanding is yes, it is.

16 Q Would it be a fair assumption that if Verizon is
17 instituting ATM switching in its network, then they would do so
18 because it is a forward-looking technology?

19 A I do know they might use it to offer services related
20 to packet switching, so it would not mean that ATM switching is
21 going to ever replace or at least not immediately replace all
22 the Class 4 circuit switches or Class 5 circuit switches in the
23 network.

24 Q Now, if you look at the second page, do you see a box
25 on the lower left-hand corner that says begin time?

1 A Yes.

2 Q That would indicate that ATM is already occurring
3 within the confines of this document, is that correct?

4 A Not necessarily so. I see at the top of the first
5 page and I don't believe that is proprietary, functional
6 prospective proposed target packet telephony infrastructure. I
7 don't see anything on here, and I would be happy to have you
8 point it out to me, that says this is something we are actually
9 doing. It could very well be.

10 Q Could you turn to the third page of the document?

11 A Ah, here we go.

12 Q Now that document would indicate that what is
13 happening in the diagram is happening in Tampa, is that
14 correct?

15 A That is what the document says.

16 Q And it is happening this year, is that correct?

17 A That's what the document says.

18 Q Now, if ATM is a forward-looking technology in
19 Florida, why would you not model it for its function here in
20 this diagram as part of ICM?

21 A I think the answer is found at the bottom of Page 3,
22 and I don't believe this is proprietary. It is a notice that
23 reads, "This material is part of ongoing efforts of Verizon and
24 Verizon management to engage in thoughtful considerations of
25 the fundamental changes and challenges facing the

1 telecommunications industry. To meet its fiduciary
2 responsibilities, management must explore all alternatives even
3 those that may appear highly speculative and hypothetical.
4 Statements and representations contained herein are preliminary
5 and are tentative and should not be relied on unless approved
6 by the appropriate Verizon governing body."

7 Q Now, is that notice a generic notice on every page of
8 this document, it is not specific to any one page?

9 A That notice does appear on every page of this docket.
10 On every page of this docket it appears to talk about ATM, so I
11 assume it applies to ATM.

12 Q Now, as we have talked about before, this is neither
13 hypothetical nor speculative because it is actually taking
14 place in Tampa today, is that correct?

15 MR. HUTHER: Objection. Mr. Hatch's question assumes
16 facts that are not in evidence. He has not laid the
17 appropriate foundation for the question that he has phrased.

18 CHAIRMAN JABER: Mr. Hatch, the objection is you
19 haven't laid the appropriate foundation to establish the
20 question you just asked.

21 BY MR. HATCH:

22 Q Is ATM in Tampa, Florida as this document indicates
23 speculative?

24 A Well, this is the first time I have seen the
25 document, so I have to infer as to what its meaning is. And

1 the conclusion that is not speculative even given the
2 assumption we have deployed ATM in Tampa, Florida on the time
3 frame discussed here does not follow. The reason is it could
4 very well be a trial of the technology. They may have chosen
5 Florida for the simple reason that it is a fairly large compact
6 network. We cover the entire LATA. If it is a trial, it may
7 be the technology doesn't meet Verizon's business needs. So, I
8 am unable, I think the parties in this docket are unable to
9 draw any conclusions from this document.

10 CHAIRMAN JABER: Mr. Tucek, you raise an interesting
11 point. Is it for -- when we decide what the forward-looking
12 costs are, should we be looking at what technologies will be
13 used by Verizon in a forward-looking environment, or is it
14 looking at the telecommunications market overall and what is
15 reasonable to assume would be contained. What technologies
16 will be used in a forward-looking network? It seems to me it
17 would be the latter. Maybe you could clarify that for me.

18 THE WITNESS: It is always bad to disagree with the
19 Chairman, but I have to disagree.

20 CHAIRMAN JABER: You wouldn't be the first.

21 THE WITNESS: And probably not the last.

22 CHAIRMAN JABER: Not the last, no.

23 THE WITNESS: And that's probably a good thing. I
24 think you need to look at the technologies that Verizon is
25 actually going to employ. The reason is as I have testified

1 before in this state, and I believe the Commission has borrowed
2 the phrase that costs have to have a basis in reality. And you
3 need to move the model's network as close to the real network
4 as is possible. Now, you should do things like take out open
5 wire even though it does exist in the model, or if we had
6 analog switches you should take those out, because quite
7 certainly they are going to be replaced.

8 But as Mr. Hatch is trying to suggest that we are
9 going to wholesale employ ATM switches because we appear to
10 have one switch in Tampa, Florida which given this footnote
11 and -- well, just given this footnote could very well just be a
12 trial technology doesn't mean you should put that in the model.
13 You need to have the costs in the network that Verizon expects
14 to deploy.

15 CHAIRMAN JABER: Do you have independent knowledge
16 that this technology referenced in this confidential document
17 is a trial technology being deployed by Verizon?

18 THE WITNESS: No, I'm sorry, I do not. I could check
19 that for you if you would like.

20 CHAIRMAN JABER: That won't be necessary. Do you
21 have any independent knowledge with regard to whether this
22 technology would ever be deployed in Verizon's territory?

23 THE WITNESS: No, I do not.

24 CHAIRMAN JABER: So if throughout the course of this
25 hearing it was shown through other testimony that this

1 technology is, in fact, deployed in Verizon's territory and
2 will continue to be used by Verizon, would you agree with me
3 then that it belongs in the model?

4 THE WITNESS: It depends what the testimony you
5 hypothesize says, which Verizon is it talking about. Is it
6 talking about Verizon Florida? I know that the switches we
7 have modeled in ICM-Florida match up with the switches in the
8 wire centers.

9 CHAIRMAN JABER: Okay. Well, if the testimony
10 indicated that Verizon Florida planned on using this technology
11 in the future -- currently or in the future, would you agree
12 with me that it should be accounted for in the model?

13 THE WITNESS: If such testimony indicated that, and
14 it was not going to be on a speculative or technology testing
15 basis, that, yes, this is viable technology, we are going to go
16 forward with it, we have a plan to replace our switches with
17 this technology, then, yes, I would agree with you.

18 CHAIRMAN JABER: Okay. Now let's talk about the
19 speculative or the testing. Let's say it is a pilot project.
20 Wouldn't it be incorrect to not include it in the model if,
21 let's say based on the result of the pilot or the testing, in
22 fact, Verizon chooses to deploy this technology going forward?

23 THE WITNESS: It would not be correct to include it
24 in the model, and I will give you an example. We had a data
25 request asking how many GTD-5s, I believe, we deployed in the

1 actual network. And the answer was 61. And if you look in the
2 model, we have 60. So, I anticipated a question so I tried to
3 get the answer. The answer is that the additional GTD-5 in the
4 network is a test switch. It is used to test new software, it
5 is used also for trading. That is certainly a cost, but it is
6 not a cost of a modeled network -- that should be included in
7 the model network because we are not using it to carry traffic.

8 We have an ATM switch by hypothesis in terms of our
9 discussion that is for testing, testing the ATM technology in
10 Tampa, Florida. I am quite certain they have not turned off
11 the DMS 100. It would be a very risky thing to do. If they
12 are testing it, they are going to test it by, you know, in a
13 measured controlled fashion routing traffic to it, see how the
14 switch responds, whatever a switching engineer would do. The
15 results of that test, if it is a test, certainly aren't known.
16 You could not, in my mind, in clear conscience include it in
17 the model. You have to have a modeled network that reflects
18 what you are doing today for your customers, for your end users
19 and the ALECs.

20 CHAIRMAN JABER: Thank you, Mr. Tucek.

21 BY MR. HATCH:

22 Q Turning back again, Mr. Tucek, to Page 3 of that
23 document. The title at the top of that page indicates that
24 packet telephony phase one technologies are becoming real for
25 Florida, isn't that correct?

1 A That's what the title says.

2 Q And the text there indicates that the ATM will
3 provide increased capacity for Verizon Class 4 switching
4 offices and will help address tandem exhaust, isn't that
5 correct?

6 A That is what the document says.

7 Q And then down in the third bullet point it says that
8 this is scheduled for cutover for selected voice traffic in
9 March of 2002, is that correct?

10 A Yes. You asked me that same question earlier.

11 Q And the initial deployment will be expanded over the
12 next two years, is that correct?

13 A That is what the document says.

14 Q That would indicate to you, would it not, that this
15 was more than a simple trial, would that be correct?

16 A No, it wouldn't. This is obviously somebody's
17 presentation. And when you present something you become an
18 advocate for it. So I think this last bullet is predicated on
19 if it is a trial, a successful trial. If the trial were not
20 successful, I don't think Verizon would expand the use of the
21 technology.

22 Q Run that by me again, I'm sorry.

23 A I said if the trial were not successful, I do not
24 believe Verizon would expand the use of the technology.

25 Q Now, if you look at the second bullet up, doesn't

1 that indicate that it is in final testing now?

2 (Transcript continues in sequence with Volume 6.)

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STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Office of Hearing Reporter Services, FPSC Division of Commission Clerk and Administrative Services, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 6th day of May, 2002..



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