

E. EARL EDENFIELD JR.  
Senior Regulatory Counsel

BellSouth Telecommunications, Inc.  
150 South Monroe Street  
Room 400  
Tallahassee, Florida 32301  
(404) 335-0763

June 25, 2003

Mrs. Blanca S. Bayó  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**Re: Docket No. 030137-TP (ITC^DeltaCom)**

Dear Ms. Bayó:

Enclosed please find the original and fifteen copies of BellSouth Telecommunications, Inc.'s Rebuttal Testimony of Kathy K. Blake, W. Keith Milner, Ronald M. Pate, and John A. Ruscilli, which we ask that you file in the above-referenced matter.

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,



E. Earl Edenfield, Jr.

(EA)

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

DOCUMENT NUMBER-DATE

05677 JUN 25 '03

FPSC-COMMISSION CLERK

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

BELLSOUTH TELECOMMUNICATIONS, INC.  
REBUTTAL TESTIMONY OF KATHY K. BLAKE  
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 030137-TP  
JUNE 25, 2003

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

A. My name is Kathy K. Blake. I am employed by BellSouth as Manager – Policy Implementation for the nine-state BellSouth region. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

A. Yes, I filed direct testimony in this proceeding on May 19, 2003.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to rebut, in part, the testimony of ITC^DeltaCom ("DeltaCom") witnesses Jerry Watts and Steve Brownworth. Additionally, BellSouth understands that the parties have resolved issues 30, 31, 33, and 34. As such, I am not providing rebuttal testimony on these issues. However, should that not be the case, BellSouth reserves its right to file

1 supplemental testimony.

2

3 *Issue 26: Local Switching – Line Cap and Other Restrictions (Attachment 2 –*  
4 *Sections 10.1.3.2 and 10.1.2):*

5 *(a) Is the line cap on local switching in certain designated MSAs only for a*  
6 *particular customer at a particular location?*

7 *(b) Should the Agreement include language that prevents BellSouth from*  
8 *imposing restrictions on DeltaCom’s use of local switching?*

9 *(c) Is BellSouth required to provide local switching at market rates where*  
10 *BellSouth is not required to provide local switching as a UNE? Does the*  
11 *Florida Public Service Commission have the authority to set market rates for*  
12 *local switching? If so, what should be the market rate?*

13

14 Q. IN ADDRESSING ISSUE 26(b), DELTACOM PROPOSES LANGUAGE  
15 THAT DELTACOM ASSERTS “IS NECESSARY TO ENSURE THAT  
16 BELLSOUTH DOES NOT ATTEMPT TO IMPOSE ARBITRARY  
17 RESTRICTIONS OR LIMITATION, EITHER EXPLICITLY OR  
18 IMPLICITLY, THAT CREATE BARRIERS TO ITC^DELTACOM’S  
19 ABILITY TO ACCESS UNES UNDER STATE AND FEDERAL RULES  
20 AND REGULATIONS.” (WATTS, PAGE 16) WHY IS BELLSOUTH  
21 OPPOSED TO INCLUDING DELTACOM’S PROPOSED LANGUAGE?

22

23 A. DeltaCom’s proposed language is neither necessary nor appropriate. Language  
24 set forth in section 10.1.1 of Attachment 2, to which both DeltaCom and  
25 BellSouth have agreed, obligates BellSouth to “provide non-discriminatory

1 access to local circuit switching capability, and local tandem switching  
2 capability, on an unbundled basis, except as set forth below in Section 10.1.3  
3 below to ITC^DeltaCom for the provision of a telecommunications service.”  
4 The exception reference in Section 10.1.3 specifically addresses the definition  
5 of Local Circuit Switching Capability and sets forth the 4-line exception.  
6

7 Additionally, the undisputed language in the Interconnection Agreement  
8 allows DeltaCom to obtain unbundled switching except in those limited  
9 situations in which the FCC has expressly stated that DeltaCom is not entitled  
10 to obtain unbundled switching. No additional language is necessary or  
11 appropriate.  
12

13 Q. ON PAGE 17, MR. WATTS CONTENDS THAT BELLSOUTH SHOULD  
14 BE REQUIRED TO OBTAIN COMMISSION APPROVAL FOR A  
15 METHODOLOGY FOR ESTABLISHING MARKET RATES FOR LOCAL  
16 CIRCUIT SWITCHING. HOW DO YOU RESPOND?  
17

18 A. Mr. Watts appears to be confused. In order for BellSouth to be relieved of its  
19 obligation to offer unbundled network elements (“UNEs”) at rates based on  
20 total element long run incremental cost (“TELRIC”), either this Commission or  
21 the FCC would have had to make a determination that Competitive Local  
22 Exchange Carriers (“CLECs”) are not impaired without the UNE. One of the  
23 factors in determining whether CLECs are impaired is the existence of  
24 alternative providers for the capability. In taking issue with the use of the term  
25 “market rates”, Mr. Watts compares BellSouth’s market rate for a port with the

1 Florida TELRIC rate and inappropriately asserts that there has not been a  
2 demonstration that a competitive market exists. If that were the case (which it  
3 is not), BellSouth would still be obligated to ubiquitously offer unbundled  
4 local switching at TELRIC rates and would not have the ability to put forth a  
5 market rate for those exempted situations. Market rates are by definition set  
6 by the market; they are not set by methodologies such as TELRIC, as  
7 DeltaCom seems to suggest.

8  
9 Furthermore, being relieved of its obligation to provide local switching at  
10 artificially-low TELRIC prices does not mean that BellSouth no longer  
11 provides local switching to CLECs like DeltaCom. Instead, what that will  
12 mean is that in recognition of the fact that CLECs are not impaired in their  
13 ability to either provide their own local switching or to obtain local switching  
14 from other sources, the prices BellSouth may charge for local switching will no  
15 longer be limited by the artificial, hypothetical, and forward-looking TELRIC  
16 methodology. Instead, the market will set those prices. In other words, if  
17 BellSouth's price for local switching is too high, one of the many other carriers  
18 with switching capacity will offer lower prices to DeltaCom and other CLECs.  
19 That is the way competition works. Mr. Watts' suggestion that the  
20 Commission should continue to monitor BellSouth's prices after a  
21 determination has been made that CLECs are not impaired in their ability to  
22 obtain local switching has no merit whatsoever.

23

24 *Issue 36: UNE/Special Access Combinations (Attachment 2 – Sections 10.7 and*  
25 *10.9.1):* •

1           (a) *Should DeltaCom be able to connect UNE loops to special access*  
2           *transport?*

3           (b) *Does BellSouth combine special access services with UNEs for other*  
4           *ALECs?*

5

6 Q.       ALTHOUGH MR. BROWNORTH ACKNOWLEDGES THAT  
7       DELTA COM BELIEVES THE FCC WILL ADDRESS THIS ISSUE IN ITS  
8       TRIENNIAL REVIEW ORDER, HE PROPOSES ON PAGE 29 OF HIS  
9       PREFILED TESTIMONY THAT THE COMMISSION SHOULD REQUIRE  
10       BELLSOUTH TO PROVIDE UNE/SPECIAL ACCESS SERVICES  
11       COMBINATIONS FOR THE FULL TERM OF THE INTERCONNECTION  
12       AGREEMENT. HOW DO YOU RESPOND?

13

14 A.       As I discussed in my direct testimony, the existing FCC rules do not obligate  
15       BellSouth to provide combinations of UNEs and tariffed services. While it is  
16       likely that the FCC will address its current prohibition against “co-mingling”  
17       in its Triennial Review, the final outcome of the FCC’s impending ruling is  
18       unclear. Until the FCC’s written order becomes effective, any action contrary  
19       to the current rules, which is based solely on DeltaCom’s speculation of what  
20       the FCC might decide, is premature and inappropriate.

21

22 *Issue 37: Conversion of a Special Access Loop to a UNE Loop that Terminates to*  
23 *DeltaCom’s Collocation (Attachment 2): Where DeltaCom has a special*  
24 *access loop that goes to DeltaCom’s collocation space, can that special*  
25 *access loop be converted to a UNE loop?*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

Q. PLEASE ADDRESS MR. BROWNORTH'S STATEMENT ON PAGE 29 THAT "BELLSOUTH HAS AGREED TO LANGUAGE WITH AT&T WHEREBY BELLSOUTH HAS AGREED TO CONVERT A SPECIAL ACCESS LOOP TO A UNE LOOP THAT GOES TO A COLLOCATION SITE WITHOUT ANY DISCONNECTION TO THE CUSTOMER."

A. Mr. Brownworth's statement is totally incorrect. BellSouth has not agreed to any such language with AT&T; however, any ALEC, including DeltaCom, has the ability to make such a request through the New Business Request ("NBR") process.

*Issue 57: Rates and Charges for Conversion of Customers from Special Access to UNE-based Service (Attachment 2 – Section 2.3.1.6):*

- a) *Should BellSouth be permitted to charge DeltaCom for converting customers from a special access loop to a UNE loop?*
- b) *Should the Agreement address the manner in which the conversion will take place? If so, must the conversion be completed such that there is no disconnect and reconnect (i.e., no outage to the customer)?*

Q. ON PAGE 45, MR. BROWNORTH SUGGESTS THAT DELTACOM SHOULD BE ALLOWED TO UTILIZE A SPREADSHEET PROCESS TO FACILITATE THE "CONVERSION" OF MULTIPLE SPECIAL ACCESS CUSTOMERS TO STAND-ALONE UNES. PLEASE RESPOND.

1 A. Contrary to Mr. Brownworth's contentions, the BellSouth and AT&T current  
2 Interconnection Agreement does not permit "AT&T to send a spreadsheet with  
3 a list of special access circuits to be converted to a UNE loop." To the extent  
4 DeltaCom desires BellSouth to consider a new business request for a service or  
5 capability that BellSouth is not obligated to provide, DeltaCom may avail itself  
6 of the NBR process. In fact, AT&T has submitted such a request, and in  
7 response, BellSouth proposed a project-managed process to facilitate the  
8 replacement of existing special access services with stand-alone UNEs in such  
9 a way as to minimize disruption of service to end users. The conversion  
10 process is a complex process and is not a simple billing change as described by  
11 AT&T (and DeltaCom). A copy of BellSouth's correspondence to AT&T  
12 regarding AT&T's NBR is attached as Rebuttal Exhibit KKB-1 to my rebuttal  
13 testimony.

14  
15 Q. ON PAGE 45, MR. BROWNORTH STATES THAT "ITC^DELTACOM  
16 DOES NOT WANT TO PAY FOR THE FULL INSTALLATION CHARGES  
17 OF THE FCC CIRCUIT AND THEN TURN AROUND AND INCUR THE  
18 FULL INSTALLATION CHARGES OF A UNE CIRCUIT WHEN THERE  
19 IS NO DISCONNECT OR RECONNECT." PLEASE DESCRIBE THE  
20 CHARGES THAT ARE APPLICABLE WHEN DELTACOM REQUESTS  
21 STAND-ALONE UNEs TO REPLACE SPECIAL ACCESS SERVICES.

22  
23 A. DeltaCom can avoid paying the "full installation charges of the FCC circuit"  
24 by initially choosing to order stand-alone UNEs instead of special access  
25 circuits. The applicable and appropriate charges for the installation and



1 provisioning of stand-alone UNEs are the non-recurring rates approved by this  
2 Commission in its Orders in Docket No. 990649A-TP. Should DeltaCom  
3 choose to order special access circuits, instead of stand-alone UNEs, it should  
4 be charged for those circuits in accordance with the applicable BellSouth  
5 special access services tariff.

6

7 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

8

9 A. Yes.

10

11 # 493890

12

13

14

15

16

17

18

19

20

21

22

23

24

25



---

BellSouth Telecommunications  
Interconnection Services  
675 W. Peachtree Street, NE  
Room 34591  
Atlanta, GA 30075

Shelley P. Walls  
Manager – Regulatory and Policy Support  
  
(404) 927-7511  
Fax (404) 529-7839  
e-mail: shelley.walls@bellsouth.com

September 11, 2002

**VIA ELECTRONIC MAIL**

Ms. Denise Berger  
Operations AVP – Local Supplier Management  
AT&T  
Room 12256  
1200 Peachtree Street NE  
Atlanta, GA 30309

Dear Denise:

This is in response to your letter dated August 30, 2002, regarding the conversion of special access circuits to Unbundled Network Elements (UNE). First, let me state that I am surprised by the adversarial tone of your letter given that we have had one conversation regarding this issue. Further, I am concerned by your interpretation of that conversation. BellSouth disagrees with a large portion of the statements in your letter regarding BellSouth's position, beginning with your characterization of AT&T's requested service as currently combined UNEs, when in fact, AT&T's request is for single uncombined network elements. This response will follow the structure of your letter.

*Pricing and Conversion Process*

The Federal Communications Commission (FCC) has never mandated anything regarding conversions of standalone special access services. Your reference to the Supplemental Order Clarification is irrelevant as it did not deal with combinations of loop and transport network elements, nor does the reasoning of that order apply to this situation. By definition, there is nothing for a standalone element to be separated from and AT&T clearly could have ordered these circuits initially as UNEs rather than attempting to convert them now.

BellSouth has no process to "convert" standalone special access services to UNEs. BellSouth has simply proposed, at AT&T's request, a process to facilitate the replacement of existing special access services with UNEs in such a way as to minimize disruption of service to AT&T's end users. Your statement that AT&T's request was nothing more than a simple change from one billing platform to another is incorrect. Three orders for each circuit are required to accomplish AT&T's request. The first order updates the circuit identification (ID) record in the Trunks Integrated Record Keeping System (TIRKS). When a trouble is reported, the BellSouth technician will locate the circuit in TIRKS and begin the trouble resolution process. A disconnect order must be

issued to remove the special access service from BellSouth's access services billing, maintenance, and other record-keeping systems, and a new order must be issued to place the UNE into the UNE billing, maintenance, and other record-keeping systems. As you are aware, AT&T is able to do this itself. There is no means for either AT&T or BellSouth to relate the orders automatically; in order to minimize end user disruptions, the two sets of orders will have to be manually "related" at every step. A hot cut is not analogous as it simply requires coordination between one person at AT&T and one person at BellSouth on a single order. The process requested by AT&T requires the coordination of at least one person at AT&T, at least two of BellSouth's centers, and the central office personnel to complete two orders for each circuit. AT&T is requesting this for more than 100 circuits.

The pricing provided to AT&T in June 2002 reflects reasonable rates for the work involved in BellSouth, such as issuing the orders and project managing the process so that the orders, which flow through entirely different sets of systems, are worked together. BellSouth has a standard Professional Services offering for writing and processing orders [\$175 per Local Service Request (LSR) and Access Service Request (ASR)] and standard project management hourly fees. There are cost studies to support these offerings, and BellSouth based its quote to AT&T on these studies and its experience with other projects in estimating the amount of time needed to complete AT&T's request. Again, these rates are not TELRIC rates, but are market rates, as BellSouth is in no way obligated to provide the conversion requested by AT&T.

#### *Billing*

BellSouth's response is consistent with all orders that BellSouth processes. The billing does not change until the order effectuating the billing is completed.

BellSouth has in no way been intransigent nor is there any reason to suggest that BellSouth has acted in any way other than in accordance with its obligations under the Interconnection Agreement. BellSouth's records indicate that AT&T submitted a request to convert special access circuits in Georgia to UNE/loop only circuits via an e-mail dated April 12, 2002, which is the first record BellSouth has of AT&T's effort to accomplish this project. On April 29, 2002, BellSouth replied to AT&T's April 12 e-mail advising that the spreadsheet AT&T had attached to its e-mail was not the appropriate method to request such a conversion. The April 29 letter also stated that AT&T's request was for a business process that is not currently offered by BellSouth and that a New Business Request (NBR) was required. When BellSouth did not hear from AT&T, the BellSouth Local Contract Manager, on behalf of AT&T, submitted the request into the BellSouth NBR process. On June 24, 2002, BellSouth replied to the NBR with a proposal outlining the necessary steps and the terms and conditions under which BellSouth would be willing to perform the professional services that AT&T requested. The charges for the project were provided to AT&T on June 26, 2002. AT&T did not respond to BellSouth's offer until August 15, 2002. Attachment 10, Section 1.6 of AT&T's Interconnection Agreement clearly states that BellSouth will proceed beyond providing the preliminary analysis when AT&T provides a written notice to proceed. AT&T has not provided such a notice to date.

#### *Ongoing Conversions*

This is not an on-going process. For each circuit, order writing, coordination, and project management will have to occur. This is not something that can be turned into a routine, automated process without a substantial amount of time and money involved. As was explained, the structure of the charges for each request would be approximately the same, barring any unforeseen circumstances. If AT&T requests a substantially similar service for similarly situated circuits, the rates that you have been quoted would apply. To the extent that the work required is the same and the cost for the inputs are the same,

the rates and terms would be the same. However, the rates may be different in different states due to the configuration, different ordering charges and different cost of labor, for example.

Additionally, there is no reason that this should be an on-going process. AT&T is free to order the service it desires for the long term and should do so on a going-forward basis.

Sincerely,

Shelley P. Walls  
Manager – Regulatory and Policy Support  
Interconnection Services

FATT  
08/30/02

