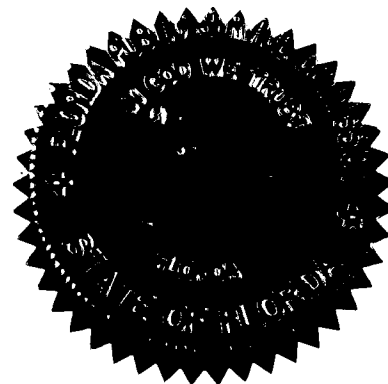


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030137-TP

In the Matter of

PETITION FOR ARBITRATION OF  
UNRESOLVED ISSUES IN NEGOTIATION  
OF INTERCONNECTION AGREEMENT WITH  
BELLSOUTH TELECOMMUNICATIONS, INC.  
BY ITC^DELTACOM COMMUNICATIONS,  
INC. d/b/a ITC ^DELTACOM



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VOLUME 2

PAGES 146 THROUGH 307

PROCEEDINGS: HEARING

BEFORE: COMMISSIONER J. TERRY DEASON  
COMMISSIONER BRAULIO L. BAEZ  
COMMISSIONER CHARLES M. DAVIDSON

DATE: Wednesday, September 3, 2003

TIME: Commenced at 9:30 a.m.

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

REPORTED BY: LINDA BOLES, RPR  
Official FPSC Reporter  
(850) 413-6736

APPEARANCES: (As heretofore noted.)

DOCUMENT NUMBER-DATE

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## I N D E X

## WITNESSES

NAME:

PAGE NO.:

DON J. WOOD

Direct Examination by Mr. Self	149
Prefiled Direct Testimony Inserted	153
Prefiled Rebuttal Testimony Inserted	184
Cross Examination by Mr. Shore	189

STEVE BROWNORTH

Direct Examination by Ms. Edwards	194
Prefiled Direct Testimony Inserted	198
Prefiled Rebuttal Testimony Inserted	244
Cross Examination by Mr. Shore	275
Cross Examination by Mr. Teitzman	295
Redirect Examination by Ms. Edwards	301

CERTIFICATE OF REPORTER

307

## EXHIBITS

1	NUMBER:	ID.	AMDTD.
2			
3	9 DJW-1 and DJW-2	151	193
4			
5	10 (Confidential) DJW-3	152	
6	(REPORTER'S NOTE: Exhibit 10 withdrawn in Volume 2, Page 152.)		
7	11 SB-1 through SB-6	196	306
8			
9	12 SB-7 through SB-13	196	306
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
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## P R O C E E D I N G S

(Transcript continues in sequence from Volume 1.)

MR. SELF: ITC^DeltaCom would call Don Wood. And, Mr. Chairman, Mr. Wood was not sworn.

COMMISSIONER DEASON: Please stand and raise your right hand.

DON J. WOOD

was called as a witness on behalf of ITC^DeltaCom and, having been duly sworn, testified as follows:

DIRECT EXAMINATION

COMMISSIONER DEASON: Thank you.

DIRECT EXAMINATION

BY MR. SELF:

Q Mr. Wood, could you please state your name for the record.

A Yes. My name is Don J. Wood.

Q And whom are you employed by and in what capacity?

A I'm a principle in the firm of Wood & Wood. We provide economic and regulatory consulting services to firms in the telecommunications industry.

Q And on whose behalf are you appearing in this proceeding?

A ITC^DeltaCom.

Q And in connection with that appearance did you cause to be prepared and filed 31 pages of direct testimony?

1 A Yes, sir.

2 Q Do you have any changes or corrections to that  
3 testimony?

4 A I have one correction. On Page 18, Line 6 there's an  
5 underlined header that introduces the paragraph by issue. It  
6 reads, "Issue 53:." It should read, "Issues 53 and 56:,"  
7 because the discussion that follows relates to both issues.

8 Q Very well. Do you have any other changes or  
9 corrections to your prefiled direct testimony?

10 A I do not.

11 Q If I were to ask you the same questions today as in  
12 your prefiled testimony, would your answers be the same?

13 A Yes, sir, they would.

14 Q And did you also cause to be prepared and filed  
15 rebuttal testimony consisting of two pages?

16 A Yes, sir.

17 Q And do you have any changes or corrections to that  
18 testimony?

19 A I do not.

20 Q So if I were to ask you those same questions today,  
21 would your answers be the same?

22 A Yes, sir, they would.

23 MR. SELF: Mr. Chairman, we would move that the  
24 prefiled direct and rebuttal testimony of Don J. Wood be  
25 inserted in the record as though read.

1 COMMISSIONER DEASON: Without objection, it shall be  
2 so inserted.

3 BY MR. SELF:

4 Q Now, Mr. Wood, in connection with your direct  
5 testimony did you prepare three exhibits which have been  
6 identified as DJW-1 consisting of 19 pages and DJW-2 consisting  
7 of one page?

8 A Yes, sir.

9 Q Do you have any changes or corrections to those  
10 exhibits?

11 A I do not.

12 MR. SELF: Mr. Chairman, these two exhibits I've  
13 grouped together. They involve nonconfidential information,  
14 and we would ask that they be assigned the next number.

15 COMMISSIONER DEASON: Composite Exhibit 9.

16 (Exhibit 9 marked for identification.)

17 BY MR. SELF:

18 Q Thank you. And, Mr. Wood, did you also in connection  
19 with your direct testimony have an Exhibit DJW-3 consisting of  
20 26 pages and which involved confidential information?

21 A Yes, I did.

22 Q And do you have any changes or corrections to that  
23 exhibit?

24 A No, sir, I do not.

25 MR. SELF: Mr. Chairman, we would ask that

1 confidential Exhibit DJW-3 be assigned the next number.

2 COMMISSIONER DEASON: Exhibit 10.

3 (Exhibit 10 marked for identification.)

4 MR. SHORE: Mr. Chairman, if I could be heard for a  
5 moment. It's my understanding that Exhibit DJW-3 that you've  
6 asked for confidential treatment I believe doesn't contain  
7 confidential information. It relates to an issue that is no  
8 longer a dispute in this arbitration. I would proffer that  
9 rather than going through the procedural mess of identifying it  
10 and introducing it, it's no longer relevant to this  
11 arbitration, and to then have a confidential exhibit which  
12 isn't necessary, that we don't go through that process unless  
13 DeltaCom feels strongly for some reason.

14 MR. SELF: Mr. Chairman, that's a good suggestion and  
15 we'll be happy to withdraw that exhibit.

16 COMMISSIONER DEASON: Okay.

17 (Exhibit 10 withdrawn.)

18 BY MR. SELF:

19 Q And I believe, Mr. Wood, that there were no exhibits  
20 associated with your rebuttal testimony.

21 A That's correct.

22

23

24

25

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Don J. Wood. I am a principal in the firm of Wood & Wood,  
3 an economic and financial consulting firm. My business address is 4625  
4 Alexander Drive, Suite 125, Alpharetta, Georgia 30022. I provide  
5 economic and regulatory analysis of the telecommunications, cable, and  
6 related convergence industries, with an emphasis on economic policy,  
7 development of competitive markets, and cost-of-service issues.

8

9 Q. PLEASE DESCRIBE YOUR BACKGROUND AND EXPERIENCE.

10 A. I received a BBA in Finance with distinction from Emory University and  
11 an MBA with concentrations in Finance and Microeconomics from the  
12 College of William and Mary. My telecommunications experience  
13 includes employment at both a Regional Bell Operating Company  
14 ("RBOC") and an Interexchange Carrier ("IXC").

15 Specifically, I was employed in the local exchange  
16 industry by BellSouth Services, Inc. in its Pricing and  
17 Economics, Service Cost Division. My responsibilities included  
18 performing cost analyses of new and existing services, preparing  
19 documentation for filings with state regulatory commissions and



1 the Federal Communications Commission ("FCC"), developing  
2 methodology and computer models for use by other analysts, and  
3 performing special assembly cost studies.

4 I was employed in the interexchange industry by MCI  
5 Telecommunications Corporation, as Manager of Regulatory  
6 Analysis for the Southern Division. In this capacity I was  
7 responsible for the development and implementation of  
8 regulatory policy for operations in the southern U. S. I then  
9 served as a Manager in MCI's Economic Analysis and  
10 Regulatory Affairs Organization, where I participated in the  
11 development of regulatory policy for national issues.

12  
13 Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY  
14 BEFORE STATE REGULATORS?

15 A. Yes. I have testified on telecommunications issues before the regulatory  
16 commissions of thirty-three states, Puerto Rico, and the District of  
17 Columbia. I have also presented testimony regarding telecommunications  
18 issues in state, federal, and overseas courts, before alternative dispute

1 resolution tribunals, and at the FCC. A listing of my previous testimony is  
2 attached as Exhibit DJW-1.

3

4 Q. PLEASE DESCRIBE YOUR EXPERIENCE REVIEWING  
5 COST STUDIES, MODELS, AND METHODOLOGIES.

6 A. While employed in the BellSouth Service Cost Division, I had the  
7 opportunity to work with a number of cost models, and to analyze  
8 and review the manner in which these models were used in the  
9 cost development process. Since that time, I have reviewed cost  
10 studies performed by each of the seven (now four) RBOCs, and a  
11 number of other incumbent local exchange carriers (“ILECs”),  
12 including both Tier 1 companies and smaller carriers. In each  
13 case, my review of these cost studies has included an extensive  
14 evaluation of the methodologies, computer models and  
15 spreadsheets, and inputs/assumptions employed by the particular  
16 ILEC.

17 I have also been asked by regulators to develop detailed  
18 rules for ILECs’ performance of cost studies. My proposed  
19 costing rules have been adopted and implemented in both

1 Delaware and Wyoming.

2

3 Q. DO YOU HAVE EXPERIENCE IN THE NEGOTIATION AND  
4 ARBITRATION OF INTERCONNECTION AGREEMENTS  
5 BETWEEN CARRIERS?

6 A. Yes. I have had the responsibility of negotiating specific provisions of  
7 interconnection agreements and in nearly all instances, ultimately  
8 arbitrating at least some terms of those agreements. To date, I have  
9 participated in over fifty such arbitrations conducted pursuant to §251 of  
10 the 1996 Act.

11 Equally importantly, during the seven years in which the Act has  
12 been in effect I have been involved in various aspects of the ongoing  
13 relationships between THE carriers that have entered into these  
14 interconnection agreements. I have had the opportunity as a consultant to  
15 state regulators, as a consultant to Competitive Local Exchange Carriers  
16 (“CLECs”), and as an end user of telecommunications services to closely  
17 observe how the ongoing working relationship between carriers impacts  
18 end user customers. The conclusions that I reach in this testimony, and  
19 the recommendations I make, are based on both my experience with cost

1 analysis in the industry and my experience observing how incumbent  
2 ILECs and CLECS work together – or fail to work together – in the  
3 context of providing telecommunications services to the general public.

4

5 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

6 A. For the past several months, representatives of ITC^DeltaCom  
7 (“DeltaCom”) have attempted to negotiate the terms of a new  
8 interconnection agreement with representatives of BellSouth  
9 Telecommunications, Inc. (“BellSouth”). In spite of these efforts, a large  
10 number of issues remain in dispute. I have been asked by DeltaCom to  
11 address several of these disputed issues.

12 Specifically, I will address issue numbers 50, 51, 53, 54, 55, 56,  
13 and 70 as set forth in DeltaCom’s Petition for Arbitration and the Issues  
14 Matrix. These disputed issues fall into three categories:

15 **1. Rates proposed by BellSouth that are excessively high.** BellSouth  
16 is proposing rates that significantly exceed the cost incurred to perform  
17 the requested tasks, or that attempt to recover costs associated with tasks  
18 not actually performed.

19 **2. Rates proposed by BellSouth that have not been approved, or**

1           **even examined, by this Commission.** BellSouth is insisting that the  
2           interconnection agreement incorporate by reference rates from its  
3           interstate access tariff. These rates have not been reviewed by the  
4           Commission, and BellSouth's proposal would set a dangerous precedent  
5           by eliminating the Commission's ability to review important elements of  
6           carrier interconnection agreements.

7           **3. The need for BellSouth to fairly compensate DeltaCom for the**  
8           **work it performs pursuant to BellSouth's request.** BellSouth  
9           processes requests made by DeltaCom, and DeltaCom should and does  
10          pay BellSouth for doing so. When DeltaCom performs corresponding  
11          tasks for BellSouth (at BellSouth's request), BellSouth is refusing to  
12          similarly compensate DeltaCom.

13

14    Q.    WHY ARE THE TERMS OF AN INTERCONNECTION  
15          AGREEMENT IMPORTANT?

16    A.    While the overall importance of these contracts may be obvious, I would  
17          like to underscore the crucial nature of two kinds of provisions that  
18          appear within interconnection agreements. First, interconnected carriers  
19          charge each other for providing network facilities and for performing

1 work activities that make it possible for each carrier to offer service to  
2 end user customers. It is essential that these rates not be set at levels that  
3 will impair the ability of CLECs to compete, thereby impeding the  
4 development of competition in the markets for telecommunications  
5 services. It is also essential that these charges be assessed in a way that  
6 will permit each carrier to recover its costs and to create an ongoing  
7 incentive for carriers to work together in the best interest of end user  
8 customers.

9 Second, the contract terms and conditions set out the method by  
10 which the carriers will interact. Some of these provisions are explicit,  
11 while others merely “set the tone” for the interaction between competing  
12 providers. At the center of this interaction between carriers is the end  
13 user customer. Like the rates, these terms and conditions should provide  
14 ongoing incentives for carriers to work cooperatively when necessary to  
15 ensure that end user customers can receive the service they want, from  
16 the carrier they want, without being unduly inconvenienced.

17  
18 Q. IN YOUR EXPERIENCE, HAS THE INTERACTION BETWEEN  
19 COMPETING CARRIERS CHANGED OVER TIME?

1 A. Yes. The interaction between ILECs and CLECs, and the interaction  
2 between and among CLECs, has undergone a fundamental and important  
3 change. During the first few years after the passage of the Act, customer  
4 movement among carriers was primarily represented by customers  
5 leaving the ILEC, in this case BellSouth, and electing to instead take  
6 service from a CLEC. The interaction between BellSouth and CLECs  
7 was mostly a one-way affair: CLECs submitted LSRs to BellSouth to  
8 transfer customers, and their telephone numbers, to the CLEC (the  
9 transfer of the customer's telephone number, along with the customer  
10 itself, is typically referred to as the "porting" of a number. As I will  
11 describe later in my testimony, DeltaCom regularly performs this "port-  
12 out" function for BellSouth). Interaction between CLECs was minimal,  
13 as CLECs were more likely to "win" a customer away from BellSouth  
14 than from another CLEC. This appears to be true for two reasons. First,  
15 customers have shown some reluctance to change local carriers  
16 frequently, especially during the first years that competitive alternatives  
17 are available, and the customer of a CLEC would have – by definition –  
18 recently changed carriers. Second, a customer that elected to take service  
19 from a CLEC had already realized the benefit of lower price or additional

1 features when going from BellSouth to the CLEC, and would be  
2 reluctant to change to a second CLEC for what at the time probably  
3 represented a small incremental benefit. As a result, the important issues  
4 during previous §252 arbitrations centered around the facilities or work  
5 activities to be provided by the ILEC, and the corresponding rates that  
6 were to be paid by a CLEC.

7 In recent years, this interaction between carriers has evolved to  
8 one in which all carriers “win” customers from - and “lose” customers to  
9 – all other carriers. While DeltaCom continues to “win” customers away  
10 from BellSouth, BellSouth has begun to “win” customers from  
11 DeltaCom. In addition, it is becoming much more common for end user  
12 customers to move from one CLEC to another. Each of these kinds of  
13 customer movements is expected as the market continues to mature.

14 The direct consequence of these customer movements is an  
15 increase in the types of interaction among carriers. It is now common for  
16 BellSouth to request DeltaCom to “port” a customer back to BellSouth,  
17 and for CLECs to “port” numbers to other CLECs. In my testimony in  
18 previous BellSouth/DeltaCom arbitrations, I pointed out that this kind of  
19 reciprocal activity was certain to develop as the market become more



1 mature. My recommendation at that time was that carriers should adopt  
2 a “payment in kind” system for these types of activities: each carrier  
3 should be responsible for the costs of developing and operating a system  
4 for processing these kinds of requests. Under such an arrangement,  
5 customers and telephone numbers would be “ported” among carriers  
6 without the administrative burden of an explicit charge (and the  
7 associated billing, collection, and record keeping costs). BellSouth  
8 strenuously objected to my proposal, and argued instead that it had a  
9 legal right to recover all costs associated with processing a request from  
10 a CLEC. As a result, the current interconnection agreement contains a  
11 set of charges that are assessed by BellSouth when it performs such a  
12 work activity in response to a DeltaCom request.

13           During the period of time that the existing interconnection  
14 agreement has been in effect, DeltaCom has submitted requests to  
15 BellSouth, BellSouth has performed the requested tasks, and BellSouth  
16 has billed DeltaCom accordingly. During this same period of time,  
17 BellSouth has submitted a significant number of corresponding requests  
18 to DeltaCom, and DeltaCom has performed the requested tasks. The key  
19 distinction here is that BellSouth has not agreed to pay DeltaCom for

1 performing these tasks.

2

3 Q. DO ALL CARRIERS, INCLUDING ILECS AND CLECS, BENEFIT  
4 FROM THESE KINDS OF INTERCARRIER INTERACTIONS?

5 A. Yes. No carrier, including BellSouth, can offer services to all customers  
6 it wishes to serve without relying on good-faith interaction with other  
7 carriers.

8 While at first blush there is a tendency to consider only the  
9 benefit to carriers, it is important to recognize that the primary  
10 beneficiaries of this interaction are end user customers. A customer  
11 cannot avail himself/herself of a different product offering or lower price  
12 without the ability to change service providers, and to do so in a  
13 relatively painless way. During a customer transition, all carriers must  
14 have (1) the ability to recover the costs they incur for performing tasks  
15 for another carrier, (2) the incentive to work in a cooperative manner  
16 with the end user customer's interests in mind. To the extent possible,  
17 interconnection agreements should contain language that will encourage  
18 carriers to operate according to both the letter and spirit of the agreement.

19

1 Q. WHAT GUIDING PRINCIPLES SHOULD GOVERN WHEN  
2 DECIDING WHAT RATES, TERMS, AND CONDITIONS SHOULD  
3 ULTIMATELY BE INCLUDED IN AN ARBITRATED  
4 INTERCONNECTION AGREEMENT?

5 A. I believe that there are several principles that should be applied in this  
6 context:

- 7 1. Any interconnection agreement rates or terms must meet all  
8 requirements of both the Act and FCC rules.
- 9 2. Any interconnection agreement rates or terms must not impair the  
10 ability of CLECs to compete with BellSouth, and by doing so impede the  
11 development of competition for telecommunications services.
- 12 3. Any interconnection agreement rates or terms should permit each  
13 carrier to recover the cost it incurs to provide a requested facility to  
14 another carrier or to perform a requested work activity for another carrier  
15 (in this context, cost is intended to mean the level of cost that an efficient  
16 provider would incur and be able to recover in a competitive market).
- 17 4. Any interconnection agreement rates or terms should not require a  
18 carrier to pay for facilities that it does not need or for work activities it  
19 does not need. In other words, both facilities and work activities should

1 be sufficiently unbundled to permit efficient payment for only those  
2 services requested and rendered.

3 5. Any interconnection agreement rates or terms should provide  
4 incentives for carriers to interact in a way that will provide the best  
5 service to the end user customer. Carriers should interact in good faith to  
6 make the customer's transition from one carrier to another as  
7 straightforward and hassle-free as possible.

8 I have applied these basic principles when reviewing the  
9 proposed rates and contract language of each company.

10

11 **Certain rates proposed by BellSouth are excessively high, or are set to**  
12 **recover costs not actually incurred.**

13 Q. PLEASE DESCRIBE THE ISSUES THAT FALL INTO THIS

14 CATEGORY.

15 A. Issues 50 and 55 address this area of dispute.

16 Issue 50: Subsequent Application Fee for Physical Collocation

17 (Attachment 4, Section 6.3.1). When requesting physical collocation

18 space in a BellSouth central office, DeltaCom must first complete an

19 Initial Application that contains specific information regarding the

20 amount of space required, type of equipment to be installed, power and

1 HVAC requirements, floor loading requirements, etc. When such an  
2 Initial Application is submitted, BellSouth charges DeltaCom an  
3 Application Fee. The Application Fee is designed to recover the cost  
4 incurred by BellSouth to fully review the Initial Application, assess the  
5 applicant's needs, and prepare a response to the Initial Application.  
6 Based on BellSouth's response, DeltaCom can decide whether to proceed  
7 with the collocation. If it elects to proceed, DeltaCom must then pay  
8 BellSouth Space Preparation Fees and Space Enclosure Fees so that  
9 BellSouth can recover its costs of preparing the collocation space.

10 The process of applying for and securing collocation space can  
11 take several weeks or months from start to finish. During this time, it is  
12 possible that DeltaCom will determine that its needs differ from those set  
13 forth on the Initial Application. In order to make BellSouth aware of  
14 these changes, DeltaCom must submit a Subsequent Application. The  
15 changes in this Subsequent Application may include items, such as a  
16 change in the size of the enclosure or the power needs that will require  
17 BellSouth to perform work in order to assess this new set of needs and  
18 prepare a new Application Response. It is also possible that DeltaCom's  
19 Subsequent Application may be filed (as required by BellSouth) to report

1 inconsequential changes to the Initial Application, such as a simple name  
2 change. Whatever the nature of the change in the Subsequent  
3 Application, BellSouth is insisting that it now be permitted to charge  
4 DeltaCom a Subsequent Application Fee that includes the cost of  
5 reassessing BellSouth's ability to meet all of the requirements, whether  
6 or not such a reassessment is necessary or even conducted.

7           The existing interconnection agreement, reasonably enough,  
8 states "Where the subsequent application does not require assessment for  
9 provisioning or construction work by BellSouth, no Subsequent  
10 Application Fee will be required." This language also appears in  
11 interconnection agreements between BellSouth and other CLECs.  
12 BellSouth now asserts that it should be able to assess the fee in order to  
13 evaluate the Subsequent Application in order to determine whether it  
14 requires any reassessment. In other words, BellSouth is now insisting  
15 that it be able to charge a substantial fee in order to determine if the work  
16 that the fee is supposed to compensate it for actually needs to be done.  
17 There is absolutely no basis (in terms of costs or reasonableness) for  
18 BellSouth's position, and the existing language should be retained. No  
19 CLEC, including DeltaCom, should be required to pay BellSouth for

1 work it does not perform.

2 Issue 55: BellSouth's proposed charge for a "resend" of CFA  
3 information. All carriers must exchange this information. BellSouth  
4 provides the information to DeltaCom, DeltaCom provides the  
5 information to BellSouth, other CLECs exchange the information with  
6 BellSouth, and DeltaCom exchanges the information with other CLECs.  
7 Occasionally, carriers request that the information be resent (the data  
8 may be incomplete, corrupt, or simply lost). This is primarily  
9 accomplished via a facsimile transmission.

10 DeltaCom currently sends, and if requested resends, this  
11 information to BellSouth and other CLECs at no charge. Other CLECs  
12 and ILECs typically provide the information (and if necessary resend the  
13 information) to DeltaCom at no charge. To the best of my knowledge,  
14 no CLEC is charging to send, or if requested to resend, this information  
15 nor is at least one ILEC (Sprint). Only BellSouth is insisting on a fee for  
16 any retransmission of this information, based on the argument that it is  
17 not legally obligated to resend the information when requested. With no  
18 legal requirement to engage in this cooperative activity, BellSouth  
19 argues, it is not bound by the §252 pricing constraints, but instead may

1 charge a significantly higher rate (while it argues that its proposed rate is  
2 reasonable, BellSouth has provided no cost or other justification  
3 whatsoever). In other words, while all other carriers are working in a  
4 cooperative manner to exchange the information necessary to provide  
5 quality service to all end user customers, BellSouth is refusing to do so.  
6 To its "credit," BellSouth's position is that while it is not legally  
7 obligated to be reasonably cooperative in this manner, it is nevertheless  
8 willing to do so if the price is right (in this case, "right" apparently means  
9 a price much higher than the costs actually incurred to perform the task).

10 The best resolution of this issue is an interconnection agreement  
11 provision that requires each carrier to provide the information (and on  
12 those occasions in which it is requested, to fax the information a second  
13 time) on a "payment in kind" basis, so that each carrier provides the  
14 information to the other in exchange for reciprocal activity. If BellSouth  
15 is to be exempted from good-faith cooperation among carriers, at a  
16 minimum any proposed rate should be no higher than BellSouth's  
17 economic cost to undertake this activity.

18



1 **BellSouth is insisting that rates be included that have not been approved by**  
 2 **this Commission and which are beyond the Commission's jurisdiction.**

3 Q. PLEASE DESCRIBE THE ISSUES THAT FALL INTO THIS  
 4 CATEGORY.

5 A. Issues 53, 54, and 56 relate to this category of dispute.

*Issues 53 and 56:*

6 ~~Issue 53~~: Rates and charges not ordered by the Commission

7 (Attachment 6, Section 6, Attachment 2, Section 22.3.3). This issue has

8 two subparts. Part (a) addresses whether BellSouth can impose UNE-

9 related charges that have not been reviewed or approved by this

10 Commission. BellSouth's position on this issue is extremely troubling

11 and, and least in my experience, unprecedented. I agree with BellSouth's

12 assertion that any disputes regarding UNE rates must, pursuant to §252

13 of the Act, be arbitrated by a state regulator or its designee. This

14 requirement is directly at odds with BellSouth's attempt to incorporate

15 rates from its interstate access tariff. For example, BellSouth is

16 proposing the following language "If ITC^DeltaCom cancels a request

17 for network elements or resold services, any costs incurred by BellSouth

18 in conjunction with the provisioning of that request will be recovered in

19 accordance with BellSouth's Private Line Tariff of BellSouth's FCC No.

20 1 Tariff, Section 5.4, as applicable." BellSouth has provided no cost

1 support whatsoever for these rates. There are at least four fundamental  
2 problems with BellSouth's approach:

3 1. This Commission does not regulate BellSouth's interstate  
4 rates, and does not have the authority to investigate the reasonableness of  
5 those rates. BellSouth's "interstate rates by reference" approach would  
6 remove UNE rates from the Commission's purview, in direct  
7 contradiction to the requirements of §252.

8 2. BellSouth's interstate rates are not reviewed according to the  
9 same standard as this Commission must apply to UNE rates, and unless  
10 challenged when filed, may never be reviewed at all. It would be  
11 factually incorrect to conclude that a careful review by this Commission  
12 is not necessary because the FCC has previously approved the rates in  
13 question. In most cases a rate review does not take place, and in the rare  
14 instances in which the FCC does undertake a review the standard applied  
15 is different (and much less stringent) than the standard that this  
16 Commission must apply when reviewing UNE costs and rates.

17 3. Carriers who must pay these charges do not have the  
18 opportunity to challenge them and review the underlying cost support (if  
19 any such cost support exists). It is impossible for a CLEC to predict

1           which interstate rates BellSouth might want to incorporate by reference  
2           next, and therefore impossible for the CLEC to challenge the rates at the  
3           federal level.

4                     4. No one has the ability to check to see if the sum of the parts is  
5           greater than the whole. When the costs for all UNE-related functions are  
6           reviewed by the Commission (and ideally if that review occurs in a single  
7           consolidated proceeding, as has previously been done), it is possible to  
8           cross-check BellSouth's cost data to determine how various costs have  
9           been attributed to a given rate element and how various rate elements  
10          have been assigned certain categories of cost. While the available  
11          information is imperfect, there is some ability to identify any attempted  
12          double-recovery of costs. In contrast, if some UNE rates are to be  
13          examined by the state regulator, and others are to be examined by the  
14          FCC (if they are examined at all; the vast majority of federal rates filed  
15          by price cap LECs are not), there is absolutely no ability to guard against  
16          double recovery of costs.

17                    A similar problem occurs when BellSouth rolls out charges over  
18          time, as it is proposing to do here. In a consolidated proceeding, the  
19          Commission can review each proposed UNE rate and see how the costs

1 supporting that rate relate to the costs for all other UNEs. Even if  
2 BellSouth had provided cost support for its proposed new charges (and to  
3 date it has offered nothing), it would be extremely difficult to determine  
4 – in a vacuum – how the costs underlying the proposed rates related to  
5 the costs underlying similar previously existing rates. By reviewing costs  
6 on such a piecemeal basis, it is nearly impossible to determine whether  
7 the costs that BellSouth is now attempting to recover have already been  
8 included in the rates for existing UNEs.

9 If BellSouth seeks to have UNE-related rates in an  
10 interconnection agreement, it must be required to provide a cost  
11 demonstration, fully compliant with §252 and the FCC rules, to this  
12 Commission. The fact that BellSouth's proposed rates may be identical  
13 to existing tariffed rates for other services, either intrastate or interstate,  
14 is completely irrelevant and should have no bearing on the arbitration of  
15 those rates before this Commission.

16 Part (b) of Issue 53 relates to DeltaCom's request that if  
17 BellSouth intends to insist on the inclusion of rates in the interconnection  
18 agreement that have not been previously approved by this Commission,  
19 that it should be willing to identify those rates. This is a simple request.

1 BellSouth has a complete list of rates that it wishes to be included in the  
2 interconnection agreement, and BellSouth knows which have been  
3 approved by the Commission and which have not. The simplest solution  
4 would be for the Commission to preclude BellSouth from including these  
5 unapproved rates. Such an approach would address the concerns  
6 described above. At a minimum, BellSouth should be required to  
7 identify, on its list of proposed rates, those rates that have not been  
8 approved by the Commission. There is simply no reasonable basis for  
9 BellSouth to have the ability or incentive to “sneak in” unapproved rates.

10 Issue 54: Proposed Charge for Order Modifications (Attachment  
11 2, Section 2.2.2.8). BellSouth argues that it should be permitted to  
12 impose charges pursuant to its FCC tariff when DeltaCom makes  
13 changes to an order for a UNE loop. As a general matter, for all of the  
14 reasons stated above, this can and must not be permitted. In the spirit of  
15 compromise, DeltaCom has offered language – identical to that in the  
16 interconnection agreement between BellSouth and AT&T – that would  
17 permit BellSouth to impose a reasonable charge if the change to the order  
18 is not caused by BellSouth. This proposed language is attached to my  
19 testimony as Exhibit DJW-2.

1           Equivalent language will be acceptable to DeltaCom if DeltaCom  
2           is able to determine, based on its analysis of BellSouth's responses to  
3           DeltaCom data requests, that the costs that BellSouth seeks to recover  
4           through this charge are not already being recovered through other UNE  
5           charges and BellSouth pays for any costs incurred by DeltaCom when  
6           BellSouth modifies ITC^DeltaCom's order.

7

8           **BellSouth must fairly compensate DeltaCom for the work it performs**  
9           **pursuant to BellSouth's request.**

10          Q.       PLEASE DESCRIBE THE ISSUES THAT FALL INTO THIS  
11                   CATEGORY.

12          A.       Issues 51 and 70 are in this category.

13                   Issue 51: Reciprocity of Charges (Attachments 1, 5 and 6). As I  
14                   described earlier in my testimony, it has become much more common for  
15                   DeltaCom and other CLECs to perform tasks for BellSouth, at  
16                   BellSouth's request. In order for end user customers to benefit from a  
17                   competitive market for local exchange telecommunications services, it is  
18                   essential that carriers work together in a good-faith effort to process the  
19                   migration of an end user customer from one carrier to another. By  
20                   definition, any such change involves at least two carriers (the previous

1 provider of service to the customer, and the new provider of service to  
2 the customer). Such a customer migration involves work by the previous  
3 provider of service that is ultimately not in its immediate business  
4 interest (it is processing the loss of a customer) and work by the new  
5 carrier that will benefit both it (as the going-forward provider) and  
6 (presumably) the end user customer.

7 In order for this process to work, both carriers must have the right  
8 incentives. These incentives are a function, at least in part, of the ability  
9 to recover costs reasonably incurred by performing tasks at the request of  
10 another carrier. A direct means of ensuring this cooperative behavior is  
11 by attempting to ensure, to the extent possible in the rates and terms of  
12 an interconnection agreement, that each carrier is willing to fairly  
13 compensate the other for work performed on the other carrier's behalf  
14 (and at that carrier's request). Of course, each carrier's willingness to act  
15 in good faith also helps. To date, DeltaCom has met both criteria: it has  
16 compensated BellSouth for work done by BellSouth at DeltaCom's  
17 request, and it has acted with goodwill in doing so. Issue 51 addresses  
18 the issue of reciprocity in this behavior. During a period of time in  
19 which DeltaCom performed relatively little work at BellSouth's request,

1 the unilateral nature of the arrangement was less significant. As the  
2 market has matured and DeltaCom has begun to perform much more  
3 work for BellSouth, it has become much more important that these  
4 arrangements be unilateral. Put simply, DeltaCom currently pays  
5 BellSouth to perform requested tasks, and BellSouth does not pay  
6 DeltaCom to perform identical or comparable tasks. This is the inequity  
7 that DeltaCom seeks to have addressed in this arbitration.

8 Issue 51 covers both the broader issue of bilateral compensation  
9 and a specific example. In terms of the broader issue, DeltaCom requests  
10 that BellSouth be required to compensate DeltaCom, at the rates  
11 BellSouth currently assesses for the same or equivalent tasks. This  
12 reciprocal compensation arrangement would apply to both standard  
13 requests and special requests (requests for expedited treatment, for  
14 example). The specific issue encompassed in Issue 51 is the ability of  
15 DeltaCom to charge BellSouth a reasonable fee when DeltaCom “ports  
16 out” numbers at BellSouth’s request. This task is required when  
17 BellSouth “wins” an existing DeltaCom customer, and it is necessary to  
18 remove that telephone number assignment from DeltaCom’s systems.

19 The “port out” task is addressed individually in this arbitration for



1 two reasons. First, it is a task that DeltaCom is frequently requested, via  
2 an LSR from BellSouth, to perform. Second, it is a task that requires  
3 significant manual intervention by DeltaCom. DeltaCom incurs  
4 significant labor costs when performing this function.

5

6 Q. WHAT SET OF RATES IS DELTACOM PROPOSING FOR THIS  
7 “PORT OUT”, OR “CHANGE IN SERVICE PROVIDER” TASK?

8 A. DeltaCom is proposing to assess BellSouth a rate of \$27.91 per LSR,  
9 plus \$2.39 per telephone number to be processed on that LSR, when  
10 requested by BellSouth to perform this work.

11

12 Q. WHAT IS THE BASIS OF THIS SET OF PROPOSED RATES?

13 A. At DeltaCom’s request, I have analyzed the nonrecurring costs that  
14 DeltaCom incurs to perform each of the various elements of this task.  
15 My analysis, and the supporting workpapers, is attached as Exhibit DJW-  
16 3.

17 The process used to develop these costs is identical to that used  
18 by BellSouth to develop nonrecurring cost estimates. Specifically, my  
19 analysis consisted of the following steps:

- 1           1. Analyze the work and identify the individual tasks, and subtasks,  
2           required to complete the work requested.
- 3           2. Using both “duplication of tasks” and “direct observation” methods,  
4           develop an estimate of the time required to perform each subtask.  
5           Subtask times are then summed to create task times. This analysis is  
6           performed separately for each work group involved in the end-to-end  
7           process.
- 8           3. For each work group, develop a “loaded labor rate” that represents the  
9           total direct cost for an individual in a given work group to work for one  
10          hour. The “loaded” rate includes, in addition to direct payment (salary or  
11          wages) employee benefits, first level supervision, and anticipated wage  
12          inflation.
- 13          4. Determine the probability that each task will be required in the end-  
14          to-end workflow. For this particular task, all studied work tasks are  
15          required 100% of the time, so no adjustment is made.
- 16          5. Calculate total direct cost by multiplying the loaded labor rate for  
17          each group times the fraction of an hour of work required for each task,  
18          and sum task times to calculate total direct costs.
- 19          6. Analyze cost causation and determine whether the work associated

1 with a given task or given work group varies by LSR, telephone number,  
2 or some other unit. In this analysis, I found that the work performed by  
3 two of three work groups varied according to the number of LSRs but did  
4 not vary significantly by the number of telephone numbers associated  
5 with each LSR. For the remaining workgroup, I concluded that the work  
6 varied based on the number of telephone numbers being ported, but was  
7 not particularly sensitive to the number of individual LSRs containing  
8 those telephone numbers. A rate structure was developed to represent  
9 these elements of cost causation.

10 7. Convert direct cost into total economic cost by adding in (1) gross  
11 receipts tax and (2) company overhead.

12 8. The proposed rate for each rate element was then set equal to the total  
13 economic cost calculated for each rate element.

14

15 Q. DOES YOUR COST ANALYSIS CAPTURE ALL OF THE COSTS  
16 THAT DELTACOM REASONABLY INCURS WHEN PROCESSING  
17 AN LSR SUBMITTED BY BELLSOUTH?

18 A. No. The work flow and task list used as the foundation for my costs  
19 analysis assumes that BellSouth has submitted an LSR that does not

1 contain errors. In reality, BellSouth frequently submits LSRs to  
2 DeltaCom that contain errors of such a type or degree that DeltaCom  
3 must return the LSR to BellSouth so that BellSouth can correct and  
4 resubmit the LSR.

5           There are two basic ways of addressing these additional costs.  
6 The first method is the one typically used by BellSouth: the additional  
7 costs associated with reprocessing the LSR containing errors are  
8 calculated, a probability that an error will be present (and therefore that  
9 these additional costs will be incurred) is estimated, and the rate charged  
10 for all LSRs is “marked up” to reflect this additional work. In other  
11 words, the rate charge by BellSouth for processing an LSR with no errors  
12 is based on the cost to process that LSR *plus* a portion of the cost to  
13 process other LSRs with errors. This approach, if implemented correctly,  
14 works reasonably well from BellSouth’s perspective because the total  
15 charges will permit it to recover total costs. This method is a relatively  
16 poor method of accurately capturing cost causation, however, because all  
17 carriers submitting LSRs to BellSouth pay an equal amount (per LSR) to  
18 permit BellSouth to recover the cost of LSRs submitted with errors, even  
19 though different carriers may had significantly different error rates in the

1 LSRs they submit.

2 The second method is to calculate the additional costs associated  
3 with reprocessing the LSR containing errors and develop a separate  
4 charge (i.e. separate rate element) to be assessed only when a carrier  
5 submits an LSR containing errors. This method best reflects cost  
6 causation, because it closely matches the creation of a cost and the  
7 assessment of a charge.

8

9 Q. HAVE YOU DEVELOPED A PROPOSED RATE TO BE CHARGED  
10 WHEN BELLSOUTH SUBMITS AN LSR CONTAINING ERRORS  
11 TO DELATACOM?

12 A. I am in the process of doing so. The costs that DeltaCom incurs are  
13 highly dependent on the type of error typical to a BellSouth-submitted  
14 LSR and the place (or places) in DeltaCom's work flow that different  
15 types of errors become apparent. I am currently collecting error data over  
16 a period of time sufficient to yield reliable and accurate results. As soon  
17 as this study is complete, I will supplement my testimony to include this  
18 "Reprocessing Charge" caused by BellSouth errors. All other  
19 information that will be necessary to calculate this cost (and the resulting

1 charge) is already contained in Exhibit DJW-3.

2

3 Q. ARE THE NONRECURRING RATES BEING PROPOSED BY  
4 DELTACOM REASONABLE?

5 A. Yes. The proposed rates are based directly on (and in fact are set equal  
6 to) a measure of DeltaCom's economic cost to perform the requested  
7 work.

8

9 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

10 A. Yes, at this time. BellSouth has not yet presented cost information that is  
11 essential to an analysis of a number of their rate proposals. I will  
12 supplement my testimony when and if BellSouth provides its responses  
13 to DeltaCom's data requests.

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Don J. Wood. My business address is 4625 Alexander Drive,  
3 Suite 125, Alpharetta, Georgia 30022.

4

5 Q. ARE YOU THE SAME DON J. WOOD WHO PRESENTED DIRECT  
6 TESTIMONY ON BEHALF OF ITC^DELTACOM ON MAY 19, 2003?

7 A. Yes.

8

9 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

10 A. The purpose of my rebuttal testimony is to respond to the testimony of  
11 BellSouth witness John A. Ruscilli regarding Issue No. 56.

12

13 *Issue 56: May BellSouth charge a cancellation charge which has not been*  
14 *approved by the Commission?*

15

16

17 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE AS SET FORTH  
18 IN MR. RUSCILLI'S TESTIMONY?

19 A. Mr. Ruscilli's testimony (p. 36) is nothing more than a play on words: "The  
20 rates applicable when an ALEC cancels an LSR are based on Commission-  
21 approved rates." In other words, while the Florida Public Service  
22 Commission has in fact not approved this charge, another "commission" – the  
23 FCC – has done so, thereby making the charge "Commission-approved."

24 Mr. Ruscilli's response sidesteps the issue in dispute. There has been

1 no misunderstanding in the discussions between BellSouth and  
2 ITC^DeltaCom that the word “Commission” in the *Issue Description* column  
3 of the issues matrix refers to the “Commission” with the responsibility for  
4 evaluating and approving BellSouth’s UNE rates – the “commission” in  
5 Florida, not the “commission” in Washington.

6 Mr. Ruscilli’s clever wordplay would have proven to be much more  
7 clever if he had been factually correct. Setting aside the fact that the  
8 “commission” in Washington applies a different standard when evaluating  
9 BellSouth’s proposed federal charges than the Florida PSC applies when  
10 examining proposed UNE rates, Mr. Ruscilli overstates his case: the FCC  
11 does not routinely “approve” the charges in BellSouth’s federal tariff.  
12 Current price cap rules allow the rates in BellSouth’s tariff filings to become  
13 effective ten days after filing unless the specific rate is challenged. While it  
14 might be meaningful to say that the FCC “accepts” such a charge, it is not  
15 accurate to say that the FCC “approves” these charges; in the vast majority of  
16 cases the proposed rates are not reviewed by the FCC at all. Any suggestion  
17 that this Commission can or should forego the evaluation of a proposed UNE  
18 rate pursuant to TELRIC principles because the charge already exists in an  
19 FCC tariff is just wrong.

20 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

21 A. Yes.



1 BY MR. SELF:

2 Q Okay. Do you have a brief summary of your prefiled  
3 testimony?

4 A Yes, I do.

5 Q If you could provide that now, please.

6 A Yes. Good early afternoon.

7 Issue 56 relates to a series of cancellation charges  
8 that BellSouth seeks to impose on DeltaCom whenever DeltaCom  
9 orders an unbundled network element from BellSouth but  
10 subsequently cancels that order before BellSouth actually  
11 provisions the unbundled network element. Now the issue is not  
12 about whether BellSouth might incur costs under such a scenario  
13 and the issue is not about whether a cancellation charge can be  
14 the right way to recover those costs. The dispute is about the  
15 rates that BellSouth seeks to charge.

16 The parties have not agreed to rates. This  
17 Commission has not approved rates for cancellation charges.  
18 BellSouth has not provided any cost support whatsoever for the  
19 rates that it now seeks to charge.

20 BellSouth tries to justify -- in fact, its only  
21 justification for its proposed cancellation charges are not by  
22 beginning with a cost study compliant with Section 252, but by  
23 incorporating by reference some terms and conditions associated  
24 with an interstate special access tariff or an intrastate  
25 private line tariff.

1           There are some fundamental problems with this  
2 approach. From a conceptual manner, you know, to do a  
3 reference to the special access tariff instead of doing the  
4 required cost study approach -- you know, the UNE rates, all  
5 UNE rates including these cancellation charges are to be set by  
6 this Commission. To reach out -- to create a rate by reaching  
7 out and grabbing terms and conditions from an interstate tariff  
8 or from an unrelated intrastate tariff instead of providing  
9 this Commission with the required cost documentation is an end  
10 run around this Commission's authority.

11           When the FCC reviews proposed rates, terms and  
12 conditions which would apply to the interstate tariff that  
13 BellSouth wants to reach out and pull conditions from, it uses  
14 a completely different standard than you apply in a Section  
15 252 analysis.

16           The further problem is that the FCC for this type of  
17 filing doesn't necessarily review or approve these kind of rate  
18 filings at all. And, in fact, in particular the interstate  
19 special access tariff that BellSouth likes to reach out and  
20 grab from in this particular case is from 1990 and represents  
21 terms and conditions that were not actually reviewed and  
22 approved by the FCC.

23           What BellSouth is trying to bring in from the special  
24 access and private line tariffs is a time line of, and set of  
25 tasks, a set of work activities and a set of percentages that

1 are supposed to represent the percent of total work required  
2 that would have occurred at that period of time. But if you're  
3 going to apply this process, the relevant question is what  
4 percent of the work will already have been done at some point  
5 of time if an order for an unbundled network element is  
6 cancelled as of a certain date. But the answer that BellSouth  
7 wants to rely on is to a fundamentally different question or  
8 certainly a factually different question, which is what percent  
9 of the work will have already been done if an order for special  
10 access or private line service, a design circuit has been  
11 ordered and subsequently cancelled? BellSouth could have  
12 conducted an analysis to develop the information to apply this  
13 process for unbundled network elements, but they chose not to  
14 do it.

15           This analysis applies factually only to design  
16 circuits in another context, but what BellSouth is insisting on  
17 doing here in the language that it proposes is to apply this  
18 cancellation charge mechanism to all unbundled elements and all  
19 resold services. In addition to the conceptual problem, the  
20 primary conceptual problem of taking important rates out of  
21 this Commission's jurisdiction, the factual problem is there  
22 that if BellSouth were going to reach out and incorporate by  
23 reference some terms and conditions from tariffs for other  
24 services, the services they picked are a very poor proxy  
25 factually for unbundled network elements. The work activities

1 are different, the groups and people performing those  
2 activities are different, the amount of work that occurs at  
3 different periods of time is different. This mechanism, even  
4 if you were to agree conceptually that they were able to do  
5 this, would almost certainly -- in fact, based on my review of  
6 the analysis behind the special access tariff and the analysis  
7 that supports the nonrecurring charges that BellSouth submitted  
8 to you previously, this, this process will almost certainly  
9 result in an overcharge and a charge for work not actually  
10 performed. It's a bad process. It factually doesn't match up  
11 very well with what they're trying to do here. And I think if  
12 they came before you with the information that they're required  
13 to bring to you in the context of setting a UNE rate, it would  
14 be abundantly clear that the charges they're proposing here are  
15 indefensible. Thank you.

16 MR. SELF: Thank you, Mr. Wood. Mr. Chairman, the  
17 witness is available for cross.

18 COMMISSIONER DEASON: BellSouth.

19 MR. SHORE: Thank you, Mr. Chairman. I'm Andrew  
20 Shore on behalf of BellSouth.

21 CROSS EXAMINATION

22 BY MR. SHORE:

23 Q I want to ask you a few questions about what you said  
24 to the Commission today under oath.

25 You originally filed testimony on seven issues; is

1 that correct?

2 A That's correct. We've settled all of those except  
3 for one.

4 Q One issue remains. That's Issue Number 56; right?

5 A That's right.

6 Q Okay. And with Issue 56 BellSouth is proposing to  
7 collect some cancellation charges from DeltaCom; correct?

8 A That's right, based on a very specific calculation  
9 mechanism.

10 Q And what is that calculation? What are the  
11 components that go into that calculation?

12 A The first component is the nonrecurring charge that  
13 currently exists, which represents the entirety of all work  
14 activities associated with provisioning an unbundled element.  
15 That's the first piece. The second -- and it's not  
16 particularly controversial.

17 The second piece is the set of dates and work  
18 activities and percentages of work that are being pulled in  
19 from either the interstate special access tariff or an  
20 intrastate private line tariff. These things are then  
21 essentially multiplied together to create the proposed  
22 cancellation charge. And it's these unrelated dates, work  
23 activities and percentages being applied to the existing  
24 nonrecurring charge that creates the problem.

25 Q You said the first piece was the nonrecurring charge.

1 I think you said it wasn't very controversial. That's a  
2 nonrecurring charge for the provision of UNEs that this  
3 Commission set in its UNE docket last year; correct?

4 A That's right. And DeltaCom is certainly happy to pay  
5 the nonrecurring charge set by this Commission when it orders  
6 an unbundled network element because it's paying BellSouth for  
7 doing that work.

8 Q And the Commission in its order setting forth that  
9 rate said that that rate was cost-based; correct?

10 A Yes. And I believe it is.

11 Q And when you said in your summary today that the  
12 rates BellSouth proposes do not begin with a cost study, in  
13 fact, that's not true. The nonrecurring charges that you  
14 multiply by these percentages did start with a cost study and  
15 this Commission did conclude that they were cost-based;  
16 correct?

17 A That's only half true because, like I said, there are  
18 two key pieces to this calculation because BellSouth is not  
19 seeking to charge here as a cancellation charge simply the  
20 nonrecurring rate. That's only half. And certainly there is  
21 cost analysis supporting that.

22 The other essential component, the work activities  
23 that are being assumed, the timing of those activities and the  
24 percentage of the total work each one represents is the second  
25 essential piece without which there would be no cancellation

1 charge under your proposal. And that piece should have been  
2 supported by a cost study, could have been supported by a cost  
3 study, but wasn't.

4 Q I'm talking about the first piece for a second. If  
5 we can confine our conversation to the time being to that first  
6 element. That element is based on the nonrecurring charge set  
7 by this Commission in its cost docket; correct?

8 A That's right. And there's no dispute about those  
9 charges.

10 Q And the establishment of that rate did begin with a  
11 cost study; correct?

12 A Yes, it did.

13 Q And BellSouth's rates proposed in this proceeding  
14 began with that nonrecurring charge based on that cost study;  
15 correct? And then they multiply it by these percentages, and  
16 we'll get to those in a minute.

17 A I'm still not comfortable with the way you  
18 characterized that. Certainly one of the inputs to the rates  
19 that you propose began with the nonrecurring cost study.  
20 There's no doubt about that.

21 Q So is it still your testimony as you stated in your  
22 summary that BellSouth's proposed rates don't begin with a cost  
23 study?

24 A I don't recall that language. I think I said they  
25 were wholly unsupported, and they are.

1 Q Well, let me ask you this. Is it your testimony that  
2 BellSouth's rates, because the record will reflect what you  
3 said, is it your testimony that the BellSouth-proposed rates  
4 that are at issue in Number 56 do not begin with a cost study?  
5 Is that your testimony, Mr. Wood?

6 A Yes, it is because --

7 MR. SHORE: I have no further questions.

8 COMMISSIONER DEASON: Staff.

9 MS. CHRISTENSEN: Staff has no questions.

10 COMMISSIONER DEASON: Commissioners? Redirect?

11 MR. SELF: No redirect, Mr. Chairman.

12 COMMISSIONER DEASON: Okay. Exhibits.

13 MR. SELF: ITC^DeltaCom would move Exhibit 9.

14 COMMISSIONER DEASON: Very well. Without objection,  
15 show Exhibit 9 is admitted.

16 (Exhibit 9 admitted into the record.)

17 MR. SELF: Thank you. We'd ask that the witness be  
18 excused.

19 COMMISSIONER DEASON: Yes. Mr. Wood, you may be  
20 excused.

21 THE WITNESS: Thanks.

22 MR. SELF: And I guess also for the record, Mr.  
23 Chairman, we would ask that Mr. Watts be excused as well.

24 COMMISSIONER DEASON: Yes. He may be excused as  
25 well.



1 (Witnesses Wood and Watts excused.)

2 COMMISSIONER DEASON: And you may call your next  
3 witness.

4 MS. EDWARDS: At this time ITC^DeltaCom calls  
5 Mr. Brownworth.

6 STEVE BROWNWORTH

7 was called as a witness on behalf of ITC^DeltaCom and, having  
8 been duly sworn, testified as follows:

9 DIRECT EXAMINATION

10 BY MS. EDWARDS:

11 Q Mr. Brownworth, can you state your name for the  
12 record.

13 A Steve Brownworth.

14 Q And by whom are you employed?

15 A I'm employed with ITC^DeltaCom.

16 Q Okay. And can you provide a brief background of your  
17 work experience and education?

18 A Yes. I've been employed with ITC^DeltaCom for the  
19 past nine years, responsible for the design and architecture of  
20 ITC^DeltaCom's networks including the switched network, the  
21 data network which includes Internet frame, as well as our  
22 wholesale fiber optic transmission network. Also responsible  
23 for access code administration and applying those rules to our  
24 operations groups, our operations groups utilize that network  
25 correctly.

1           Prior to that I spent five years at MCI in strategic  
2 planning working on network design. And prior to that I spent  
3 roughly eight or nine years in various traffic engineering and  
4 network designs for interexchange carriers.

5           Q     Mr. Brownworth, did you cause to be prefiled  
6 testimony, direct prefiled testimony consisting of 46 pages?

7           A     Yes, I did.

8           Q     Do you have any corrections or changes to that direct  
9 prefiled testimony?

10          A     No, I do not.

11          Q     Okay. If I asked you the same questions today, would  
12 your answers be the same?

13          A     Yes.

14          Q     Attached to that direct testimony did you have six  
15 exhibits labeled SB-1 through SB-6?

16          A     Yes, I do.

17          Q     Do you have any changes or corrections?

18          A     No, I do not.

19          Q     Mr. Brownworth, are any of those exhibits  
20 confidential?

21          A     Not that I'm aware of.

22          Q     Did you have -- did you cause to be prefiled 25 pages  
23 of rebuttal testimony?

24          A     Yes.

25          Q     Okay. Do you have any changes to that rebuttal

1 testimony?

2 A No, I do not.

3 Q Okay. So if I asked you the same questions today,  
4 your answers would be the same?

5 A That is correct.

6 Q And did you have Exhibits SB-7 to SB-13 attached to  
7 your rebuttal testimony?

8 A That is correct.

9 Q Do you have any changes or corrections to those?

10 A No, I do not.

11 MS. EDWARDS: At this time I believe the practice has  
12 been to mark the exhibits.

13 COMMISSIONER DEASON: Yes. We can mark the exhibits.  
14 The prefiled direct Exhibits SB-1 through 6 will be composite  
15 Exhibit 11, and the prefiled rebuttal Exhibits SB --

16 MS. EDWARDS: 7 to 13.

17 COMMISSIONER DEASON: -- 7 through 13 shall be  
18 identified as Exhibit 12.

19 And just for the record, I know that Exhibit 10 was  
20 withdrawn, and that's -- but I have it for clarity on the  
21 record that 10 was identified but the exhibit is withdrawn.  
22 It's not part of the record.

23 (Exhibits 11 and 12 marked for identification.)

24 MS. EDWARDS: I guess at this time we'd like to move  
25 the testimony and the rebuttal. Sorry. We'd like to move the

1 testimony and the exhibits into the record.

2 COMMISSIONER DEASON: Okay. We'll wait on the  
3 exhibits until the conclusion of cross-examination. The  
4 prefiled direct and rebuttal testimony of Mr. Brownworth,  
5 without objection, shall be inserted into the record.

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1 **Q: PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

2 A: My name is Steve Brownworth. I am an employee of ITC^DeltaCom  
3 Communications, Inc. ("ITC^DeltaCom"), and my business address is  
4 1791 O.G. Skinner Drive, West Point, Georgia 31833.

5

6 **Q: PLEASE DESCRIBE YOUR BUSINESS EXPERIENCE AND**  
7 **BACKGROUND.**

8 A: My education and relevant work experience are as follows:

9

10 I received a bachelor's degree with a major in Quantitative Methods from  
11 the University of Illinois – Chicago in 1982. I have over 20 years of  
12 telecommunications experience. My experience primarily lies in the  
13 design and deployment of IXC and CLEC architecture.

14

15 Currently I'm the Director of Systems Planning for ITC^DeltaCom. I am  
16 responsible for the network architecture of the local and long-distance  
17 voice network, data network (ATM/Frame/IP) and our fiber optic transport  
18 network. I've been in this position for the last eight years. In my role at  
19 ITC^DeltaCom, I've assisted other companies in their initial network  
20 design and configurations including SoLinc, PowerTel and Mindspring.  
21 These responsibilities include off-net vendor management, the negotiation  
22 of contracts with ITC^DeltaCom's IXC and CAP providers and determining

1           how to best utilize the facilities offered in the interconnection agreement in  
2           the ITC^DeltaCom network.

3

4           Prior to joining ITC^DeltaCom, I spent five years, 1989-1994, with MCI as  
5           Sr. Manager, Network Design, managing strategic designs of their SONET  
6           transmission deployment, real-time restoration and reliability plans,  
7           dynamic switch routing and capital cost justifications. Prior to MCI, from  
8           1982 to 1989, I held management positions with Telecom\*USA,  
9           SouthernNet and Telesphere, in switch network design, traffic  
10          engineering, line cost, and provisioning.

11

12   **Q:    HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

13   A:    Yes.

14

15   **Q:    WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

16   A:    The purpose of my testimony is to address unresolved issues concerning  
17          network interconnection and various other network operations issues.

18

19   **Issue 8: Integrated or Universal Digital Loop Carrier ("IDLC" and "UDLC")**

20   **Q:    SHOULD BELLSOUTH BE REQUIRED TO PROVIDE AN UNBUNDLED**  
21          **LOOP USING IDLC TECHNOLOGY TO ITC^DELTACOM THAT WILL**  
22          **ALLOW ITC^DELTACOM TO PROVIDE CONSUMERS THE SAME**  
23          **QUALITY OF SERVICE AS THAT OFFERED BY BELLSOUTH TO ITS**

1           **CUSTOMERS?**

2    A:    Yes. IDLC is very important to ITC^DeltaCom because if unbundled local  
3           switching is no longer available or is only available in some areas, then  
4           the quality of loop delivered is critical. It is imperative that ITC^DeltaCom  
5           be able to order a local loop on behalf of the end user customer and that  
6           local loop should receive the same quality of service that BellSouth  
7           currently offers that same customer. In other words, BellSouth should not  
8           provide a degraded local loop to ITC^DeltaCom. By having access to  
9           IDLC technology or ensuring that there are no additional analog to digital  
10          (A to D) conversions, the end user consumer will be assured, when they  
11          move from one carrier to another, that they will have the same quality local  
12          loop.

13  
14    **Q:    WHY IS THE ANALOG TO DIGITAL (A TO D) CONVERSION CONCEPT**  
15          **IMPORTANT?**

16    A:    Additional A to D conversions cause problems associated with quality  
17          voice call, fax, and dial-up internet services. BellSouth's position seems to  
18          be that if the loop meets the minimum voice grade standards for the  
19          customer, regardless of quality of the local loop pre-conversion, it has met  
20          its obligations to ITC^DeltaCom. However, the customer perceives and  
21          experiences a degradation in service. Customers' typical experiences in  
22          this regard include problems with modem speed on dial-up internet/data  
23          services, fax, noise/static on the line and other quality issues.

1

2 **Q: BELLSOUTH'S POSITION ON IDLC IS FOR ITC^DELTACOM TO**  
3 **FOLLOW THE NEW BUSINESS REQUEST PROCESS. HOW DO YOU**  
4 **RESPOND TO THIS?**

5 A: We have been working with BellSouth on the implementation of language  
6 that requires no additional analog to digital conversions into our local  
7 service orders and the network. Therefore no new business request  
8 should be required.

9

10 Furthermore, IDLC technology is not new and should not require a new  
11 business request from BellSouth. IDLC technology makes the BellSouth  
12 network more efficient by relying on less copper wire, providing protection  
13 switching, forwarding alarms, and working with larger size line counts in  
14 terms of the efficiency of network itself. If IDLC is not used by BellSouth  
15 the manner that ITC^DeltaCom is serviced will translate into additional  
16 signal regeneration, additional amplifiers, additional use of copper, all of  
17 which causes increased cost to BellSouth as well as poor quality to the  
18 consumer.

19

20 BellSouth does not give ITC^DeltaCom a clear alternative in the migration  
21 of customer IDLC loops to ITC^DeltaCom without causing additional A to  
22 D conversions. It is important for the customer to receive the same level  
23 of service and quality on the loop with BellSouth as with ITC^DeltaCom.



1 The manner in which BellSouth designs and manages the local network  
2 with respect to CLECs does not allow parity at the customer level. The  
3 FCC in its UNE Remand Order made it clear that a loop network elements  
4 includes all “features, functions, and capabilities of the transmission  
5 facilities, including dark fiber and attached electronics...” and  
6 “capabilities” would necessarily include the speed associated with an IDLC  
7 loop. (In the Matter of Implementation of the Local Competition Provisions  
8 of the Telecommunications Act of 1996, CC Docket 96-98, Rel. Nov. 5,  
9 1999, ¶ 167.) Further, the FCC stated that “(t)he definition of a network  
10 element is not limited to facilities, but also includes features, functions and  
11 capabilities as well.. Some loops, such as integrated digital loop carrier  
12 (IDLC) are equipped with multiplexing devices, without which they cannot  
13 be used to provides service to end users. Because excluding such  
14 equipment from the definition of the loop would limit the functionality of the  
15 loop, we include the attached electronics... within the loop definition.” (Id.  
16 At ¶175). Finally, the FCC stated that nondiscriminatory access means “at  
17 least two things: first the quality of an unbundled network element that an  
18 incumbent LEC provides, as well as the access provided to that element,  
19 must be equal between all carriers requesting access to that element;  
20 second, where technically feasible, the access and unbundled network  
21 element provided by an incumbent LEC must be provided in “substantially  
22 the same time and manner” to that which the incumbent provides to  
23 itself.” (Id. At ¶ 490).

1

2

3

ITC^DeltaCom cannot compete in the marketplace with BellSouth if the

4

loops offered to ITC^DeltaCom are significantly different in terms of quality

5

from the loops that BellSouth uses to service their own customers.

6

7 **Issues 11(b): Access to UNEs**

8

**Q: MR. WATTS IS PROVIDING TESTIMONY REGARDING SUBPART (A)**

9

**OF ISSUE 11. WHAT IS ITC^DELTACOM'S POSITION REGARDING**

10

**ISSUE 11(B)?**

11

**A:** Issue 11(b) addresses BellSouth's requirement for UNEs to be delivered

12

to ITC^DeltaCom's collocation arrangement. ITC^DeltaCom asserts that

13

this is not a valid requirement and that UNEs are currently being provided

14

without being delivered to a collocation arrangement. BellSouth does not

15

cite, nor can it, any federal or state authority for imposing such an illegal

16

restriction on a competitor's ability to access BellSouth's network under

17

Section 251 of the Act. Such a restraint would be starkly inconsistent with

18

the Supreme Court's interpretation of Section 251(c)(3) of the Act. In

19

rebuffing the ILECs' challenge to the FCC's so-called "all elements rule"

20

(allowing competitive carriers to use any or all of the ILEC's network

21

elements to create a telecommunications service), the Supreme Court has

22

stated, we think, that the FCC reasonably omitted a facilities-ownership

23

requirement. The 1996 Act imposes no such limitation; if anything, it

1 suggests the opposite, by requiring in Section 251(c)(3) that incumbents  
2 provide access to 'any' requesting carrier.

3

4 Therefore, given that the neither the Act—as interpreted by the FCC, and  
5 affirmed by the Supreme Court—nor this Commission has ever imposed a  
6 collocation requirement on requesting carriers' ability to access UNEs,  
7 BellSouth cannot present any justification that would compel such a  
8 requirement at this time.

9

10 ITC^DeltaCom recommends that BellSouth's requirement regarding  
11 delivery of UNEs to collocation arrangements be denied and that the  
12 following language be approved:

13 BellSouth shall deliver the Network Elements purchased by  
14 ITC^DeltaCom in compliance with FCC and Commission rules.

15

16

17 **Q: DO YOU HAVE ANY RECENT EXAMPLES THAT YOU WOULD LIKE**  
18 **TO CITE?**

19 A: Yes. ITC^DeltaCom is working with a CLEC in Florida where the CLEC  
20 would like to utilize ITC^DeltaCom's existing collocation resources.

21 ITC^DeltaCom provided the CLEC with a Letter of Authorization ("LOA")  
22 allowing that CLEC to place UNE orders with BellSouth into our  
23 collocations. BellSouth rejected the CLEC's orders. BellSouth informed

1 ITC^DeltaCom that it would process the UNE orders if the CLEC  
2 reordered these services as special access. BellSouth suggested as an  
3 alternative that ITC^DeltaCom could place all the UNE orders for the  
4 CLEC. This example clearly shows that BellSouth's treatment of UNEs to  
5 a collocation is discriminatory when compared to the use of the equivalent  
6 Special Access services to the same collocation.

7

8 **Q: WHAT IS THE IMPACT TO ITC^DELTACOM IF ITC^DELTACOM**  
9 **ORDERS THE UNE SERVICES FOR THE OTHER CLEC?**

10 A: CLECs have their own operational systems and processes between  
11 themselves and BellSouth. Inserting ITC^DeltaCom as the ordering entity  
12 does not add any value to this process and in fact will significantly slow  
13 the process of provisioning customers. Additionally, we do not believe we  
14 are required to resell BellSouth UNE elements in order for another CLEC  
15 to utilize our collocation space.

16

17 **Q: WHY IS IT IMPORTANT FOR CLECS TO UTILIZE OR SHARE**  
18 **COLLOCATION SPACE?**

19 A: The telecommunications industry and more specifically CLECs have very  
20 limited capital dollars available for network expansion. Where one CLEC  
21 has deployed capital to expand in the local network, it would be  
22 reasonable for other CLECs to utilize that collocation space and share this  
23 capital resource. The sharing of resources allows the CLEC that deployed

1 the capital to more fully utilize its capital, thereby improving the return on  
2 the investment, and allows the other CLEC to preserve capital or to utilize  
3 capital in other areas of its network.  
4

5 **Issue 13(b): Testing of UNEs**

6 **Q: SHOULD THE PARTIES BE REQUIRED TO PERFORM COOPERATIVE**  
7 **TESTING WITHIN TWO HOURS OF A REQUEST?**

8 A: Yes. ITC^DeltaCom's existing contract states that BellSouth will, within  
9 two hours of an ITC^DeltaCom request, use its best efforts to perform  
10 cooperative testing. This language is important to us because BellSouth  
11 now seeks to define the time frame to be "as soon as practical" after the  
12 request is received and on a "first come, first serve basis."  
13

14 **Q: WHY IS BELLSOUTH'S "AS SOON AS PRACTICAL" LANGUAGE**  
15 **INSUFFICIENT?**

16 A: Because this language does not set a timeframe standard within  
17 BellSouth. There is no accountability. What is "practical" is purely  
18 discretionary. This could mean setting a 4-8 hour window or even a "next  
19 business day" standard. Such an open measurement would provide  
20 ITC^DeltaCom with no capability to monitor or audit BellSouth's  
21 cooperation regarding testing. In our current agreement, we have "best  
22 efforts" language because both parties recognized that circumstances can  
23 arise where either party would not meet the two hour window.

1

2 The first-come, first-serve suggestion is similarly flawed. At bottom  
3 BellSouth's position likely will result in greater than a two hour window if  
4 BellSouth changes its processes, staffing levels or the mechanisms used  
5 to test UNEs. If the two-hour standard is removed, ITC^DeltaCom would  
6 never know if it was being discriminated against in favor of other CLECs  
7 because "as soon as practical" may translate into a one-hour window for  
8 BSE (BellSouth's affiliate) but a five hour window for ITC^DeltaCom. In  
9 short, the language offered BellSouth still leaves BellSouth free to set  
10 whatever internal standards it wishes for cooperative testing.

11

12 **Q: BELLSOUTH'S POSITION SEEMS TO SUGGEST IF IT GIVES**  
13 **ITC^DELTACOM TWO HOURS, IT MUST DO SO FOR ALL CLECS**  
14 **AND SUCH A REQUIREMENT WOULD BE IMPOSSIBLE. PLEASE**  
15 **COMMENT.**

16 A: Other CLECs have the opportunity to opt into our agreement if this is  
17 important to them. However, if BellSouth misses a two-hour window, it  
18 would not be considered a violation of the entire agreement because  
19 again, the parties agreed they would use their "best efforts."

20

21 **Q: HOW WOULD THE "AS SOON AS PRACTICAL" POLICY IMPACT**  
22 **ITC^DELTACOM'S FLORIDA CUSTOMERS?**

23 A: If the customer has trouble or we have a need to work cooperatively with

1 BellSouth on testing, we cannot give our customer a time certain as we do  
2 not know what the standard to hold BellSouth accountable. The two-hour  
3 timeframe gives ITC^DeltaCom an escalation reference when trying to get  
4 resources within BellSouth to work with ITC^DeltaCom.

5

6 **Q: HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?**

7 A: The two-hour standard has been approved as part of our current  
8 interconnection agreement. The Commission should require it that  
9 remain.

10

11

12

13

14 **Issue 18: Testing of NXX Codes, Call Forwarding Variable and Remote**  
15 **Access to Call Forwarding Variable.**

16

17 **Q: WHY IS CODE (NPA-NXX) TESTING AND THE TESTING OF SWITCH**  
18 **TRANSLATIONS IMPORTANT TO ITC^DELTACOM?**

19 A: In managing its switch network, ITC^DeltaCom considers it very important  
20 that customers can send as well as receive phone calls from the local  
21 network. Part of this quality assurance is the ability to test BellSouth and  
22 ITC^DeltaCom's NXX codes in the BellSouth network.

23

24 **Q: HAS BELLSOUTH MADE AVAILABLE TO ITC^DELTACOM ANY NXX**

1           **CODE OR NUMBER TESTING RESOURCES OR CAPABILITIES?**

2    A:    No, BellSouth has not made its NXX code testing OSS or other systems  
3           available to ITC^DeltaCom. ITC^DeltaCom's work-around for code testing  
4           currently is to put remote call forward numbers into BellSouth central  
5           offices, which allows us to dial ITC^DeltaCom numbers in the BellSouth  
6           central office and have those numbers forward to a test or customer  
7           number.

8

9    **Q:    HOW DID ITC^DELTACOM ARRIVE AT THIS WORK AROUND?**

10   A:    In late 1997 and 1998, ITC^DeltaCom first approached its BellSouth  
11           account team and requested a means by which to test NXX codes. At that  
12           time, BellSouth instructed ITC^DeltaCom to file a Bona Fide Request  
13           ("BFR"). After many months of discussion with the BellSouth account  
14           team, ITC^DeltaCom realized that BellSouth would not provide any  
15           realistic solution. The one solution proposed by BellSouth at that time  
16           involved ITC^DeltaCom ordering an FX line into each BellSouth office  
17           (BellSouth has approximately 1600 offices regionwide). Clearly, such a  
18           solution is unreasonable given the extraordinary cost involved and would  
19           be unreasonable for BellSouth if BellSouth were in ITC^DeltaCom's  
20           position. (See Testimony of Mr. Tom Hyde, Direct at p. 26-27 and Mr.  
21           Milner filed in Docket No. 990750-TP). Thus, in 1999-2000, ITC^DeltaCom  
22           carried this issue to arbitration in Florida and other states. After  
23           mediation, BellSouth offered the language that is in our agreement today



1 which provides the feature of remote call forwarding at cost based rates.  
2 Now, BellSouth wants to charge retail rates for the remote call forwarding.  
3 ITC^DeltaCom has successfully used this work around to check NXX  
4 codes, but now it appears that we are back at square one.

5

6 **Q: HOW IS THE USE OF REMOTE CALL FORWARD NUMBERS**  
7 **HELPFUL TO ITC^DELTACOM, BELLSOUTH AND THE END-USER?**

8 A: Remote call-forwarding gives ITC^DeltaCom a virtual presence in the  
9 BellSouth central office, as if it was a BellSouth customer placing calls  
10 over the BellSouth network. This allows us to quickly test and identify if  
11 there is an NXX code translation, local number portability or other routing  
12 problem. The ability for ITC^DeltaCom to test and to determine whether  
13 the customer problem is related to BellSouth translations benefits both  
14 companies. It benefits ITC^DeltaCom by being able to quickly identify the  
15 problem, and it benefits BellSouth when we issue trouble tickets to have  
16 example calls that can be used to perform trouble ticket resolution. The  
17 code testing benefits the consumer because trouble tickets with a  
18 customer sending or receiving phone calls are more quickly handled with  
19 the ability to duplicate or simulate the call problem. This level of testing is  
20 necessary to assure that the quality of the network is maintained at high  
21 levels.

22

23 **Q: ARE THERE OTHER APPLICATIONS OF CODE TESTING NOT**

1           **RELATED TO CUSTOMER TROUBLE TICKETS?**

2    A:    NXX code testing is integral to the processes ITC^DeltaCom uses in turn-  
3           up of new code resources, including number pooling. The ability for  
4           ITC^DeltaCom to test NXX codes ahead of putting customers on our  
5           network, utilizing these codes, ensures a customer being added to the  
6           ITC^DeltaCom network will not have problems with these new code  
7           resources.

8

9    **Q:    WHAT IS YOUR UNDERSTANDING OF BELLSOUTH'S POSITION AND**  
10   **WHY DO YOU DISAGREE?**

11   A:    BellSouth's position is that this testing capability should be done as if  
12           ITC^DeltaCom was a retail business customer and ITC^DeltaCom should  
13           be ordering these services as tariff services through a business center at  
14           tariffed rates, as opposed to what we believe to be a critical network  
15           function at UNE rates.

16

17           BellSouth's alternative is to have BellSouth develop these services  
18           through the submission of another new business request. The parties  
19           went down that road previously without result. The federal  
20           Telecommunications Act of 1996 ("Telecommunications Act or "Act")  
21           requires BellSouth to make its OSS systems available on a parity level.  
22           ITC^DeltaCom understands that the OSS systems involved with code  
23           translations are quite complex and would be very difficult to duplicate or

1 give access to the CLEC.

2

3 ITC^DeltaCom has sought, with no assistance from BellSouth, a way to  
4 test codes in a manner that is suitable to ITC^DeltaCom and feel would be  
5 suitable to other carriers. The Commission should reject BellSouth's  
6 position that to test the BellSouth network, ITC^DeltaCom must buy  
7 tariffed items at tariffed rates. The testing of each other's mutual networks  
8 is an integral function of managing interconnecting carriers and not a retail  
9 product.

10

11 **Q: WITH THE ADVENT OF WIRELESS NUMBER PORTABILITY, WILL**  
12 **THIS ISSUE HAVE INCREASING IMPORTANCE?**

13 A: Yes, with wireless portability and wireless being commingled in the  
14 number pooling process ITC^DeltaCom will see more routing issues  
15 related to LRNs between the wireless carriers and the wireline carriers.  
16 However, the issue for ITC^DeltaCom is unchanged and that is the quick  
17 resolution of troubles that minimizes operating costs and maximizes  
18 customer satisfaction in a cost efficient manner.

19

20 **Q: HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?**

21 A: ITC^DeltaCom would like to use remote call forward and remote call  
22 forward variable at UNE rates for the purpose of testing the BellSouth  
23 network. We also would like a ruling so that we don't have to arbitrate this

1 same issue in another five years.

2

3 **Issue 20(b): SS7 Point of interconnection**

4 **Q: PLEASE DESCRIBE ITC^DELTACOM'S UNDERSTANDING AND**  
5 **POSITION REGARDING SS7 SIGNALING POINT OF**  
6 **INTERCONNECTION ("SPOI").**

7 A: The SPOI should be either the BellSouth or CLEC serving wire center, as  
8 opposed to the mutually acceptable point of interconnection. The mutually  
9 acceptable SPOI language does not work because BellSouth and  
10 ITC^DeltaCom have different opinions on the SPOI.

11

12 ITC^DeltaCom's position is that it is willing to put the SPOI into BellSouth's  
13 network up to a reasonable point. We believe this reasonable point to be  
14 the Serving Wire Center of the Carrier POP out of which ITC^DeltaCom  
15 hands the SS7 links to BellSouth. In this manner, ITC^DeltaCom pays for  
16 the facility from the BellSouth Serving Wire Center to the ITC^DeltaCom  
17 POP and from the ITC^DeltaCom POP, ITC^DeltaCom will use its own  
18 transport on its own network back to our STPs located in Atlanta, GA and  
19 Anniston, AL. We are not asking BellSouth to interconnect in Anniston or  
20 Atlanta into our POP space.

21

22 **Q: BELLSOUTH'S POSITION SEEMS TO BE THAT ITC^DELTACOM**  
23 **SHOULD PAY FOR 100% OF THE COSTS TO THE BELLSOUTH STP.**

1           **DO YOU AGREE?**

2    A:    No. BellSouth wants to treat the SS7 arrangement in a non-reciprocal  
3           manner. The SS7 network is used equally by both companies. BellSouth  
4           is a customer of ITC^DeltaCom as much as ITC^DeltaCom is a customer  
5           of BellSouth. BellSouth-originated phone calls terminating to  
6           ITC^DeltaCom customers utilize the SS7 network. BellSouth is able to  
7           benefit from the SS7 network in terms of completing their phone calls to  
8           the ITC^DeltaCom network. Therefore, it is reasonable for BellSouth to  
9           pay for a fair portion of the connections between the STPs. Up to this  
10          point, ITC^DeltaCom has paid for 100% of the transport costs.

11

12   **Q:    HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?**

13   A:    The Commission should set a reasonable, pre-determined SPOI where  
14          both companies share in the costs of transport between STP pairs.

15

16   **Issue 21: Dark Fiber Availability**

17   **Q:    SHOULD BELLSOUTH MAKE AVAILABLE TO ITC^DELTACOM DARK**  
18          **FIBER LOOPS AND TRANSPORT AT ANY TECHNICALLY FEASIBLE**  
19          **POINT?**

20   A:    Yes. ITC^DeltaCom can pick up the dark fiber loop at areas other than  
21          the collocation site. BellSouth wants to require ITC^DeltaCom to pick up  
22          such loops only at the ITC^DeltaCom collocation site. Also,  
23          ITC^DeltaCom may want to interconnect with another CLEC, and as such,

1 ITC^DeltaCom would pick up the dark fiber loop at the other CLEC's  
2 collocation site. By allowing ITC^DeltaCom to access dark fiber at any  
3 technically feasible point, the Commission would impose no greater  
4 burden on the BellSouth than that which BellSouth routinely undertakes  
5 itself to use dark fiber.

6  
7 ILECs regularly deploy fiber in segments with planned "breaks" in the  
8 path. These planned breaks also occur at points where larger backbone  
9 cable meets smaller distribution or lateral cables that connect to specific  
10 customer locations or remote terminals. In order to build maximum  
11 flexibility in how it uses its deployed fiber, the ILEC will place splice cases  
12 at these mid-span breaks. At these splice cases the ILEC can splice  
13 strands of fiber together in order to complete a path from one location  
14 (usually an ILEC central office) to another location, (usually a customer  
15 premises, remote terminal or with interoffice fiber another central office).  
16 Deployed fiber is also frequently left unconnected when that fiber path  
17 ends at a customer premises or remote terminal. When there is additional  
18 demand for that fiber, additional fiber will be terminated. The function of  
19 termination actually involves a splice.

20  
21 **Q: BELLSOUTH BELIEVES THAT DARK FIBER SHOULD ONLY BE**  
22 **AVAILABLE TO ITC^DELTACOM AT ITC^DELTACOM COLLOCATION**  
23 **SPACE WITHIN THE BELLSOUTH CENTRAL OFFICE. DO YOU**

1           **AGREE?**

2    A:    No. Dark fiber should be available at points other than the ITC^DeltaCom  
3           collocation site within the BellSouth central office. ITC^DeltaCom is not  
4           asking for, as BellSouth might indicate, a dark fiber available wherever we  
5           would like to have it. There are two good examples of why it is not  
6           practical to always meet at ITC^DeltaCom's collocation space:

7           (1)    ITC^DeltaCom and other CLECs may choose to combine or share  
8                   collocation sites. Capital availability to CLECs is such that CLECs  
9                   cannot continue to put in separate collocations and are seeking  
10                  ways to share collocation sites and thereby reduce the amount of  
11                  capital and expense for the deployment of local networks. One of  
12                  the items we ask for is that dark fiber be delivered to collocation  
13                  sites of other CLECs where ITC^DeltaCom and the CLEC have  
14                  agreements to share networks.

15          (2)    Often when ITC^DeltaCom is working with BellSouth on dark fiber,  
16                  the fiber may not be available at a building or central office, but may  
17                  be available at a manhole or some other access point directly  
18                  outside of a customer location or serving wire center. Where  
19                  ITC^DeltaCom or another carrier has fiber into the building, we  
20                  request that BellSouth meet us at that manhole (fiber splice point)  
21                  and we can take the fiber into that central office or building on our  
22                  own facilities. We have several examples of where we work  
23                  cooperatively with BellSouth today. There are situations that exist

1           today in Atlanta and New Orleans, where ITC^DeltaCom meets  
2           BellSouth with dark fiber at different points that dealt with access  
3           directly outside of the central office or directly outside of the  
4           building. This position is a sound and reasonable business practice  
5           that needs to be continued. ITC^DeltaCom would like this sound  
6           and reasonable business practice to be better documented in our  
7           interconnection agreement.

8

9   **Q:     WHAT POSITION HAVE OTHER COMMISSIONS TAKEN ON THIS**  
10 **ISSUE?**

11  A:     When the issue has been raised, many state commissions have  
12         recognized that the ILEC's refusal to splice and terminate dark fiber for  
13         CLECs violates their unbundling obligations and unreasonably limits the  
14         amount of unbundled dark fiber available to CLECs. SBC, for example,  
15         has argued before state commissions in California, Indiana and Texas  
16         that because un-terminated fiber is not connected to equipment at the  
17         customer location at the termination point it need not be unbundled."  
18         *(Application by Pacific Bell Telephone Company (U 1001 C) for*  
19         *Arbitration of an Interconnection Agreement with MCImetro Access*  
20         *Transmission Services, L.L.C. (U 5253 C) Pursuant to Section 252(b) of*  
21         *the Telecommunications Act of 1996, A.01-01-010, Final Arbitrator's*  
22         *report Cal. PUC, July 16, 2001 at 129; EPN Reply Comments, at 50).*

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The Texas PUC ruled that “unterminated and unspliced fibers should be made available to [the CLEC] for use as UNE dark fiber,” and that “[SBC] has an obligation to provide that unspliced UNE dark fiber to [the CLEC] and splice it upon request.”

(Docket 23396, Petition of CoServ, Inc. for Interconnection Agreement with SWBT, Arbitration Award at 139, TX PUC, April 17, 2001).

Finally, SBC is also required to splice dark fiber in Indiana and Ohio, and other ILECs perform splicing for CLECs in other states. (EPN Reply Comments, at 53-55).

In light of these facts, the Commission should adopt the best practices regarding splicing and termination of dark fiber developed by state commissions around the country and incorporate the findings into its rules. This Commission should allow ITC^DeltaCom to access dark fiber at any technically feasible point in its network, even if providing such access would require BellSouth to undertake fiber splicing for ITC^DeltaCom. By adopting a progressive stance regarding the efficient use of ILEC excess capacity, the Florida Public Service Commission would be following the best practices of other state commissions that have examined this issue.

ITC^DeltaCom also asks that the Commission recognize that CLECs need to have the capability to share capital within a central office by allowing

1 CLECs to order services into each other's collocation space.  
2 ITC^DeltaCom also requests that the Commission recognize that access  
3 points immediately outside of a central office or building should be made  
4 available to CLECs when BellSouth does not have access or capacity into  
5 a Central Office or building, but the CLEC does have such access.

6

7 **Issue 23: Dark Fiber Holding Period**

8 **Q: SHOULD BELLSOUTH HOLD THE DARK FIBER FOR DELTACOM**  
9 **FOR 45 DAYS AFTER RECEIVING A VALID, ERROR-FREE LSR?**

10 A: Yes. ITC^DeltaCom would like to be treated the same as other CLECs by  
11 BellSouth holding dark fiber requests for 45 day time period after receiving  
12 a valid error free ASR. If BellSouth seeks to reduce this holding period for  
13 all customers, we do not have an issue with that position. However,  
14 BellSouth is asking ITC^DeltaCom to agree to honor Bellsouth's ability to  
15 "hold" dark fiber for other carriers at the same time that BellSouth refuses  
16 to make available to ITC^DeltaCom the same opportunity. ITC^DeltaCom  
17 has offered most favored nation ("MFN") language to BellSouth to settle  
18 this issue. As long as BellSouth offers other carriers the opportunity to  
19 "hold" dark fiber then BellSouth should also honor ITC^DeltaCom's  
20 request. Once BellSouth no longer offers the opportunity to "hold" dark  
21 fiber for any other carrier, then BellSouth has no obligation to "hold" the  
22 dark fiber for ITC^DeltaCom.

23

1 **Q: WHAT IS THE IMPACT TO ITC^DELTACOM IF THE 45 DAY TIME**  
2 **PERIOD WAS REMOVED ALTOGETHER?**

3 A: Without this 45-day holding timeframe, ITC^DeltaCom will have to accept  
4 early delivery of fiber from BellSouth. Frequently ITC^DeltaCom asks  
5 BellSouth for fiber availability in advance of capital purchases so we can  
6 determine what the best architecture is for our network. It is important that  
7 before ITC^DeltaCom spends capital assets for configuration that it be  
8 assured dark fiber is available. The only way ITC^DeltaCom can ensure  
9 that fiber is available is to either have BellSouth reserve the fiber for a  
10 short period of time or to take early delivery of fiber.

11

12 **Q: IF ITC^DELTACOM DETERMINES IT NEEDS DARK FIBER TO A NEW**  
13 **OR EXISTING COLLOCATION, WHY CAN'T ITC^DELTACOM ORDER**  
14 **THE DARK FIBER AND GET IT DELIVERED TO THE COLLOCATION**  
15 **SITE, WITHOUT THE HOLDING PERIOD?**

16 A: Once a collocation firm order is placed, the BellSouth internal application  
17 process takes a set amount of time. To my knowledge BellSouth does not  
18 have a process from application to turn-up of collocation space that is less  
19 than 45 days. Without a holding period ITC^DeltaCom will have to accept  
20 the dark fiber early to a collocation site that is not ready or risk dark fiber  
21 not being available if we wait until after deployment of capital assets or  
22 collocation expense.

23

1 **Q: HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?**

2 A: The Commission should order BellSouth to match the fiber hold period to  
3 either 45 days or the length of time that BellSouth utilizes in the  
4 processing of collocation requests.

5

6 **Issue 24: Performance Data on Common Shared Trunk Groups**

7 **Q: WHAT IS ITC^DELTACOM'S POSITION WITH REGARD TO**  
8 **PERFORMANCE DATA ON SHARED TRUNK GROUPS?**

9 A: ITC^DeltaCom simply requests that BellSouth provide ITC^DeltaCom with  
10 any reporting associated with common transport performance that  
11 BellSouth provides to itself. BellSouth already has this information with  
12 respect to the traffic engineering of the common trunk group on which we  
13 share traffic with BellSouth regarding our local switch transport.  
14 ITC^DeltaCom does not believe that this is a professional services  
15 agreement, nor is it a new business request. It is simply sharing with us  
16 the same performance data that BellSouth uses to manage the network  
17 with ITC^DeltaCom.

18

19 **Q: WHAT SHOULD THE COMMISSION ORDER ON THIS ISSUE?**

20 A: The Commission should order BellSouth to share with ITC^DeltaCom the  
21 performance data so that ITC^DeltaCom can more efficiently manage the  
22 network and the trunk groups. ITC^DeltaCom is willing to pay a cost  
23 based UNE rate for this data.

1 **Issue 27: Treatment of Traffic Associated with Unbundled Local Switching**

2 **Q: WHAT DOES ITC^DELTA COM'S CURRENT INTERCONNECTION**  
3 **AGREEMENT PROVIDE WITH REGARD TO CALLS THAT ORIGINATE**  
4 **AND TERMINATE WITHIN THE LATA?**

5 A: Attached, as Exhibit SB-1 is the language in our current agreement that  
6 defines the local calling area. Treatment of traffic associated with  
7 unbundled local switching by using ITC^DeltaCom's CIC code, in servicing  
8 our UNE-P customers, should extend to the entire LATA, consistent with  
9 the current definition of "local" in our current interconnection agreement.

10

11 ITC^DeltaCom currently has several products based on the definition of  
12 "local" in our existing interconnection agreement with BellSouth. This  
13 definition includes all calls originating and terminating within the same  
14 LATA. To exclude calling within the LATA but outside of the local calling  
15 area (or the extended local calling area) from the definition of "local" would  
16 be harmful to ITC^DeltaCom customers who presently take advantage of  
17 the benefits associated with LATA-wide local calling.

18

19 BellSouth has the LATA-wide definition for Local Traffic that  
20 ITC^DeltaCom is currently seeking in other CLEC interconnection  
21 agreements. See Exhibit SB-2 (NewSouth/BellSouth ICA).

21

22 ITC^DeltaCom recognizes that the Commission has established a "default  
23 definition for the local calling area as in Docket No. 000075-TP, Order No.

1 PSC-02-1248-FOF-TP; however, ITC^DeltaCom has built products,  
2 designed services and its network based on the existing definition of local  
3 traffic in its current interconnection agreement. Actually, ITC^DeltaCom  
4 has had a LATA wide local definition since 1997. See Exhibit SB-3  
5 showing pages from ITC^DeltaCom's first interconnection agreement with  
6 BellSouth.

7

8 **Q: BELLSOUTH'S POSITION IS ITC^DELTACOM IS SIMPLY TRYING TO**  
9 **AVOID ACCESS CHARGES. HOW DO YOU RESPOND?**

10 A: We strongly disagree with BellSouth's position. ITC^DeltaCom simply  
11 wants the same definition of local that we have in our existing agreement.  
12 BellSouth has no evidence that ITC^DeltaCom is trying to avoid access  
13 charges. ITC^DeltaCom works diligently to ensure it complies with all the  
14 rules with respect to the treatment of local and access traffic.

15

16 ITC^DeltaCom has products that have LATA-wide coverage for local rates  
17 (which is permitted under our current contract with BellSouth).

18 ITC^DeltaCom should not pay access charges for calls relating to  
19 products that are clearly local in its general subscribers tariff.

20

21 **Q: WHAT SHOULD THE COMMISSION ORDER ON THIS ISSUE?**

22 A: The Commission should rule that the Parties should continue with the  
23 same or similar definition of local traffic that has been in place for the last

1 two interconnection agreements (i.e. since 1997).

2

3

4 **Issue 29: AIN Triggers**

5 **Q: SHOULD BELLSOUTH OFFER AIN TRIGGERS ON A STAND-ALONE**  
6 **BASIS VIA ITC^DELTACOM'S INTERCONNECTED STPS?**

7 A: Yes. ITC^DeltaCom should have access to AIN triggers on a stand-alone  
8 basis via ITC^DeltaCom STPs. ITC^DeltaCom has its own AIN platform  
9 and needs to receive or exchange AIN triggers with BellSouth over our  
10 SS7 network.

11

12 ITC^DeltaCom has applications on its AIN and SS7 network that are  
13 unique and give us a competitive advantage. We want the ability to  
14 connect to our AIN platform and SS7 network with triggers of the customer  
15 line so the customer's line, on a UNE-P basis, can get instructions from  
16 ITC^DeltaCom's AIN platform.

17

18 ITC^DeltaCom is not asking BellSouth to open up this AIN platform; we  
19 are simply working within the BellSouth platform to send signals over our  
20 STPs. The AIN triggers are restricted strictly to those AINs for which  
21 ITC^DeltaCom actually has service orders. ITC^DeltaCom is not aware of  
22 any firewall type of advice or service that BellSouth has to install in order  
23 to implement this service.

1

2 **Q: HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?**

3 A: The Commission should promote the interconnection of ITC^DeltaCom's  
4 AIN platform to Bellsouth's AIN platform. This would allow ITC^DeltaCom  
5 to offer services to its customers served via UNE-P such as voice mail,  
6 stutter dial tone, and operator services.

7

8 **Issue 36: UNE/ Special Access Combinations**

9 **Q: SHOULD ITC^DELTACOM BE ABLE TO CONNECT UNE LOOPS TO**  
10 **SPECIAL ACCESS TRANSPORT?**

11 A: Yes. In the current interconnection agreement ITC^DeltaCom is allowed  
12 to interconnect special access transport to UNE loops. BellSouth seeks to  
13 remove that capability from our contract after agreeing to this language in  
14 past. There are various circumstances where ITC^DeltaCom has special  
15 access services in combinations with UNEs today and ITC^DeltaCom  
16 should not be forced to make changes to the existing network.

17

18 ITC^DeltaCom also believes the FCC will address the issue of UNE  
19 special access combinations in the concept of commingling in their  
20 Triennial Review Order. ITC^DeltaCom therefore reserves the right to  
21 supplement this response as necessary.

22

23 **Q: WHAT SHOULD THE COMMISSION ORDER ON THIS ISSUE?**



1 A: The Commission should approve the existing language for the full term of  
2 the interconnection agreement.

3

4 **Issue 37: Conversion of Special Access to a UNE Loop**

5 **Q: WHAT IS ITC^DELTACOM'S POSITION WITH REGARD TO BEING**  
6 **ABLE TO CONVERT SPECIAL ACCESS LOOPS TO UNE LOOPS?**

7 A: ITC^DeltaCom should be able to convert FCC Special Access loops that  
8 terminate into an ITC^DeltaCom collocation into an UNE loop. BellSouth's  
9 position seems to be that the FCC did not address the conversion of  
10 stand-alone elements, which are elements that terminate into a collocation  
11 agreement. However, with the UNE local loop ITC^DeltaCom is actually  
12 billed three different elements: the loop going to the customer premise, a  
13 UNE cross connect charge and a UNE physical POP bay charge.

14 ITC^DeltaCom has three different network elements being combined  
15 between the customer premise and our collocation and because of this  
16 combination we see no reason why we should not be able to take those  
17 network elements and convert them from a special access service.

18 Further, BellSouth has agreed to language with AT&T whereby BellSouth  
19 has agreed to convert a special access loop to a UNE loop that goes to a  
20 collocation site without any disconnection to the customer.

21

22 BellSouth is trying to make it more difficult for ITC^DeltaCom to  
23 legitimately convert its network to UNE elements where it has a right to do

1 so.

2

3 **Q: HOW SHOULD THE COMMISSION RULE ON THIS ISSUE?**

4 A: ITC^DeltaCom seeks language similar to that contained in other  
5 interconnection agreements in order to not be placed at a competitive  
6 disadvantage.

7

8 **Issue 39(a): Definition of Local Traffic**

9 **Q: WHAT IS ITC^DELTACOM'S POSITION WITH THE DEFINITION OF**  
10 **LOCAL TRAFFIC?**

11 A: The current interconnection agreement provides LATA-wide coverage for  
12 local traffic. Calls originating and terminating within the same LATA are  
13 not subject to access charges. ITC^DeltaCom wants to continue the  
14 existing arrangement. The existing arrangement is easier to manage from  
15 a billing standpoint. Calls originating and terminating within a LATA are  
16 treated as local and subject to local interconnection charges. Conversely,  
17 calls that originate or terminate outside the LATA are subject to access  
18 charges.

19

20 There are administrative expenses in managing and auditing the flow of  
21 calls and billing of calls when the local calling area is smaller than the  
22 LATA. LATA-wide termination is a much easier way to manage the billing  
23 and the jurisdiction factors.

1 As I stated earlier, ITC^DeltaCom currently has several products based on  
2 the definition of "local" in our existing interconnection agreement with  
3 BellSouth. The current definition includes all calls originating and  
4 terminating within the same LATA. To exclude calling within the LATA but  
5 outside of the local calling area (or the extended local calling area) from  
6 the definition of "local" would be harmful to ITC^DeltaCom customers who  
7 presently take advantage of the benefits associated with LATA-wide local  
8 calling.

9  
10 ITC^DeltaCom simply seeks to maintain the existing language in its  
11 interconnection agreement that provides that calls originating from and  
12 terminating to locations within the same LATA are treated as local calls.

13  
14 **Q: WHAT SHOULD THE COMMISSION ORDER ON THIS ISSUE?**

15 A: The Commission should approve the existing language for the full term of  
16 the interconnection agreement.

17  
18 **Issue 39(b): Local Switching**

19 **Q: DOES ITC^DELTACOM PERFORM LOCAL SWITCHING?**

20 A: ITC^DeltaCom has four switches serving retail customers in Florida.  
21 Under the FCC definition for tandem switching, we have to perform or  
22 service areas that are essentially in the same coverage area as a  
23 BellSouth access tandem. The FCC-stated coverage of similar territory as

1 the access tandem switch or like territories of the access tandem switch  
 2 determines whether a CLEC can charge for tandem switching.  
 3 ITC^DeltaCom therefore should be able to charge the tandem switching  
 4 rate element for calls that are originating or terminating from our platform.  
 5 Again, the Florida Commission has addressed this issue in Docket No.  
 6 000075-TP. ITC^DeltaCom has proposed the following language to be  
 7 included in the interconnection agreement:

8

9 **Tandem Switching** is defined as the function that establishes a  
 10 communications path between two switching offices through a third  
 11 switching office through the provision of trunk side to trunk side  
 12 switching. Where the switch of a carrier other than an incumbent LEC  
 13 serves a geographic area comparable to the area served by the incumbent  
 14 LEC's tandem switch, the appropriate rate for the carrier other than an  
 15 incumbent LEC is the incumbent LEC's tandem inter-connection rate.  
 16

17 To incorporate the Florida Commission's ruling, ITC^DeltaCom proposes  
 18 that the following sentence be added to the paragraph above: " An ALEC  
 19 serves a comparable geographic area when it has deployed a switch to  
 20 serve this area, and has obtained NPA/NXXs to serve the exchanges  
 21 within this area. The ALEC must show that it is serving this area either  
 22 through its own facilities, or a combination of its own facilities and leased  
 23 facilities connected to its collocation arrangements in ILEC central offices."

24

25 **Q: WHAT SHOULD THE COMMISSION ORDER ON THIS ISSUE?**

26 A: The Commission should approve the existing language for the full term of  
 27 the interconnection agreement.

28

1 **Issue 40: Point of Interconnection (“POI”)**

2 **Q: CAN A CLEC SELECT ONLY ONE POI PER LATA?**

3 A: The ITC^DeltaCom / BellSouth contract today has established rules and  
4 language that allows ITC^DeltaCom to ask for multiple POIs if both parties  
5 reach that agreement. However, since the execution of our current  
6 interconnection agreement, the FCC has clarified that the CLEC selects  
7 the point of interconnection and that the CLEC can choose to select  
8 exactly one POI per LATA.

9  
10 The POI concept is that from the POI back to ITC^DeltaCom network,  
11 ITC^DeltaCom pays all the cost, and that from the POI out to BellSouth  
12 network, BellSouth pays. ITC^DeltaCom also should not be required to  
13 move existing POIs due to expense and deconstruction in moving traffic in  
14 a multi-year agreement. If BellSouth changes its agreement on POIs it  
15 could cause ITC^DeltaCom significant expense and hardship by having to  
16 re-trunk or re-deploy in a different manner the local trunking of its network.  
17 ITC^DeltaCom basically would have to re-provision every trunk group  
18 given that BellSouth and ITC^DeltaCom will not necessarily agree on the  
19 interconnection point.

20

21 **Q: THE CONTRACT ALLOWS FOR MUTUAL AGREEMENT OF POIS.**

22 **WHY WOULD THIS NOT WORK FOR ITC^DELTACOM?**

23 A: BellSouth as a monopoly would dictate to ITC^DeltaCom where the POI

1 would be, whether ITC^DeltaCom agrees or not. Mutual agreement may  
2 exist in some areas, for example where our POP is in the BellSouth  
3 central office, but for the vast majority of the LATAs, there will not be  
4 agreement. Where there is not agreement, BellSouth will be selecting a  
5 point of interconnection for its traffic and ITC^DeltaCom selecting the POI  
6 for ITC^DeltaCom traffic. This was not the intent of the FCC order.

7  
8 **Q: WHAT WOULD BE THE IMPACT TO ITC^DELTACOM IF**  
9 **BELLSOUTH'S POSITION WERE ADOPTED?**

10 **A:** ITC^DeltaCom does not want to go through the expense or the burden of  
11 having to redesign its local network and reopen trunking discussions and  
12 transport facilities and redesigning its interconnection agreement every  
13 time a BellSouth/ ITC^DeltaCom interconnection agreement comes up for  
14 renewal. Today ITC^DeltaCom has approximately fifty-eight (58) POIs  
15 across the BellSouth region. Eleven of the fifty-eight are in Florida. The  
16 FCC has addressed the issue of who selects the POI and the transport  
17 costs.

18 (See, In the Matter of the Petition of WorldCom, Inc., for Preemption of the  
19 Jurisdiction of the Virginia State Corporation Commission Regarding  
20 Interconnection Disputes With Verizon Virginia, Inc., and for Expedited  
21 Arbitration, et. al., Memorandum Opinion and Order, CC Docket No. 00-  
22 218, 00-249 and 00-251 (rel. July 17, 2002)).

23

1 ITC^DeltaCom recognizes that the Florida Commission has also  
2 addressed this issue in Docket No. 000075-TP, Order No. PSC-02-1248-  
3 FOF-TP at page 25. ITC^DeltaCom desires to incorporate the Florida  
4 Commission order allowing the CLEC to designate the POI. The existing  
5 POIs were mutually agreed upon by BellSouth and ITC^DeltaCom at the  
6 time the POIs were established. It is ITC^DeltaCom's desire to maintain  
7 the existing POIs at their current location.

8

9 **Issue 41: Percent Local Facilities ("PLF")**

10 **Q: WHY DO YOU DISAGREE WITH THE CONCEPT OF PLF?**

11 A: To our knowledge, the term and usage of PLF is not found in any FCC or  
12 state commission ruling or in published documents of any other industry  
13 body. Furthermore, ITC^DeltaCom is not aware of any industry standards  
14 that call for a PLF. BellSouth also did not discuss with ITC^DeltaCom or  
15 other carriers the concept or need for PLF. ITC^DeltaCom has not been  
16 required to provide a PLF under its current interconnection agreement.

17

18 **Q: WHAT SHOULD THE COMMISSION ORDER ON THIS ISSUE?**

19 A: The Commission should rule that until an industry standard or regulatory  
20 body such as OBF or the FCC adopts the use of the PLF, ITC^DeltaCom  
21 will not be required to generate and provide a PLF.

22

23 **Issues 44 and 46: Establishment of Trunk Groups for Operator and**  
24 **Emergency Services and Busy Line Verify ("BLV") and Busy Line Verify**

1 **Interrupt ("BLVI")**

2

3 **Q: WHY IS THE ESTABLISHMENT OF OPERATOR TRUNKS IMPORTANT**  
4 **TO ITC^DELTACOM?:**

5 A: Trunks between the operator centers of BellSouth and ITC^DeltaCom  
6 have been in place since 1998. The operator services and the trunks used  
7 to provide these operator services have been in place for the last five  
8 years. During this time period, the rates, terms and conditions have been  
9 in the interconnection agreements. ITC^DeltaCom is one of a few CLECs  
10 that has its own operator services operation.

11

12

13 **Q: BELLSOUTH WOULD LIKE ITC^DELTACOM TO FILL OUT A BFR**  
14 **(BONA-FIDE REQUEST) TO PROVIDE THIS SERVICE GOING**  
15 **FORWARD. PLEASE COMMENT.**

16 A: ITC^DeltaCom should not have to file a BFR for additional trunk groups or  
17 re-certify the existing trunk groups. The current language allows for the  
18 establishment of these trunks and is for the mutual benefit of  
19 ITC^DeltaCom and BellSouth customers.

20

21 **Q: WHAT IS BELLSOUTH'S POSITION?**

22 A: BellSouth argues the information and services are available in its access  
23 tariff. However, BellSouth's access tariff only contains BellSouth operator  
24 service products. The tariff provides products that are for carriers that do



1 not have their own operator center. The tariff does not offer language or  
2 interconnection rates, terms and conditions for operator center to operator  
3 center connections.

4

5 **Q: WHY ARE THESE TRUNKS IMPORTANT? CAN YOU GIVE AN**  
6 **EXAMPLE OF WHAT COULD HAPPEN IF THESE TRUNKS WERE**  
7 **DISCONNECTED WITH THE IMPLEMENTATION OF THE NEW**  
8 **INTERCONNECTION LANGUAGE?**

9 A: Take the example where a BellSouth customer needs to reach an  
10 ITC^DeltaCom customer on an emergency basis. The BellSouth  
11 Customer would dial 0 to reach a BellSouth operator. That BellSouth  
12 operator needs to have the capability of reaching an ITC^DeltaCom  
13 operator so that the ITC^DeltaCom operator can either intercept, verify  
14 busy or otherwise reach the ITC^DeltaCom customer.

15

16 This example also works in reverse. If an ITC^DeltaCom customer needs  
17 to reach a BellSouth customer, our operator center should be able to  
18 directly reach a BellSouth operator. Without these trunks, the operator  
19 centers have no reasonable way to communicate with each other.

20

21 **Q: WHY CAN'T YOU DO AS BELLSOUTH SUGGESTS AND ORDER**  
22 **BELLSOUTH SERVICES AND HAVE YOUR OPERATORS DIAL "0"**  
23 **VIA BUSINESS LINES OR OTHER PRODUCT?**

1 A: This trunking arrangement is for the mutual benefit of the two operator  
2 service platforms so that both companies can service their consumers.  
3 This is not a service or individual retail product but is an integral part of  
4 connecting two local companies that each have their own operator center.  
5 I will add that ITC^DeltaCom does pay BellSouth for 100% of the transport  
6 costs for this mutual arrangement. The establishment of multiple trunks  
7 and lines to connect all the operator centers is complex and time  
8 consuming and should not have to be repeated by ITC^DeltaCom.

9  
10 BellSouth's position treats ITC^DeltaCom as a retail customer and not as  
11 a carrier. Under BellSouth's proposal, ITC^DeltaCom would have to order  
12 operator services from BellSouth out of BellSouth's FCC access tariffs.  
13 ITC^DeltaCom only offers similar services under contract and BellSouth  
14 would need to either tell its customer that BellSouth cannot not reach the  
15 ITC^DeltaCom customer, or BellSouth would have to enter into a separate  
16 operator agreement with ITC^DeltaCom. BellSouth does not explain to  
17 ITC^DeltaCom how it plans on reaching our customers. Ultimately the  
18 BellSouth customer, in an emergency basis, would not be able to reach an  
19 ITC^DeltaCom customer.

20

21 **Q: WHY IS BELLSOUTH'S DECISION TO NO LONGER INCLUDE RATES,**  
22 **TERMS AND CONDITIONS FOR THE INTERCONNECTION OF THE**  
23 **OPERATOR SERVICES PLATFORMS A BAD DECISION?**

1 A: ITC^DeltaCom believes this is a step backwards, and the decision impacts  
2 our customers equally. The new BellSouth position has changed an  
3 understanding the companies have had for many years, without a  
4 reasonable business explanation. In an era where emergency and  
5 operator services are relied upon, especially when time is of the essence,  
6 BellSouth is seeking to undo efficient interconnections. ITC^DeltaCom  
7 believes interconnection between telecommunication companies for  
8 operator services and emergency services will increase over time.

9

10 **Q: HOW DOES THE REMOVAL OF THIS CONTRACT LANGUAGE**  
11 **IMPACT ITC^DELTACOM AND ITS CUSTOMERS?**

12 A: By taking away contract language, previously negotiated and agreed to,  
13 BellSouth makes it difficult for ITC^DeltaCom to service its consumers. It  
14 is cost prohibitive to have to continually adapt to shifting positions and  
15 policies. ITC^DeltaCom incurs increased costs related to system changes  
16 and processes, as well as the increased costs of re-training our  
17 employees.

18

19 **Q: DOES BELL SOUTH HAVE LANGUAGE IN OTHER CLEC**  
20 **INTERCONNECTION AGREEMENTS THAT PROVIDE FOR THE**  
21 **CONNECTION OF THE CLEC'S OPERATOR SERVICES TO**  
22 **BELL SOUTH'S OPERATOR SERVICES?**

23 A: Yes. Attached as Exhibit SB-4 is language in the current AT&T/BellSouth

1 Florida interconnection agreement. Also, attached as Exhibit SB-5 is  
2 BellSouth's non-proprietary response to ITC^DeltaCom's question to  
3 BellSouth as to what BellSouth will do when its operator cannot reach an  
4 ITC^DeltaCom operator in an emergency situation.

5

6 **Q: IS ITC^DELTACOM ASKING BELLSOUTH TO UNBUNDLE ITS**  
7 **OPERATOR SERVICES?**

8 **A:** NO. ITC^DeltaCom is seeking to ensure that the BellSouth and  
9 ITC^DeltaCom operator centers are able to continue providing emergency  
10 operator services and busy line interrupt/verification.

11

12 **Q: WHAT SHOULD THE COMMISSION ORDER ON THIS ISSUE?**

13 **A:** The Commission should require the parties to interconnect such that  
14 emergency operator services and busy line interruption/verification  
15 continue for the benefit of both ITC^DeltaCom and BellSouth consumers.

16

17

18

19 **Issue 47: Reverse Collocation**

20 **Q: SHOULD BELLSOUTH OPERATE UNDER THE SAME RATES, TERMS**  
21 **AND CONDITIONS WHEN COLLOCATES IN ITC^DETLACOM'S**  
22 **SPACE?**

23 **A:** Yes. Again, this was an issue in our last arbitration case in Florida. Prior

1 to the filing of testimony in Florida and prior to the hearing, BellSouth  
2 agreed to operate under the same rates, terms and conditions when  
3 BellSouth used ITC^DeltaCom space. See Exhibit SB-6 - Testimony of  
4 David Thierry in Docket 27091 filed with the Alabama Public Service  
5 Commission. To allow BellSouth to use ITC^DeltaCom space without  
6 payment is confiscatory.

7

8 **Q: WHEN ITC^DELTACOM DESIRES TO PLACE EQUIPMENT INTO THE**  
9 **BELLSOUTH NETWORK, AT A CENTRAL OFFICE, DOES**  
10 **BELLSOUTH GIVE THIS SPACE TO ITC^DELTACOM AT NO COST?**

11 A: No, BellSouth charges ITC^DeltaCom for the application to ask for the  
12 space, preparation for the space and power requirements and the rent on  
13 the use of space and power for our equipment.

14

15 **Q: DOES BELLSOUTH ALSO CHARGE FOR THE PREPARATION OF TIE-**  
16 **PAIR CABLES AND INTERCONNECTION BETWEEN THE**  
17 **COLLOCATION AND THE BELLSOUTH NETWORK?**

18 A: Yes, that is considered in the preparation charge and ITC^DeltaCom also  
19 receives a cross-connect charge whenever we connect to BellSouth or  
20 other carriers within the central office.

21

22 **Q: WHEN BELLSOUTH DESIRES TO PLACE EQUIPMENT INTO THE**  
23 **ITC^DELTACOM NETWORK, AT A CENTRAL OFFICE, DOES**

1           **BELLSOUTH EXPECT ITC^DELTACOM TO GIVE THIS SPACE TO**  
2           **BELLSOUTH AT NO COST?**

3    A:    Yes. Today BellSouth expects ITC^DeltaCom to process a request from  
4           BellSouth for the space, prepare the space (including power  
5           requirements), and allow BellSouth to use the space and power for their  
6           equipment at no charge. However, ITC^DeltaCom should be  
7           compensated by BellSouth for the processing, preparation and use of  
8           ITC^DeltaCom space at the same rates BellSouth charges ITC^DeltaCom.

9

10   **Q:    DOES BELLSOUTH ALSO EXPECT ITC^DELTACOM NOT TO**  
11           **CHARGE FOR THE PREPARATION OF TIE-PAIR CABLES AND**  
12           **INTERCONNECTION BETWEEN THE COLLOCATION AND THE**  
13           **ITC^DELTACOM NETWORK?**

14   A:    Yes, BellSouth does not want to pay ITC^DeltaCom for any work, material,  
15           service that is associated with BellSouth equipment into the  
16           ITC^DeltaCom network.

17

18   **Q:    IF BELLSOUTH INSTALLS EQUIPMENT AT AN ITC^DELTACOM POP**  
19           **SITE DIRECTLY FOR ITC^DELTACOM'S BENEFIT, WHY SHOULD**  
20           **ITC^DELTACOM EXPECT TO BE COMPENSATED FROM**  
21           **BELLSOUTH FOR THE PREPARATION AND USE OF SPACE IN**  
22           **ITC^DELTACOM'S NETWORK?**

1 A: There are a couple key reasons why ITC^DeltaCom is not the sole  
2 beneficiary from the use of the equipment that BellSouth places into the  
3 ITC^DeltaCom network. This equipment supports the products and  
4 revenue that BellSouth sells to other carriers. BellSouth utilizes this  
5 equipment for wholesale customers, where ITC^DeltaCom is the  
6 Interexchange provider and BellSouth is the local provider. BellSouth  
7 also delivers their own DS3s for BellSouth local originated traffic on this  
8 equipment. Conversely, when ITC^DeltaCom collocates with BellSouth it  
9 is primarily to order BellSouth services and as this Commission is well  
10 aware BellSouth receives a significant amount of revenue from the  
11 collocations that ITC^DeltaCom deploys into the BellSouth network. This  
12 issue was resolved in the prior arbitration by BellSouth agreeing to  
13 compensate ITC^DeltaCom when BellSouth collocates within  
14 ITC^Deltacom's property. See Attachment 3, Section 1.2.5, of the current  
15 Interconnection Agreement. This policy should be continued but with  
16 some clarifying language as we have requested so that BellSouth will no  
17 longer be able to use ITC^DeltaCom's facilities for free.

18

19 **Q: WHEN BELLSOUTH SELLS SERVICES TO OTHER CARRIERS THAT**  
20 **NEED TO BE DELIVERED TO YOUR CARRIER POP, DOES**  
21 **BELLSOUTH SHARE ANY REVENUE OR PAY ITC^DELTACOM ANY**  
22 **COST FOR THEIR PRODUCT AND ACTIVITY?**

1 A: No. Again, BellSouth does not pay or compensate ITC^DeltaCom for any  
2 use of our network infrastructure associated with BellSouth products or  
3 interconnection trunks.

4

5 **Q: THE ISSUE OF COLLOCATION SPACE WITHIN ITC^DELTACOM**  
6 **DEALS WITH PRIMARILY WITH ENTRANCE FACILITIES. WHAT IS**  
7 **YOUR DEFINITION OF ENTRANCE FACILITIES?**

8 A: Entrance facilities is a transport system with a wide variety of  
9 configurations. Typically, entrance facilities are an OC-12 or an OC-48  
10 transport system with DS3 or OC-3 outputs between the CLEC/IXC POP  
11 and the BellSouth end office. The entrance facilities are in place so that  
12 the IXC/CLEC can order services (UNE and FCC) from BellSouth and so  
13 that BellSouth can deliver their local traffic into the ITC^DeltaCom  
14 network.

15

16 **Q: IF YOU INSTALL THE EXACT SAME ENTRANCE FACILITY**  
17 **EQUIPMENT IN THE BELLSOUTH NETWORK THAT BELLSOUTH**  
18 **INSTALLED IN YOUR NETWORK FOR ENTRANCE FACILITIES, DO**  
19 **YOU HAVE TO PAY BELLSOUTH FOR THIS SPACE?**

20 A: Yes.

21 **Issue 57: Rates and Changes for Conversion of Customers from Special**  
22 **Access to UNE-Based Service**

23

24 **Q: WHAT IS ITC^DELTACOM'S POSITION REGARDING THIS ISSUE?**

25 A: This is the case where the local loop or the EEL is already in service. This



1 is a conversion where there is no disconnect and reconnect, but simply a  
2 billing change. ITC^DeltaCom's position is because there is no change in  
3 the physical makeup of the loop, that this should be an administrative  
4 charge only. ITC^DeltaCom's position is that BellSouth and AT&T current  
5 interconnection agreement permits AT&T to send a spreadsheet with a list  
6 of special access circuits to be converted to a UNE loop that goes into a  
7 collocation. This practice should also be extended to ITC^DeltaCom.

8  
9 BellSouth's position, as we understand it, is that it is not required to  
10 perform conversions of special access to UNE, except for specific  
11 combinations. BellSouth is simply trying to utilize the FCC to ask it to list  
12 or order it to list every conceivable combination, and in not doing so, it is  
13 up to ITC^DeltaCom to go through a new business request where such  
14 things could take anywhere from a minimum of 90 to 120 days to work out  
15 the issue that BellSouth has already worked out with AT&T. This issue is  
16 not outside of the scope of the interconnection agreement, as BellSouth  
17 alleges. We are simply taking special access circuits and moving them  
18 over to UNE based services.

19  
20 There could be a reasonable administrative charge. However,  
21 ITC^DeltaCom does not want to pay for the full installation charges of the  
22 FCC circuit and then turn around and incur the full installation charges of a  
23 UNE circuit when there is no disconnect or reconnect, i.e., there is no

1 outage or impact to the customer.

2

3 **Q: DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

4 **A:** Yes.

5

1 Q: PLEASE STATE YOUR NAME, POSITION AND BUSINESS  
2 ADDRESS.

3 A: My name is Steve Brownworth. I am an employee of ITC^DeltaCom  
4 Communications, Inc. ("ITC^DeltaCom"), and my business address is  
5 1791 O.G. Skinner Drive, West Point, Georgia 31833.

6

7 Q: ARE YOU THE SAME STEVE BROWNORTH WHO PRESENTED  
8 DIRECT TESTIMONY ON BEHALF OF ITC^DELTACOM IN THIS  
9 CASE?

10 A: Yes.

11

12 Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?

13 A: The purpose of my testimony is to respond to the direct testimony of  
14 BellSouth witnesses Milner, Ruscilli and Blake regarding the  
15 unresolved issues concerning network interconnection and various  
16 other network operations issues.

17

18 Issue 8: Integrated or Universal Digital Loop Carrier ("IDLC" and  
19 "UDLC")

20 Q: WHY IS THE "TECHNICAL TRANSMISSION REQUIREMENTS FOR  
21 VOICE GRADE LOOPS" MENTIONED BY MR. MILNER ON PAGE  
22 13 OF HIS TESTIMONY AN ISSUE FOR ITC^DELTACOM?

23 A: It is an outdated mode of thinking. When looking at the use of the

1 local line today, there is little debate that customers are utilizing their  
2 local lines for data (Internet access and fax). From BellSouth's web  
3 site it states:

4 Under normal circumstances, the speed at which  
5 you connect to your Internet Service Provider  
6 (ISP) depends upon the speed of your modem, as  
7 well as a variety of other factors. These factors  
8 include the quality and compatibility of the  
9 modems at each end of the connection; the local  
10 network configuration; and constantly changing  
11 conditions such as the amount of traffic on the  
12 line and the number of users who are trying to  
13 access the same site...For example, with a 33.6k  
14 modem you will probably see rates of between 3-  
15 4k. This means your throughput is between 3-4  
16 kilobytes per second. Since a byte equals 8 bits,  
17 you are effectively downloading at a rate of 8  
18 times 3-4k, which equals between 24,0000 to  
19 32,000 bits per second. This is a good transfer  
20 rate for high-speed analog modems.  
21

22 This is the response BellSouth has to its customers on issues of  
23 speed for Internet services, where BellSouth mentions "local network  
24 configurations" and that with a 33.6K modem, passing 24 to 32K bps  
25 are "a good transfer rate for high speed analog modems."  
26

27 However in BellSouth's TR 73600 Technical Specifications for  
28 Unbundled Local Loops, BellSouth states in Section 6.5:

29  
30 **6.5 Voiceband Data**  
31 BST does not guarantee that an Unbundled Voice  
32 Loop (non-designed or designed) will be suitable  
33 for analog data or Facsimile transmission. If a  
34 customer is able to send and receive data, BST  
35 does not guarantee a data rate.

1

2 In other words, there is no guarantee that dial-up Internet or fax will  
3 even work. BellSouth is setting a double standard and a clear  
4 difference in the quality of the loops BellSouth provides its own  
5 customers versus what BellSouth is willing to provide to CLECs.  
6 Furthermore, the Act and the FCC's orders pursuant thereto require  
7 BellSouth to provide ITC^DeltaCom an equivalent loop where  
8 technically feasible.

9

10 **Q: COULD YOU SUMMARIZE THE CORE ISSUE THIS COMMISSION**  
11 **NEEDS TO REVIEW?**

12 **A:** Yes. Mr. Milner states that there is a quality standard for local loops  
13 that BellSouth is providing, and if ITC^DeltaCom wants something  
14 better, it should pursue this via the New Business Request ("NBR")  
15 process. This means that if ITC^DeltaCom wants its customer to have  
16 the same quality of local loop it has today and that quality exceeds the  
17 minimal standards for the UNE loop, ITC^DeltaCom has to go through  
18 the NBR process to ensure our customer doesn't suffer any  
19 degradation of service.

20

21 The core issue this Commission will need to address is parity with  
22 respect to the quality of the local loop. BellSouth's deployment of  
23 IDLC and other advances that maximize and improve the quality of the

1 loop to the customer, along with its simultaneous provision to  
2 ITC^DeltaCom of minimal "technical transmission requirements for  
3 voice grade loops," leaves ITC^DeltaCom impaired at the UNE loop  
4 level until technical solutions can be formulated by BellSouth. (Milner  
5 Direct at 13). Alternate solutions mean little to customers that have  
6 noticeable differences in quality between BellSouth and the loops  
7 BellSouth would provide ITC^DeltaCom.

8

9 ITC^DeltaCom would respectfully suggest that the Commission review  
10 language in the AT&T and BellSouth Interconnection agreement in  
11 Florida, dated October 26, 2001. These two parties addressed the  
12 issue of quality of the local loop with language: "These alternative  
13 arrangements will be used where available to permit AT&T to order a  
14 Loop and to provide AT&T with the capability to service end users at  
15 the same level BellSouth provides its retail customers, to the extent  
16 technically possible."

17

18 The arrangements referred to in the statements above relate back to  
19 Mr. Milner's testimony of the eight (8) different provisioning concepts  
20 for the local loop.

21

22 We are asking the Commission to allow for the same type of language  
23 to be extended to ITC^DeltaCom.

1

2 **Q: EXHIBIT WKM-1 TO MR. MILNER'S TESTIMONY IS A BELLSOUTH**  
3 **DOCUMENT CONCERNING THE TRIAL BETWEEN BELLSOUTH**  
4 **AND ITC^DELTA COM. WHAT IS ITC^DELTA COM'S RESPONSE?**

5 A: BellSouth prematurely ended the trial and did not explore all options  
6 and issues. Furthermore, BellSouth has been ordered by two state  
7 commissions (Alabama and Tennessee) to provide an equivalent  
8 quality of loop with no additional analog to digital conversions.

9

10 The fact that BellSouth believes that there is no technical solution  
11 means that ITC^DeltaCom is impaired at the UNE DS0 loop level.  
12 Therefore, in an effort to resolve this issue, ITC^DeltaCom will agree  
13 to accept UNE-P in those situations where a conversion of the  
14 customer from BellSouth to ITC^DeltaCom will mean a degradation in  
15 the quality of the loop. Meanwhile, ITC^DeltaCom will continue to  
16 explore possible technical solutions such that customers served via  
17 IDLC that move to ITC^DeltaCom and are served by ITC^DeltaCom's  
18 switches located in Jacksonville, Ocala, West Palm Beach and Tampa  
19 will not suffer a degradation in the quality of the loop.

20

21 **Q: WHAT ALTERNATIVES ARE AVAILABLE IF BELLSOUTH**  
22 **CANNOT PROVIDE A LOOP THAT IS EQUIVALENT TO THE LOOP**  
23 **IT IS CURRENTLY PROVIDING TO THE CONSUMER?**

1 A: Given that ITC^DeltaCom and its customers are impaired, the obvious  
 2 solution is that ITC^DeltaCom will have to continue to use UNE-P for  
 3 those customers that have an IDLC loop with BellSouth. The only  
 4 other alternative is that BellSouth would move its customers in the  
 5 area to a lesser but uniform standard.

6

7 **Issue 11(b): Must All Network Elements be Delivered to Deltacom's**  
 8 **Collocation Arrangement**

9

10 **Q: ARE ALL NETWORK ELEMENTS DELIVERED TO A DELTACOM**  
 11 **COLLOCATION SITE TODAY?**

12 A: No. BellSouth has proposed the following language to be included in  
 13 the interconnection agreement:

14 ITC^DeltaCom may purchase Network Elements and  
 15 other services from BellSouth under this Attachment 2  
 16 for the purpose of combining such network elements for  
 17 use in any manner ITC^DeltaCom chooses to provide  
 18 telecommunication services to its intended users,  
 19 including recreating existing BellSouth services. **With**  
 20 **the exception of the sub loop Network Elements**  
 21 **which are located outside of the central office and**  
 22 **any service specifically outlined in this Attachment 2**  
 23 **that does not terminate to a collocation**  
 24 **arrangement, BellSouth shall deliver the Network**  
 25 **Elements purchased by ITC^DeltaCom to the**  
 26 **demarcation point associated with ITC^DeltaCom's**  
 27 **collocation arrangement.**

28

29 DeltaCom has proposed the following language:

30 ITC^DeltaCom may purchase Network Elements and  
 31 other services from BellSouth under this Attachment 2  
 32 for the purpose of combining such network elements for  
 33 use in any manner ITC^DeltaCom chooses to provide  
 34 telecommunication services to its intended users,



1 including recreating existing BellSouth services.  
2 **BellSouth will deliver the Network Elements**  
3 **purchased by ITC^DeltaCom in compliance with FCC**  
4 **and Commission rules.**  
5

6 The key difference in the parties positions is that BellSouth seeks to  
7 limit the network elements that ITC^DeltaCom can purchase without  
8 having them delivered to a collocation site and more specifically only  
9 to an ITC^DeltaCom collocation arrangement. ITC^DeltaCom seeks to  
10 obtain Network Elements in compliance with the FCC and state  
11 Commission orders meaning that DeltaCom may be able to obtain  
12 certain Network Elements at any technically feasible point. For  
13 example, BellSouth now claims that dark fiber is only available at the  
14 ITC^DeltaCom collocation site and we can only order special access  
15 to other carriers' collocation sites. In summary, BellSouth seeks to  
16 limit ITC^DeltaCom's ability to obtain and use Network Elements by  
17 imposing a collocation requirement where no such technical limitation  
18 exists.

19

20 **Q: IN MR. RUSCILLI'S TESTIMONY ON PAGE 8 HE STATES,**  
21 **"SIMILARLY, CARRIERS MAY CONNECT UNE OR TARIFFED**  
22 **TRANSPORT FROM THE ORDERING CARRIER'S COLLOCATION**  
23 **SPACE TO ANOTHER CARRIER'S COLLOCATION**  
24 **ARRANGEMENT." PLEASE RESPOND.**

25 A: BellSouth still did not properly address the core issue that

1 ITC^DeltaCom or any carrier should be able, with CFA/LOA and an  
2 agreement from another carrier, to order UNE services directly to the  
3 other provider's collocation space. This arrangement can be  
4 provisioned as tariffed special access services today. Mr. Ruscilli's  
5 comments suggest that ITC^DeltaCom, in order to utilize another  
6 carrier's collocation space, would need to get collocation space in the  
7 same central office, order the UNEs to the ITC^DeltaCom collocation,  
8 and then order a cross-connect to the other provider's collocation  
9 space. The concept of being able to order UNEs to another carrier's  
10 collocation space, without the expense and time of ITC^DeltaCom  
11 deploying similar assets, is to conserve central office space and to  
12 better utilize the available capital of the CLECs. What BellSouth  
13 suggests here does neither.

14

15 **Q: EARLIER IN MR. RUSCILLI'S TESTIMONY ON PAGE 8, HE**  
16 **STATES "...UNDER CERTAIN PROVISIONS, CARRIERS (ALECS,**  
17 **IXCS AND CMRS PROVIDERS) MAY CONNECT UNE LOOPS, UNE**  
18 **LOCAL CHANNELS, OR TARIFFED LOCAL CHANNELS TO**  
19 **ANOTHER CARRIER'S COLLOCATION ARRANGEMENT."**  
20 **PLEASE RESPOND.**

21 A: ITC^DeltaCom has asked the BellSouth Local Interconnection  
22 Account Team a similar question. ITC^DeltaCom is not clear as to the  
23 limitations surrounding "certain provisions" and how those limitations

1 could impact ITC^DeltaCom.

2

3 We do know that UNE loop orders placed in Florida, in a similar  
4 manner to special access, were rejected by BellSouth, and  
5 BellSouth's response was that the orders could be processed if they  
6 were ordered as special access. See Exhibit SB-7, e-mail dated April  
7 6, 2003 sent to Van Cooper, the Director of Interconnection Services.  
8 We still do not have an answer from our account team as of the date  
9 of this filing.

10

11 If Carrier A has an agreement with Carrier B to utilize Carrier A's  
12 collocation space and Carrier B has a LOA/CFA from Carrier A,  
13 Carrier B should be able to place UNE orders (loop, channel, transport  
14 or any combination) to Carrier A's collocation space. This is the core  
15 issue ITC^DeltaCom would like the Commission to address: CLECs  
16 should be able to utilize each other's space in a way that minimizes  
17 capital expenditure. Allowing CLECs to access other collocations will  
18 provide customers greater choices and encourage CLECs to move to  
19 facility-based solutions.

20

21 **Issue 20(b): SS7 Point of Interconnection**

22 **Q: MR. MILNER ON PAGE 20 OF HIS TESTIMONY STATES THAT**

23 **"BELLSOUTH SHOULD NOT BE REQUIRED TO ABSORB**

1           **DELTACOM'S TRANSPORT COSTS" WITH REGARD TO SS7.**

2           **WHAT IS YOUR RESPONSE?**

3    A:    Today BellSouth bills ITC^DeltaCom for signaling transport from our  
4           POP site to the Gateway SS7 trunks. The costs of the BellSouth  
5           network are also reflected in the Port charges ITC^DeltaCom pays to  
6           BellSouth, and the TCAP and ISUP per message rates ITC^DeltaCom  
7           pays to BellSouth. The TCAP and ISUP messages take into  
8           consideration our usage of BellSouth 's SS7 network, so we are  
9           absorbing our portion of the use of the BellSouth SS7 network.

10

11   **Q:    MR. MILNER FURTHER STATES ON PAGE 20 THAT IT IS**  
12           **NECESSARY TO MEET AT THE BELLSOUTH GATEWAY STPS IN**  
13           **ORDER FOR BELLSOUTH TO "MAINTAIN THE LEVEL OF ROUTE**  
14           **OR FACILITY DIVERSITY REQUIRED ON THE SIGNALING LINKS**  
15           **TO PREVENT CATASTROPHIC OUTAGES." MR. MILNER LATER,**  
16           **IN THE FOLLOWING PARAGRAPH ON PAGE 21 STATES "IF**  
17           **DELTACOM WANTS SOME OTHER ARRANGEMENT, DELTACOM**  
18           **SHOULD PAY FOR SUCH AN ARRANGEMENT." PLEASE**  
19           **RESPOND.**

20    A:    ITC^DeltaCom has no issues with the need to maintain a consistent  
21           level of diversity and route separation in the SS7 network. A uniform  
22           manner to design and management the SS7 network is an important  
23           consideration to the functioning of a highly available data network.

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More specifically, we are looking for a billing mechanism when BellSouth uses SS7 to route calls originated from BellSouth customers to ITC^DeltaCom customers. The AT&T Interconnection Agreement with BellSouth in Florida has wording in Attachment 3, Section 4.8.2, which we would find acceptable:

4.8.2 Where the SPOI for the signaling link facilities is located at the BellSouth Serving Wire Center where the signaling link facilities terminates and AT&T has furnished the interconnection facility, BellSouth will pay a monthly charge equal to one half of the AT&T-provided facility charge according to BellSouth's unbundled rate element for the facility used. Rates for said interconnection facilities shall be as set forth in Exhibit A in Attachment 2, incorporated herein by this reference.

I have attached this section as Exhibit SB-8. The contract also references 4.8.3, when the SPOI could be at an AT&T POP, so this contract does consider that the SPOI could be at more than one location as opposed to just the BellSouth Gateway. ITC^DeltaCom primarily seeks to obtain the opportunity to share the costs with BellSouth as contemplated by the AT&T language set forth above.

**Issue 21: Dark Fiber Availability**

**Q: MR. MILNER STATES ON PAGE 21 OF HIS TESTIMONY THAT DARK FIBER SHOULD BE AVAILABLE AT "DELTACOM'S**

1       **COLLOCATION ARRANGEMENT.” PLEASE RESPOND.**

2     A:     ITC^DeltaCom is concerned that BellSouth will take a narrower view  
3           of dark fiber UNEs over time and that view is different from the norm in  
4           other areas of the country.    The fact that BellSouth worked  
5           cooperatively in the past makes its refusal to document reasonable  
6           business practices confusing to say the least.

7

8           ITC^DeltaCom has two concerns:  (1) any requirement to have a  
9           collocation at a central office, versus being able to share collocation  
10          space with another service provider; and (2) that BellSouth will use the  
11          inability to enter a building or Central Office as a reason not to offer  
12          the fiber, when ITC^DeltaCom has the fiber facilities to provide access  
13          to that building or central office.

14

15          When asked to comment on whether the ITC^DeltaCom request to  
16          access dark fiber at points other than the ITC^DeltaCom collocation  
17          space (such as natural break points within the BellSouth network), Mr.  
18          Milner refers to the FCC's rules defining loops and transport  
19          suggesting that the FCC rules limit delivery points for each of these  
20          elements to those delivery points proposed by BellSouth.  This is  
21          simply not the case.  Within the FCC's definition of a loop, two critical  
22          points must be recognized:  (1) the loop is defined as a “transmission  
23          facility between a distribution frame . . . in an incumbent LEC central

1 office and the loop demarcation point at an end-user customer  
2 premise”; and (2) the rule specifically includes dark fiber as a “feature,  
3 function and capability” of the loop. Therefore, if a dark fiber  
4 transmission facility between an ILEC central office and an end-user  
5 customer premises is practicably to be made available to  
6 ITC^DeltaCom, as the Commission’s rules require, this Commission  
7 must grant ITC^DeltaCom reasonable access to dark fiber that it has  
8 requested.

9  
10 To understand why this is the case it is helpful to understand a little  
11 about how ILECs deploy excess capacity in the form of dark fiber.  
12 When an ILEC is deploying fiber in its network the cost of laying that  
13 fiber well exceeds the cost of the fiber itself. Therefore, it is efficient  
14 for the ILEC to deploy excess fiber in advance of future needs.  
15 However, it is impossible for the ILEC to know in advance precisely  
16 which transport routes, or which customer premises (considering also  
17 future construction), are likely to require the ILEC to enlist additional  
18 capacity. Therefore, to maximize flexibility in its outside plant  
19 deployment, the ILEC will often deploy its dark fiber unconnected and  
20 with planned “break points.” In this way, simply splicing together  
21 different fiber strands at the planned break points can create unique  
22 fiber routes.

23

1 It is therefore critically important when considering the dark fiber UNE  
2 to keep in mind that there are very few, if any, contiguous dark fiber  
3 transmission facilities connecting an ILEC central office with a  
4 customers premises at any given time. The ILEC, in its ordinary  
5 course of business, activates dark fiber by splicing together already  
6 deployed, but unconnected, fiber to create the transmission facility it  
7 desires.

8  
9 In this arbitration, ITC^DeltaCom is asking for nothing more than the  
10 ability to use BellSouth's excess capacity, as required by the  
11 Commission's rules, in a nondiscriminatory manner—that is to say, in  
12 the same manner that BellSouth uses its own dark fiber. The flexibility  
13 inherent in the ability to use dark fiber to access a multiplicity of loop  
14 and transport routes does not, as BellSouth asserts, result in the  
15 "creation of a new UNE." Rather, access to dark fiber at splice points  
16 within the ILEC network is essential to ITC^DeltaCom's ability to  
17 constructively access an already-mandated UNE. Without the ability  
18 to access the dark fiber UNE in the same manner as BellSouth,  
19 ITC^DeltaCom will be effectively denied access to dark fiber loops and  
20 transport UNEs.

21  
22 While this discussion has been largely focused on the use of dark fiber  
23 loops, BellSouth seems to be refusing access for the transport



1 element because the transport element as defined by the FCC  
2 basically includes any transmission path that is not covered under the  
3 "loop" definition. Contrary to Mr. Milner's assertion, we are not aware  
4 of any undertaking or rulemaking by the FCC to "standardize" (i.e.  
5 "limit") how and where competitors can interconnect with the ILEC  
6 network. Again, it is ITC^DeltaCom's understanding that the Act  
7 requires BellSouth to provide for interconnection "at any technically  
8 feasible point within the carrier's network." 47 U.S.C. § 251(c)(2)(B).

9  
10 NewSouth, in its Florida Agreement with BellSouth, has language that  
11 clearly states that BellSouth must provide Dark Fiber at any  
12 technically feasible point:

13  
14 2.7.2.1 BellSouth shall make available in a  
15 reasonable and non-discriminatory manner, Dark  
16 Fiber where it exists in BellSouth's network and  
17 where, as a result of future building or deployment,  
18 it becomes available. If BellSouth has bona fide  
19 plans to use the fiber within a two year planning  
20 period, there is no requirement to provide said  
21 fiber to NewSouth. **BellSouth shall provide**  
22 **access to Dark Fiber at any technically feasible**  
23 **point.**  
24

25 (Emphasis added). MCI in its Florida Agreement with BellSouth has  
26 language that states "BellSouth shall make available Dark Fiber at  
27 Parity and on a non-discriminatory basis in accordance with applicable  
28 FCC rules and orders." We are simply asking for similar language in  
29 our interconnection agreement.

1

2

3 **Issue 36: UNE/ Special Access Combinations**

4 **Q: MS. BLAKE ON PAGE 10 OF HER TESTIMONY STATES THAT**  
5 **“NOTHING IN THE ACT OR THE FCC RULES REQUIRES**  
6 **BELLSOUTH TO PROVIDE COMBINATIONS OF UNES AND**  
7 **TARIFFED SERVICES.” PLEASE RESPOND.**

8 **A:** The FCC has never indicated that the ILECs do not have to combine  
9 UNEs with access services. The “co-mingling” restriction referred to in  
10 the Supplemental Clarification Order refers only to combining loop and  
11 transport UNE combinations with tariffed services. There is no other  
12 restriction of which ITC^DeltaCom is aware.

13

14

15 **Issue 37: Conversion of Special Access to a UNE Loop**

16 **Q: MS. BLAKE STATES ON PAGE 10 LINE 12 THAT BELLSOUTH**  
17 **HAS NO AGREEMENTS THAT REQUIRE UNE/SPECIAL ACCESS**  
18 **COMBINATIONS. DO YOU AGREE WITH HER STATEMENT?**

19 **A:** No. ITC^DeltaCom’s existing agreement has this option as does the  
20 Cbeyond/BellSouth Interconnection Agreement. There may be other  
21 agreements that contain this language as well. The Cbeyond  
22 language pertinent to this issue is attached as Exhibit SB-9.

23

1 Q: MS. BLAKE IN HER TESTIMONY ON PAGES 9 AND 10 STATES  
2 THAT "THE CONVERSION REQUIREMENTS BY THE FCC IN THE  
3 SUPPLEMENTAL ORDER CLARIFICATION APPLY ONLY TO  
4 CONVERSIONS OF SPECIAL ACCESS CIRCUITS TO LOOP AND  
5 TRANSPORT (EEL) UNE COMBINATIONS." PLEASE RESPOND.

6 A: With respect to the conversions of special access circuits to EELs, the  
7 FCC stated its expectation that the ASR process will be adequate to  
8 accomplish the conversion. Specifically, the FCC cautioned that "the  
9 conversion *should not* require the special access circuit to be  
10 disconnected and reconnected because only the billing information or  
11 other administrative information associated with the circuit would  
12 change when a conversion is requested." (Supplemental Clarification  
13 Order at ¶ 30. [emphasis added]) The underlying logic of the FCC's  
14 analysis—that the simplest and most efficient means possible should  
15 be used to undertake circuit conversions—would seem all the more  
16 reasonable when the special access circuit in question need only be  
17 converted to a single UNE. BellSouth appears to be, once again,  
18 taking the position that unless the FCC or this Commission has  
19 explicitly spoken to the issue in question, then the most complicated,  
20 least efficient, least common-sense procedures should be adopted.

21  
22 Additionally, attached as Exhibit SB-10 is the language in the AT&T  
23 Florida interconnection agreement wherein BellSouth agreed to

1 convert an existing special access circuit to network elements and/or a  
 2 combination without a disconnect and a reconnect (i.e. no outage to  
 3 the consumer).

4

5 **Q: DOES MS. BLAKE'S PROPOSAL REQUIRE A DISCONNECT?**

6 A: Yes. There is no disconnect and reconnect when a special access  
 7 circuit is converted to an EEL (unbundled DS1 loop + unbundled  
 8 transport). The conversion to an EEL is an administrative billing  
 9 change. ITC^DeltaCom's concerns are that (1) there will be an outage  
 10 to the customer in converting the special access circuit to a UNE DS1  
 11 and (2) that BellSouth will charge non-recurring fees for what is  
 12 essentially an administrative billing change.

13

14 **Issues 44 and 46: Establishment of Trunk Groups for Operator and**  
 15 **Emergency Services and Busy Line Verify ("BLV") and Busy Line Verify**  
 16 **Interrupt ("BLVI")**

17

18 **Q: MR. RUSCILLI STATED IN HIS TESTIMONY THAT OPERATOR**  
 19 **SERVICES AND BLV AND BLVI SERVICES SHOULD BE**  
 20 **ORDERED OUT OF TARIFFS. PLEASE RESPOND.**

21 A: BellSouth's tariff as it is currently written excludes CLECs and local  
 22 traffic and includes IXCs and Inter-LATA traffic.

23

24 ITC^DeltaCom respectfully asks that the Commission require  
 25 BellSouth to interconnect with ITC^DeltaCom for the purpose of

1 exchanging local traffic, including local operator traffic. Currently there  
2 are two-way interconnection trunks between BellSouth and  
3 ITC^DeltaCom for operator traffic and there is no technical reason that  
4 the Parties cannot provide BLV and BLVI services. ITC^DeltaCom is  
5 one of the few CLECs with an operator service center. Additionally,  
6 ITC^DeltaCom provides operator services on a wholesale level to  
7 ILECs and other CLECs.

8  
9 If BellSouth Operators are denying our customers the ability to receive  
10 important (perhaps emergency) calls from BellSouth customers, when  
11 the service is technically available, BellSouth is not treating this issue  
12 on a parity level with their own similarly situated customers. It is my  
13 understanding that BellSouth operators will instruct the BellSouth  
14 customer who is attempting to contact the ITC^DeltaCom customer to  
15 call 911 in an emergency rather than perform BLVI. See Exhibit SB-  
16 11– BellSouth’s response to ITC^DeltaCom discovery request number  
17 73.

18  
19 The AT&T Florida Interconnection Agreement has the following  
20 wording in Attachment 3, section 3.13. which ITC^DeltaCom would  
21 find appropriate for our interconnection agreement, though we do not  
22 fully understand the limitations of not being able to provide these  
23 services to ported number customers.

1  
2  
3  
4  
5  
6  
7  
8

3.13 Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party in order to provide Busy Line Verification/Busy Line Verification Interrupt ("BLV/BLVI") services on calls between their respective line side end users for numbers that are not ported.

1 **Issue 47: Reverse Collocation**

2 **Q: MR. RUSCILLI MENTIONS ON PAGE 24, LINE 23; "BELLSOUTH**  
3 **HAS INSTALLED EQUIPMENT THAT IS BEING USED FOR THE**  
4 **PURPOSE OF PROVISIONING SPECIAL AND SWITCHED**  
5 **ACCESS SERVICES ORDER BY DELTACOM...." PLEASE**  
6 **RESPOND.**

7 A: BellSouth also utilizes these same facilities to provide services to  
8 other carriers to ITC^DeltaCom POPs. Other carriers order and pay  
9 BellSouth for local, switched and special access into our POP space.  
10 In this case, BellSouth receives the revenue for these services. Yet,  
11 BellSouth uses ITC^DeltaCom property rent-free to gain this revenue.  
12 BellSouth is more than willing to charge collocation fees but BellSouth  
13 refuses to pay for collocation services it receives.

14

15 **Q: IN THE SAME PARAGRAPH, MR. RUSCILLI MENTIONS THAT**  
16 **LOCAL SERVICE IS REALLY PROVISIONED ON THE "EXCESS**  
17 **CAPACITY TO EXCHANGE LOCAL TRAFFIC WITH DELTACOM."**  
18 **PLEASE RESPOND.**

19 A: I am not aware of BellSouth looking into the capacity issues except on  
20 an aggregate level. My understanding is that local service forecasts  
21 are combined with other forecasts in determining entrance facility  
22 needs. When ITC^DeltaCom forecasts entrance facilities to  
23 BellSouth, we do so on a DS3 and OC-n level. We do not identify how  
24 the DS3s or OC-n services will be utilized.

1 **Q: MR. RUSCILLI ON PAGE 25, LINE 18, MENTIONS THAT**  
2 **“BELLSOUTH HAS NOT SPECIFICALLY REQUESTED SPACE IN**  
3 **A DELTACOM POP OR CENTRAL OFFICE FOR THE DELIVERY**  
4 **OF ITS ORIGINATED LOCAL INTERCONNECTION TRAFFIC.”**  
5 **PLEASE RESPOND.**

6 A: The fact that BellSouth has local services and services of other  
7 customers in ITC^DeltaCom's POP should be enough to determine  
8 that ITC^DeltaCom has the ability to charge collocation.

9  
10 **Q: MR. RUSCILLI STATES ON PAGE 26 THAT BELLSOUTH NEVER**  
11 **CONSIDERED THIS EQUIPMENT AS BEING COLLOCATED.**  
12 **PLEASE RESPOND.**

13 A: BellSouth settled and executed a reverse collocation agreement with  
14 ITC^DeltaCom. BellSouth now states that it never considered this  
15 equipment as collocated and thus subject to charges. Attached as  
16 Exhibit SB-12 is an email from BellSouth personnel to ITC^DeltaCom  
17 personnel requesting an amendment to the reverse collocation  
18 agreement to limit the application of collocation charges. Bellsouth is  
19 using ITC^DeltaCom property for local interconnection and to earn  
20 revenue from ITC^DeltaCom's competitors on a rent-free basis. On  
21 the other hand, ITC^DeltaCom has to pay BellSouth significant  
22 collocation charges when it utilizes BellSouth property.

23



1 ITC^DeltaCom requests this Commission to rule that if BellSouth is  
 2 utilizing ITC^DeltaCom facilities for local interconnection and/or to  
 3 realize revenue BellSouth receives from other carriers, then BellSouth  
 4 should compensate ITC^DeltaCom for ITC^DeltaCom's resources  
 5 used in this situation. The compensation methodology is the rates  
 6 and charges in the interconnection agreements that have been  
 7 ordered by the Commission.

8  
 9 In summary, ITC^DeltaCom has collocation space with BellSouth that  
 10 we utilize to hand-off services ordered from BellSouth and  
 11 ITC^DeltaCom pays BellSouth for collocation space to utilize  
 12 BellSouth services, some of which are special and switched access  
 13 services. We are simply asking for parity with regard to this issue.  
 14 BellSouth should not be permitted to use ITC^DeltaCom property for  
 15 free.

16  
 17 **Issue 57: Rates and Changes for Conversion of Customers from**  
 18 **Special Access to UNE-Based Service**

19  
 20 **Q: MS. BLAKE STATES ON PAGE 12 OF HER TESTIMONY THAT**  
 21 **BELLSOUTH HAS NO PROCESS TO CONVERT SPECIAL**  
 22 **ACCESS SERVICES TO UNE. PLEASE RESPOND**

23 **A:** It is difficult to understand why the conversion process of a special  
 24 access loop (DS1) to a UNE loop (DS1) is more complex than  
 25 converting a special circuit involving the combination of transport and

1       loop to an EEL. In fact we don't understand why the same processes  
2       involved with a transport and loop cut-over cannot be followed for a  
3       simple loop cut-over. BellSouth's excuse appears to be that in one  
4       case the FCC required has required them to provide EELs and in this  
5       case they are not required to convert a special access DS1 to a UNE  
6       DS1 that goes to ITC^DeltaCom's collocation site.

7

8       **Q:    MS. BLAKE RECOMMENDS THAT ITC^DELTACOM SUBMIT A**  
9       **NBR. PLEASE RESPOND.**

10      A:    In other states, Bellsouth provided a letter Bellsouth sent to AT&T as  
11      Bellsouth's response to AT&T's NBR for the conversion of Special  
12      Access Loops to UNEs that go to AT&T's collocation site. That letter is  
13      attached as Exhibit SB-13. Please understand that the DS1 from the  
14      customer premise to the collocation site is the same facility whether is  
15      it ordered as special access from BellSouth's tariff or as a UNE DS1  
16      from the interconnection agreement. There is no difference in the  
17      facility but there is a difference in price. BellSouth's responsive letter  
18      to AT&T clearly shows ITC^DeltaCom that under the NBR process,  
19      ITC^DeltaCom would have to order another facility (a UNE DS1  
20      facility) when there is already a facility established. What BellSouth  
21      suggests doesn't make sense for either party, so a conversion  
22      process is really the most practical way of dealing with these facilities.

23

1       The NBR response looks like an open purchase order such that  
2       BellSouth will charge AT&T for the number of orders to be written or  
3       rewritten and the time needed to coordinate internally these orders for  
4       whatever time it takes. There is no guarantee regarding customer  
5       down time or any dollar cap on the cost of conversions. In summary, I  
6       would not be surprised if the cost of the conversion per DS1 would  
7       approximate the ordering of a new UNE to replace the DS1 of special  
8       access. ITC^DeltaCom should be permitted to convert the special  
9       access loop to a UNE loop to our collocation without taking the  
10      customer out of service. This should be an administrative change only.

11

12   **Q:    DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

13   **A:    Yes.**

1 BY MS. EDWARDS:

2 Q Okay. Mr. Brownworth, at this time have you prepared  
3 a summary of your direct and rebuttal testimony?

4 A Yes, I have.

5 Q Okay. Please provide that summary.

6 A Good afternoon, Commissioners. Thank you for the  
7 opportunity to discuss items that are important to ITC^DeltaCom  
8 and our customers. I appreciate your patience with some very  
9 technical issues.

10 As a network engineer my testimony is particularly  
11 technical in nature. The issues in my testimony relate to  
12 ITC^DeltaCom's ability to service Florida consumers in a manner  
13 that allows for the continuation and expansion of quality  
14 services.

15 First I'd like to discuss Issue 21, access to dark  
16 fiber. We are asking the Commission not to limit how BellSouth  
17 provides nor how we may ask for UNE dark fibers. BellSouth  
18 should make the same routine modifications to their existing  
19 dark fiber facilities for ITC^DeltaCom as they make for their  
20 own customers, including work done on dark fiber to provision  
21 like capacity to end users.

22 There are two aspects to this issue. The first  
23 aspect is BellSouth is seeking a more restrictive definition of  
24 what exactly is dark fiber, restrictive in terms of just loop  
25 and interoffice transport. There are existing contracts today

1 that speak of any technically feasible point, for example, the  
2 new South agreement.

3           What does any technically feasible point mean? To me  
4 it means ITC^DeltaCom should be able to ask for fiber in the  
5 same manner and process that BellSouth would have for its own  
6 operation when faced with a similar application. I believe  
7 it's that simple.

8           The other aspect -- let's assume that we're speaking  
9 of a UNE dark fiber loop request. This is a dark fiber loop  
10 request that runs from the BellSouth central office to the end  
11 user premise. And if the Commission would indulge me, I'd like  
12 to do a brief drawing.

13           COMMISSIONER DEASON: That's fine. But you're going  
14 to need to use a microphone.

15           THE WITNESS: Thank you. This is a simplified  
16 diagram of a network that includes the BellSouth central office  
17 and, let's say, two end office or end users. These are  
18 customer premises at these two locations here.

19           At BellSouth's network they deploy fiber. They  
20 utilize the fiber for themselves or the fiber is available,  
21 means it's available for CLECs to order either under UNE that  
22 we're talking about today or under dry fiber in the FCC tariff.  
23 What we're simply asking for is when fiber is available,  
24 meaning its access, that the fiber be combined in such a way  
25 that it provides a contiguous loop from BellSouth to the end

1 user.

2           We have issued orders with BellSouth under UNE dark  
3 fibers for loops where BellSouth has come back and denied the  
4 service. We've reordered that service under FCC dark fiber and  
5 have been -- had those orders approved and actually  
6 provisioned.

7           Our understanding of the process is that BellSouth  
8 with the FCC dry fiber allows for these connections to be made.  
9 These are connections that are made that are normally done in  
10 terminal areas or lightwave cross-connect panels. They do it  
11 for dry fiber. And here's the important part: We're willing  
12 to pay for this. We don't want BellSouth to provide any  
13 service to us that we're not willing to pay for. So what we're  
14 asking for in this case is for when dark fiber is available  
15 from the BellSouth central office to the customer premise, that  
16 the connections be made in the BellSouth network like they  
17 would normally make for their own applications. We're willing  
18 to pay for those connections in order to provide a dark fiber  
19 UNE loop from BellSouth serving our center to the end user.  
20 And that's also Issue Number 21.

21           Let me continue with Issue 47, which speaks of  
22 reverse collocation. We are asking the Commission to allow  
23 language in our interconnection agreement that enables us to  
24 charge BellSouth for power, space and other items associated  
25 with locating equipment at our central office. When

1 ITC^DeltaCom collocates in a BellSouth office and provides  
2 carriers a connection to BellSouth for BellSouth services or  
3 utilizes collocation of local interconnection trunks, we pay  
4 BellSouth full Commission-approved rates. We are simply asking  
5 for reciprocal treatment and fairness in that we should be  
6 allowed to charge BellSouth for space they use for their  
7 equipment in ITC^DeltaCom's offices when that equipment is used  
8 to service other carriers or service local interconnection  
9 trunks, or we should be credited for collocation space to be  
10 utilized for local interconnection trunks and when we hand  
11 carrier services off to the BellSouth network.

12 Issue 36 addresses UNE and special access  
13 combinations, commonly referred to as commingling. In our  
14 current contract we have the capability to combine UNE loops  
15 with special access services. I mentioned in my direct  
16 testimony the Triennial Order addressed this issue. And I'm  
17 simply asking for the language that we currently have in our  
18 interconnection agreement to continue. We would like the  
19 language -- BellSouth would like to take the language out and  
20 then place other language back in later on. This type of  
21 activity of not having consistent terms in place is destructive  
22 to CLECs and their customers.

23 The next two arbitration issues are related to  
24 special access to UNE DS-1 loop conversions. That's Issue  
25 Number 37 and 57. This is typically a DS-1 connection where we

1 service small, medium size business customers, typically a  
2 doctor's office, community bank. ITC^DeltaCom has placed  
3 investments in our network for additional collocations within  
4 BellSouth's offices that enables us to extend local coverage to  
5 wider areas for consumers. For example, BellSouth cities that  
6 we are involved with: St. Augustine, Florida; Pensacola and  
7 Panama City.

8 Prior to this investment of these additional  
9 collocations ITC^DeltaCom either did not service these areas in  
10 St. Augustine or we had to place local customers on FCC special  
11 access lines like Pensacola and Panama City.

12 ITC^DeltaCom is seeking a way to work cooperatively  
13 with BellSouth on the migration of the end user loop services  
14 from the FCC tariff to the UNE network elements with minimal  
15 impact to the consumer for outages and at a reasonable cost to  
16 ITC^DeltaCom. The FCC ordered BellSouth to cooperate and  
17 migrate special access lines that involve loop and transport to  
18 UNE. This order involves a conversion process, a conversion  
19 fee, and the FCC order made it clear there would be no outage  
20 or impact to the customer.

21 BellSouth has this process in place for loop and  
22 transport today and it works. Logically one would ask if it  
23 works for loop and transport, why not just loop? Our  
24 understanding of this answer is because BellSouth was not  
25 ordered to do so. And what we are asking for this Commission



1 to do is to order BellSouth to work with CLECs, more  
2 specifically ITC^DeltaCom, on a loop conversion in the same  
3 manner that it worked with CLECs on the loop and transport  
4 conversions.

5           Lastly, I would like to discuss operator services,  
6 Issue 44 and 46. Currently we are interconnected with  
7 BellSouth's operator network and have been since our initial  
8 interconnection agreements. Operator services allow Florida  
9 consumers to speak with an operator to resolve an issue; for  
10 example, to assist a customer when they are trying to dial a  
11 phone line that is busy. Generally this is someone trying to  
12 reach, for example, a family member or older person in an  
13 emergency or genuine concern that the customer has dialed zero  
14 to ask an operator to help them reach the other party. The  
15 operator can verify that the line has conversation as opposed  
16 to the line being set down out of service. That's called busy  
17 line verification. Or the operator has the unique additional  
18 capability to interrupt the line and inform the person of an  
19 important phone call. That is called busy line verify  
20 interrupt.

21           When a customer on the BellSouth network needs to  
22 know the status of an ITC^DeltaCom customer, they should easily  
23 be able to do so. BellSouth has simply told these customers  
24 that if this is a -- that this service is either not available  
25 or that they will assist the customer in reaching 911 or other

1 emergency services if it's truly an emergency. It is important  
2 for telecommunication companies having local operator centers  
3 to be interconnected, and we would like to keep the current  
4 arrangement we have with BellSouth in place. We do not feel it  
5 is appropriate to send consumers to 911 to investigate busy  
6 signals, nor is 911 the appropriate treatment for this  
7 situation. At a time of increased concern over public safety,  
8 we believe this is a step in the wrong direction.

9 To conclude, my testimony describes what I believe  
10 are issues that directly control whether ITC^DeltaCom will be  
11 able to continue to furnish Florida consumers with  
12 facility-based products and provide a quality service to the  
13 consumer. Thank you for your attention.

14 MS. EDWARDS: Mr. Brownworth is available for  
15 cross-examination.

16 COMMISSIONER DEASON: Okay. BellSouth.

17 MR. SHORE: Thank you, Commissioner Deason.

18 CROSS EXAMINATION

19 BY MR. SHORE:

20 Q Mr. Brownworth, I'm Andrew Shore representing  
21 BellSouth. We've done this a few times before. On those prior  
22 occasions my daughter hadn't started to school and brought home  
23 germs, so bear with me today as I kind of struggle with my  
24 voice a little bit.

25 The issue I want to talk about first is Issues 37 and

1 57. And those deal with DeltaCom's request to convert special  
2 access circuits to a stand-alone UNE loop; correct?

3 A That is correct.

4 Q And just a few preliminary things I think you covered  
5 in your summary, just so the record is clear. A stand-alone  
6 loop is a loop that terminates in DeltaCom's collocation space  
7 and is not combined with a transport element; correct?

8 A Yeah. There is no interoffice transport with that  
9 loop.

10 Q And I think you also said this in your summary, that  
11 the FCC rules address the conversion of special access services  
12 to loop and transport combinations; correct?

13 A That -- yes, that's correct. I believe the Triennial  
14 also addresses just a loop conversion in its latest order.

15 Q There is no current effective FCC rule that addresses  
16 the conversion of a special access circuit to a stand-alone  
17 loop that terminates in DeltaCom's collocation arrangement;  
18 correct?

19 MS. EDWARDS: This is a lay witness. And if  
20 Mr. Shore could be a little more clear. Is he -- if he's  
21 asking for a legal decision as to whether, or interpretation as  
22 to whether those FCC rules are in effect or not, I think he  
23 needs to clarify that question.

24 COMMISSIONER DEASON: Could you clarify your question  
25 or at least repeat it, please.

1 MR. SHORE: Sure. I'm not asking for a legal  
2 conclusion.

3 BY MR. SHORE:

4 Q Mr. Brownworth, do you recall the question or would  
5 you like me to repeat it?

6 A I believe your question was do I know if the FCC  
7 rules in the Triennial are actually in effect or not. And the  
8 answer is I don't know when they go into effect.

9 Q Are you aware of any effective FCC rule that  
10 addresses -- I think you said this in your summary. I think  
11 you said there wasn't a current rule that addresses the  
12 conversion of special access circuits to a stand-alone UNE  
13 loop. Are you aware of any such rule as a lay person?

14 A No, I'm not. And that's why we're here at the  
15 Commission. You know, the Commission can decide if that rule  
16 is, what we're asking for is reasonable to include the loop  
17 conversion since BellSouth already has a process for the loop  
18 and transport conversion.

19 Q In your testimony on Page 29 what you say is that  
20 since when DeltaCom buys a stand-alone loop from BellSouth,  
21 it's billed for the loop, the cross-connect charge and a POP  
22 bay charge. And that's a combination of three different  
23 elements because that's a combination DeltaCom is entitled to  
24 convert them from special access circuits under the combination  
25 rule. That's your direct testimony; correct?

1           A     That's correct. That's one of the, that's one of the  
2 ways we're looking at trying to explain it to BellSouth. Yes.

3           Q     So under -- according to your testimony, this is  
4 allowed under current FCC rules because it's a combination;  
5 correct?

6           A     That's one approach we're taking, yes. That's  
7 correct.

8           Q     Do you have a copy of the prehearing order by any  
9 chance, Mr. Brownworth?

10          A     Yes, I do.

11          Q     Okay. Great. Save Ms. White a trip.

12                 Can you turn in the prehearing order -- I'm looking  
13 at Section 8 that sets forth the issues and the parties'  
14 positions as they submitted them in their prehearing  
15 submissions. And I'm looking at, not surprisingly, Issue 37  
16 which is on Page 21 of that order. Could you let me know when  
17 you get there?

18          A     Yes, I have.

19          Q     Okay. Down under Issue 37, do you see where it says,  
20 "Positions DeltaCom"?

21          A     Yes.

22          Q     Do you see that? Can you read the second sentence to  
23 the Commission?

24          A     "This is not a combination."

25          Q     That's different than the testimony, the position you

1 take in your prefiled testimony, isn't it?

2 A That's correct.

3 Q Now you're aware, are you not, that the FCC in its  
4 various orders has set forth or set out a list of elements that  
5 ILECs like BellSouth are required to unbundle?

6 A I'm aware there's network elements. I'm not aware of  
7 a specific list that's out there.

8 Q Okay. You're generally familiar with your work in  
9 designing networks with a list of UNEs; correct? The FCC's  
10 list of UNEs?

11 A I know what the unbundled network elements are  
12 available in our interconnection agreement, but I'm not aware  
13 of an FCC list of specific UNEs.

14 Q Okay. Then I don't have any further questions about  
15 that.

16 Let's talk about Issue 47, which you call reverse  
17 collocation. And that deals with what compensation, if any,  
18 should be required when BellSouth's equipment is located in  
19 DeltaCom's premises; correct?

20 A That is correct.

21 Q Before we talk about reverse collocation I want to  
22 make sure we're clear on a couple of other terms. You have a  
23 general understanding, don't you, in the course of your work  
24 what the term "interconnection" means?

25 A Yes.

1 Q What is that?

2 A Interconnection is how two carriers will connect  
3 their networks for purposes of transferring telecommunications  
4 traffic and other telecommunications services.

5 Q And what's your understanding of what collocation is?

6 A Collocation is the placement of a carrier's equipment  
7 in another carrier's location.

8 Q Can we agree that the Telecommunications Act of  
9 1996 requires ILECs such as BellSouth to allow ALECs to  
10 collocate their equipment necessary to interconnect or to  
11 access UNEs at the ILEC's premises?

12 A Yes. That's one requirement. Yes.

13 Q Okay. Now I want to ask you this question. If you  
14 say you've got this up there, Ms. White is going to be  
15 completely off the hook. You don't happen to have a copy of  
16 Section 251 of the Act up there with you, do you?

17 A Yes, I do.

18 MR. SHORE: Well, you're not going to get any  
19 exercise today, Nancy.

20 MS. WHITE: Fine with me.

21 BY MR. SHORE:

22 Q Okay. Can you look at Section 251 with me then.

23 A Okay.

24 Q Okay. Section (a) there, that sets forth -- that's  
25 entitled, "General Duty of Telecommunication Carriers"; right?

1 A That is correct.

2 Q And Section (b), that's "Obligations of all Local  
3 Exchange Carriers." Do you see that?

4 A That's correct.

5 Q Okay. Now look down at (c), that's entitled,  
6 "Additional Obligations of Incumbent Local Exchange Carriers."  
7 Do you see that?

8 A Yes, I do.

9 Q Okay. Under 251(c), Number 6, set forth the  
10 requirement that incumbent local exchange carriers allow  
11 collocation; correct?

12 A I mean, that's what the Act says.

13 Q Okay. And the situation of an ILEC placing equipment  
14 at premises of an ALEC, that's what you're calling reverse  
15 collocation; correct?

16 A That is correct.

17 Q Okay. Is reverse collocation addressed anywhere in  
18 Section 251?

19 A I don't know if the term specifically "reverse  
20 collocation" is addressed, but it's addressed in terms of that  
21 it's a duty as an interexchange carrier, ITC^DeltaCom, to  
22 interconnect directly with other carriers. So if BellSouth is  
23 placing equipment into our location, then we have an obligation  
24 to provide facilities or provide the infrastructure for that  
25 equipment.



1 Q Okay. Can you point to any provision in the  
2 Telecommunications Act that requires an ALEC to allow what  
3 you'd call reverse collocation?

4 A I can't -- the term "reverse collocation," it's my  
5 understanding, doesn't exist in the Act.

6 Q Now when DeltaCom requests special access service  
7 from BellSouth, DeltaCom is required to provide BellSouth with  
8 power and space necessary to place the equipment to provide  
9 that service; right?

10 A That's correct. When we order special and switched  
11 access services out of the FCC tariff, part of what your tariff  
12 says is that your tariff when we're ordering your services,  
13 that we're to provide you free space.

14 Q And DeltaCom has purchased services pursuant to that  
15 tariff from BellSouth in Florida; right?

16 A That is correct.

17 Q And you knew about that tariff provision before you  
18 decided to purchase that service; correct?

19 A I don't know if it's when we purchase service. We're  
20 aware of it now and we've generally been aware of it in the  
21 past, yes.

22 Q And BellSouth is required to file tariffs and make  
23 folks who want to buy such services from BellSouth aware of the  
24 provisions that come along with that service prior to selling  
25 the service, are they not?

1 A That's correct. We have a copy of your tariff.

2 Q In how many of DeltaCom's premises in Florida has  
3 BellSouth placed equipment?

4 A I mean, you want an exact number or rough number? I  
5 mean --

6 Q Well, if you have an exact number, I'd prefer that.  
7 But if you don't, I'll take a rough number.

8 A Let's say roughly eight.

9 Q Eight. Okay. And in every one of those situations  
10 BellSouth has put its equipment there because DeltaCom has  
11 ordered special access service pursuant to BellSouth's tariff;  
12 correct?

13 A In the beginning that was the case, but over time  
14 other carriers have placed orders through BellSouth to utilize  
15 that equipment. And that equipment is also being utilized for  
16 local interconnection trunks as well.

17 Q In all roughly eight of those situations the reason  
18 that BellSouth initially placed its equipment at DeltaCom's  
19 premises was because DeltaCom requested services from BellSouth  
20 pursuant to the tariff that says DeltaCom has to provide power  
21 and space; correct?

22 MS. EDWARDS: Objection. Asked and answered.

23 MR. SHORE: I'll agree that it's been asked.

24 COMMISSIONER DEASON: I'm sorry. Could you state  
25 your objection for the record?

1 MS. EDWARDS: The objection for the record is asked  
2 and answered.

3 COMMISSIONER DEASON: Okay. There's been an  
4 objection. You're saying that the question has not been  
5 answered?

6 MR. SHORE: Yes, sir.

7 COMMISSIONER DEASON: Okay. I'm going to allow the  
8 question. And if it's a repeat, just repeat your previous  
9 answer.

10 THE WITNESS: Yes, Commissioner. Just repeat the  
11 question for my benefit one more time, please.

12 BY MR. SHORE:

13 Q Certainly. In each situation where BellSouth has  
14 placed equipment at DeltaCom's premises in Florida, roughly  
15 eight you testified, in each of those situations what caused  
16 BellSouth to place its equipment there initially was the fact  
17 that DeltaCom ordered a service from BellSouth, a special  
18 access service pursuant to a tariff that required DeltaCom to  
19 make power and space available to BellSouth; isn't that true?

20 A I believe it's true because those facilities were  
21 generally put in before we started offering local services.

22 Q I just didn't hear you. Did you say you believe  
23 that's true?

24 A I believe that's correct.

25 COMMISSIONER DAVIDSON: I have a follow-up question

1 on this point.

2           Were there -- are there any instances where BellSouth  
3 on its own initiative has asked to place, to collocate  
4 equipment at your premises?

5           THE WITNESS: Yes. We've had requests every once in  
6 a while. We have a request for Gainesville, Georgia,  
7 currently, but nothing in the State of Florida.

8           COMMISSIONER DAVIDSON: All right. Well, that was my  
9 focus, but that's -- it's useful to know the other aspect. So  
10 in the State of Florida there haven't been any requests by Bell  
11 to say we want to collocate equipment here?

12           THE WITNESS: That's correct. Because what happens  
13 is that it's really our company that takes a look at the  
14 forecast in terms of what our business plan's requirements are  
15 and we submit that to BellSouth in terms of a forecast. So the  
16 process we have in place between BellSouth and ITC^DeltaCom or  
17 other carriers in general really puts the emphasis or the  
18 responsibility for the interconnection on top of the CLEC.  
19 Even though BellSouth will respond back with a need to overbill  
20 that equipment, it's really the responsibility of the carriers  
21 who drive the process. If we don't drive the process, you  
22 know, BellSouth won't install facilities that would be needed  
23 for local interconnection and taking care of our customers  
24 until, you know, we started blocking calls or some other event  
25 happened that would cause contention between the two companies.

1 And that's not what we want. We want a smooth process that  
2 works well for both companies.

3 COMMISSIONER DAVIDSON: Is it fair with regard to the  
4 Florida instances to say that any cost associated with the  
5 collocation of BellSouth's equipment at DeltaCom's premises,  
6 the cost of that collocation would not have arisen but for  
7 DeltaCom's request for the collocation?

8 I'm trying to get at -- it's not a trick question.  
9 I'm trying to get at if there are any costs that BellSouth --  
10 if there are any costs that DeltaCom has incurred at  
11 BellSouth's request versus costs that DeltaCom may have  
12 incurred because of their request to have equipment collocated  
13 at DeltaCom premises.

14 THE WITNESS: I think I understand the question. Let  
15 me see if I can answer it this way.

16 Since BellSouth hasn't requested facilities to be  
17 installed, we wouldn't have incurred expenses because of that  
18 issue. Where we have incurred expenses is where BellSouth has  
19 brought in services from other carriers other than ITC^DeltaCom  
20 and we've interconnected those other carriers to our network.  
21 In that case we're providing services or BellSouth is providing  
22 services from other carriers into our POP space. And under  
23 those circumstances, we do incur costs in terms of connecting  
24 and cross-connecting those BellSouth services for other  
25 carriers.

1           COMMISSIONER DAVIDSON: Do you have a, an estimate of  
2 the scope of the services provided and the cost associated with  
3 those services?

4           THE WITNESS: No, I do not have an estimate.

5           COMMISSIONER DAVIDSON: Thank you.

6 BY MR. SHORE:

7           Q     In follow-up to Commissioner Davidson's question,  
8 DeltaCom hasn't undertaken any analysis to determine its cost  
9 in that regard, have you, or has your company?

10          A     No, we have not done -- we don't generally do cost  
11 studies. We don't have a cost study for collocation.

12          Q     How long has BellSouth had its equipment in those  
13 approximately eight locations in Florida pursuant to -- that  
14 were there once DeltaCom requested them?

15          A     It's varied from two years to eight years plus.

16          Q     And DeltaCom has never billed BellSouth for that  
17 space, for that equipment; correct?

18          A     That is correct.

19          Q     And DeltaCom's position in this arbitration is that  
20 this Commission should issue an order that allows DeltaCom to  
21 start charging BellSouth for that equipment that's been there  
22 from two to eight years; correct?

23          A     That is correct.

24          Q     Let's turn our attention to Issue 21. the  
25 availability of dark fiber. And that issue is whether or not

1 BellSouth should be required to make dark fiber loops available  
2 at any technically feasible point, which is DeltaCom's  
3 position, or only at DeltaCom's collocation arrangement, which  
4 is what BellSouth says is appropriate; correct?

5 A That's my understanding. Yes.

6 Q Now you are aware, I think you cite it in your  
7 testimony, that the FCC has defined a loop as a transmission  
8 facility between the distribution frame and the central office  
9 or the equipment of the distribution frame in the ILEC's  
10 central office to the end user's premises; correct?

11 A That's one definition. Yes.

12 Q And just a few definitional things perhaps. In your  
13 summary you talked about dry fiber, dark fiber. Those two  
14 terms are used interchangeably to mean the same thing; right?

15 A I will have to answer that question no, and let me  
16 explain why.

17 Dry fiber out of the FCC tariff says it's a point to  
18 point arrangement where dark fiber under UNE, that's the  
19 subject the arbitration terms is available at any technically  
20 feasible point, so is it really a point to point arrangement?  
21 In terms of what it physically is in terms of raw fiber that's  
22 unlit without multiplexers and available for us to place  
23 equipment, then, yes, I would agree that dry fiber and dark  
24 fiber is the same physical property. if you will.

25 Q Okay. And dry fiber, that term is used, I think you

1 said, in the FCC tariff. DeltaCom can buy dry fiber from  
2 BellSouth pursuant to that tariff at any technically feasible  
3 point; correct?

4 A It's my understanding it's a point to point service  
5 that's available to us.

6 Q In fact, it's -- right. And you -- DeltaCom  
7 designates where it wants that service; correct?

8 A You know, that's correct. But the issue is we also  
9 want to be able to order that service under the -- under our  
10 interconnection agreement as well as under the FCC.

11 Q Because when you buy it today -- and you do buy it  
12 today, I think you said in your summary; correct?

13 A That is correct.

14 Q When you buy it today, you pay the rates that are set  
15 forth in BellSouth's FCC tariff for dry fiber; correct?

16 A If I'm buying dry fiber, I pay the dry fiber rate.  
17 That's correct. If I'm paying -- if I'm purchasing UNE fibers  
18 and I receive UNE fibers, I'll pay at the UNE rate.

19 Q And what you want to be able to do is to designate to  
20 BellSouth where it has to connect dry fiber or splice dry fiber  
21 at a technically feasible point and pay a TELRIC rate as  
22 opposed to a tariffed rate; correct?

23 A That's one portion. That's correct. The other  
24 portion is I'd like to be able to pay UNE rates when I order  
25 from a collocation to an end user without being told no and



1 then turn around and being told yes when I order dry fiber.  
2 And just, you know, most of the cases that I recall from our  
3 orders in Florida have been from a collocation of BellSouth to  
4 another premise or from one central office to another central  
5 office.

6 Q When you order a UNE loop from BellSouth -- UNE loop  
7 has a particular term, we talked about it, and that's a  
8 transmission facility that runs from an ILEC distribution frame  
9 to the end user; correct?

10 A That is correct.

11 Q Okay. And dry fiber, pursuant to the FCC tariff, is  
12 defined differently, is it not?

13 A I don't really know if there is a definition. It  
14 just says it's a point to point arrangement. I don't know if  
15 it actually restricts the request that a carrier can make when  
16 ordering that FCC fiber.

17 MR. SHORE: Mr. Chairman, if I could have permission  
18 to approach and use the easel for a moment.

19 COMMISSIONER DEASON: If you use the microphone.

20 BY MR. SHORE:

21 Q Let me put a drawing up here, Mr. Brownworth, that  
22 will probably look an awful lot like your drawing. But your  
23 counsel may want to use that on redirect, so I'll preserve that  
24 for the record.

25 Can you see that, Mr. Brownworth?

1 A Yes, I can.

2 Q All right. Now can we -- let's assume for purposes  
3 of my diagram that this, this right here running from  
4 BellSouth's central office out here to Customer A is a piece of  
5 dry fiber. Okay?

6 A Okay.

7 Q Okay. And can we agree that would be a dry fiber  
8 loop?

9 A Yes, we can.

10 Q Okay. Let's agree with the same thing here, that  
11 this piece of fiber that runs from BellSouth's central office  
12 to Customer B, that's also a dry fiber loop. Let's assume  
13 that. Okay?

14 A That's correct.

15 Q Okay. And let's assume that both of these loops run  
16 through a splice case somewhere, somewhere along that route.  
17 It doesn't really matter where. Are you with me so far?

18 A Yes, I am.

19 Q Okay. Under your proposal what you would have  
20 BellSouth be required to do and sell to you at TELRIC rates  
21 would be to splice these two pieces of dark fiber together;  
22 correct?

23 A That's one aspect of what we're asking for. Yes.

24 Q And that would allow the transmission of  
25 telecommunications directly between Customer B and Customer A,

1 would it not?

2 A That is correct.

3 Q That wouldn't run through the switch, would it?

4 A It depends what equipment you put on it. If we're  
5 lighting the electronics itself, it really depends on what's  
6 actually on those electronics. But in terms of that path right  
7 there would not route through a switch or route through our  
8 central office.

9 Q And can we agree that if it doesn't run through a  
10 switch, if the dark fiber just runs from Customer A to Customer  
11 B, then it's not a dark fiber loop?

12 A It's not a, it's not a loop as defined as central  
13 office to the customer. That is correct.

14 Q It's not a loop as defined by the FCC; correct?

15 A There's a question whether it actually is a subloop  
16 versus a loop, you know. So when I take a look at this diagram  
17 and taking a look at, you know, is this two subloops connected  
18 together as opposed to two loops? So under that case in terms  
19 of is it a loop, no. Does it possibly have a subloop  
20 application? I haven't really looked at this very much. It  
21 could be a subloop application.

22 Q Okay. We know it's not a loop. Do we know what it  
23 is? You said it could possibly be a subloop. But do we know  
24 what it is?

25 A Well, I know what it is. It's a, it's a connection

1 between Customer A and Customer B. Now I could order this  
2 under UNE dark fiber if I ordered two loops back together in  
3 that central office. If you take a look at those two dots in  
4 the BellSouth central office, I can order Customer A to  
5 Customer B by taking this into the BellSouth central office and  
6 utilizing my cross-connect. So I can do this today with UNE.  
7 I'm just saying is there a different or better way of doing it  
8 by utilizing it at the splice point? So, you know, I can do  
9 this today. It's just a matter of can I do it more efficiently  
10 by doing it at that splice point there versus taking it all the  
11 way back to the central office and connecting, utilizing my  
12 collo.

13 Q Well, you can do this today. You just have to order  
14 it under BellSouth's dry fiber FCC tariff; correct?

15 A I mean, that's one way of doing it. Yes.

16 Q Mr. Brownworth, on Page 20 of your direct testimony  
17 you say that, quote, many state commissions have ruled that the  
18 position that BellSouth advocates on this issue violates an  
19 ILEC's unbundling obligations; correct?

20 A That's correct.

21 Q And on Page 21 you say that this Commission -- I left  
22 my glasses over there, but I think I can do this -- should  
23 adopt a progressive stance regarding dark fiber adopted by  
24 state commissions, quote, around the country. Do you see that?

25 A Yes. That's correct.

1 Q And these decisions are what you refer to as many  
2 state commissions around the country, those are decisions by  
3 two state commissions; correct?

4 A That's correct. There's also additional commissions:  
5 I believe Indiana, District of Columbia, Rhode Island,  
6 Massachusetts and New Hampshire also ruled on this issue as  
7 well.

8 Q Have you cited those in your testimony or provided  
9 copies in connection with this proceeding?

10 A Our attorneys can provide copies. I just found out  
11 about this when I was researching this in the last couple of  
12 weeks.

13 Q So the answer to my question is you have not cited  
14 those in your testimony?

15 A The answer is I have not cited it in my testimony.  
16 That is correct.

17 Q Or provided copies to the Commission in connection  
18 with this proceeding; correct?

19 A That is correct.

20 Q So in your testimony when you're referring to many  
21 state commissions in quotes, quote, around the country, you  
22 were referring to two state commissions; correct?

23 A I was referring to two state commissions as far as my  
24 testimony is concerned. That's correct.

25 Q And those were two state commission decisions from

1 2001; right?

2 A 2001 or 2002. I thought it was 2002.

3 MR. SHORE: I have nothing further. Pardon me.

4 Maybe, perhaps I do.

5 Thank you, Mr. Brownworth.

6 THE WITNESS: Thank you.

7 COMMISSIONER DEASON: Staff, how much do you have for  
8 this witness?

9 MR. TEITZMAN: Less than 15 minutes.

10 COMMISSIONER DEASON: Less than 15?

11 MR. TEITZMAN: Yeah.

12 COMMISSIONER DEASON: Okay. Go ahead.

13 CROSS EXAMINATION

14 BY MR. TEITZMAN:

15 Q Mr. Brownworth, I'm going to start you off with Issue  
16 21. Have you had a chance to review the FCC's recent Triennial  
17 Review Order as it relates to the availability of dark fiber?

18 A Not fully, no. I've read some sections but I haven't  
19 fully reviewed it.

20 Q For the portions that you have reviewed, does that  
21 effect any change in ITC's position on this issue?

22 A No. I think it actually further enhances our  
23 position on our dark fiber position.

24 Q Is ITC^DeltaCom willing to assume any liabilities  
25 associated with BellSouth preparing dark fiber for

1 ITC^DeltaCom's use?

2 A What sort of liability? Can you give me an example  
3 of a liability?

4 Q Cut fiber.

5 A We utilize BellSouth dark fiber quite extensively  
6 today in terms of connecting customers and points and we assume  
7 that risk. The only thing we ask BellSouth for, and we believe  
8 BellSouth does this, is just make sure the fiber is available  
9 in a nondiscriminatory manner so if the fiber is cut, it's cut,  
10 you know, unfortunately everyone is cut and they're repaired in  
11 a sufficient manner. So we haven't had any issues with  
12 BellSouth with respect to dark fiber cuts or cuts to their  
13 optic network.

14 Q All right. Next we'll address Issue 36 and 36A  
15 specifically. Once again, have you had a chance to review the  
16 FCC's Triennial Review Order as it relates to the connection of  
17 UNE loops to special access transport?

18 A A similar answer: I've reviewed certain sections  
19 that apply to this particular issue. Yes.

20 Q And does this order change ITC^DeltaCom's position on  
21 this issue?

22 A I believe it supports ITC^DeltaCom's issue.

23 Q Okay. 36B, the next issue. Is it your contention  
24 that ITC^DeltaCom's current interconnection agreement with  
25 BellSouth allows ITC^DeltaCom to combine special access

1 services with UNEs?

2 A Yes.

3 Q I'd like to move on to Issue 37. And let me ask you,  
4 do you have a copy of ITC^DeltaCom's response to staff  
5 Interrogatory Number 7 with you?

6 A No, I don't.

7 Q We have copies.

8 A What page are you referring to?

9 Q We have a copy of the response we can provide you  
10 with.

11 A Okay.

12 Q In the first sentence of, I believe it's the third  
13 paragraph of your response, you state that, "The physical DS-1  
14 between our customers should change in a conversion." Is the  
15 assertion that the actual DS-1 should change correct?

16 A No. It should be "should not change."

17 Q Should not change?

18 A Should not change. The physical DS-1 we're talking  
19 about is between the customer premise to our collocation. And  
20 in that case whether it's FCC or whether it's UNE loop, the  
21 physical connection between our network and the customer would  
22 not change.

23 Q Once again, a question on the Triennial Review Order  
24 as it relates to the conversion of special access loops to UNE  
25 loops, have you reviewed the order on that issue?



1 A Partially, yes.

2 Q Same question as before. Does that order change  
3 ITC^DeltaCom's position?

4 A A similar answer. I believe this issue actually  
5 enhances our position with respect to this issue.

6 Q All right. We'll next address Issue 47. Does  
7 ITC^DeltaCom currently have an agreement with BellSouth, excuse  
8 me, which allows BellSouth to occupy certain areas of  
9 ITC^DeltaCom's point of presence?

10 A Could you repeat the question, please?

11 Q Sure. Does ITC^DeltaCom currently have an agreement  
12 with BellSouth which allows BellSouth to occupy certain areas  
13 of ITC^DeltaCom's point of presence?

14 A I don't understand the -- my understanding is that  
15 it's an expired agreement. I'm not sure what the current legal  
16 status of that agreement is.

17 Q Does ITC^DeltaCom consider the equipment that  
18 BellSouth currently has placed in ITC^DeltaCom points of  
19 presence as collocated equipment?

20 A Well, we use the term "collocated" in terms of that  
21 it's a -- and we use that term for not only BellSouth but any  
22 carrier that requests interconnection to our network. It's  
23 basically a -- you know, a carrier like BellSouth has equipment  
24 in our POP. In this case BellSouth's servicing us as well as  
25 other carriers.

1 Q Has BellSouth ever been billed the current, I guess  
2 now we're saying it was the past collocation agreement for the  
3 leasing of space in ITC^DeltaCom's point of presence?

4 A No, we have not billed BellSouth for collocation  
5 space, equipment or work that we've performed.

6 Q With respect to this issue you state that if  
7 BellSouth collocates to your central office, they should abide  
8 by the same rates, terms and conditions that BellSouth offers  
9 to ITC^DeltaCom even though the actual rates to collocate to  
10 your central office may be higher or lower. Is that correct?

11 A Yeah. That's correct. As a, you know, as a business  
12 we're looking for something that's reasonable and reciprocal.  
13 We think the collocation rates are reasonable and reciprocal.  
14 I think BellSouth in their collocation argument argues the fact  
15 that the rates were actually too low. So from that standpoint,  
16 you know, we believe the rates that are, that the Commission  
17 ordered are just and reasonable and should be reciprocal.

18 Q All right. The final set of questions. Is it ITC's  
19 position that it is implicit under the Telecom Act that reverse  
20 collocation is required?

21 A From a layman's standpoint -- you know, we use the  
22 term "reverse collocation" because that helps us in terms of  
23 how network engineers talk and communicate. I believe that  
24 there's a requirement that telecommunications companies  
25 interconnect with each other for the benefit of the consumer

1 with respect to interconnection minutes, services and other  
2 services.

3 Q Are you familiar with Florida Statute 364.16(2) which  
4 addresses CLECs' provisions of access and interconnection with  
5 their telecommunication services?

6 A No, I am not.

7 Q Would you -- can I provide you with a copy real quick  
8 to read over?

9 A Yes.

10 MR. TEITZMAN: Permission to approach the witness and  
11 provide the copy.

12 COMMISSIONER DEASON: Yes.

13 (Pause.)

14 THE WITNESS: Okay.

15 BY MR. TEITZMAN:

16 Q All right. Final question. Is it correct that under  
17 this statute it is explicit that the Commission may require  
18 reverse collocation?

19 A It doesn't use the term "reverse collocation," but  
20 the information here could lead you to believe that there's  
21 some sort of mutual exchange or mutual benefit of services  
22 between two carriers. Yes.

23 MR. TEITZMAN: Thank you. No further questions.

24 COMMISSIONER DEASON: Redirect?

25 MS. EDWARDS: Yes. Thank you.

## REDIRECT EXAMINATION

1  
2 BY MS. EDWARDS:

3 Q Mr. Brownworth, do you recall a series of questions  
4 from opposing counsel regarding reverse collocation?

5 A Yes, I do.

6 Q And do you -- with regard to the equipment that  
7 BellSouth has in these eight sites in Florida today, does  
8 BellSouth earn revenue from other carriers by having that  
9 equipment in DeltaCom's space?

10 A Yes. When -- BellSouth has a combination of  
11 different things. They may have SmartRings, which is a ring  
12 product in the space, or LightGate services or MSNS services  
13 not necessarily ordered by BellSouth but by other carriers.

14 Q Okay. Has BellSouth offered to pay DeltaCom anything  
15 for the use of the space for these eight sites?

16 A Not, not particularly those eight sites. I think  
17 BellSouth has offered to pay on a going-forward basis in any,  
18 any new collocations in which they specifically request. I'm  
19 not aware of any particular offer for these eight sites.

20 Q Okay. For ease of reference, these locations --  
21 where are these locations in Florida? If you don't have the  
22 address, can you give a description as to where, what type of,  
23 what type of building these sites generally are?

24 A These are POP sites off of our fiber-optic backbone,  
25 so Pensacola, Panama City, Jacksonville, Orlando, West Palm.

1 In fact, we have two locations in Orlando. And then we also  
2 have others available in the ILEC territories with Verizon and  
3 Sprint that I won't get into at this time.

4 Q Okay. What rate has DeltaCom proposed to BellSouth,  
5 if any?

6 A The rate that we proposed to BellSouth was basically  
7 the reciprocal. Whatever rate is in our interconnection  
8 agreement for collocation applies to both parties.

9 Q The services BellSouth is providing to other carriers  
10 at these sites in DeltaCom space, are these competitors of  
11 DeltaCom?

12 A Yes. They're competitors of BellSouth as well as  
13 competitors of DeltaCom. We all offer competitive services.  
14 That's correct.

15 Q You were asked a series of questions regarding the  
16 special access -- let me just reference the issue.

17 You were asked a series of questions regarding Issue  
18 37; correct?

19 A That's correct.

20 Q Okay. What to your understanding is BellSouth  
21 required to do should this new FCC order become effective?

22 A This is just a high level understanding here without  
23 getting into a lot of detail. But basically the FCC indicated  
24 that concern over the consumer. The consumer wasn't to be  
25 taken out of service or any harm taken to the consumer, that it

1 be a coordinated effort, a conversion process. And it  
2 indicated what the rate shouldn't be. It shouldn't be full  
3 installation charges, it shouldn't be a termination on tariff  
4 termination liability and a few other things determining what  
5 the rate shouldn't be, although it didn't really specify what  
6 the rate should be. It just indicated that the parties would  
7 work that out in some other context. And it applied to not  
8 only loop conversions, but it could apply also to other  
9 tariffed services.

10 Q Now with regard -- I believe staff asked this  
11 question. With regard to Issue 36, do you believe that that  
12 issue -- I believe that's commingling. Do you believe that  
13 issue is also addressed by this most recent FCC decision?

14 A Yeah. I believe the FCC really expands upon the  
15 language that we have. So we'd like to have the language we  
16 have remain in effect. And then we'll let the attorneys and  
17 negotiating teams work on what the change in law provisions  
18 would be to expand the language that we've already asked for.

19 Q Okay. Turning now to the issue of dark fiber. There  
20 were a series of questions asked there. Do you recall the  
21 questions you were asked regarding dark fiber?

22 A Yes.

23 Q Okay. One question in particular was whether or not  
24 you were aware of any state commission, other state commission  
25 decisions that have been rendered regarding dark fiber. Do you

1 recall that question?

2 A Yes, I do.

3 Q Okay. What are those state -- what other decisions  
4 are you aware of?

5 A There's a decision in Indiana with AT&T. There's a  
6 District of Columbia decision. There's a Maryland decision as  
7 well as a Massachusetts decision. The Massachusetts decision  
8 is actually mentioned as a footnote in the Triennial Review  
9 that talks about the issue of the incumbent LEC's  
10 responsibility with respect to dark fiber. That's probably the  
11 issues I remember off the top of my head.

12 Q Okay. The one that's referenced -- the one that you  
13 just mentioned a minute ago, do you know what specifically that  
14 order says?

15 A I mean, I've read it. I just -- it specifically -- I  
16 don't know what it specifically says. I can say what it  
17 generally says, and that is that it recognizes the fact that  
18 the incumbent LEC shouldn't discriminate with the placement of  
19 the fiber optic network in the network for customers, I mean,  
20 for the CLEC. And, in fact, it should provide dark fiber  
21 including splicing to the CLEC in the same manner that it  
22 provides to its customer.

23 Q Okay. Mr. Brownworth, you said customer. Do you  
24 mean retail or wholesale customer?

25 A I don't remember specifically what I said. I would

1 say it applies to both retail and wholesale customers, yes.

2 Q Regarding the question or the drawing that Mr. Shore  
3 did, what do you believe BellSouth is required to do for  
4 DeltaCom with regard to dark fiber?

5 A Okay. With respect to dark fiber, you know, Customer  
6 A to Customer B, as I indicated before -- could I have the  
7 wireless mike? Thank you.

8 Today under UNE rate elements I can order a UNE loop  
9 from this point to this point and also order a UNE loop from  
10 this point to Customer B. If I have a collocation here, I can  
11 simply tie these two together. So utilizing UNE on both  
12 network elements I can get from Customer A to Customer B.

13 What I'm asking for is a better way of doing things.  
14 A better way of doing things in my mind is I have a request  
15 from Customer A to Customer B. The fact that if BellSouth can  
16 provide it in this manner actually utilizes less of their  
17 facilities and still provides me my same requirement of getting  
18 from Customer A to Customer B. It's technically feasible. In  
19 fact, BellSouth says I can do this under the dry fiber tariff.  
20 So it's technically feasible. There's no debate, I believe, on  
21 that. And what I'm just asking for is just on an application  
22 that I have, Customer A to Customer B, I can provide it this  
23 way or I can provide it in a more efficient manner. All I'm  
24 asking for is not to have any sort of technical impairment in  
25 terms of being able to order from Customer A to Customer B.



1 It's technically feasible, and we'd like to order from one  
2 point on BellSouth's network to another point on BellSouth's  
3 network.

4 MS. EDWARDS: That's all I have. Thank you.

5 COMMISSIONER DEASON: Okay. Exhibits?

6 MS. EDWARDS: Oh, I'm sorry. I do need to move the  
7 Exhibits 11 and 12 into the record.

8 COMMISSIONER DEASON: Without objection. Hearing  
9 none, show Exhibits 11 and 12 are admitted.

10 (Exhibits 11 and 12 admitted into the record.)

11 MS. EDWARDS: And I would also ask that  
12 Mr. Brownworth be excused.

13 COMMISSIONER DEASON: Yes. He may be excused.

14 THE WITNESS: Thank you, Commissioners.

15 (Witness excused.)

16 COMMISSIONER DEASON: We will recess for lunch. We  
17 will return at 2:15.

18 (Lunch recess.)

19 (Transcript continues in sequence with Volume 3.)

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1 STATE OF FLORIDA     )  
2 COUNTY OF LEON        )


## CERTIFICATE OF REPORTER

3  
4 I, LINDA BOLES, RPR, Official Commission  
5 Reporter, do hereby certify that the foregoing proceeding was  
6 heard at the time and place herein stated.

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

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

17 DATED THIS 16th day of September, 2003.

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FPSC Official Commissioner Reporter  
(850) 413-6734