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December 4, 2003

Mrs. Blanca Bayo, Director
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Florida Public Service Commission
2540 Shumard Oak Boulevard
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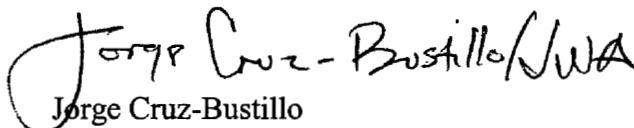
**RE: Docket No. 030851-TP -
SUPRA'S DIRECT TESTIMONY OF DAVID E. STAHLY**

Dear Mrs. Bayo:

Enclosed is the original and fifteen (15) copies of Supra Telecommunications and Information Systems, Inc.'s (Supra) Direct Testimony of David E. Stahly to be filed in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return it to me.

Sincerely,


Jorge Cruz-Bustillo
Assistant General Counsel

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CERTIFICATE OF SERVICE

Docket No. 030851-TP

I HEREBY CERTIFY that a true and correct copy of the following was served via e-mail, Hand Delivery, and/or U.S. Mail this 4th day of December 2003 to the following:

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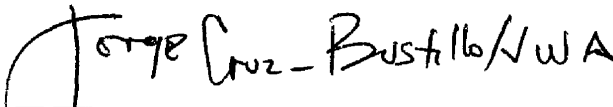
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By: Jorge Cruz-Bustillo

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers. DOCKET NO. 030851-TP
Filed: December 4, 2003

**DIRECT TESTIMONY OF
DAVID E. STAHLY
ON BEHALF OF
SUPRA TELECOMMUNICATIONS AND
INFORMATION SYSTEMS, INC.**

SUBMITTED

DECEMBER 4, 2003

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1 **SECTION I FOSTERING COMPETITION IN FLORIDA – UNE-P, HOT CUTS, AND**
2 **COMPETITION**

3
4
5 **I. INTRODUCTION, PURPOSE, AND SUMMARY OF TESTIMONY.**

6 **Q. Please state your full name, position, and business address.**

7
8 **A.** My name is David E. Stahly. I am employed by Supra Telecommunications and
9 Information Systems, Inc. (“Supra Telecom”) as a Director of Business Operations. My
10 business address is 2620 SW 27th St.; Miami, FL 33133.

11 **Q. Please describe your educational background, work experience and**
12 **present responsibilities.**

13 **A.** I graduated from the University of Chicago with a Master of Arts degree in Public
14 Policy and from Brigham Young University with a Bachelor of Arts degree in Economics.

15 I began working for Supra Telecom in September 2002. My responsibilities
16 include negotiating interconnection agreements with ILECs, CLECs, and wireless
17 carriers, tariff development, cost studies, and state and federal regulatory work. Prior to
18 joining Supra Telecom, I spent eleven years at Sprint in a variety of capacities including
19 Sprint’s local telephone division, long distance division, and CLEC operations. I
20 negotiated Sprint’s interconnection agreement with Qwest, developed policy for Sprint’s
21 long distance and CLEC divisions and testified in 60 proceedings as an expert witness.
22 I also conducted competitive analysis for Sprint’s local division and developed several
23 cost studies for switched and special access as well as local products. I have filed

1 testimony and/or testified before regulatory Commissions in 26 states in 60 proceedings
2 including one proceeding before the Florida Public Service Commission.¹

3 Prior to joining Sprint, I worked for the Illinois Commerce Commission as an
4 Executive Assistant to the Commissioners for four years providing financial and
5 economic analyses of cost studies and other issues for telecommunications, gas and
6 electric utilities.

7

8 **Q. What is the purpose of this docket?**

9 A. The purpose of this docket is for the Florida Public Service Commission ("FPSC")
10 to review Florida's local exchange markets to determine if CLECs are not impaired from
11 providing local service to mass market customers without access to unbundled local
12 switching from the ILEC. Additionally, the FPSC is to establish batch cut processes for
13 each ILEC that will compel the ILECs to provision batch cuts on a timely basis, with
14 minimal service disruption and at a reasonable cost-based rate.

15

16 **Q. Please provide a brief description of your testimony.**

17

18 A. My testimony will address portions of the impairment analysis test developed by
19 the FCC that state commissions are required to use. In particular, I will discuss Supra
20 Telecom's real world experience with BellSouth's manual cut over and the numerous
21 problems BellSouth has cutting over UNE-P customers to Supra's switch. I will also
22 discuss the need for UNE-P in light of the FCC's national finding of impairment. Finally,
23 I address the Staff's List of Issues.

¹ Case No. 96-1173-TP, In The Matter Of Sprint's Arbitration With GTE For An Interconnection Agreement.

1 **Q. Does Supra Telecom agree with the policy analysis presented by Mr.**
2 **Joseph Gillan in his Direct Testimony filed on behalf of the FCCA?**

3 A. Yes. Supra Telecom endorses the policy analysis presented by Mr. Gillan in his
4 Direct Testimony filed on behalf of the Florida Competitive Carriers' Association
5 ("FCCA"). Supra endorses in particular Parts II (The Unbundling Policy for the State), III
6 (The POTS Marketplace in Florida), IV (A Roadmap to the TRO, addressing the three
7 prong test), V (Applying the actual competition test), and VI (The False Tension
8 Between Unbundling and Facilities-Deployment) of his Direct Testimony. Supra
9 reserves the right to supplement and expand on Mr. Gillan's policy discussion in Supra's
10 Rebuttal Testimony, to the extent it is necessary to illuminate any particular issue or
11 question.

12

13 **II. UNE-P MUST BE MAINTAINED TO PRESERVE COMPETITON.**

14

15 **Q. Did the FCC find on a national level that CLECs serving the mass market**
16 **were impaired without access to unbundled local switching?**

17 A. Yes. The FCC focused its conclusion on only one source of impairment, the
18 ILEC's flawed cut over ("hot cut") process. Based on this single factor, the FCC
19 concluded that impairment exists on a national scale.² It is noteworthy that the FCC did
20 not determine that the ILECs' cut over process was the only source of impairment –
21 rather, having *already* found impairment nationally, the FCC left it

² See TRO para. 423.

1 to the states to identify other sources of impairment that would remain (even if it were
2 possible to correct for the problems created by the manual cut over process).

3 The FCC also did not conclude that “fixing” the present cut over process and
4 making it into an actual “hot”-cut process that is seamless would, by itself, automatically
5 eliminate all impairments facing CLECs in the mass market. Even if it were possible to
6 correct all of the numerous inadequacies and inherent defects of the present conversion
7 process, the ILECs would still be unable to demonstrate that competition in the mass
8 market is not impaired.

9 The term “hot cut” assumes that the conversion of a CLEC customer from UNE-P
10 to UNE-L is seamless without any interruption in dial tone and/or loss of service. The
11 “real world” experience with BellSouth’s manual cut over process is that customers do
12 in, fact, lose dial tone and service. The process is never “hot” as desired by the FCC.

13 Much of my testimony will focus on Supra’s “real world” experience with
14 BellSouth’s cut over process. This focus is designed to demonstrate that BellSouth
15 manual conversion process to UNE-L is anything but “hot.” Given this evidence, alone,
16 there is no reason – and no basis – to overturn the FCC’s national impairment finding in
17 Florida.

18 Notwithstanding Supra’s focus on BellSouth’s present manual cut over process,
19 the TRO and its focus does not allow for a reversal of the national finding of impairment,
20 unless and until the ILECs can demonstrate that competition in the relevant mass
21 markets are not impaired by the removal of UNE-P. On this point, Supra endorses the
22 analysis put forth by Mr. Gillan on behalf of the FCCA.

1 **Q. Who has the burden of proof in the proceeding?**

2 A. The burden rests with the ILECs. It is important to keep in mind that the TRO
3 starts with a national finding of impairment and asks that the Florida Commission
4 determine whether there are any exceptions to this national finding of impairment. The
5 burden is on the ILEC to explain why and where impairment does not exist. This
6 burden is explicit given the fact that there is already a finding of impairment. If
7 BellSouth and the other ILECs cannot overcome this finding, the national finding of
8 impairment in mass markets remains in effect.

9

10 **Q. Is this proceeding fundamentally about competition?**

11 A. It cannot be emphasized enough that this proceeding is fundamentally about
12 competition -- more precisely, the impairments that would otherwise prevent competition
13 -- in the POTS market. There is no reason for the ILEC to encourage CLECs to install
14 switches unless it stood to gain financially by forcing such an investment by its rival.
15 The reason that the incumbent is so interested in forcing its rivals into a switch-based
16 entry strategy is because it expects that CLECs will fail and that most UNE-P lines (in
17 an environment where UNE-P is no longer available) will return to the ILEC as retail
18 lines. Thus, the push to eliminate UNE-P is primarily designed to further impair and
19 ultimately eliminate competition in the State of Florida.

20

21 **Q. Could you please provide a summary of the goals of competition as**
22 **envisioned by the 1996 Telecommunications Act?**

1 A. In 1996, the United States Congress passed the 1996 Telecommunications Act
2 (“1996 Act”)(47 U.S.C. § 151, *et seq.*), which, states in its preamble, that this is:

3 An Act to promote competition and reduce regulation in order to
4 secure lower prices and higher quality services for American
5 telecommunications consumers and encourage the rapid deployment
6 of new telecommunications technologies.
7

8 Since the passage of the 1996 Act, the FCC, state Public Service Commissions
9 and the courts have engaged in numerous proceedings for the implementation of the
10 market-opening provisions of the Communications Act as amended by the Federal
11 Telecommunications Act of 1996 (“the Act”) as: “the result [of competition] is often lower
12 prices for the consumer. Of course, competition can lead to disputes over how, when
13 and where parties may compete.” According to the FCC:

14 [A]t the core of the Act's market-opening provisions is section 251. In
15 section 251, Congress sought to open local telecommunications markets
16 to competition by, among other things, reducing economic and
17 operational advantages possessed by incumbents.³
18

19 Furthermore, the FCC stated in that Order that:

20
21 **Section 251 requires incumbent LECs to share their networks in**
22 **a manner that enables competitors to choose among three**
23 **methods of entry -- the construction of new networks, the use of**
24 **unbundled elements of the incumbent's network, and resale of**
25 **the incumbent's retail services. Section 251(a) requires all**
26 **"telecommunications carriers" to "interconnect directly or indirectly**
27 **with the facilities and equipment of other telecommunications**
28 **carriers." Section 251(c)(3) requires incumbent LECs to provide**
29 **nondiscriminatory access to unbundled network elements. In**
30 **addition, section 251(c)(6) imposes an obligation on incumbent LECs**
31 **"to provide, on rates, terms and conditions that are just, reasonable,**
32 **and nondiscriminatory, for physical collocation of equipment**
33 **necessary for interconnection or access to unbundled network**
34 **elements. . . ." Finally, for competitors that seek to compete by**

³ See Advanced Services Order (ASO). CC Docket No. 98-147, (adopted March 18, 1999) at ¶ 13.

1 reselling the incumbent LEC's services, section 251(c)(4) requires
2 incumbent LECs to offer for resale at wholesale rates "any
3 telecommunications service that the carrier provides at retail to
4 subscribers who are not telecommunications carriers (emphasis
5 added)."⁴
6

7 The business model envisioned by Congress was for small competitors to: (1)
8 amass customers via resale, (2) move to leasing the cost-based unbundled network
9 elements, and (3) once a sufficient customer base was acquired and economies of
10 scale were realized, begin to purchase and implement one's own facilities.

11 This Commission should continue to encourage UNE-P competition because
12 only such competition will lead to innovative product offerings and product bundles, the
13 development of advanced technologies, and better prices for Florida's
14 telecommunications users as competitors look to distinguish themselves in the
15 marketplace. In the absence of UNE-P, consumers are left only with the incumbent with
16 no incentive to distinguish itself from non-existing competition.
17

18 **Q. Is Supra following the model of competitive mass market entry as**
19 **envisioned by the Act?**

20 A. Yes. Since the enactment of the Act, Supra has sought to provide competitive
21 local services to the mass market. To date, Supra has acquired approximately 300,000
22 access lines in the State of Florida alone. The foundation of Supra's business plan was
23 the Act itself, as well as the FCC and various state commissions' rules and orders
24 interpreting the intent of Congress in passing the Act. Congress intended to create a

⁴ Id. at ¶14.

1 model for CLECs to follow in which CLECs would use the ILECs' existing networks in
2 order to effectively compete with the ILECs "on rates, terms and conditions that are just,
3 reasonable, and nondiscriminatory"⁵ with little capital and within a minimum period of
4 time.

5 *Supra's mission has been to follow that model.* Since January 1997, Supra has
6 tried unsuccessfully to secure nondiscriminatory access to ILEC's services, unbundled
7 network elements, facilities, combinations, interconnection, personnel and ancillary
8 functions including collocation and rights of way, in order to enter the
9 telecommunications services market and begin the provision of national new innovative
10 advanced telecommunications services.

11 Only through years of hard fought legal battles has Supra been able to begin to
12 realize some of the benefits that Congress intended to provide small competitors. For
13 example:

- 14 • Supra won the right in December 1998 to collocate in central offices
15 previously deemed closed by BellSouth. Notwithstanding this right, BellSouth
16 continued over the next four (4) years to raise new barriers to collocation.⁶
17
- 18 • Supra had to litigate and finally won the right, in June 2001, to order and
19 enjoy UNE Combinations despite the fact that Supra's interconnection
20 agreement adopted in 1999 clearly allowed Supra the right to buy UNE-P.⁷
21

22 These facts alone demonstrate that even with the right under the Act to purchase
23 UNE-P and collocate in BellSouth's central offices and a signed interconnection
24 agreement allowing Supra to purchase UNE-P and collocate in BellSouth's central

⁵ Section 251(c)(2)(D) of the Communications Act, as amended by the Telecommunications Act of 1996.

⁶ See various Awards filed in Docket No. 001305-TP.

⁷ Id.

1 offices, BellSouth fought relentlessly to prevent Supra from buying these services. The
2 result was that BellSouth prevented Supra from entering the mass market for over four
3 years and caused Supra to incur enormous legal expenses simply to enforce
4 BellSouth's compliance with the Act. The ILECs, and BellSouth in particular, have
5 taken every opportunity to prevent competition. Their current effort to eliminate UNE-P
6 is yet another attempt to quash competition.

7

8 **Q. Would competition in the mass market be dramatically harmed if the ILECs'**
9 **existing unbundling obligations were limited by a finding of non-impairment?**

10 A. Absolutely. The overwhelming majority of mass market customers in the State of
11 Florida are served by UNE-P today and many more will be given a competitive
12 alternative as new national CLECs enter the Florida market. Without UNE-P, CLECs
13 could not serve them. Although Supra Telecom has already started the process of
14 cutting over its customers to its own switches, over 95% of Supra's mass market
15 customers are still served by UNE-P. Additionally, there are numerous markets that
16 Supra has not yet entered and will not be able to enter if UNE-P is unavailable.

17 The evidence demonstrates that BellSouth has only recently begun to comply
18 with its unbundling obligations. Many of Florida's residential telephone customers have
19 not reaped the benefits of the Act because BellSouth and the other ILECs have (a)
20 endlessly challenged the constitutionality of the Act itself, (b) refused to comply with
21 their obligations even after being ordered to do so, and (c) have ruthlessly done all they
22 can to prevent competition. That is why it is imperative for the Florida Commission, at

1 this time, to preserve CLECs' rights to continue to use UNE-P so that they can bring the
2 benefits of better pricing and better service bundles to more of Florida's residential
3 users. This last point cannot be stressed enough.

4

5 **Q. Does BellSouth continue to disregard Commission orders?**

6 A. Yes. I would note that BellSouth has proven to be quick to implement FCC and
7 state decisions that they believe benefit BellSouth. However, as noted above, the
8 record demonstrates that BellSouth refuses to comply with their obligations even after
9 being ordered to do so – especially when it affects its bottom line and forces BellSouth
10 to offer services to competitors.

11 One case in point is the BellSouth Fast Access DSL case. For On May 29, 2001,
12 BellSouth informed Supra that Supra's UNE-P customers could not have BellSouth Fast
13 Access DSL. This policy directive was based solely on BellSouth's own interpretation of
14 ¶26 of the ***Third Report And Order On Reconsideration*** In CC Docket No. 98-147⁸
15 released January 19, 2001.

16 Supra brought this issue to this Commission. On July 1, 2002, in Docket No.
17 001305-TP, this Commission found in favor of Supra and ordered BellSouth to cease
18 this anti-competitive practice as it related to BellSouth's Fast Access. BellSouth was
19 not granted (nor did it ever request) a stay of this Commission's Order. Despite this
20 explicit order and no stay, BellSouth simply ignored this Commission's direct order.

⁸ *Third Report and Order on Reconsideration - Line sharing Order* CC Order 01-26 released

1 After repeated requests to BellSouth to comply with this lawful Commission
2 order, Supra filed a complaint in December 2002 asking the Commission to enforce its
3 previous order. Two of the three Commission Panel members were not members of the
4 Commission at the time of the prior vote which resolved the issue in Supra's favor. For
5 what appears to have been good-faith philosophical objections (to the way the law had
6 been previously interpreted) from those two Commissioners, the panel refused to even
7 grant Supra an evidentiary hearing – despite having met all of the necessary legal
8 prerequisites of the Administrative Procedures Act entitling Supra to such a hearing. If
9 BellSouth was in compliance with the previous order as it so argued, then there was no
10 reason not to schedule a hearing to allow BellSouth the opportunity to prove it. Supra
11 was prepared to prove its case. As of this writing BellSouth still refuses to comply with
12 the Commission's Order in Docket 001305-TP. Irrespective of the different
13 philosophical views of the law, what was paramount in the complaint brought by Supra
14 was BellSouth's willful refusal to comply with a lawfully issued order of this Commission.

15 I am concerned that whatever "fixes" to BellSouth's cut over process the
16 Commission recommends or other remedies the Commission orders in this proceeding
17 will be, once again, blatantly ignored and disregarded by BellSouth. Now that BellSouth
18 wants this Commission to do away with UNE-P, I am more concerned than ever that
19 BellSouth will ignore implementing any "cures" and that CLECs could be stuck with the
20 worst of both worlds - no UNE-P and hopelessly impaired markets.

21 This Commission must look beyond the ILECs' empty promises to comply and
22 take serious consideration of past compliance of the ILECs, in particular BellSouth,

1 because the mere legal right to enjoy UNE Combinations, collocation, and other
2 contractual and regulatory imposed access or services does not mean that the CLEC
3 who request these services will receive them. Supra's experience shows that BellSouth
4 is willing to go to great lengths to deny CLECs access to the services they need to
5 compete.

6

7 **Q. Has a “facilities first” business plan proven unsuccessful?**

8 A. Yes. Through this proceeding, the ILECs are attempting to force an “if-you-build-
9 it-they-will-come” strategy upon CLECs that has proven to be a disaster to the CLEC
10 industry and competition as a whole. Over the past seven and one half years, CLECs
11 have invested billions of dollars in hopes of building infrastructure and facilities that
12 would, in theory, attract customers, but sufficient customers and revenues never
13 materialized and former industry leaders such as Rhythms, Northpoint, Allegiance, XO,
14 Winstar, Global Crossing, and more, filed bankruptcy, were sold, or simply went out of
15 business. In all, at least 63 CLECs, many of them facilities-based, have filed for
16 bankruptcy since Oct. 1999.⁹ Florida's residential customers will never have actual or
17 potential from the majority of these companies and will lose out on the benefits of local
18 competition these companies could have provided.

19 Having lost enormous amounts of investment money on previous facilities-based
20 CLECs, Wall Street is reluctant to invest in new CLECs today. In order to be successful
21 in today's marketplace, CLECs must first acquire a sufficient number of customers via

⁹ See “Telecommunications Companies in Bankruptcy” by Miller and Van Eaton at
http://www.millervaneaton.com/hot_april3_c.htm

1 UNE-P before they invest in new facilities. UNE-P is absolutely essential for
2 competition to succeed in the mass market in Florida.

3

4 **Q. Will lack of access to unbundled local circuit switching cause prices for**
5 **unbundled switching to rise and impair competition in mass markets?**

6

7 A. Absolutely. Lack of access to unbundled local circuit switching will cause prices
8 for unbundled switching to increase exponentially and will dramatically impair mass-
9 market competition. A case in point is the price increase for unbundled local switching
10 in density zone one of the top 50 MSAs for switching that serves customers with four or
11 more lines.

12 In the *UNE Remand Order*, the FCC determined that CLECs would not be
13 impaired if ILECs were not obligated to provide unbundled local switching to requesting
14 CLECs serving customers with four or more lines provided the ILEC made EEL
15 combinations available. However, based on the experience of the past few years, this
16 FCC “carve-out” has proven to be extremely anti-competitive.

17 In the Miami, Ft. Lauderdale, and Orlando Markets BellSouth increased its
18 unbundled switching rate by a multiple of 10 from a TELRIC cost of \$1.40 to a “Market
19 Rate” of \$14.00. **(See Supra/BellSouth Interconnection Agreement, on file with the**
20 **Florida Commission, approved on 8.22.03, Attachment 2**

1 Supra has been unable to locate a single vendor for Unbundled Local Switching
2 in the Miami, Ft. Lauderdale or Orlando Florida MSAs. Vendors will only sell what is
3 essentially a BellSouth resale clone, but not facilities based Unbundled Local Switching.

4 This FCC “carve-out” was created due to the misconception that CLECs had
5 alternative sources of switching in the top 50 MSAs. This is simply untrue as evidenced
6 by the exorbitant “Market-Based” rate that BellSouth charges for unbundled local
7 switching. If competition truly existed and there were alternative sources of local
8 switching, then one would expect the price for switching to be closer to its TELRIC cost
9 of \$1.40. BellSouth’s usurious rate of \$14.00 is indicative of a complete lack of any
10 meaningful competitor in these areas.

11
12 **Q. Could you please summarize your testimony regarding the importance of**
13 **maintaining the availability of UNE-P to preserve competition in the mass market?**

14
15 A. Yes. As I stated at the outset of my testimony, It cannot be emphasized enough
16 that this proceeding is fundamentally about competition and the impairments that would
17 otherwise prevent competition in the POTS market.

18 If UNE-P is eliminated, Supra’s cost of providing service will increase
19 substantially. This will force Supra to exit many markets and raise prices in others
20 eliminating a competitive choice for some Florida telecommunications consumers and
21 reducing savings for others. Resale simply cannot generate the necessary margin for
22 sustainable competition as envisioned by the Florida legislature.

1 Using UNE-P over the past two years, Supra has been able to save Florida's
2 residential telephone users close to \$100 million dollars. If UNE-P is eliminated, real
3 savings will be taken from the pockets of Florida's residents.

4
5 **Q. How has increased local competition affected BellSouth?**

6 A. Competition from CLECs has forced BellSouth to offer more attractive product
7 bundles and better pricing. BellSouth is bundling its cellular, long distance, and DSL
8 services (something no CLEC can do) with its local service. At the same time,
9 BellSouth is battling CLECs by refusing to comply with a Commission order requiring
10 BellSouth to continue to provide its Fast Access, to its own customers, when that
11 customer migrates its voice service over UNE lines. BellSouth further adds insult to
12 injury by offering large discounts and cash back offers, which no CLEC can match, and
13 which undercut the discounts and cash back offerings CLECs can offer. Despite claims
14 of losing lines to CLECs and cries of declining local revenues, it is interesting to note
15 that BellSouth's revenues and earnings per share have continued to increase as a
16 whole over the past year.

17
18 **III. SUPRA'S EXPERIENCE WITH BELL SOUTH'S CUT OVER PROCESS AND**
19 **WHY CUT OVERS ARE CRUCIAL TO CLECS.**

20
21 **Q. Did the FCC find that the ILEC's flawed "hot cut" process impaired CLECs'**
22 **ability to serve the mass market without access to unbundled local switching?**

1 A. Yes. In conducting their impairment analyses, the FCC concluded that on
2 a national level, CLECs serving the mass market are impaired without access to
3 unbundled local switching.¹⁰ The FCC stated that, “This finding is based on
4 evidence in our record regarding the economic and operational barriers caused
5 by the cut over process.”¹¹ Specifically, the FCC said that these barriers include:

- 6 ● The non-recurring costs of hot cuts,
- 7 ● The potential for disruption of the customer’s service
- 8 ● The ILEC’ inability to handle the necessary volume of migrations to
- 9 support competitive switching in the absence of unbundled
- 10 switching.
- 11

12 These problems are compounded by high customer churn rates. The
13 FCC went on to say that, “these hot cut barriers not only make it uneconomic for
14 competitive LECs to self-deploy switches specifically to serve the mass market,
15 but also hinder competitive carriers’ ability to serve mass market customers using
16 switches self-deployed to serve enterprise customers.”¹²

17 The FCC found that as a result of these barriers, there has only been minimal
18 deployment of CLEC-owned switches to serve mass-market customers. The FCC
19 noted that the characteristics of the mass market raise significant barriers to CLECs
20 self-provisioning switching to serve mass-market customers and required state
21 commissions to develop and implement a batch cut process to begin to overcome the
22 existing barriers to these markets. However, as noted previously, simply overcoming

¹⁰ See TRO para. 419, 422.

¹¹ See TRO para. 459.

¹² See TRO para. 459.

1 the cut over process does not eliminate the impairment to markets that would grip the
2 industry by the elimination of UNE-P.

3

4 **Q. Would you please define what is meant by “hot cut”?**

5 A. Yes. “Hot cut” refers to the process of the ILEC transferring a customer’s
6 telephone service to another service provider in a timely and non-disruptive manner to
7 the customer’s service. This includes physically transferring the customer’s voice grade
8 (DS0) loop from the ILEC’s switch to the CLEC’s switch as well as all of the features
9 and functions relating to that customer’s service. “Hot” presumes the transfer occurred
10 quickly with minimal disruption to the customer. However, BellSouth’s “hot cut” process
11 is fraught with service disruptions and delays and should simply be referred to as a “cut
12 over” process – that at best could be characterized as a “cold-cut” for the lack of a
13 better phrase.

14

15 **Q. What steps are involved in a “cut over” process?**

16 A. The cut over process is initiated by the CLEC sending an order to the ILEC
17 requesting that a customer’s loop be cut over to the CLEC’s switch. The ILEC replies
18 with a cut over due date. The ILEC may send a technician to its central office to pre-
19 wire a cut over. On the schedule cut over date, the ILEC’s central office technician
20 disconnects the customer’s loop, which was hard wired to the ILECs switch, and
21 physically re-wires it to the CLEC’s switch. The ILEC must then must also
22 simultaneously reassign (i.e., “port”) the customer’s telephone number from the ILEC’s

1 switch to the CLEC's switch.¹³ The ILEC then must notify the CLEC that the customer's
2 loop has been cut over and the CLEC must activate the porting in NPAC.

3 The goal of a hot cut is to quickly transfer the customer to the CLEC switch with
4 minimal disruption to the customer's service so that their service remains "hot" or,
5 without interruption. By industry norm, the customer should experience minimal
6 interruption of service. In the voice scenario, minimal interruption of service would be
7 less than three minutes.

8

9 **Q. Can BellSouth's cut over process be described as a "hot cut" process?**

10 A. No, not by any means. BellSouth's cut over process for individual LSRs or batch
11 cuts is not "hot" by any definition. It is fraught with errors, service delays, and
12 provisioning problems which have resulted in Supra's customers experiencing service
13 interruptions (No Dial Tone) of several hours as well as the inability to receive calls from
14 any party and, until recently, the inability to receive calls from cellular carriers.

15

16 **Q. Is BellSouth's Batch Order process provide for faster cuts?**

17 A. No. BellSouth's Batch Order process is really two painfully slow and flawed
18 processes – one, the Batch Order Process and two, the individual LSR hot cut process.

19 The Batch Order process is not a batch "hot cut" process. It is a batch pre-
20 ordering process which, as a result, prequalifies orders in large numbers and assigns
21 them due dates. The remainder of the process reverts back to the individual submission

¹³ See TRO footnote 1294.

1 and processing of LSRs until the due date. At that time, the orders are processed in the
2 central office as a batched set and their completion is communicated via telephone to
3 the CLEC.

4 Additionally, BellSouth's batch cut process has much longer installation intervals
5 of more than 21 days whereas a single manual hot cut takes 3-6 days showing that
6 BellSouth is incapable of cutting over commercial volumes of customers. There are no
7 benefits to BellSouth's Batch Order. It is only a bulk order process that adds 17 days to
8 the orders. It is not a bulk or batched conversion process because we still have to enter
9 all the LSRs and process them for conversion as if they are individual orders.

10
11 **Q. Why are hot cuts, and the ILEC's ability to perform hot cuts, so critical for a**
12 **CLEC to compete in the mass market?**

13 A. Although a CLEC may have a switch installed in the same wire center as the
14 ILEC to reach the same customers, the CLEC still needs to use the ILEC's loop to reach
15 the end user customer. As the FCC noted,

16 "Competitive LECs can use their own switches to provide services
17 only by gaining access to customers' loop facilities which
18 predominantly, if not exclusively, are provided by the incumbent
19 ILEC. Although the record indicates that competitors can deploy
20 duplicate switches capable of serving all customer classes, without
21 the ability to combine those switches with customers' loops in an
22 economic manner, competitors remain impaired in their ability to
23 provide service. **Accordingly, it is critical to consider**
24 **competing carriers' ability to have customers' loops**
25 **connected to their switches in a reasonable and timely manner**
26 **(emphasis added).**¹⁴
27

¹⁴ See TRO para. 429.

1 Since it would be prohibitively expensive for a CLEC to build its own loops to all
2 of its mass market customers, many CLECs have chosen to lease the UNE Loops from
3 the ILEC. However, the CLEC's switch is useless if the ILEC cannot transfer the
4 customers' loops over to the CLEC's switch and attach the UNE Loop to the CLEC's
5 switch. Not only must the ILEC be able to transfer the customer's loop to the CLEC's
6 switch, but it must be able to do so without undue delay in processing the order and
7 without interrupting the customer's service for more than a brief instant.

8 Currently, some ILECs, including BellSouth, have difficulty in satisfactorily
9 performing hot cuts. Long service disruptions, delays in processing cut over orders, and
10 high NRCs are the norm. ILECs should be able to hot cut, or transfer, the customer's
11 loop at a minimal cost and with minimal service disruption to the customer and a
12 minimal delay in processing the order. Additionally, the ILEC should be able to handle
13 commercial volumes of hot cuts each day with minimal service disruptions.
14 Unfortunately, BellSouth has been unable as of yet to meet any of these criteria.

15
16 **Q. How many cut overs has BellSouth completed for Supra?**

17 **A.** Since the first week of November 2003, Supra has moved in excess of 2,400
18 customer lines within LATA 460 to its switches. Of this number, 5% have suffered NDT
19 problems requiring 1-5 dispatches of BellSouth and third party technicians. However, a
20 shocking 47% of cutovers have experienced "No incoming calls" problems caused by
21 LNP porting delays or errors caused by BellSouth.

1 **Q. Has Supra lost customers because of BellSouth's inability to perform**
2 **acceptable hot cuts?**

3 A. Yes. Supra has lost at least 16 customers over the past month due to
4 BellSouth's inability to perform acceptable hot cuts. This is rub.???? BellSouth
5 successfully ran ads over the last two years disparaging CLECs as companies with
6 unreliable networks. These ads were intentionally misleading because the CLECs were
7 using the same BellSouth wires and switches. Now, BellSouth and the other ILECs
8 want this Commission to eliminate UNE-P which will cause a mass migration to the
9 ILECs. If and when CLECs are able to obtain their own switches, BellSouth will once
10 again begin to employ their tried and true "fat-finger" or "rogue-employee" excuses for
11 why the conversions from UNE-P to UNE-L are not occurring. In the meantime,
12 customers will seek to convert back to the ILEC in an environment of ILEC ads, once
13 again, disparaging CLEC networks as inferior – even though it is BellSouth and the
14 other ILECs causing the loss of dial tone and service during the conversion.

15

16 **Q. Part of the cut over process requires that BellSouth inform the CLEC that**
17 **the customer's loop has been cut over. What problems has Supra experienced**
18 **with regards to BellSouth notifying Supra that a customer's loop has been cut**
19 **over?**

20 A. Local Number Portability (a.k.a. "LNP"), or the porting of numbers from the ILEC
21 to the CLEC switch, has been a continuing and vexing problem in the BellSouth region
22 resulting in Supra's UNE-L customers not being able to receive calls for anywhere from

1 two hours to 18 or more hours depending on when the customer's loop was moved,
2 when BellSouth sent Supra an e-mail notification, and how fast Supra can activate the
3 porting in the Number Portability Administration Center ("NPAC").¹⁵ Occasionally, the
4 NPAC system becomes congested and adds to the delay.

5 Rather than notify Supra immediately after a cut over has been completed,
6 BellSouth may wait several hours to notify Supra resulting in Supra's customer being
7 unable to receive any incoming calls despite having dial tone. To my knowledge,
8 BellSouth has no published or internal metric requiring that the central office frame
9 technician report or enter order completions into BellSouth's system similar to Verizon's
10 20 order requirement. The result could be an order entry occurring minutes after a
11 jumper move or up to eight hours depending on the technician's preference or workload.
12 BellSouth has only committed to a best effort of every couple of hours.

13 **Q. Can you provide an example of the typical number portability problem that**
14 **47% of Supra's UNE-L customers experience when BellSouth cuts them over to**
15 **Supra's switch?**

16 A. Yes. Supra requires notification from BellSouth that a customer's loop has been
17 cut over to Supra's switch. Once Supra has received the cut over notification, Supra
18 can enter the number port activations into the NPAC system. However, BellSouth
19 typically does notify Supra that a customer has been cut over until several hours after
20 the cut over. The result is that the Supra customer has dial tone, but is not receiving

¹⁵ The NPAC system congestion occasionally adds to the delay.

1 any calls because the switching network does not know where to find the customer's
2 number. An example of this is as follows:

3 8:00 AM: The BellSouth technician cuts over a customer's loop. The customer
4 now has dial tone on Supra's switch but cannot receive local calls or
5 calls from IXCs.

6 4:00 PM: The BellSouth technician enters his/her day's orders into the BellSouth
7 system.

8 6:00 PM: BellSouth's E-mail system sends "Go-Ahead" notices on an individual
9 line basis to the CLEC. (The two-hour lag is the estimated BellSouth
10 system latency.)

11 6:30 PM: Supra starts to enter number port activations into the NPAC system.

12 7:00 PM: The customer can now receive calls from the local area and possibly
13 many IXCs, although not the major IXCs.

14 10:30 PM: The customer can now receive all calls assuming there is no NPAC
15 system congestion.

16 **Q. How does BellSouth notify Supra that a customer's number has been cut**
17 **over to Supra's switch?**

18 A. Rather than send notices listing multiple cut overs on a single notice, BellSouth
19 sends a separate e-mail notice for each and every number BellSouth cuts over
20 regardless of whether those numbers were submitted as part of a 100 number batch cut
21 over order. Thus, if BellSouth cuts over 120 numbers in one day, Supra's

1 representative receives 120 separate e-mails from BellSouth¹⁶ informing her that the cut
2 over is complete for just one specific number.

3

4 **Q. What cut over/operational problems has Supra experienced because of**
5 **BellSouth's IDLC systems?**

6 A. BellSouth has a large amount of Integrated Digital Loop Carrier ("IDLC") systems
7 in South Florida. The presence of these systems forces BellSouth to find alternative
8 methods to deliver the customer loops riding these fiber-based systems to the CLEC.
9 Of the eight options presented to Supra, BellSouth has selected one of the more
10 expensive, time consuming and service effecting options to cut these customers over to
11 the CLEC switch. They have chosen to either find alternative end to end copper facilities
12 which are not readily available or to convert the customers over to existing or newly
13 installed Universal DLC systems.

14 Copper is not available because most of these systems are Greenfield
15 installations placed in lieu of copper. UDLC systems require complex reconfigurations of
16 the remote DLC terminals and possible new installations of the CO end thus delaying
17 the conversion orders.

18 In Supra's first batch order of 99 customer lines for a CO heavily populated with
19 IDLC, 4 lines were rejected as not eligible for conversion, 39 had to be installed as more
20 expensive SL-2 loops because they were IDLC and the remaining 56 lines (57%) were
21 given due dates. As of December 2, 2003, BellSouth has not given a reason for

¹⁶ This is a slight improvement over BellSouth's earlier offers to provide notification by fax or even by a telephone call for each and every number cut over.

1 rejecting the orders. This batch was submitted the end of October; response was
2 received on November 18th with most due dates in early December.

3

4 **Q. What other cut over/operational problems has Supra is experienced**
5 **because of BellSouth's IDLC systems?**

6 A. A more substantial issue that we assume is related to IDLC is the cutover of
7 IDLC-based customers in the normal course of business with the result of no dial tone
8 ("NDT") to the customer. We have to make this assumption for two reasons. First, a
9 simple jumper swing on a copper based customer loop should very rarely result in a
10 customer having no dial tone especially since we test to our switch and BellSouth
11 asserts they do as well before the cutover. Second, BellSouth does not tell Supra who
12 these customers are and BellSouth's selected method of provisioning these customers
13 requires a field dispatch to find and cross-connect a copper loop to the customer's
14 copper sub-loop. If the outside plant records of the ILEC are relatively accurate, this
15 should result in minimal, less than 1%, occurrences of NDT. Such has not been the
16 case in LATA 460.

17

18 **Q. What has the FCC required state commissions to do to resolve the**
19 **problems ILECs have executing hot cuts?**

20 A. The FCC has asked state commissions, within nine months from the effective
21 date of the TRO order, to approve and implement a batch cut migration process that
22 would provide a "seamless, low-cost process for transferring large volumes of mass

1 market customers”¹⁷ and “reduce per-line hot cut costs”¹⁸ within the context of the
2 overall goals of the TRO and state conditions.

3

4 **Q. What would happened if the FPSC decided UNE-P should go away and**
5 **BellSouth only had six months to convert Supra’s customers to UNE-L?**

6 A. Based on BellSouth’s current inabilities to cut over Supra’s customers in
7 commercial volumes, it would be impossible for BellSouth to complete the task in six
8 months or even one year. As discussed above, BellSouth’s cut over process is
9 seriously flawed and is incapable of handling commercial volumes of cutovers.
10 Additionally, BellSouth does not have enough manpower to convert all of Supra’s
11 customers within a year.

12 To meet the one year goal, even assuming that BellSouth’s flawed cut over
13 process could be fixed and worked perfectly with zero mistakes or problems, BellSouth
14 would have to cut over approximately 1,200 customers per day just to meet Supra’s
15 needs and that does not even consider the needs of the other CLECs using BellSouth’s
16 UNE-P.

17 By contrast, BellSouth’s actual commitment of 150 cutovers per day/office over
18 the past month when cutting over customers for Supra. At that rate, it would take
19 BellSouth over a year to cut over just Supra’s existing customer base statewide. It
20 would take even longer to cut over all of Supra’s customers assuming that Supra
21 continues to grow its customer base in BellSouth’s territory.

¹⁷ Id. para. 423.

¹⁸ TRO para. 460.

1

2 **Q. If BellSouth fixed all of the problems with its cut over process and turned it**
3 **into a hot cut process, would CLECs continued to be impaired in their ability to**
4 **enter the mass market without access to UNE-P?**

5 A. Yes. Cutovers are only one of the impairments that CLECs face when trying to
6 enter the mass market. Even if cutovers were "fixed," if Supra did not have access to
7 UNE-P, Supra would not be able to enter and serve much of the mass market.

8

9 **Q. What are some other operational issues that would impair Supra and other**
10 **CLECs from providing service to all customers in a geographic market?**

11 A. The CLEC could be actively providing voice service to some mass market
12 customers in a given geographic market, but may not be operationally able or willing to
13 provide service to all customers in a geographic market. For example,

14 1) The ILEC cannot cut over all of the CLEC's existing customers to
15 the CLEC's switch based on technical or operational constraints
16 such as mass deployment of Integrated Digital Loop carrier
17 systems and fiber.

18 2) The ILEC cannot hot cut the CLEC's new customers to the
19 CLEC's switch in a timely manner.

20 3) The ILEC's hot cut process is so fraught with errors and service
21 disruptions that the CLEC does not want to risk alienating its
22 customers until the ILEC can resolve its hot cut problems.

1 4) Collocation space is not available to the CLEC so the CLEC
2 cannot offer service in parts of the market.

3 5) DS-0 level EELs are not physically available as an alternative
4 method to lack of co-location availability.

5
6 **Q. What are some examples of how a CLEC could not be economically able or**
7 **willing to provide service to all customers in a geographic market?**

8 A. The CLEC could be actively providing voice service to some mass market
9 customers in a given geographic market, but may not be economically able or willing to
10 provide service to all customers in a geographic market. For example,

11 1) Collocation space is available but prohibitively expensive.

12 2) The ILEC's non-recurring charge (NRC) for hot cuts is prohibitively
13 expensive.

14 3) The available market within a serving CO is too small (even at 100%
15 penetration) to cost justify collocating facilities and back haul facilities
16 to serve the CO.

17 4) DS-0 level EELs are not available to overcome issues number one and
18 number three above.

1 **SECTION II: RESPONSES TO COMMISSION'S ISSUES**

2
3 **I. DEFINING A MARKET AREA FOR MASS MARKET UNE-P SWITCHING**
4 **(Question 1 & 2)**
5

6
7
8 **Q. Issue 1) For purposes of this proceeding, what are the relevant markets for**
9 **purposes of evaluating mass market impairment and how are they defined?**

10 A. The burden rests with the ILECs to explain why and where impairments does not
11 exist. This answer is better left to Rebuttal.

12
13 **Q. What factors affect a CLECs' ability to serve customers in a particular**
14 **geographic area?**

15 A. The cost of serving a customer as well as the revenue that can be collected from
16 each customer are two key factors that affect a CLECs' ability to serve each group of
17 customers and can vary significantly by geographic area. Cost factors include UNE
18 Loop rates, the size ,location and customers served count of a wire center, the
19 availability of collocation space and availability of cost effective backhaul facilities.
20 UNE Loop rates vary by ILEC and by zone density. SL-1 Loops vary from \$12.79 in
21 Zone 1 to \$33.86 for Zone 3 in Florida and up to \$37.82 for SL-2 in Zone 3. The less
22 dense the zone, the higher the rate; plus, some ILECs have higher rates than others for
23 zones with similar densities.

24 The size and location of a wire center impact costs as well. A large wire center
25 will generally have lower per unit costs. Likewise, a wire center located in a densely
26 populated area will also have lower per unit costs because the CLEC will be able to

1 reach more customers from that site. Additionally, expected revenues per customer
2 vary by ILEC and by population density. Rates in urban areas are generally lower than
3 rates in rural areas and have to be weighed against costs of serving customers.
4 However there are many wire centers in highly concentrated urban areas that are Rate
5 Zone 2 offices. Pembroke Pines and Hialeah in Broward County and Dade County
6 respectively are good examples. A Zone 2 loop costs \$17.27 per month. Furthermore,
7 ILECs charge different rates for the same services. A CLEC must consider all of these
8 factors before choosing to enter a particular area.

9

10 **Q. What factors, other than cost, affect a CLECs' ability to serve customers in**
11 **a particular geographic area?**

12 A. A key requirement is that an ILEC have collocation space available. If the ILEC
13 does not have any collocation space available, then it becomes prohibitively more
14 expensive for a CLEC to build their own suitable collocation space.

15 However, one of the largest non-cost factors for the commission to consider is
16 the ILEC's inability to "handle large numbers of hot cuts."¹⁹ An ILEC's ability to handle
17 commercial volumes of hot cuts is absolutely crucial to the survival and success of a
18 CLEC to compete in any given geographic area. If the ILEC is unable to handle
19 commercial volumes of hot cuts, then all of the preceding cost and revenue factors
20 become largely irrelevant.

21

¹⁹ See TRO para. 496.

1 **Q. Issue 2) Regarding question 2, when defining the relevant geographic**
2 **areas to include in each of the markets for each of the ILECs, which factors**
3 **should be taken into consideration and what relative weights should they be**
4 **assigned:**

5 (a) **the locations of mass market customers actually being served by**
6 **CLECs;**

7 (b) **the variation in factors affecting CLECs' ability to serve each group**
8 **of customers; and**

9 (c) **CLECs' ability to target and serve specific markets profitably and**
10 **efficiently using current available technologies?**²⁰

11 A. The burden rests with the ILECs to explain why and where impairments does not
12 exist. For this reason, the answer to each sub-category above is better left for Rebuttal.

13
14 **Q. 3(b) Why is the ILEC's ability to complete hot cuts and complete them in**
15 **commercial volumes essential for a CLEC to compete in the local market?**

16 A. If an ILEC cannot cut customers over to the CLEC's switch in a non-disruptive
17 manner and in commercial volumes, then a CLEC is impaired in its ability to provide
18 timely service to its customers. The CLEC's customers will not tolerate waiting for
19 service longer than they would wait if they were Retail or Resale to UNE-P.

20 Additionally, the CLEC's customers expect to have their service cutover without
21 any service disruption and without needing to make multiple calls (from their cell phone

²⁰ See TRO para. 495.

1 or their neighbor's phone) to their carrier to the resolve problems – which is presently
2 the consequence of the BellSouth cut over process. If The ILEC cannot cut a CLEC's
3 customers over to the CLEC's switch in a timely and non-disruptive manner, the
4 customers will most often fault the CLEC for the service problems and go back to the
5 ILEC.

6 Customers may even be aware that the cutover problems are not the fault of the
7 CLEC and still go back to the ILEC simply to avoid any service disruption. Many small
8 businesses such as restaurants that offer take-out, delivery, or require reservations, dry
9 cleaners, plumbers, home maintenance and construction, and other businesses depend
10 heavily on their phone for customers to reach them. These businesses may refuse to
11 switch to a CLEC even if the CLEC offers better rates, if they are afraid that their phone
12 service will be disrupted and their customers will not be able to reach them regardless
13 of whether the service disruptions are caused by the CLEC or not. The ILEC must be
14 able to perform hot cuts without disrupting the customer's service.

15 In addition to performing hot cuts in a non-disruptive manner to the customer, the
16 ILEC must also be able to perform hot cuts in commercial volumes. That is, the ILEC
17 should be able to cut over as many customers to the CLECs' switches as the ILEC
18 could turn up for itself. If the ILEC cannot turn up a CLEC's new customers at the same
19 pace as the ILEC does for itself, then the CLEC is not able to offer competing service at
20 parity with the ILEC. Such is the case today and the disparity is apparent to customers.

21 There are many customers that may desire to switch to a CLEC to take
22 advantage of better rates, call packages, or customer service, but are reluctant to do so

1 because they have heard of problems their neighbors may have had trying to switch to
2 a new local phone company. '

3

4

5 **II. BATCH CUT PROCESS (Questions 3 – 6)**

6 **Q. Issue 3)**

7 **Q. 3(a) Does a batch cut process exist that satisfies the FCC's requirements in**
8 **the Triennial Review Order? If not, in which markets should the Commission**
9 **establish a batch cut process?**

10 A. No. A batch cut process does not exist that satisfied the FCC's requirements.
11 Any process established must be automated and be implemented across the board.

12

13 **Q. 3(b) In BellSouth's service area, in which markets should the Commission**
14 **establish a batch cut process?**

15 A. The Commission should require BellSouth to establish an automated batch cut
16 process for all wire centers where the Commission feels Florida telecommunications
17 users should have a choice of local phone companies.

18

19 **Q. 3(c) For those markets in BellSouth's service area where a batch cut**
20 **process should be established, what volume of loops should be included in the**
21 **batch?**

1 A. I have no response for a specific number at this time, but ultimately, BellSouth
2 should be able to cut over all of the CLECs' customers in a timely manner.

3

4 **Q. 3(d) For those markets in BellSouth's service area where a batch cut**
5 **process should be established, is the ILEC capable of migrating multiple lines**
6 **that are served using unbundled local circuit switching to CLECs' switches in a**
7 **timely manner?**

8 A Absolutely not. BellSouth's batch cut process is a step backwards. It adds
9 seventeen extra days to the hot cut process. BellSouth still requires Supra to enter all
10 the Local Service Requests ("LSRs") and process them for conversion as if they were
11 individual orders. BellSouth is moving CLECs from a fully automated low cost retail-
12 UNE-P cut process to a highly manual, high cost UNE-P to UNE-L process.

13 Currently, as noted, BellSouth's batch cut process is a bulk order process that
14 adds seventeen extra days to Supra's batch cut orders. It is not a bulk or batched
15 conversion process. BellSouth still requires Supra to enter all the Local Service
16 Requests ("LSRs") and process them for conversion as if they were individual orders. It
17 is ironic that BellSouth is moving CLECs from a fully automated low cost retail-UNE-P
18 cut process to a highly manual, high cost UNE-P to UNE-L process.

19 There are a number of improvements that should be made to BellSouth's current
20 batch process. Two of the larger issues Supra currently faces are cutover notification
21 and No Dial Tones ("NDTs") caused by BellSouth having to move the customer loop
22 from IDLC to copper or UDLC.

1 With regards to notifications, BellSouth provides Supra with notifications that are
2 anywhere from an hour to several hours after the cutover actually happens. The result
3 of this late notification is that the customer cannot receive any calls during that time
4 because Supra cannot port the customer's phone number over to Supra's internal
5 system in the master database. Hence, the customer's service is disrupted.

6 The NDT problems are caused by BellSouth having to move the customer's loop
7 from IDLC to copper or UDLC. BellSouth's plant records are full of errors. They move
8 the customer to a customer loop before the cut or install a loop before the cut and don't
9 test end to end. The central office Frame technician moves the jumper on both the
10 BellSouth end and the Supra end and a NDT results. Supra then dispatches a
11 BellSouth technician to resolve the problem. Unfortunately, experience has shown that
12 it will take the BellSouth technician several tries until they finally get a working pair from
13 the customer to us. Ideally, BellSouth should tell CLECs ahead of time which
14 customers are served via IDLC. If Supra received this information, it might be
15 reasonable and financially possible to use a coordinated conversion to make sure the
16 cut is successful. Currently, the coordinated cut does nothing more than to add another
17 layer of people to the hot cut conversion process and slow it down.²¹

18 **Not in a timely manner**

19 As I stated earlier in my testimony, based on BellSouth's current inability to cut
20 over Supra's customers in commercial volumes, it would be impossible for BellSouth to
21 complete the task in six months or even one year. As discussed above, BellSouth's cut

²¹ In addition, Supra would have to have many more people on our side to handle a large number of such cutovers.

1 over process is seriously flawed and is incapable of handling commercial volumes of
2 cutovers. Additionally, BellSouth does not have enough manpower to convert all of
3 Supra's customers within a year.

4 To meet a one year goal, even assuming that BellSouth's flawed cut over
5 process could be fixed and worked perfectly with zero mistakes or problems, BellSouth
6 would have to cut over approximately 1,200 customers per day just to meet Supra's
7 needs and that does not even consider the needs of the other CLECs using BellSouth's
8 UNE-P.

9 By contrast, BellSouth's actual commitment of 150 cutovers per day/office over the past
10 month when cutting over customers for Supra. At that rate, it would take BellSouth over
11 a year to cut over just Supra's existing customer base statewide. It would take even
12 longer to cut over all of Supra's customers assuming that Supra continues to grow its
13 customer base in BellSouth's territory.

14 **Q. 3(e), For those markets in BellSouth's service area where a batch cut**
15 **process should be established, should the Commission establish an average**
16 **completion interval performance metric for the provision of high volumes of**
17 **loops?**

18 A. Yes. This is desperately needed. A metric must also be established for PON
19 completion notification.

20

21 **Q. 3(f), For those markets in BellSouth's service area where a batch cut**
22 **process should be established, what rates should be established for performing**

1 **the batch cut processes?**

2 A. An answer to this question is better left to Rebuttal.

3

4 **Q. 3(g) Are there any markets in BellSouth's service area for which a batch hot**
5 **cut process need not be implemented? If so, for those markets in BellSouth's**
6 **service area where a batch cut process need not be established because absence**
7 **of such a process is not impairing CLECs' ability to serve end users using DS0**
8 **loops to serve mass market customers without access to unbundled local circuit**
9 **switching,**

10 A. No. An automated batch cut process should be implemented for all BellSouth
11 markets.

12

13 **Q. 3(g)(i), what volume of unbundled loop migrations can be anticipated if**
14 **CLECs no longer have access to unbundled local circuit switching;**

15 A. Supra would need BellSouth to cut over all 300,000 of Supra's customers spread
16 across almost every central office in the state assuming we could obtain collocation
17 space in all of them. However, based on my answer in the hot cuts section earlier,
18 BellSouth is incapable of cutting over commercial volumes of customers

19

20 **Q. 3(g)(ii), how able is BellSouth to meet anticipated loop migration demand**
21 **with its existing processes in a timely and efficient manner; and**

1 A. As discussed in 3(g)(ii) above and earlier in my testimony, it would take
2 BellSouth over a year to cut over all of Supra's customers using their existing cut over
3 process.

4

5 **Q. 3(g)(iii), what are the nonrecurring costs associated with BellSouth's**
6 **existing hot cut process?**

7 A. Nonrecurring charges typically recover the costs of labor as well as physical plant
8 that cannot be redeployed elsewhere. The nonrecurring costs for BellSouth to complete
9 a single hot cut is mainly comprised of the labor costs of BellSouth's central office
10 technician performing the hot cut (finding and testing the customer's loop and running a
11 jumper cable to the CLEC's interconnection point) and a short piece of jumper wire.
12 BellSouth has proposed a rate of more than \$50.00 to Supra for a single cut over.
13 While I do not offer a specific price point at this time, I suspect that the actual cost is
14 less than 5% of BellSouth's actual charge.

15

16 **Actual Switch Deployment: Local Switching Triggers**

17 **Q. 4(a) In which markets are there three or more CLECs not affiliated with**
18 **each other or BellSouth, including intermodal providers of service comparable in**
19 **quality to that of the ILEC, serving mass market customers with their own**
20 **switches?**

21 A. This is better answered in Rebuttal. I don't think we know the answer to this
22 question unless we dig through all of the responses to the data requests.

1

2 **Q. 4(b) In which markets area are there two or more CLECs not affiliated with**
3 **each other or the ILEC, including intermodal providers of service comparable in**
4 **quality to that of the ILEC, who have their own switches and are offering**
5 **wholesale local switching to customers serving DS0 capacity loops in that**
6 **market?**

7 A. This is better answered in Rebuttal. I don't think we know the answer to this
8 question unless we dig through all of the responses to the data requests.

9

10 **Potential for Self-Provisioning of Local Switching**

11

12 **Q. 5(a) In which markets area are there either two wholesale providers or**
13 **three self-provisioners of local switching not affiliated with each other or the**
14 **ILEC, serving end users using DS1 or higher capacity loops? Where there are,**
15 **can these switches be used to serve DS0 capacity loops in an economic fashion?**

16 A. The FCC has said that switches serving the enterprise (DS1) market cannot be
17 counted toward meeting the threshold for the mass-market triggers.²² Even though
18 there is a slim possibility that switches being used to serve the enterprise market could
19 be deployed to serve the mass market after the state commission implements a batch
20 cut process, the state commission should not currently consider them for purposes of
21 meeting the triggers.

²² See TRO para. 508.

1

2 **Q. 5(b) In which markets are there any carriers with a self-provisioned switch,**
3 **including an intermodal provider of service comparable in quality to that of the**
4 **ILEC, serving end users using DS0 capacity loops?**

5 A. Supra Telecom self-provisions switching in a number of wire centers within the
6 BellSouth territory.²³ Although there may be other CLECs self-provisioning switching in
7 BellSouth's territory, I am not aware of their specific locations. The FCC has stated that
8 intermodal providers of service (i.e., CMRS and Cable TV) do not provide service
9 comparable in quality to that of BellSouth. Hence, they cannot be counted towards
10 meeting this criteria. I currently know of only one CLEC self-provisioning switching and
11 serving end users using DS0 capacity loops in the above markets.

12

13 **Q. 5(c) In which markets do any of the following potential operational barriers**
14 **render CLEC entry uneconomic absent access to unbundled local circuit**
15 **switching:**

16 A. Based on the problems Supra has experienced with collocation, UNE-P, and hot
17 cuts, there are operational and economic barriers in every market in BellSouth's
18 territory.

19

20 **Q. 5(c)1. The ILEC's performance in provisioning loops;**

²³ See Response of Supra Telecom to Staff's Data Request.

1 A. Although this has been addressed above, Supra will reply in greater detail during
2 Rebuttal.

3

4 **Q. 5(c)2. Difficulties in obtaining collocation space due to lack of space or**
5 **delays in provisioning by BellSouth; or**

6 A. As noted earlier in my testimony, BellSouth has fought collocation for years.
7 BellSouth was ordered to allow Supra to collocate in 1998. Despite this order BellSouth
8 continued to raise new hurdles for 4 years. Supra will reply in greater detail during
9 Rebuttal.

10

11 **Q. 5(c)3. Difficulties in obtaining cross-connects in BellSouth's wire centers?**

12 A. Supra will reply in greater detail during rebuttal.

13

14 **Q. 5(d) In which markets do any of the following potential economic barriers**
15 **render CLEC entry uneconomic absent access to unbundled local circuit**
16 **switching:**

17 **Q. 5(d)1. The costs of migrating ILEC loops to CLECs' switches; or**

18 A. BellSouth charges an exorbitant nonrecurring charge to Supra Telecom for
19 converting UNE-P to UNE-L or migrating a Supra customer loop from BellSouth's switch
20 to Supra's switch. I estimate that the charge could be a multiple of 20 times the actual
21 cost to BellSouth. It is not surprising that BellSouth would try to enforce an outrageous
22 rate. BellSouth proposed a rate of \$178 for resale to UNE-P conversions, but the FPSC

1 later determined that the cost-based rate was only \$1.47, less than 1% of the rate that
2 BellSouth proposed.

3 Supra's current interconnection agreement with BellSouth does not specifically
4 address the NRC for UNE-P to UNE-L conversions. Supra met with BellSouth on
5 March 5, 2003 to discuss the conversion of Supra customers from UNE-P to UNE-L and
6 to discuss the appropriate rate. In that meeting, BellSouth said the rate was \$49.57 for
7 the first line on an order, and \$22.83 for additional lines on the order. In a letter from
8 BellSouth dated May 21, 2003, BellSouth raised the rate further to \$51.09. However, as
9 I stated above, there is no rate for this in the current Supra/BellSouth IA. The rate that
10 BellSouth quoted to Supra was the NRC rate for new construction of a 2-wire analog
11 voice grade loop (UEANL).

12 A hot cut, or UNE-P to UNE-L conversion, is a simple cross-connect as has been
13 shown by several parties at the Commissions Oct. 28, 2003 meeting on hot cuts. All
14 that a BellSouth central office technician has to do to transfer a customer's loop from
15 BellSouth's switch to Supra's switch is (1) run a jumper cable from the Main Distribution
16 Frame (MDF) to which the customer's UNE loop is attached to Supra's collocated
17 equipment, and (2) notify the relevant Number Portability Administration Center (NPAC)
18 that calls to those customers' numbers should be routed to Supra's network. Supra
19 estimates that the entire process should take less than 3 minutes per loop. Accordingly,
20 the labor cost associated with three minutes of labor should be negligible. Supra will
21 provide more detail in Rebuttal.

22

1 **Q. 5(d)(2) The costs of backhauling voice circuits to CLECs' switches from the**
2 **end offices serving the CLECs' end users?**

3 A. This will be answered in Rebuttal testimony.

4

5 **Q. 5(e) Taking into consideration the above factors, in what markets in**
6 **BellSouth's service area is it economic for CLECs to self-provision local**
7 **switching and CLECs are thus not impaired without access to unbundled local**
8 **circuit switching?**

9 A. This depends upon how area is defined. Any answer to this question is better left
10 for Rebuttal.

11

12 **Q. 5(f) For each market taking into account the point at which the increased**
13 **revenue opportunity at a single location is sufficient to overcome impairment and**
14 **the point at which multiline end users could be served economically by higher**
15 **capacity loops and a CLEC's own switching (and thus be considered part of the**
16 **DS1 enterprise market), what is the maximum number of DS0 loops that a CLEC**
17 **can serve using unbundled local switching, when serving multiline end users at a**
18 **single location?**

19

20 A. This answer is better left to Rebuttal Testimony, given that the ultimate burden
21 rests with the ILECs.

22

1 **Q. 6., If the triggers in §51.319(d)(2)(iii)(A) have not been satisfied for a given**
2 **ILEC market and the economic and operational analysis described in**
3 **§51.319(d)(2)(iii)(B) resulted in a finding that CLECs are impaired in that market**
4 **absent access to unbundled local switching, would the CLECs' impairment be**
5 **cured if unbundled local switching were only made available for a transitional**
6 **period of 90 days or more? If so, what should be the duration of the transitional**
7 **period?**

8 **A. CLECs will be impaired if UNE-P is taken away. The cut over process is**
9 **necessary for CLECs to remain competitive during the cut over from UNE-P to UNE-L.**
10 **The strategies for serving consumers are not mutually exclusive. Both are needed if**
11 **competition is to continue in this State. Any transition period would be anti-competitive**
12 **and ultimately harm consumers. It cannot be stressed enough that it is the consumer**
13 **and choices for that consumer that is of paramount concern, not the bottom line of the**
14 **ILECs.**

15
16 **IV. SUMMARY AND RECOMMENDATION**

17 **Q. Please summarize your testimony.**

18 **A. UNE-P is absolutely essential for competition in the mass market. Without it,**
19 **CLECs will not be able to continue serving the vast majority of Florida's residential**
20 **telecommunications users and will be unable to enter new markets to serve Florida's**
21 **residential customers. BellSouth's cut over process is an enormous impairment to**
22 **CLECs in Florida. The Commission should fix BellSouth's cut over process, establish**

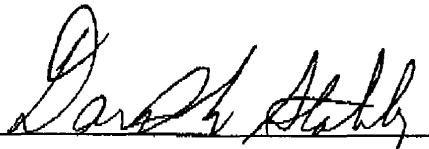
1 performance benchmarks for cut overs, and impose definitive penalties if BellSouth fails
2 to implement the Commission's cut over process or fails to meet the performance
3 benchmarks. However, even if all of the problems with BellSouth's cut over process are
4 fixed and BellSouth implements the process and complies 100%, the Commission
5 should still find that CLECs are impaired without access to unbundled local switching
6 (i.e. UNE-P) when serving mass markets. Fixing cut overs does not eliminate all of the
7 impairments to CLEC mass market entry.

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Affidavit

I, DAVID E. STAHLY, am the Director of Business Operations of Supra Telecommunications and Information Systems, Inc., and I am authorized to make this Affidavit on behalf of said corporation. The statements made in the foregoing comments are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct this 4th day of December, 2003.



David Stahly

STATE OF KANSAS)
) SS:
COUNTY OF Johnson

The execution of the foregoing instrument was acknowledged before me this 4th day of December, 2003, by David E. Stahly, who is personally known to me or who produced _____ as identification and who did take an oath.

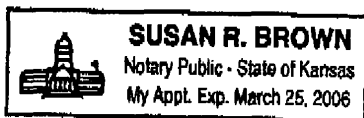
My Commission Expires: 3-25-2006



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State of Kansas at Large



Print Name: Susan R Brown