

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

|   |   |                          |
|---|---|--------------------------|
| In re: Implementation of requirements arising | ) |                          |
| from Federal Communications Commission        | ) | Docket No. 030851-TP     |
| triennial UNE review: Local Circuit Switching | ) |                          |
| for Mass Market Customers.                    | ) | Filed: February 18, 2004 |
|   | ) |                          |

AT&T'S SUPPLEMENTAL RESPONSES TO BELLSOUTH'S  
SIXTH SET OF INTERROGATORIES  
REDACTED VERSION

Subject to the General Objections filed with the Florida Public Service Commission on or about January 21, 2004, AT&T Communications of the Southern States, LLC and TCG South Florida (hereinafter "AT&T"), pursuant to the *Order Establishing Procedure*, Order No. PSC-03-1054-PCO-TP, issued September 22, 2003 (hereinafter "*Procedural Order*"), Rule 28-106.206 of the Florida Administrative Code, and Rules 1.280 and 1.340 of the Florida Rules of Civil Procedure, submits the following Supplemental Responses to BellSouth Telecommunications, Inc.'s (hereinafter "BellSouth") Sixth Set of Interrogatories to AT&T Communication of the Southern States, LLC, served on January 16, 2004, as follows:

DOCUMENT NUMBER-DATE  
02495 FEB 20 3  
FPSC-COMMISSION CLERK

REQUEST: Bellsouth Sixth Set of Interrogatories

DATED: January 16, 2004

Interrogatory 191: Referring to page 6 of the Rebuttal Testimony of Jay M. Bradbury, explain in detail each and every way a self-provisioning trigger candidate that provides an "intermodal service" that is "comparable to the ILEC service in cost, quality, and maturity" (Criteria 4) would ever "be relying on ILEC analog loops to connect the customer to its switch" (Criteria 3).

Response: The six trigger criteria discussed on pages 5-6 of the Rebuttal Testimony of Jay M. Bradbury is an extract of the direct testimony of FCCA's witness Joseph Gillan. The references in the TRO and support for Mr. Gillan's six trigger criteria are found at pages 36-52 of Mr. Gillan's Direct Testimony filed in this case on December 4, 2003. The discussion of Criteria 3 and 4 is contained at pages 44 thru 48 of that testimony. AT&T is a member of FCCA and concurs in FCCA's position as expressed by Mr. Gillan in that testimony.

Supplemental  
Response

This Interrogatory is vague and ambiguous in that it mischaracterizes the testimony of Jay Bradbury. Specifically, the interrogatory incorrectly presumes that Mr. Bradbury's testimony relates to criteria for all trigger candidates when Mr. Bradbury's Rebuttal testimony on page 6 refers to whether AT&T satisfies the criteria contained in the testimony of Mr. Gillan. Subject to the foregoing, and in defining "intermodal service" within the parameters of the TRO (referring specifically to footnote 1365), AT&T states that an intermodal carrier utilizing its cable TV plant facilities, rather than ILEC analog loops, to provide services comparable in cost, quality and maturity to the ILEC could be considered as a trigger candidate. Given the fact that such a carrier would not confront the hot cut and other operational impairments that were found by the FCC with regard to carriers relying on the ILEC's analog loops, the FCC directed that such a trigger candidate should be given less weight. In describing the self-provisioning trigger, the TRO states "We recognize that when one or more competitive providers is also self-deploying its own local loops, this evidence bears less heavily on the ability to use a self-deployed switch as a means of accessing the incumbents local loops. See ¶501, Footnote 1560.

REQUEST: BellSouth Sixth Set of Interrogatories

DATED: January 16, 2004

Interrogatory 192: Do you contend that a carrier providing an "intermodal service" must use an ILEC's local loops to qualify as one of the three self-provisioning trigger candidates for purposes of the FCC's self-provisioning trigger test? If the answer to this Interrogatory is in the affirmative, state all facts and identify all documents, including providing specific references to any and all language in the TRO, that support this contention. Include in your response an explanation of why the FCC only required that the service of "intermodal service" providers, as opposed to all other providers, be comparable to the ILEC service in cost, quality, and maturity.

Response: The TRO criteria for including an intermodal service provider as one of the three self-provisioning trigger candidates for purposes of the FCC's self-provisioning trigger test is contained in the Direct Testimony of FCCA's witness Joe Gillan filed in this case on December 4, 2003. AT&T is a member of FCCA and concurs in FCCA's position as expressed by Mr. Gillan in that testimony.

Supplemental Response: No. See Response to Interrogatory 191. In addition, AT&T directs BellSouth to the following references in the TRO that suggest that intermodal carriers which maintain their own loops do not face the same challenges as CLECs using ILEC loops face. See, e.g. TRO at ¶7, ¶97, ¶98, ¶429, ¶439, ¶440, ¶441, Footnote 1354, ¶443, ¶446, ¶466, ¶487, ¶494, ¶499, Footnote 1549, ¶499, ¶510, Footnote 1572. For example, intermodal carriers do not face the economic and operational impairments caused by the hot cuts process. They are not forced to use ILEC facilities to access customers. Intermodal carriers also have first mover and scale economy advantages that CLECs may not have. To the extent that BellSouth also asks AT&T to explain "why the FCC only required that the service of 'intermodal service' providers, as opposed to all other providers, be comparable to the ILEC service in cost, quality, and maturity", AT&T refers BellSouth to the TRO. Otherwise, AT&T is without sufficient knowledge or information to comment on the specific mindset of the FCC Commissioners in issuing the TRO or the findings contained therein.

**REQUEST:** BellSouth Sixth Set of Interrogatories

**DATED:** January 16, 2004

**Interrogatory 193:** Referring to pages 7 through 9 of the Rebuttal Testimony of Jay M. Bradbury wherein he claims that AT&T does not provide service to residential customers using the local switches identified on page 7 and that all service being provided to small business customers is "an artifact of the old business plan" which is no longer being pursued, please:

- (a) Define with specificity the "very small businesses" that AT&T originally planned on serving using DS0 UNE-L loops, collocations, and your own local switches, including specifying the number of access lines that each such business customer would need or require from AT&T;
- (b) State the date or dates when the decision was made by AT&T to abandon its business plan to serve "very small businesses" using DS0 UNE-L loops, collocations, and your own local switches;
- (c) Identify each and every document in your possession, custody or control that refers or relates to AT&T's decision to abandon its business plan to serve "very small businesses" using DS0 UNE-L loops, collocations, and your own local switches;
- (d) Does AT&T contend that its decision to abandon its business plan to serve "very small businesses" using DS0 UNE-L loops, collocations, and your own local switches was made based on AT&T's experiences in Florida or any other state in the BellSouth region?; and
- (e) If the answer to the foregoing Interrogatory is in the affirmative, state all facts and identify all documents that support this contention, including identifying each and every document that mentions Florida or any other state in the BellSouth region in connection with AT&T's decision to abandon its business plan to serve "very small businesses" using DS0 UNE-L loops, collocations, and your own local switches.

Response:

(a) AT&T's plans addressed customers having characteristics consistent with the TRO's definition of "mass market" and "very small business" that may be found, for example, in the TRO at para 127, FN 432, para 459, and FN 1402.

(b) AT&T has no records of the specific date or dates upon which the decisions to terminate active provisioning of service to customers having these characteristics via UNE-L arrangements were made.

(c) AT&T is attempting to locate documents responsive to this request and will provide as supplemental response.

(d) See AT&T's response to BST's Interrogatories 134 and 125.

(e) See response to c.

Supplemental  
Response:

(a) As that business plan was implemented, it developed that the average number of access lines each small business customer needed or required from AT&T was **\*\*\*BEGIN CONFIDENTIAL—SUBJECT TO PROTECTIVE AGREEMENT\*\*** [REDACTED] **\*\* END CONFIDENTIAL—SUBJECT TO PROTECTIVE\*\*\* AGREEMENT** lines..

(b) AT&T began to abandon the business plan referenced in fourth quarter 1999, although AT&T continued to attempt to provision small business customers using UNE-L with BellSouth for approximately two years, as reflected in the testimony of Denise Berger referenced below.

(c) The Declarations of Ellyce Brenner, Stephen Huels, Michael Leshner and Anthony Fea/Anthony Giovannuci filed on behalf of AT&T in the FCC's Triennial Review proceeding memorialize the collective experience of the company with regard to the referenced business plan. Additionally, the testimony of AT&T witness Denise Berger filed in several states in the BellSouth region in connection with BellSouth's Petitions for Authority to Provide Interlata Services (Section 271 Petitions) memorializes the collective experience of AT&T with regard to the referenced business plan specifically within the BellSouth region. This document was produced in response to Interrogatory No. 125. These declarations and testimony were prepared based on knowledge and the documentation available at that time and summarize

AT&T's experience with the UNE-L business plan. As such, they are the key documents in AT&T's possession, custody or control that refer or relate to AT&T's decision to abandon that business plan. AT&T has conducted a search but no additional documentation from that time is available. See Confidential Attachment Int. 193.

- (d) This decision was made on a national level, which included the experience in the BellSouth region.
- (e) See response to subpart ( c ) above.

REQUEST: BellSouth Sixth Set of Interrogatories

DATED: January 16, 2004

Interrogatory 199: When the business plan referenced on page 9 of the Rebuttal Testimony of Jay M. Bradbury was "active," did AT&T ever forecast the number of "very small businesses" that AT&T expected to serve using DS0 UNE-L loops, collocations, and its own local switches"? If the answer to this Interrogatory is in the affirmative, identify each and every document referring or relating to such forecasts.

Objection: Objection. The answer to this Interrogatory is irrelevant to the issue of whether AT&T is "actively providing" analog services to mass market customers, which is a criteria set for in the TRO in order for a CLEC to be considered a trigger candidate. As Mr. Bradbury's testimony indicates, AT&T is no longer "actively providing" analog services to small business utilizing DS0's and any information about the time period 1999-2001, when AT&T had an active business plan, is not relevant nor likely to lead to the discovery of admissible evidence concerning whether AT&T

is an appropriate trigger candidate in 2004 for purposes of this Docket.

Supplemental  
Response

See the supplemental response to Interrogatory No. 193 (a) above. No forecasts were made.

**REQUEST:** BellSouth Sixth Set of Interrogatories

**DATED:** January 16, 2004

**Interrogatory 200:** When the business plan referenced on page 9 of the Rebuttal Testimony of Jay M. Bradbury was "active," did AT&T ever forecast the number of DS0s that AT&T expected to provide using DS0 UNE-L loops, collocations, and its own local switches"? If the answer to this Interrogatory is in the affirmative, identify each and every document referring or relating to such forecasts.

**Objection:** AT&T incorporates its Objection to Interrogatory No. 199 as if fully set forth herein.

**Supplemental Response** Subject to, and without waiving its objections described in the original response, no.



REQUEST: BellSouth Sixth Set of Interrogatories

DATED: January 16, 2004

Interrogatory 208: Admit that in Docket 000731-TP before the Florida Public Service Commission, AT&T's witness(es) testified under oath that AT&T could serve customers in every "nook and cranny" of Florida using its existing local switches and long loops.

Response: Not applicable.

Supplemental Response: It is admitted that the testimony attached hereto (Attachment Int. 208) is a true and accurate reflection of the testimony in that docket. Except as admitted, Interrogatory No. 208 is hereby denied. It should be noted, however, that the testimony addresses only the facts that (1) the technology exists to serve customers using existing switches and "long loops" and that (2) all customers being served with such arrangements were exclusively business customers. The testimony does not address the economic considerations used to determine whether serving a given customer is economically rational or whether it is operationally feasible, which are core issues in this docket. Then, as today, economic and operational impairments rendered such arrangements irrational for serving mass market customers.

**REQUEST:** BellSouth Sixth Set of Interrogatories

**DATED:** January 16, 2004

**Interrogatory 213:** Please admit that Don J. Wood is not an economist.

**Response:** Because BellSouth has not defined "economist", AT&T can neither admit or deny this Interrogatory/Request for Admission. However, AT&T states that while Mr. Wood has a master's degree in economics and his expert testimony on economic issues has been accepted by state regulators, federal regulators, state, federal, and overseas courts, and arbitration tribunals, Mr. Wood does not usually refer to himself as an "economist".

**Supplemental Response** AT&T does not have its own definition of "economist", however using the dictionary definition of "economist" as "one who specializes in economics", AT&T states that Mr. Wood does not "specialize in economics". AT&T incorporates by reference its previous response to this Interrogatory, subject to the same, this request is admitted.

REQUEST: BellSouth Sixth Set of Interrogatories

DATED: January 16, 2004

Interrogatory 215: Does Mr. Wood claim to be qualified to give an opinion as an expert witness on economic matters? If so, please state all education, training, or experience that qualifies Mr. Wood to render such an expert opinion. In answering this Interrogatory, identify each and every proceeding since January 1, 2000 in which Mr. Wood has been expressly qualified by a court, administrative agency, or hearing tribunal as an expert witness qualified to render an opinion on economic matters.

Response: Yes. In addition to his educational background, Mr. Wood has been engaged in economic analysis of the telecommunications industry for the past 16 years. A listing of Mr. Wood's previous testimony is contained in Exhibit DJW-1 to Mr. Wood's direct testimony.

Supplemental Response: Mr. Wood has provided expert testimony on economic matters related to the telecommunications industry based on his education and experience in numerous proceedings and before numerous tribunals, as listed in Exhibit DJW-1. In none of these proceedings has Mr. Wood's qualifications been successfully challenged to present the testimony he prepared. In these regulatory proceedings, there was no process to "expressly qualify" the witness. Therefore, there are no proceedings in which Mr. Wood has been "expressly qualified".

REQUEST: BellSouth Sixth Set of Interrogatories

DATED: January 16, 2004

Interrogatory 216: Does Mr. Wood claim to be qualified to give an opinion as an expert witness on the estimation of the cost of capital? If so, please state all education, training, or experience that qualifies Mr. Wood to render such an expert opinion. In answering this Interrogatory, identify each and every proceeding since January 1, 2000 in which Mr. Wood has been expressly qualified by a court, administrative agency, or hearing tribunal as an expert witness qualified to render an opinion on matters involving the estimation of the cost of capital.

Response: Yes. Mr. Wood has a master's degree in finance and has been engaged in an analysis of the factors that directly impact the cost of capital incurred by firms in the telecommunications industry for the past 16 years. A listing of Mr. Wood's previous testimony is contained in Exhibit DJW-1 to Mr. Wood's direct testimony.

Supplemental Response Mr. Wood has provided expert testimony on cost of capital based on his education and experience in numerous regulatory proceedings and before numerous tribunals, as listed in Exhibit DJW-1. In none of these proceedings has Mr. Wood's qualifications to provide expert testimony on cost of capital been successfully challenged to present the testimony he prepared. In these regulatory proceedings, there was no process to "expressly qualify" the witness. Therefore, there are no proceedings in which Mr. Wood has been "expressly qualified".

Mr. Wood has been qualified as an expert on cost of capital issues by the United States District Court for the District of South Carolina, the United States District Court for the Northern district of Texas, and American Arbitration Association panels.

**BellSouth Sixth Set of Interrogatories**

**REQUEST:**

**DATED:** January 16, 2004

**Interrogatory 217:** Does Mr. Wood claim to be qualified to give an opinion as an expert witness on matters involving the depreciation of fixed assets? If so, please state all education, training, or experience that qualifies Mr. Wood to render such an expert opinion. In answering this Interrogatory, identify each and every proceeding since January 1, 2000 in which Mr. Wood has been expressly qualified by a court, administrative agency, or hearing tribunal as an expert witness qualified to render an opinion on matters involving the estimation of the cost of capital.

**Response:** Yes. Mr. Wood has a master's degree in finance and has been engaged in an analysis of the factors that directly impact the expected useful life of network assets in the telecommunications industry for the past 16 years. A listing of Mr. Wood's previous testimony is contained in Exhibit DJW-1 to Mr. Wood's direct testimony.

**Supplemental Response** Mr. Wood has provided expert testimony on the factors that directly impact the useful lives of fixed telecommunications assets based on his education and experience in numerous regulatory proceedings and before numerous tribunals, as listed in Exhibit DJW-1. In none of these proceedings has Mr. Wood's qualifications these matters been successfully challenged to present the testimony he prepared. In these regulatory proceedings, there was no process to "expressly qualify" the witness. Therefore, there are no proceedings in which Mr. Wood has been "expressly qualified".

REQUEST: BellSouth Sixth Set of Interrogatories

DATED: January 16, 2004

Interrogatory 218: For planning purposes, does AT&T have an expected useful life for its 4ESS or 5ESS switches? If so, what is that useful life?

Response:

**\*\*\* BEGIN CONFIDENTIAL SUBJECT TO  
PROTECTIVE AGREEMENT\*\*\***

[REDACTED]

[REDACTED]

[REDACTED]

**\*\*\* END CONFIDENTIAL SUBJECT TO PROTECTIVE  
AGREEMENT\*\*\***

**REQUEST:** BellSouth Sixth Set of Interrogatories

**DATED:** January 16, 2004

**Interrogatory 219:** Referring to page 4 of the Rebuttal Testimony of Don J. Wood, please identify the BellSouth witness who argued "that a CLEC utilizing UNEs incurs less risk that (sic) a CLEC investing in its own network...." In answering this Interrogatory, provide specific references to the witness's testimony where this argument purportedly is made.

**Response:** A complete discussion of this topic including citations to Dr. Billingsley's testimony is presented at pages 50 through 56 of Mr. Wood's rebuttal testimony.

**Supplemental Response:** Mr. Wood's testimony, in this instance does not quote Bellsouth's witness, instead, it rebuts conclusions and inferences which might be reasonably drawn from said witness's testimony.

REQUEST: BellSouth Sixth Set of Interrogatories

DATED: January 16, 2004

Interrogatory 228: With regard to AT&T's marketing offers directed to potential customers of qualifying service, such as its recent offer of \$75 to residential end users to change their local telephone service from their current carrier to AT&T, how does AT&T make the determination about the specific end users to whom such offers will be made? Specifically:

- (a) Does every resident in a subdivision, for instance, get the same offer? If not, how are the subscribers differentiated?
- (b) Does AT&T or its marketing agency use any sort of lists, mechanisms or methods to differentiate between or to actually select the potential customers to whom such offers are made, and if so, explain those in detail.
- (c) Does AT&T extend such offers to every existing telephone service subscriber in a wire center, if it makes the offer to any such subscribers in the wire center? If the answer is no, explain how, if not already provided, AT&T differentiates between such customers in the same wire center.

Response: Information responsive to this request can be found at:  
<http://ccpkms.ims.att.com/tariffs/index.html>

Supplemental Response: a) Does every resident in a subdivision, for instance, get the same offer? If not, how are the subscribers differentiated?

As a prerequisite to this question, AT&T's offers are available to all customers who meet appropriate credit checks and are located in the geographic areas in which the offers are applicable. Specifically answering this question as to marketing offers, the answer is no. Like any other marketing campaign, AT&T follows a strict guideline to define eligible consumers for each marketing program, whether it is an outbound telemarketing program or direct mail program. Many consumers are not eligible for certain market offers due to, among other things, the



limitations of their calling area or the customer, at his or her request, did not want to receive any solicitation material from AT&T.

(b) Does AT&T or its marketing agency use any sort of lists, mechanisms or methods to differentiate between or to actually select the potential customers to whom such offers are made, and if so, explain those in detail.

Yes. AT&T adopts a proprietary model in deriving the offer that is extended to the consumer. The model factors in data from the consumers' prior relationships with AT&T. The model also evaluates offers if the individuals do not have a prior relationship with AT&T.

(c) Does AT&T extend such offers to every existing telephone service subscriber in a wire center, if it makes the offer to any such subscribers in the wire center? If the answer is no, explain how, if not already provided, AT&T differentiates between such customers in the same wire center.

The offer is available to all customers who meet appropriate credit checks and geographic availability. As for the extent to which such offers are marketed, the response is no. See response to (a) above.

**REQUEST:** BellSouth Sixth Set of Interrogatories

**DATED:** January 16, 2004

**Interrogatory 236:** To the extent Mr. Wood claims to be qualified to render an opinion as an expert witness on the estimation of cost of capital, what does Mr. Wood contend should be the correct cost of capital for use in any business case modeling the "efficient" CLEC? In answering this Interrogatory, state all facts and identify all documents supporting Mr. Wood's contention.

**Response:** The discount rate in a business case analysis should reflect the risk that is specific to both (1) the firm considering the investment and (2) the risk of the investment being considered compared to the firm's overall level of risk.

**Supplemental Response:** Mr. Wood does not proffer a specific cost of capital to be used.

**REQUEST:** BellSouth Sixth Set of Interrogatories

**DATED:** January 16, 2004

**Interrogatory 237:** Referring to page 54 of the Rebuttal Testimony of Don J. Wood, Mr. Wood claims that Dr. Billingsley states that "future CLEC operations, when those CLECs will be incurring the risk to make large fixed investments in network infrastructure, will be less risky that (sic) the current operation of CLECs who rely on UNE switching and UNE-P." Please identify the page and line in Dr. Billingsley's pre-filed testimony where this statement is made. Alternatively, if Mr. Wood has inferred this conclusion from Dr. Billingsley's testimony, please provide a detailed explanation of the basis for Mr. Wood's inference.

**Response:** The basis for Mr. Wood's rebuttal testimony, including citations to Dr. Billingsley's testimony is described at pages 50-56.

**Supplemental Response** Again as stated in an earlier response, Mr. Wood's testimony, in this instance does not quote Bellsouth's witness, instead, it rebuts conclusions and inferences which might be reasonably drawn from said witness's testimony. Mr. Wood explains the basis for this inference at page 54, lines 24-26 and page 55, lines 1 thru 19 of his Rebuttal testimony.

**REQUEST:** BellSouth Sixth Set of Interrogatories

**DATED:** January 16, 2004

**Interrogatory 239:** Has AT&T or anyone acting at the direction of or on behalf of AT&T made runs of the BACE model? If the answer to this Interrogatory is in the affirmative, please:

- (a) Identify each person involved in making such runs of the BACE model, and, for each such person, state the number of runs of the BACE model he or she performed, and the number of hours spent in connection with performing such runs;
- (b) Provide in electronic format the BACE Scenario Input files (these are the "ScenarioName"\_Inputs.MDB files in the Scenario directory) used to make such runs of the BACE model;
- (c) For each scenario, provide all changes from the Filed BellSouth BACE scenario "BellSouth\_FL" used in such runs of the BACE model;
- (d) Provide all report files from the BACE model which AT&T claims supports its position in this proceeding that CLECs are impaired without access to unbundled switching from BellSouth, including, for each such file, identifying the scenario used to prepare the file; and
- (e) Provide a description of the steps used to verify or evaluate the BACE model, if any were performed, and identify all documents referring or relating to such verification or evaluation process.

**Response:**

- a. Don Wood - Wood & Wood Consulting  
Craig Risberg - Wood & Wood Consulting  
Jennifer Taylor - Wood & Wood Consulting  
Julie Murphy - FTI Consulting Group

- b. An attempt is being made to collect this information and will be provided as a supplemental response.
- c. An attempt is being made to collect this information and will be provided as a supplemental response.
- d. Mr. Wood has not relied on any report files from the BACE model in order to reach this conclusion.
- e. There are no documents responsive to this request.

**Supplemental  
Response:**

- b. Provided on CD-ROM with this Supplemental Response.
- c. Provided on CD-ROM with this Supplemental Response.
- d. See Surrebuttal Testimony of Don J. Wood filed in this Docket.

REQUEST: BellSouth Sixth Set of Interrogatories

DATED: January 16, 2004

Interrogatory 240: Do you contend that there are any errors or flaws in the BACE model? If the answer to this Interrogatory is in the affirmative, please state all facts and identify all documents that support this contention. In answering this Interrogatory, please:

- (a) Provide the BACE.Log file found in the root directory of the BACE model from the machine on which the error or flaw was encountered, a log or record of whether the BACE support line was called and informed, a screenshot of the error screen, and a list of the machines parameters (memory, free hard drive space, Operating system, processor type, etc.); and
- (b) If you did not currently have the BACE.Log file, please provide the memory, approximate free hard drive space at the time, operating system, and process type for the machine(s) on which any error or flaw occurred.

Response: AT&T has made no such contentions.  
Supplemental Subject to further review, AT&T does contend it is not known  
Response: whether there are any flaws or errors in the BACE Model, as even the model's developer has, subsequent to the model's filing with the FPSC, found errors in the model.

**REQUEST:** BellSouth Sixth Set of Interrogatories

**DATED:** January 16, 2004

**Interrogatory 241:** Do you contend that any inputs used by BellSouth to the BACE model are erroneous, flawed, or are otherwise inappropriate? If the answer to this Interrogatory is in the affirmative, please:

- (a) Identify each input value that you contend is erroneous, flawed, or inappropriate;
- (b) For each input to the BACE model you contend is erroneous, flawed or inappropriate, state all facts and identify all documents that support this contention;
- (c) Identify each input value that you contend should be used in the BACE model; and
- (d) For each input value that you contend should be used in the BACE model, state all facts and identify all documents that support this contention.

**Response:**  
**Supplemental**  
**Response:**

AT&T will supplement it's response to this Interrogatory.  
Inputs related to initial price levels and price changes over time

Inputs related to CLEC market share, including terminal market share, "p" values, and churn

Inputs related to CLEC customer acquisition costs, G&A expenses, and Customer Acquisition expense

The fixed ten year time horizon

Inputs related to the discount rate used in the NPV analysis (cost of capital analysis)

Support for these contentions are as set forth in the Prefiled Rebuttal and Surrebuttal testimony, as well as the deposition transcript of Don Wood

SUBMITTED this 18<sup>th</sup> day of February, 2004.

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Attorney for AT&T Communications of  
the Southern States, LLC



**Attachment to Interrogatory 193  
Redacted**

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

CONFIDENTIAL

\_\_\_\_\_)  
In the Matter of )  
)  
)  
Review of the Section 251 ) CC Docket No. 01-339,  
) No. 96-98 &  
Unbundling ) No. 98-147  
)  
Obligations of Incumbent Local )  
Exchange Carriers )  
\_\_\_\_\_)

DECLARATION OF ELLYCE BRENNER  
ON BEHALF OF AT&T CORP.

I. BACKGROUND

[REDACTED]

II.

[REDACTED]

[REDACTED]

3.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

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5.

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6.

[REDACTED]

7.

[REDACTED]

[REDACTED]

[REDACTED]

8.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

9.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

10.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**III. AT&T'S MARKET EXPERIENCE IN PROVIDING SERVICE TO BUSINESS CUSTOMERS**

11.

[REDACTED]

A.

[REDACTED]

12.

[REDACTED]

[REDACTED]

[REDACTED]

•

[REDACTED]

•

[REDACTED]

•

[REDACTED]

•

[REDACTED]

•

[REDACTED]

13.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



**CONFIDENTIAL INFORMATION**  
Subject to Protective Order in CC Docket Nos. 01-338, 96-98, 98-147

14.

[REDACTED]

15.

[REDACTED]

B.

[REDACTED]

16.

[REDACTED]

17.

[REDACTED]

18.

[REDACTED]

[REDACTED]

20 [REDACTED]

19. [REDACTED]

[REDACTED]

20. [REDACTED]

[REDACTED]

2 [REDACTED]

3 [REDACTED]

21.

[REDACTED]

22.

[REDACTED]

**CONFIDENTIAL INFORMATION**  
Subject to Protective Order in CC Docket Nos. 01-338, 96-98, 98-147

[REDACTED]

23.

[REDACTED]

[REDACTED]

C.

[REDACTED]

24.

[REDACTED]

[REDACTED]

25.

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

26.

[REDACTED]

27.

[REDACTED]

[REDACTED]

28.

[REDACTED]

29.

[REDACTED]

5

[REDACTED]

6

[REDACTED]



[REDACTED]

D. [REDACTED]

30. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

31.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1.

[REDACTED]

32.

[REDACTED]

[REDACTED]

[REDACTED]

8 [REDACTED]

9 [REDACTED]

[REDACTED]

33.

[REDACTED]

34.

[REDACTED]

35.

8

36.

37.

it

s

ss.

38.

[REDACTED] at  
[REDACTED]  
[REDACTED]  
[REDACTED]

39.

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

40.

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

41.

[REDACTED]  
[REDACTED]

[REDACTED]

10 [REDACTED] ly

11 [REDACTED]

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42. [REDACTED]

2. [REDACTED]

43. [REDACTED]

44. [REDACTED]

12 [REDACTED]

45.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

46.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

47.

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

48.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

49.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

50.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

51.

[REDACTED]

52.

[REDACTED]

53.

[REDACTED]

[REDACTED]

54.

[REDACTED]

55.

[REDACTED]

[REDACTED]

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IV.

[REDACTED]

56.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

57.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

58.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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59.

[REDACTED]

60.

[REDACTED]

A.

[REDACTED]

61.

[REDACTED]

[REDACTED]

[REDACTED]

62.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1.

[REDACTED]

63.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

64.

[REDACTED]

2.

65.

[REDACTED]

i.

66.

[REDACTED]

[REDACTED]

[REDACTED]

67.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

68.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

69.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

70.

[REDACTED]

71.

[REDACTED]

with those

72.

73.

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[REDACTED]

ii. [REDACTED]

74. [REDACTED]

75. [REDACTED]

[REDACTED]

76.

[REDACTED]

77.

[REDACTED]

B.

78.

[REDACTED]

[REDACTED]

C. [REDACTED]

79. [REDACTED]

[REDACTED]

80. [REDACTED]

[REDACTED]

16 [REDACTED]

17 [REDACTED]

[REDACTED]

81.

[REDACTED]

V.

[REDACTED]

83.

[REDACTED]

84.

[REDACTED]

[REDACTED]

85.

[REDACTED]

86.

[REDACTED]

[REDACTED]

to the line that [REDACTED]

87 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] being called [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

A. [REDACTED]

88. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

1. [REDACTED]

89. [REDACTED]

90. [REDACTED]

19 [REDACTED]

91.

[REDACTED]

92.

[REDACTED]

93.

[REDACTED]

2.

[REDACTED]

94.

[REDACTED]



[REDACTED]

[REDACTED]

97.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

98.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

AT&T's Supplemental Responses to BellSouth's 6<sup>th</sup> Set

**Confidential Attachment to Interrogatory No. 239**  
**CD only**

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AT&T's Supplemental Responses to BellSouth's 6<sup>th</sup> Set

**Confidential Attachment to Interrogatory No. 239**  
**CD only**

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