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February 23, 2004

Mrs. Blanca S. Bayó
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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COMMISSION
CLERK

Re: Docket No. 030851-TP

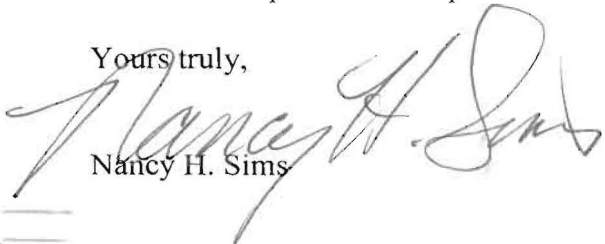
Dear Mrs. Bayó:

Attached, as requested by Staff, are the original and fifteen copies of the Erratas for the prefiled testimony of BellSouth's witnesses Varner, Ruscilli, Ainsworth, Pleatsikis, Stegeman, and Aron in the above mentioned docket.

These include changes to prefiled testimony that would normally be made by each witness when the witness is on the stand during the course of the hearing.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Because the hearing will be held tomorrow, copies are being e-mailed to the parties and copies will also be made available at the hearing.

Yours truly,



Nancy H. Sims

Enclosure

Cc: All Parties of Record

- AUS
- CAE
- CMP
- COM
- CTR
- ECR
- GCL
- OPC
- MMS
- SEC
- OTH

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

02662 FEB 23 04

FPSC-COMMISSION CLERK

BELLSOUTH TELECOMMUNICATIONS, INC.

WITNESS - ALPHONSO J. VARNER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

~~FEBRUARY 24, 2004~~

DOCKET NO. 030851-TP

ERRATA

Direct Testimony

Page 4, line 11: CHANGE "Data is provided" to "Data are provided"

Page 8, line 21: INSERT the word "Confirmation" as in "Service Inquiry with Firm Order Confirmation."

Page 10, lines 18 – 22: DELETE "Given that this will be a new service offering, obviously BellSouth does not currently provide for this product in its reported data. However, once the product becomes available and CLEC requests for the service generate activity, these data will be included in a current product category called 'UNE Other'."

Page 35, line 7: In the table, column entitled "Total # Hot Cuts" for August 03, CHANGE "1,597 1,595" to "1,597".

Page 38, line 24 – Page 39, line 1: DELETE "P-4, Average Completion Notice Interval (OCI) & Order Completion Interval Distribution;"

Exhibit AJV-1

Page 47: In the first heading INSERT the word "Notice" as in "Average Completion Notice Interval."

Page 47: In the second heading to INSERT the word "Notice" as in "Average Completion Notice Interval."

Page 47: In the second heading to INSERT the word "Non" as in Average Completion Notice Interval / UNE 2W Analog Loops Non Design with and without LNP.

Exhibit AJV-2

Page 1, under the section of the SQM page entitled "Business Rules" for measure PO-3, CHANGE "LSRs" to "telephone numbers" as in:

- 1...99 individual telephone numbers
- 2...100 up to 199 individual telephone numbers
- 3...200 or more individual telephone numbers

Page 2, under the section of the SQM page entitled "SQM Level of Disaggregation" for the measure PO-3, CHANGE:

"95% <=7 Business Days" to "95% <= 4 Business Days"
"95% <=10 Business Days" to "95% <= 6 Business Days"

Rebuttal Testimony

Page 1, line 23: CHANGE "Sherri" to "Sherry"

Page 16, line 21: INSERT "(November 2002 – October 2003)" as in "for the most recent 12-month period (November 2002 – October 2003)"

Page 25, line 1: INSERT "(June – August 2003)" as in "a recent three-month period (June – August 2003)"

Surrebuttal Testimony

Page 1, line 23: CHANGE "Sherri" to "Sherry"

Page 7, line 2: INSERT the word "a" as in "a rationale to penalize BellSouth."

Page 7, line 9: DELETE the word "the" as in "the BellSouth's experience"

**Errata for
John A. Ruscilli Testimony
Filed in Florida Docket No. 030851-TP**

Direct – filed 12/4/03

1. On page 4, line 18, insert the words “that are unaffiliated with each other or the ILEC” after the word “customers”.
2. On page 4, line 20, insert the words “unaffiliated with each other or the ILEC” after the word CLECs.
3. On page 5, line 13, delete the word “approving” and insert “to approve and implement” before “such a batch process.”
4. On page 5, line 22, change “phases” to “phrases”
5. On page 17, line 15, insert “In paragraph 423, the FCC ordered ‘specifically, we ask the state commissions, within nine months of the effective date of this Order, to approve and implement a batch cut migration process – a seamless, low-cost process for transferring large volumes of mass market customers – or to issue detailed findings that a batch cut process is unnecessary in a particular market because incumbent LEC hot cut processes do not give rise to impairment in that market.’ Further in paragraph 474, ...”
6. On page 23, line 16, change “500” to “200”.

Rebuttal – filed 1/7/04

1. On page 25, line 12, delete “40” and insert “20-21”.
2. On page 32, line 18, delete “\$5.00” and replace it with “\$2.50”.
3. On page 35, line 5, add an end quotation at the end of the line, reading “media.”

Surrebuttal – filed 1/28/04

1. On page 6, line 25, insert “Direct” after “Bryant”.

Florida – Docket No. 030851-TP
ERRATA – Ken Ainsworth’s Pre-Filed Testimony
February 23, 2004

DOCUMENT	PAGE and/or LINE	CHANGE DESCRIPTION
Direct testimony	Page 8, Line 1	Add “or” after “(8 a.m.-5 p.m.)”
Direct testimony	Page 14, Line 20	Add “COORDINATED” after THE
Direct testimony	Page 22, Line 12	Change “7” to “4”
Direct testimony	Page 22, Line 13	Change “10” to “7”
Direct testimony	Page 23, Line 10	After “dates,” insert “time frames, after hour scheduling, account coordination,”
Direct testimony	Page 23, line 21	After “The batch hot cut” delete “process”
Direct testimony	Page 23, Line 21	Add “wire work” after “provisioning”
Direct testimony	Exhibit KLA-3	In the “March 2006” block, change “2.22M” to “2.56M”
Direct testimony	Exhibit KLA-3	In the “October 2006” block, change “1.11M” to “1.28M”
Rebuttal testimony	Page 29, Line 24	Change “are” to “could be”
Rebuttal testimony	Page 29, Line 24-25	Add “.” After “switch” and delete “at the time of the hot cut.”
Surrebuttal testimony	Page 3, Line 6	After “days” add “(scheduled for OSS relief)”

BELLSOUTH TELECOMMUNICATIONS, INC.
FLORIDA DOCKET NO. 030851-TP
DIRECT TESTIMONY OF DR. CHRISTOPHER JON PLEATSIKAS
ERRATA

Page 5 Line 15 ~~serve the greatest a greater number of customers in the~~
more urban UNE Zones 1 and 2 than in

Page 10 Line 10 wide as is economically feasible to take advantage of
economies of scale. This

Page 10 Line 23 ~~markets where~~ locations of CLEC switches and CLEC
customers ~~are located~~ and has found that the

Page 11 Lines 15-17 other CLECs. Therefore, the wire center concept is not
relevant to market definition in this context ~~has no meaning~~
~~with regard to market definition~~, and specifically no
economic meaning not economically relevant in terms of
how CLECs provision services to their end users. The
geographic scope of the service offered is limited in part by
the

BELLSOUTH TELECOMMUNICATIONS, INC.
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REBUTTAL TESTIMONY OF DR. CHRISTOPHER JON PLEATSIKAS
ERRATA

~~Page 5 Line 6~~

~~As the FCC instructs, a available scale and/or scope economies~~

Page 6 Line 21

Wire centers were organized years ago to ~~efficiently~~ permit the ILEC to efficiently serve

Page 7 Lines 2-4

single wire centers ~~do~~ may not adequately reflect substitutability in supply and therefore ~~are~~ may not constitute distinct geographic markets.

Errata for the testimony and exhibits of James W. Stegeman

Direct Testimony:

Page 3, line 10: insert the words "Mr. Milner" after the word witnesses;

Page 16, line 12: delete the words "line maintenance"

Page 21, line 17: strike the word "three" and replace it with the words "all but one"

Page 26, line 15: delete the words "line maintenance"

Page 27, lines 6-8: Strike the entire sentence beginning with the word BACE ...

Page 30, lines 7-8: Strike the entire sentence beginning with the word Baseline ...

Revised Exhibit JWS-3, pages 40/41, strike the paragraph under the "ApplyLoadings (Network Cost table only)" heading that originally read:

"The Yes/No flag indicates whether BACE should apply the InPlant and Loadings factors from the InPlantAndLoadings table to the cost record.

Possible entries include Y or N. Typically, costs that are capital expenditures represent material only and will require the application of InPlant and Loading factors and have ApplyLoadings set to "Y"."

And replace it with:

"The Yes/No flag indicates whether BACE should apply the Loadings factors from the InPlantAndLoadings table to the cost record. Possible entries include Y or N. Typically, costs that are capital expenditures represent material only and will require the application of InPlant and Loading factors, the latter of which are applied to those cost elements with the ApplyLoadings toggle set to "Y"."

Surrebuttal Testimony

1. Page 11, line 12: insert the word "substantive" after the second occurrence of the word "any".
2. Page 33: strike lines 1-3.

**BELLSOUTH TELECOMMUNICATIONS, INC.
 FLORIDA DOCKET NO. 030851-TP
 DIRECT TESTIMONY OF DR. DEBRA J. ARON
 ERRATA**

Page 1 Line 5-6 ~~Evanston office of LECG, LLC,~~

Page 1 Line 9 LECG, LLC.

Page 22 Line 6-9 further subdivided into three "terciles" by spend. In each geographic market, we then count up the number of customers that are in each segment and spend level in that geographic market. This creates a profile of the spend characteristics of that market. Each geographic market (that is, UNE zones subdivided by CEAs as discussed in Dr. Pleatsikas's testimony) is then allocated the appropriate number of customers from each segment to reflect the actual economic profile of that market.

Page 24 Line 7 I recommend the use of a rate of climb

Page 34 Line 15 Kaufman Brothers, L.P., April 30, 2003, p. 4.3)

Exhibit DJA-06

CUSTOMER ACQUISITION ("SALES") COSTS OF AT&T AND OF CLECs THAT MARKET TO MASS-MARKET CUSTOMERS		
	Source	
Z-Tel (Management target)	(1)	\$50
Z-Tel (Actual)	(1)	\$60-\$70
Talk America (Estimate of actual experience)	(2)	\$80
AT&T (Estimate of actual experience)	(3)	\$125
Sources:		
(1) James J. Linnahan, "Z-Tel Technologies, Inc.: Still Chugging Along," Thomas Weisel Partners Merchant Banking, November 8, 2001, p. 3. (This figure excludes television advertising.)		
(2) Vik Grover, "Raising Numbers Again," Kaufman Bros. Equity Research (KBRO Kaufman Bros. L.P.), April 30, 2003, p. 1. See, also, Josephine Shea, "Talk America Holdings, Inc.," Morgan Joseph High Yield Research, May 27, 2003, p. 1.		
(3) David W. Barden, "AT&T Corporation: A Case for Consumer Services," Banc of America Securities - United States Equity Research, April 30, 2003, p. 20.		

**CUSTOMER ACQUISITION ("SALES") COSTS
OF AT&T AND OF CLPs THAT MARKET TO
MASS-MARKET CUSTOMERS**

	Source	
Z-Tel (Management target)	(1) (2)	\$50
Z-Tel (Actual 2001 Q2)	(2)	\$60 - \$70
Z-Tel (Actual 2001 Q3)	(1)	\$100 \$120
Z-Tel (Actual 2001 Q4)	(3)	\$60
Talk America (Estimate of actual experience)	(4)	\$80
AT&T (Estimate of actual experience)	(5)	\$125
Sources:		
(1) James J. Linnehan, "Z-Tel Technologies, Inc. - Market Perform.: Still Chugging Along," Thomas Weisel Partners Merchant Banking, November 8, 2001, p. 3. (This figure excludes television advertising.)		
(2) James J. Linnehan, "Z-Tel Technologies, Inc. - Market Perform.," Thomas Weisel Partners Merchant Banking, August 13, 2001 p. 3.		
(3) Gregory Smith, CEO and Chairman of Z-Tel, Transcript of Z-Tel Fourth Quarter 2001 Earnings Results conference call by Fair Disclosure Financial Network, February 28, 2002.		
(4) Vik Grover, "Raising Numbers Again," Kaufman Bros. Equity Research (KBRO Kaufman Bros. L.P.), April 30, 2003, p. 1. See, also, Josephine Shea, "Talk America Holdings, Inc.," Morgan Joseph High Yield Research, May 27, 2003, p. 1.		
(5) David W. Barden, "AT&T Corporation: A Case for Consumer Services," Banc of America Securities—United States Equity Research, April 30, 2003, p. 20.		

Page 41, Line 7 Aron Exhibit No. DJA-2 lists the ~~ten~~ nine geographic markets in Florida in which the

Page 41, Line 19 provide access to unbundled local switching in those ~~ten~~ nine geographic markets. To

(Please note that in a previous errata we had noted this on page 41, line 13.)

**Errata for Debra J. Aron Direct Testimony filed 12/4/2003
Docket No. 030851-TP**

1. On page 6, line 6, change "13" to "12."
2. On page 6, line 7, change "18" to "19."
3. On page 6, line 8, change "10" to "9."
4. On page 6 line 9, change "10" to "9."
5. On page 41, line 13, change "ten" to "nine."
6. Replace Revised Exhibit DJA-02 with Second Revised Exhibit DJA-02.
7. Replace Exhibit DJA-08 with Revised Exhibit DJA-08.

BELLSOUTH TELECOMMUNICATIONS, INC.
FLORIDA DOCKET NO. 030851-TP
REBUTTAL TESTIMONY OF DR. DEBRA J. ARON
ERRATA

Page 4, line 13-14 the Act contains a statutory mandate of equal treatment of for
all three options.”

Page 9, line 4 Q. WHAT DO YOU MEAN WHEN YOU SAY THAT DR.
BRYANT’S

Page 7, line 22 Thus, ~~finding~~-a finding of no

Page 11, line 17 (TRO fn. 15865)).

Page 11, line 20 switch to serve only the enterprise consumer and small
business

Page 20, line 13 am unable to account for the discrepancy between ~~the~~ Mr.
Bryant’s testimony and

Page 23, line 22-23 From 73 74 observations of CLECs and ILECs, I determined
that the median ratio of bad debt to revenues was about ~~2.8~~ 2.9
percent.

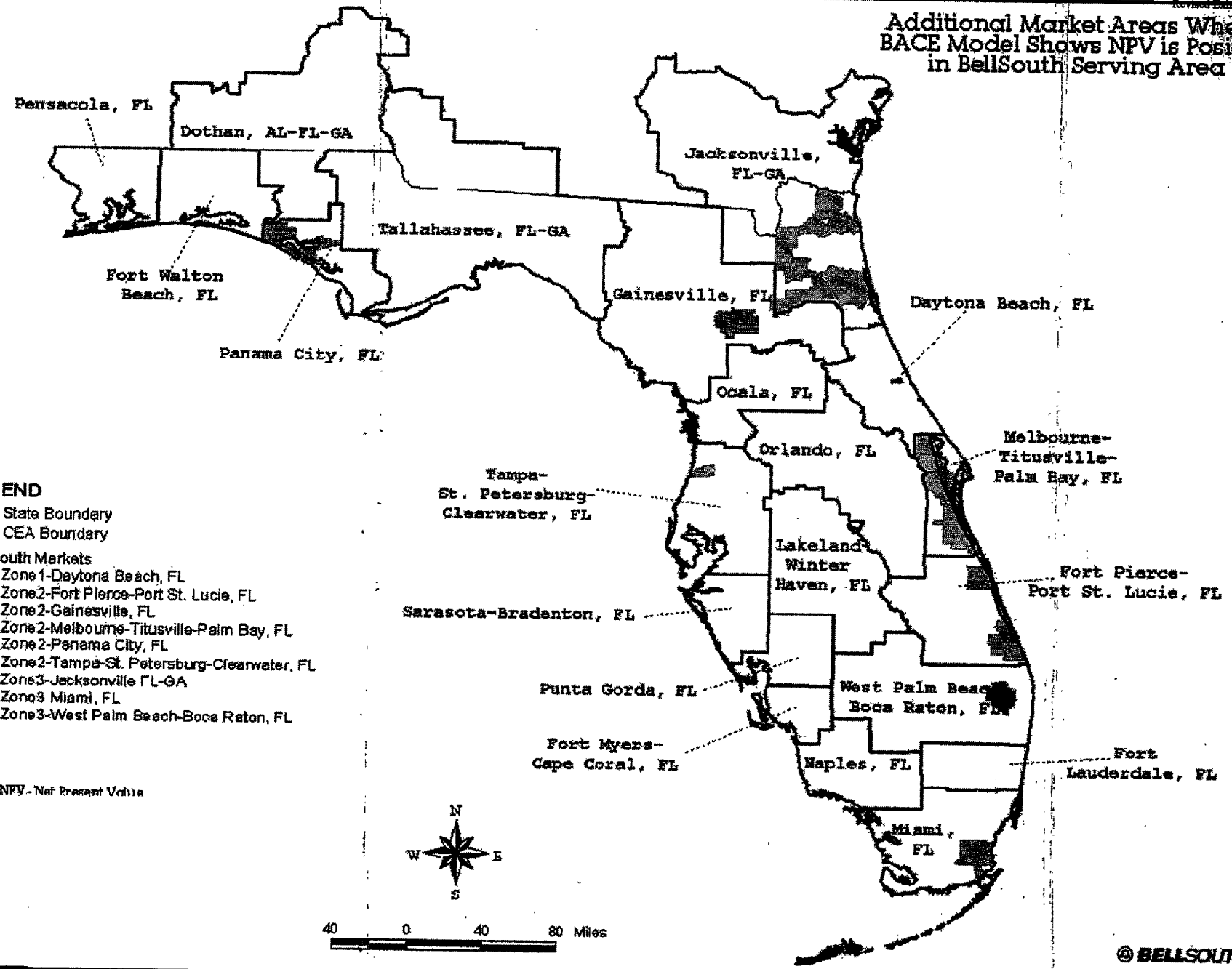
Page 31, line 13 is rejected as “unreasonable”

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 030851-TP
SURREBUTTAL TESTIMONY OF DR. DEBRA J. ARON
ERRATA

<u>Page, line</u>	<u>Errata</u>
25, 5	into the BACE model. Certainly, having undergone bankruptcy (and its affect <u>effect</u> on
34, 14	players, I believe a typical urban market would support a much smaller number. <u>of UNE-L players.</u>
37, 21	<i>switch providers</i> , or that cable telephony is an inappropriate inapt indicator of the
38, 14	here. Moreover, the fact that <u>a</u> cable company has an ongoing relationship with its
39, 18	Yes. Neither Dr. Staihr nor Mr. Wood disputes <u>that</u> cable telephony is equivalent
40, 17	percent <u>share</u> of the market. This is not true. An efficient CLEC maybe able to <i>win</i>
63, 19	that NPVs are "significantly reduced" if a 5.1 percent <u>annual price</u> decrease is applied
69, 18	I noted in my direct testimony, a <u>An</u> investment analyst estimates that AT&T's own
77, 9	would also note that <u>general brand advertising, including brand advertising</u> of
87, 5	"U.S. Residential DSL Market Continues to Grow," October 2001, p. 2) It <u>also</u>
87, 6	indicates that CLECs have the potential to compete for cable modem customers,

ADDITIONAL UNIMPAIRED MARKETS IN FLORIDA			
UNE Zone	CEA	Net Present Value	NPV for Mass Market
Zone1	Daytona Beach FL	172,663	77,291
Zone2	Fort Pierce-Port St. Lucie FL	9,791,929	7,353,619
Zone2	Gainesville FL	5,400,071	4,115,540
Zone2	Melbourne-Titusville-Palm Bay FL	15,728,118	12,156,733
Zone2	Panama City FL	1,366,048	609,118
Zone2	Tampa-St. Petersburg-Clearwater FL	296,865	184,112
Zone3	Jacksonville FL-GA	1,683,878	1,048,956
Zone3	Miami FL	297,509	235,529
Zone3	West Palm Beach-Boca Raton FL	2,479,252	2,022,494
	TOTAL:	37,216,332	27,803,392
OTHER UNIMPAIRED MARKETS IN FLORIDA			
Zone1	Fort Lauderdale FL	36,562,152	26,486,506
Zone1	Jacksonville FL-GA	9,092,693	4,789,399
Zone1	Miami FL	71,907,502	48,132,182
Zone1	Orlando FL	5,452,096	2,589,020
Zone1	West Palm Beach-Boca Raton FL	15,818,731	9,965,760
Zone2	Daytona Beach FL	9,511,422	7,041,500
Zone2	Fort Lauderdale FL	55,494,105	45,088,643
Zone2	Jacksonville FL-GA	27,621,437	21,673,602
Zone2	Miami FL	58,165,658	47,799,313
Zone2	Orlando FL	34,584,848	26,363,512
Zone2	Pensacola FL	8,900,014	6,610,235
Zone2	West Palm Beach-Boca Raton FL	43,168,256	33,804,013
	TOTAL:	376,278,915	280,343,686

**Additional Market Areas Where
 BACE Model Shows NPV is Positive
 in BellSouth Serving Area**



LEGEND

- State Boundary
- CEA Boundary

BellSouth Markets

- Zone 1-Daytona Beach, FL
- Zone 2-Fort Pierce-Port St. Lucie, FL
- Zone 2-Gainesville, FL
- Zone 2-Melbourne-Titusville-Palm Bay, FL
- Zone 2-Panama City, FL
- Zone 2-Tampa-St. Petersburg-Clearwater, FL
- Zone 3-Jacksonville FL-GA
- Zone 3-Miami, FL
- Zone 3-West Palm Beach-Boca Raton, FL

Note: NPV - Net Present Value

