**BEFORE** 

THE FLORIDA PUBLIC SERVICE COMMISSION

**REBUTTAL TESTIMONY** 

OF

MICHAEL J. MAJOROS, JR.

ON BEHALF OF

AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC.

AND

MCI TELECOMMUNICATIONS CORPORATION

AND

MCI METRO ACCESS TRANSMISSION SERVICES, INC.

DOCKET NO. 960833-TP/960846-TP/971140-TP/960757-TP/960916-TP

**DECEMBER 9, 1997** 

DOCUMENT NUMBER-DATE

12600 DEC-95

FPSC-RECORDS/REPORTING

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1		REBUTTAL TESTIMONY OF			
2	MICHAEL J. MAJOROS, JR.				
3	ON BEHALF OF				
4		AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC., AND			
5		MCI TELECOMMUNICATIONS CORPORATION, AND			
6		MCI METRO ACCESS TRANSMISSION SERVICES, INC.			
7	DO	CKET NOs.: 960833-TP, 960846-TP, 971140-TP, 960757-TP, 960916-TP			
8					
9	Q.	PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.			
10	A.	My name is Michael J. Majoros, Jr. I am Vice President of the economic			
11		consulting firm of Snavely King Majoros O'Connor & Lee, Inc. ("Snavely			
12		King"). My business address is 1220 L Street, N.W., Suite 410,			
13		Washington, D.C. 20005.			
14					
15	Q.	HAVE YOU SUBMITTED TESTIMONY PREVIOUSLY IN THIS			
16		PROCEEDING?			
17	A.	Yes, I submitted Direct Testimony on November 13, 1997.			
18					
19	Q.	DID YOUR DIRECT TESTIMONY CONTAIN A DESCRIPTION OF YOUR			
20		BACKGROUND, EXPERIENCE AND QUALIFICATIONS?			
21	A.	Yes, it did.			
22					
23	Q.	WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?			
24	Α.	I have been asked to compare the lives proposed by BellSouth for use in			
25		Unbundled Network Element (UNE) cost study calculations to the			

1		projection lives I recommended in my Direct Testimony. I am also to
2		comment on the propriety of BellSouth's proposed lives.
3		
4	Q.	WOULD YOU BRIEFLY SUMMARIZE THE PROJECTION LIVES THAT
5		YOU RECOMMEND BE USED IN BST'S COST STUDIES?
6	A.	Yes. I recommend the projection lives underlying the FCC's 1995
7		prescription of BellSouth-Florida's depreciation rates. <sup>1</sup> My Direct
8		Testimony explains the projection life concept and demonstrates why
9		those lives are appropriate for forward-looking cost studies.
0		
1	Q.	HAVE YOU COMPARED THE LIVES USED BY BELLSOUTH IN ITS
12		COST STUDIES TO THE PROJECTION LIVES UNDERLYING THE
13		FCC'S RATES?
4	A.	Yes, I have. Rebuttal Exhibit MJM-1 Page 1 of Attachment 1 compares
15		the lives proposed by BellSouth (Column e) to:
16		the range of projection lives prescribed by
17		the FCC pursuant to its recent Prescription
18		Simplification proceeding (Columns a and
19		b); and
20		<ul> <li>the projection lives underlying the FCC's</li> </ul>
21		1995 prescription for BS-FL (Column c).
22		The lives used by BellSouth (Column e) are much shorter than the
23		projection lives underlying the FCC's 1995 prescription (Column c),
24		consequently they are inappropriate for use in UNE calculations.

1	Q.	WHAT IS THE SOURCE OF THE LIVES PROPOSED BY BELLSOUTH
2		FOR FLORIDA?
3	A.	BellSouth notes that "Regional economic lives were used in all states."2
4		BellSouth's witnesses stated:
5		BellSouth used projected depreciation lives
6		generally consistent with the depreciation lives
7		we use for public reporting purposes in
8		Florida. <sup>3</sup>
9		
10	Q.	ARE "REGIONAL" LIVES APPROPRIATE FOR USE IN FLORIDA?
11	A.	No. The FCC lives specific to Florida are available and should be used
12		for UNE calculations.
13		
14	Q.	ARE FINANCIAL BOOK LIVES APPROPRIATE FOR USE IN UNE
15		
		CALCULATIONS?
16	A.	No. The lives used for financial accounting purposes are governed by the
16	Α.	
	A.	No. The lives used for financial accounting purposes are governed by the
17	A.	No. The lives used for financial accounting purposes are governed by the Generally Accepted Accounting Principle ("GAAP") of "conservatism" As
17 18	A.	No. The lives used for financial accounting purposes are governed by the Generally Accepted Accounting Principle ("GAAP") of "conservatism" As the FCC has found, GAAP is investor-focused, and may not always serve
17 18 19	A.	No. The lives used for financial accounting purposes are governed by the Generally Accepted Accounting Principle ("GAAP") of "conservatism" As the FCC has found, GAAP is investor-focused, and may not always serve the interest of ratepayers. The FCC states:
17 18 19 20	<b>A</b> .	No. The lives used for financial accounting purposes are governed by the Generally Accepted Accounting Principle ("GAAP") of "conservatism" As the FCC has found, GAAP is investor-focused, and may not always serve the interest of ratepayers. The FCC states:  One of the primary purposes of GAAP is to
17 18 19 20 21	Α.	No. The lives used for financial accounting purposes are governed by the Generally Accepted Accounting Principle ("GAAP") of "conservatism" As the FCC has found, GAAP is investor-focused, and may not always serve the interest of ratepayers. The FCC states:  One of the primary purposes of GAAP is to ensure that a company does not present a
17 18 19 20 21	A.	No. The lives used for financial accounting purposes are governed by the Generally Accepted Accounting Principle ("GAAP") of "conservatism" As the FCC has found, GAAP is investor-focused, and may not always serve the interest of ratepayers. The FCC states:  One of the primary purposes of GAAP is to ensure that a company does not present a misleading picture of its financial condition and

1	investors. GAAP is guided by the
2	conservatism principle which holds, for
3	example, that, when alternative expense
4	amounts are acceptable, the alternative having
5	the least favorable effect on net income should
6	be used. Although conservatism is effective in
7	protecting the interest of investors, it may not
8	always serve the interest of ratepayers.
9	Conservatism could be used under GAAP, for
10	example, to justify additional (but, perhaps not
11	"reasonable") depreciation expense by a LEC
12	to avoid its sharing obligation. Thus, GAAP
13	would not effectively limit the opportunity for
14	LECs to manage earnings so as to avoid the
15	sharing zone as the basic factor range option.
16	In this instance, GAAP does not offer adequate
17	protection for ratepayers.4

A.

# 19 Q. IS THE CONSERVATIVE BIAS INHERENT IN FINANCIAL BOOK LIVES 20 THE ONLY REASON WHY SUCH LIVES SHOULD NOT BE USED IN 21 UNE CALCULATIONS?

No. BellSouth's financial book lives assume the replacement of telecommunications plant to provide non-regulated video services. The lives appropriate for UNE calculation should be forward-looking and reflect the expected economic lives of newly placed plant. However, the plant

1 lives appropriate for such a calculation should not be based upon the 2 assumption that efficient telecommunications facilities will be prematurely 3 retired in order to provide non-regulated services. The FCC has 4 specifically ruled that the costs of premature retirements will not be 5 charged to ratepayers. The FCC states: 6 Facilities upgrades and accelerated re-7 placement of older facilities might also be undertaken primarily for the benefit of 8 9 unregulated service offerings. The principles 10 adopted in the Order dictates that such costs 11 be excluded from the regulated accounts.5 12 13 use of plant lives based upon the assumption that the 14 telecommunications network will be replaced by an integrated telecommunications/video network would effectively cause the costs of 15 premature retirements to be charged to telephone ratepayers. 16 17 18 Q. IS THIS DISTINCTION BETWEEN TELECOMMUNICATIONS AND 19 VIDEO SERVICES UNIQUE TO THE FCC? The Canadian Radio-Television and Telecommunications 20 Α. No. Commission ("CRTC") draws the very same distinction. 21 The CRTC divides cost between the Competitive (non-regulated) and Utility 22 23 (regulated) segments, and states: The Commission finds that, in general, the 24

most appropriate regulatory treatment for

1		broadband initiatives is to require the
2		telephone companies to assign to the
3		Competitive segment all new investments and
4		related expenses associated with the
5		deployment of fiber, coaxial cable,
6		optoelectrical equipment, asynchrocus transfer
7		mode (ATM) switches, and video servers. <sup>6</sup>
8		
9		***
10		The Commission does not foresee any
11		instances where it would be appropriate to
12		have fiber or coaxial cables in the distribution
13		portion of the loop assigned to the Utility
14		segment. <sup>7</sup>
15		
16	Q.	DOES BELLSOUTH PLAN TO DEPLOY SUCH A NETWORK IN
17		FLORIDA?
18	A.	Apparently not. My Rebuttal Exhibit MJM-1 Attachment No. 2 contains
19		the company's responses to several AT&T Data Requests which indicate
20		that the company does not, in fact, have plans to deploy the video
21		network.
22		
23	Q.	HAVE ANY STATE COMMISSIONS ISSUED ORDERS WHICH
24		ADOPTED FCC PRESCRIBED PROJECTION LIVES, OR SIMILAR
25		STATE DESCRIBED LIVES FOR USE IN UNE CALCUL ATIONS

1	A.	Yes. Prescribed projection lives have already been adopted for use in
2		TELRIC calculations by Massachusetts,8 New York,9 West Virginia,10
3		Wyoming, <sup>11</sup> Delaware, <sup>12</sup> Ohio, <sup>13</sup> Michigan, <sup>14</sup> and Colorado. <sup>15</sup> In many other
4		states, TELRIC proceedings are in progress. For example, the Hearing
5		Examiner in Illinois recently proposed the use of prescribed lives. <sup>16</sup>
6		
7		This is not surprising. In its recent Price Cap decision, the FCC adopted
8		the use of its prescribed lives for use in Total Factor Productivity
9		calculations. The FCC noted that:
10		We can think of no reason why
11		incumbent LECs should be permitted to
12		use different depreciation rates for
13		different regulatory purposes.17
14		
15	SUM	MARY
16		
17	Q.	WHAT EFFECT WOULD THE USE OF PLANT LIVES WHICH ARE
18		UNREALISTICALLY SHORT HAVE ON COMPLETION?
19	A.	The use of unrealistically short lives would cause unbundled network
20		elements to be priced above TELRIC. Such pricing would be contrary to
21		the FCC's guidelines and impede the development of competition based
22		upon the purchase of unbundled network elements in the local market.
23		
24	Q.	WHAT EFFECT WOULD THE USE OF PLANT LIVES WHICH ARE
25		UNREALISTICALLY SHORT HAVE ON TELEPHONE RATEPAYERS?

Effectively, telephone ratepayers would be required inappropriately to provide capital contributions to the ILEC. I will demonstrate this with simple illustration. Assume a plant asset costs \$1000 and will have a productive life of 20 years. Depreciation expense should be \$50 per year for 20 years. Assume further that regulatory authorities allow the ILEC to depreciate this asset using a 10-year period at a 10 percent rate and then freeze prices at the resulting \$100 level. There are at least two erroneous consequences. First, the depreciation reserve would build to an excessive level. The Supreme Court has ruled that excessive depreciation results in an unwarranted capital contribution by telephone ratepayers. Second, the ratepayers would pay for this asset at \$100 per year in perpetuity even though they should be paying \$50 per year for 20 years.

Α.

# 15 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

16 A. Yes, it does.

# 1 Endnotes:

- FCC Docket No. 95-1635.
- BellSouth Economic Life Input for Capital Cost Runs Used in Development of 1996 Cost Factors.
- Direct Panel Testimony of William P. Zarakas and D. Daonne Caldwell, p. 13.
- Prescription Simplification, Report and Order, FCC 93-452, released October 20, 1993, para. 46.
- Separation of costs of regulated telephone service from costs of non-regulated activities, CC Docket No. 86-111, Report and Order, FCC 86-564, released February 6, 1987, para. 115.
- <sup>6</sup> CRTC, Implementation of Regulatory Framework splitting of the Rate Base and Related Issues, Telecom Decision CRTC 95-21, 31 October 1995, pp. 34-35.
- <sup>7</sup> Id., p. 35.
- <sup>8</sup> Docket DPU 96-73/74, 96-75, 96-80/81, 96-83, 96-84-Phase 4, December 4, 1996.
- Docket 95-C-0657, 94-C-0095, 91-C-1174, April 1, 1997 ("NY Order).
- Docket 96-1516-T-PC, April 21, 1997.
- Docket 70000-TF-96-319, 72000-TF-96-95, April 23, 1997.
- Docket 96-324, April 29, 1997.
- Docket 96-922-TP-UNC, June 19, 1997.
- <sup>14</sup> Docket U11280, July 14, 1997.
- Docket 96S-331T, July 28, 1997.
- Docket 96-0486, 96-0569, August 8, 1997.
- Docket 94-1, 96-262, May 21, 1997, footnote 122.

Lindheimer v. Illinois Bell Telephone Co., 292 U.S. 151, 78 L.ed.
 1182, 54 S.Ct. 658 (1934).

Exhibit

Docket Nos: 960833-TP/960846-TP/960757-TP/971140-TP/960916-TP

Majoros Rebuttal Exhibit MJM-1 Projection Life Comparison Attachment 1, Page 1 of 2

### Projection Life Comparison

	Account	Account		Range	BS FL	BS FL	BS
	Number	Name	Low (a)	(b)	ECC (c)	<u>PSC</u> (d)	Model (e)
	2112	Motor Vehicles	7.5	9.5	7.5		8.1
2	2115	Garage Work Eqpt	12.0	18.0	12.0		12.0
3	2116	Other Work Eqpt	12.0	18.0	15.0		16.2
4	2121	Buildings	N/A	N/A	48.0		45.0
5	2122	Furniture	16.0	20.0	11.0		14.1
6	2123.1	Ofc. Support Eqpt	10.0	15.0	10.5		11.5
1	2123.2	Co. Comm. Eqpt	7.0 <sub>t</sub>	10.0	7.0		70
8	2124	Gen. Purpose Computers	6.0	8.0	5.5		<b>5</b> .0
9	2212	Digital Switching	18.0	18.0	16.0		10.0
10	2220	Operator Systems	8.0	12.0	10.0		10.0
11	2232	Digital Circuit	11.0	13.0	10.5		9.3
12	2351	Public Telephones	7.0	10.0	7.0		7.0
13	2411	Poles	25.0	35.0	35.0		34.0
14	2421	Aeriai Cebie - Mat	20.0	2 <b>4</b> .0	15.0		14.0
15	2421	Aerial Cable - Fiber	25.0	30.0	25.0		20.0
16	2422	Underground Cable - Met	25.0	<b>0.0</b> C	23.0		12.0
17	2422	Underground Cable - Fiber	25.0	30.0	25.0		20.0
18	2423	Buried Cable - Met	20.0	26.0	18.0		14.0
19	2423	Bullyu Cable • Fiter	£5.0	30 0	26.0		<b>3</b> 0 0
50	2426	Intrabidg Cable - Met	20.0	25.0	20.0		21.0
21	2426	Intrabidg Cable - Fiber	25.0	30.0	20.0		21.0
22	2441	Conduit Systems	5U,U	6Ú.0	55.0		<b>39.0</b>

Source: Cut a, b = FCC Ducket No. 95-590 Ordero rologood 6/88/94 and 5/4/95 Cel e - ECN Perements Happen, Hay zu. 1995

Côi 6 - The Plurkie Public Service Commission did not proportio projection lives.

Col e . BeilSouth's FLFACTOR.XLS capital cost calculator

**Exhibit** 

Docket Nos: 960833-TP/960846-TP/960757-TP/971140-TP/900916-TP

Majoros Rebuttal Exhibit MJM-1 Projection Life Comparison Allachment I. Page 2 of 2

### Future Net Salvage Comparison

	Account Number	Account Name	FGC ( <u>LOW</u> (a)	Range <u>High</u> (b)	BS FL FCC (c)	BS FL PSC (d)	BS Model (e)
1	2112	Motor Váficiés	1 <b>U.U</b>	20.0	10.0	14.0	1£.0
2	2115	Larage Week Bigg	0.0	10.0	0.0	NΛ	0.0
3	2118	Other Work Rupl	U.U	10.0	1.0	NA	0.0
4	2121	Buildings	NA	NA	4.0	0.0	3,0
5	2122	Furniture	0.0	10.0	14.0	NA	9.0
6	2123.1	Ofc. Support Eqpt	0.0	10.0	10.0	NA	10.0
7	2123.2	Co. Comm. Egpt	-5.0	10.0	10.0	NA	10.0
6	2124	Gen. Purpose Computers	0.0	5.0	0.0	NA	0.0
9	2212	Digital Switching	0.0	<b>\$.0</b>	0.0	nn	0.0
10	2220	Operator Systems	0.0	5.0	0.0	0.0	0.0
11	2232	Digital Circuit	<b>0.0</b>	5.0	<b>6</b> .0	2.0	U.U
12	2351	Public Telephones	0.0	10.0	10.0	20.0	10.0
13	2411	Poles	-75.0	<b>∗</b> 50.0	-75.0	-51.0	•61.0
14	2421	Aerial Cable Met	26,0	-10.0	;99 ti	.a n	-140
15	2421	Aerial Cable - Fiber	-25.0	-10.0	-11.0	0.0	-15.0
16	2422	Underground Cable - Met	-30.0	<b>-</b> 5.0	-7.0	0.0	-17,0
17	2422	Underground Cable - Fiber	-20.0	<b>-5</b> .0	-6.0	2.0	-15.0
18	2423	Buried Cable - Met	-10.0	0.0	-8.0	-4.0	-8.0
19	2423	Burted Cable - Fiber	-10.0	0.0	0.0	3.0	-6.0
20	2426	Intrabidg Cable - Met	-30.0	-5.0	-12.0	-9.0	-13.0
21	2426	intrabidg Cable - Fiber	-15.0	0.0	-12.0	-5.0	-13.0
22	2441	Conduit Systems	-10.0	0.0	-7.0	<b>-5</b> .0	9.8-

Source: Cal a, b = FCC Docket No. 92-296 Orders released 5/28/94 and 5/4/96

Col c = FCC Parameter Report, July 20, 1995 Col d = FPSC Order No. PSC-93-0462-FOF-TL, Attachment A Col . BellSouth's FLFACTOR XLS capital cost calculator

Exhibit

Docket Nos: 960833-TP/960846-TP/960757-TP/971140-TP/960916-TP Majoros Rebuttal Exhibit MJM -/ RellSouth Response to AT&T's Interrogatories (2nd) Attachment 2, Page 1 of 10

BellSouth Telegomennications, Inc.
Docket No. 060633 TP
AT&T's Second Set of Interrogatories
October 16, 1997
Item No. 53
Page 1 of 1

REQUEST: Please provide your current planning furewast for the information in Interrogatory \$1 for years 1997 forward.

RESPONSE: Bellsouth does not develop forwards in the detail requested.

However, in an attempt to be responsive, Bellsouth has attached the planning forecast for certain assets in Florida.

INFORMATION PROVIDED BY: Thomas F. Lohman Senior Director 675 West Peachtree Street Atlanta, Georgia 30375

Docket Nas 960833-TP/960846-TP/960757-TP/971140-TP/960916-TP Mujurus Rebuttal Exhibit MJM -/

BellSouth Response to AT&T's Interrugaturies (2nd) Audenment 2, Page 2 of 10

Ballbouth Telecommunications, inc. Declar No. 900839-TP AT&T's Second Bot of Interrogenari

FLORIDA \$(800) TOTAL GENERAL SUPPORT ABSETS 1,810,200 1,811,781 1,810,200 1,811,787 1,810,200 1,811,787 1,810,000 1,811,787 1,810,000 1,817,787 1,810,000 1,817,787 1,810,000 1,817 1,807 1,800 1,807	W # 646.4 AMSA4			
BUILDINGS 77,0714 796,589 51,529  MOTOR VEHICLES 8,2714 796,589 613,806  MOTOR VEHICLES 96,271 10,00 1,07  GARAGE WORK BOPT 1,567 1,000 1,037  CTHER WORK BOPT 116,749 128,469 138,849  FURRITURE 7,229 7,291 7,387  OFFICE SUPPORT EQUIPMENT 116,774 18,311 18,840  VOICE COMMUNICATIONS (718/80C, 728/80C) 4,850 25,460  TOUT COMMUNICATIONS (718/80C, 728/80C) 24,850 25,460  MANAGEAR, RI RIPRORIA COMMUNICATIONS (2000-770/30C) 271,878 791,180 258,800  DATA COMMUNICATIONS (820/9C-770/30C) 271,878 791,180 271,878 231,784 71  TOTAL CENTRAL OF ABSETS MINUS DLE 2,884,885 3,006,22 31,784 71  DATA COMMUNICATIONS SWITCHING 388,800 361,722 336,300  DIGITAL ELECTRONIC SWITCHING 388,800 361,722 336,300  DIGITAL ELECTRONIC SWITCHING 388,800 361,722 336,300  DOPERATOR SERVICES 38,222 40,407 42,384  RADIO CIRCUIT DATA SYSTEMS (187C) 16,381 11,823,481 11,823,				
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TOTAL CENTRAL OFC ABSETS MINUS DLE  ANALOG SLECTRONIC SWITCHING  DIGITAL ELECTRONIC SWITCHING  OPERATOR SERVICES  38,292  40,407  42,354  RADIO  CIRCUIT  B48,703  B78,796  1,008,823  DIGITAL DATA SYSTEMS (187C)  CIRCUIT OTHER (EXCLLIDE 257C,187C)  TOTAL INFO, ORIGI/TERMINATION  STATION APPARATUS  ATTAIN APPARATUS  LARGE PRIX  PUBLIC TELEPHONE  B3,572  CITHER TERMINAL EQUIPMENT  TOTAL COPPELE (2222 - 257C,D8F257C)  TOTAL OPERAL CABLE  METALLIC  METALLIC  LARGE ROW  ASSETS  14,816  15,907  TOTAL CUTSIDE NETWORK  B,782,128  T,111,860  T,410,821  T,540,896  ASSELS WIRE  B,302,891  S,404,298  S,644,298  S,645,998  ASSELS WIRE  ASSELS LARGE SO,792  G,845,998  METALLIC  LARGE ROW				
ANALOG ELECTRONIC SWITCHING DIGITAL ELECTRONIC SWITCHING DIGITAL ELECTRONIC SWITCHING OPERATOR SERVICES ALSE RADIO CIRCUIT DIGITAL DATA SYSTEMS (187C) DIGITAL SPO. CRIG./TERMINATION TOTAL SPO. CRIG./TERMINAL EQUIPMENT TOTAL CO. CRIG./TERMINAL EQUIPMENT TOTAL CO. CRIG./TERMINAL EQUIPMENT TOTAL OLITSIOE NETWORK DIGITAL LOOP ELE (2222 - 257C, DAF257C) TI. ATS.227 TI. STO. 12. S		, 100,000	,	417,741
DIGITAL ELECTRONIC SWITCHING   1,533,761   1,862,846   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,788,289   1,882,372   1,882,287   1,882,287   1,882,287   1,882,287   1,882,287   1,882,287   1,882,287   1,882,287   1,882,287   1,882,287   1,882,287   1,882,287   1,882,289	TOTAL CENTRAL OFC ASSETS MINUS DLE		3,036,322	3,175,471
OPERATOR SERVICES RADIO G89				335,366
RACIO CIRCUIT DIGITAL DATA SYSTEMS (187C) DIGITAL SPECIAL SYSTEMS (187C) DIGITAL SPECIAL SYSTEMS (187C) DIGITAL SPECIAL SYSTEMS (187C) DIGITAL SPECIAL SYSTEMS (197C) DIGITAL SPECIAL SYSTEMS (197C) DIGITAL COLFESS (197C) DIGITAL LOOP ELS (2222 - 257C, D&F257C) DIGITAL LOOP ELS (2222 - 257C, D&F257C) DIGITAL LOOP ELS (2222 - 257C, D&F257C) DIGITAL CABLE DIGITAL CABL		•		1,788,209
CIRCUIT DIGITAL DATA SYSTEMS (187C) DIGITAL DATA SYSTEMS (187C) DIGITAL DATA SYSTEMS (187C) DIGITAL INFO ORIGITERMINATION TOTAL TELEPHONE DIGITAL LOOPE DIGITAL COUPMENT TOTAL OUTSIDE NETWORK DIGITAL LOOP ELE (2222 - 257C, D8F257C) DIGITAL LOOP ELE (2222 - 257C, D8F257C) DIGITAL LOOP ELE (2222 - 257C, D8F257C) DIGITAL CABLE			40,407	42,364
DIGITAL DATA SYSTEMS (187C)   16,391   15,672   14,816   CIRCUIT OTHER (EXCLUDE 257C,157C)   833,372   984,224   894,108   0   0.00			549	
CIRCUIT OTHER (EXCLUDE 25TC, 15TC)  10			979,796	1,008,923
TOTAL INFO, ORIGITERMINATION 174,128 177,106 180,304 8TATION APPARATUS 280 280 280 280 280 280 280 280 280 280			15,572	14,816
TOTAL INFO.ORIG./TERMINATION 174,128 177,166 180,304 8TATION APPARATUS 289 289 289 289 289 180,304 8TATION APPARATUS 289 289 289 289 289 180,306 180,3	CIRCUIT OTHER (EXCLUDE 257C, 157C)	933,372	964,224	894,106
### STATION APPARATUR   280   280   280   280     LARGE PEX   11,110   12,248   13,500     PUBLIC TELEPHONE   61,572   52,032   60,512     OTHER TERMINAL EQUIPMENT   100,196   112,830   115,907     TOTAL-OUTSIDE NETWORK   6,762,126   7,111,800   7,410,621     DIGITAL LOOP ELE (2222 - 257C, D&F257C)   1,476,227   1,617,762   1,754,866     CABLE & WIRE   6,302,801   6,464,208   5,645,900     POLES   146,679   150,802   198,804     AERIAL CABLE   783,000   800,762   626,628     METALLIC   738,801   763,800   700,418     NON-METALLIC   43,936   52,793   63,108     UNDERGROUND CAMLE   896,055   1,829,800   1,094,474     METALLIC   718,023   112,657   704,748     NON-METALLIC   20,672   316,852   334,720     BURIED CABLE   2,687,007   2,684,273   2,776,548     METALLIC   243,533   2,804,104   2,936,631     NON-METALLIC   24,533,433   2,804,104   2,936,631     NON-METALLIC   24,534,633   7,572   6,777     INTRABUILDING NETWORK CABLE   43,666   43,930   44,291     METALLIC   43,666   43,930   44,291     METALLIC   274   275   204,007     NON-METALLIC   24,536   43,667   44,007     NON-METALLIC   45,666   43,930   44,291     NON-METALLIC   45,666   43,930   44,291     NON-METALLIC   45,666   43,667   44,007     NON-METALLIC   45,666   43,667   44,007     NON-METALLIC   45,666   43,667   44,007     NON-METALLIC   274   275   204,007     NON-METALLIC   274   275   204     CONDUIT   736,290   701,061   784,357     TOTAL	20241 MT0 0012 MEELMAN	•		0.00
LARGE PEX				180,304
PUBLIC TELEPHONE OTHER TERMINAL EQUIPMENT 100,136 112,830 115,907  TOTAL-OLITBIDE NETWORK DIGITAL LOOP ELE (2232 - 257C,D&F257C) CABLE & WIRE CABLE & WIRE POLES AERIAL CABLE NON-METALLIC UNDERGROUND CAMLE METALLIC UNDERGROUND CAMLE UNDERGROUND COMPACTOR UNDERGROUND COMPACT				
OTHER TERMINAL EQUIPMENT 100,196 112,896 115,897  TOTAL-OLITRIGE NETWORK 8,782,128 7,111,800 7,410,621  DIGITAL LOOP ELE (2222 - 257C, D&F257C) 1,478,227 1,817,762 1,754,856  CABLE & WIRE 8,302,801 8,404,208 5,845,908  POLES 144,879 150,862 188,804  AERIAL CABLE 783,089 809,782 628,628  METALLIC 783,891 783,989 786,419  NON-METALLIC 45,286 52,703 63,108  UNDERGROUND CAMLS 880,605 1,899,890 1,094,474  METALLIC 718,623 712,667 704,745  NON-METALLIC 288,672 316,832 354,729  BURIED CABLE 2,867,697 2,604,273 2,776,548  METALLIC 2,433,439 2,804,104 2,859,631  NON-METALLIC 2,433,439 2,804,104 2,659,631  NON-METALLIC 2,433,439 2,804,104 2,659,631  NON-METALLIC 100,990 44,991  METALLIC 43,894 43,867 44,007  NON-METALLIC 244,007  NON-METALLIC 224 272 294  CONDUIT 756,290 781,881 784,357				
TOTAL-OLITBIDE NETWORK  DIGITAL LOOP ELE (2232 - 257C, D&F257C)  1,478,227  1,617,782  1,754,856  CABLE & WIRE  B, 302,801  5,484,208  5,685,908  POLES  144,879  160,802  168,804  AERIAL CABLE  METALLIC  NON-METALLIC  UNDERGROUND CAMLE  BURIED CABLE  BURIED CABLE  UNITED CABLE  BURIED CABLE  1,267,707  BURIELIC  1,267,707  1,267				
DIGITAL LOOP ELE (2232 - 257C, D&F257C)  1,478,227  1,817,782  1,817,782  1,754,858  CABLE & WIRE  8,302,801  5,844,208  5,855,908  POLES  AERIAL CABLE  783,088  809,782  828,628  METALLIC  728,801  738,801  738,908  100,808  10	CILCH (CAMEAS CANINELL)	100,130	112,570	115,997
DIGITAL LOOP ELE (2232 - 257C, D&F257C)  CABLE & WIRE  CABLE & S.302,801		6,782,128	7,111,960	7 410 821
CABLE & WIRE POLES 146,879 150,862 158,864 AERIAL CABLE 783,080 809,762 E26,626 METALLIC 738,801 783,808 783,108 UNDERGROUND CAMLE 804,655 1,869,896 1,994,474 METALLIC 718,623 712,667 704,745 NON-METALLIC 269,672 316,832 354,729 BURIED CABLE 82,67,607 2,687,607 2,684,273 2,770,548 METALLIC 100,469 METALLIC 100,469 10	DIGITAL LOOP ELE (2232 - 257C,D&F257C)			
AERIAL CABLE ACTION ACTIO		6,302,801	_ · · · · · · ·	
AERIAL CABLE METALLIC METALLIC MON-METALLIC MON-METALLIC UNDERGROUND CAMLE METALLIC	•	146,078	150 802	
METALLIC   738,801   783,860   786,418   MON-METALLIC   48,586   62,703   63,108   UNIDERGROUND CAMES   886,685   1,889,686   1,094,474   METALLIC   718,623   712,667   704,748   NON-METALLIC   260,672   316,832   354,728   EURISD CABLE   2,697,007   2,694,273   2,776,548   METALLIC   2,433,433   2,804,104   2,856,831   NON-METALLIC   194,284   180,199   216,917   8UBMARINE CABLE   6,363   7,572   6,777   INTRABUILDING NETWORK CABLE   49,586   43,930   44,291   METALLIC   49,364   49,667   44,007   NON-METALLIC   224   272   264   CONDUIT   735,290   781,651   784,357   TOTAL   11,366,316   11,896,678   47,007   784,357   TOTAL		783,060	800.762	
NCN-METALLIC   48,988   62,793   63,108   UNICERGROUND CAMES   884,085   1,889,696   1,994,474   METALLIC   718,023   712,867   704,748   NCN-METALLIC   266,672   316,832   354,728   EURIED CABLE   2,697,007   2,694,273   2,776,548   METALLIC   2,433,433   2,904,104   2,856,831   NCN-METALLIC   194,284   180,169   216,817   8UBMARINE CABLE   6,383   7,572   6,777   INTRABUILDING NETWORK CABLE   45,586   43,930   44,291   METALLIC   43,364   43,667   44,007   NCN-METALLIC   224   272   264   CONDUIT   735,290   781,651   784,357   TOTAL   11,366,316   11,596,538   11,596,638   13,596,638   11,59		728,801	783,940	
NON-METALLIC   100,000   1,000,474   1,000,474   1,000,474   1,000,474   1,000,474   1,000,474   1,000,474   1,000,474   1,000,474   1,000,474   1,000,474   1,000,474   1,000,474   1,000,474   1,000,475   1,0			12,783	• • · · · · · · · · · · · · · · ·
Total   Tota			1,020,690	
### BURIED CABLE 2,887,887 2,694,273 2,776,548  METALLIC 2,433,438 2,804,104 2,856,831  NON-METALLIC 194,294 180,169 210,917  ###################################			712,867	
METALLIC 2,433,439 2,804,104 2,859,831 NON-METALLIC 194,284 180,169 216,817 BUBMARINE CABLE 8,383 7,572 6,777 INTRABUILDING NETWORK CABLE 43,886 43,830 44,291 METALLIC 43,864 43,887 44,007 NON-METALLIC 224 272 204 CONDUIT 735,290 781,051 784,957 TOTAL 11,365,310 11,855,310 11,855,310				354,729
NON-METALLIC 194,294 180,169 219,917 8UBMARINE CABLE 8,383 7,572 6,777 INTRABUILDING NETWORK CABLE 43,686 43,939 44,291 METALLIC 43,864 43,687 44,007 NON-METALLIC 224 272 204 CONDUIT 735,290 781,051 784,957				2,776,548
### ### #### #########################				
INTRABUILDING NETWORK CABLE 43,886 43,830 44,291 METALLIC 48,364 43,667 44,007 NON-METALLIC 224 272 264 CONDUIT 735,290 781,081 784,987 TOTAL 11,365,310 11,855,478				
METALLIC 49,364 43,667 44,007 NON-METALLIC 224 272 264 CONDUIT 736,290 781,081 784,357 TOTAL 11 366,510 11 876,678 17 44,007				•
NON-METALLIC 224 272 264 CONDUIT 735,290 781,081 784,357 TOTAL 11 365 316 11 895 678 12 41 895 678	METALLIC			.,,
CONDUIT 736,290 781,081 784,957  TOTAL 11 366 318 11 896 678 13 400 673				
TOTAL 11 365 310 41 895 470 471 480 447	CONDUIT			
	TOTAL.	44 422 244		
		11,305,318 (20Mest) Bulleton	11, <b>935,678</b>	12,459,647

Exhibit\_

Docket Nos: 960833-TP/960846-TP/960757-TP/971140-TP/960916-TP
Majoros Robuttal Exhibit MJM -/
BellSouth Response to AT&T's Interrogatories (2nd)
Auschment 2, Page 3 of 10

BellSouth Telecommunications, inc. Docket No. 960833-TP AT&T's Second Set of interrogatories October 16, 1997 Item No. 54 Page 1 of 1

REQUEST: Please provide your current planning forecast for provision of cable television services in Florida, and identify technology (i.e. - wireline or wireless).

RESPONSE: BellSouth objects to this request on grounds that the information sought is not relevant to any issue in this proceeding nor responsibly calculated to lead to the discovery of admissible evidence.

INFORMATION PROVIDED BY:

Exhibit
Docket Nos: 960833-TP/960846-TP/960757TP/971140-TP/960916-TP

Majoros Rebutul Exhibit MJM - t

HellSouth Response to AT&T's interrogatorics (2nd)
Attachment 2, Page 4 of 10

BellSouth Telecommunications, Inc. Docket No. 960833-TP AT&T's Second Set of Interrogatories October 18, 1997 Item No. 55 Page 1 of 1

REQUEST: Please provide your current planning forecast for provision of ADSL services in Florids.

RESPONSE: BellSouth objects to this request on grounds that the information sought is not relevant to any issue in this proceeding nor researchile calculated to lead to the dicoovery of admissible evidence. Although the Commission will be establishing recurring and non-recurring rates for an unbundled 2-wire ADSL-compatible toop, this request seeks proprietary information about BellSouth's ADSL services offered to it and user customers, which is well beyond the acope of this proceeding. Subject to this objection, and without waiving this objection, BellSouth states that it has not developed a planning forecast for the provision of ADSL services in Florida.

INFORMATION PROVIDED BY: John R. Jackson
Manager
3535 Colonnade Parkway
Birmingham, Alabama

Exhibit
Docket Nos. 900833-TP/960846-TP/960757TP/974140-TP/960916-TP
Majaros Rebuttal Exhibit MJM -/
DellSouth Response to AT&T's Interrogatories (2nd)
Attachment 2, Page 5 of 10

BellSouth Telecommunications, Inc.
Docket No. 960833-TP
AT&T's Second Set of Interrogatories
October 16, 1997
Item No. 58
Page 1 of 1

REQUEST: Please provide your current planning forecast for ATM switch deployment.

RESPONDE: Celicouth does not deploy ATM switches based on forecast. Such switches are deployed in response to specific customer demand.

INFORMATION PROVIDED BY: H.C. Dorsey Director

875 West Peachtree Street Atlanta, Ceorgia 30375

Exhibit
Docket Nov. 960833-TP/960846-TP/960757TP/971140-TP/960916-TP
Mulorus Rebuttal Exhibit MJM = 1
Bell Nouth Response to AT&T's Interrogatories (2nd)
Attachment 2, Page 6 of 10

BellSouth Telecommunications, Inc. Docket No. 980833-TP AT&T's Second Set of Interrogatories October 16, 1997 Item No. 59 Page 1 of 1

REQUEST: Please Identify whether the BellSouth's ATM deployment will be as an "overlay" network, or will be part of the basic public switched network.

RESPONSE: The ATM deployment will be as an overlay.

INFORMATION PROVIDED BY: H. C. Dorsey Director

675 West Peachtree Street Atlanta, Georgia 30375

Exhibit

Docket Nos. 900833-TP/960846-TP/960757TP/971140-TP/960916-TP

Majorus Rebuttal Exhibit MJM: -/
Bell South Response to AT&T's Interrogatories (2nd)
Attachment 2, 19gc 7 of 10

BellSouth Telecommunications, Inc.
Docket No. 960833-TP
AT&T's Second Set of Interrogatories
October 10, 1987
Item No. 60
Page 1 01 1

REQUEST: If the company anticipates that the deployment of ATM switching will displace any of its existing Digital CDD owitehear please identify those switching locations which will be displaced and their unticipated replacement date.

RESPONSE: No displacement of digital ESS switches by ATM switching is planned.

INFORMATION PROVIDED BY: John R. Jackson
Manager
2525 Colonnade Parkway
Birmingham, Alabama

8000293

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BellSouth Telecommunications, Inc. Docket No. 960833-TP AT&T's Second Set of Interrogatories October 16, 1997 Item No. 61 Page 1 of 1

REQUEST: Please provide your current planning forecast for SONET deployment.

RESPONSE: Current plans for SONET deployment are best characterized by the statement "SONET network elements are the first choice for deployments to meet new demand and to replace existing non-SONET elements when needed". Forecasts for the sum of those requirements have not been developed.

INFORMATION PROVIDED BY: John R. Jackson

Manager

3535 Colonnade Parkway

Birmingham, Alebama

Fxhibit
Docket Nos: 960833-TP/961846-TP/960757.

FP/971140-TP/960916-TP
Majoros Rebutal Exhibit MJM: -/
BellSouth Response to AT&1's Interrogatories (2nd)
Attachment 2, Page 9 of 10

BellSouth Telecommunications, Inc. Docket No. 960833-TP AT&T's Second Set of Interrogatories October 16, 1997 Item No. 63 Page 1 of 1

REQUEST: Please provide your actual deployment information for ATM, SONET, and fiber in your distribution network.

RESPONSE: Currently, there is one ATM switch deployed in Miami, Florida, at Rad Rad Central Office to service a specific customer, and is not utilized as part of the distribution network.

As of Saptembur, 1997, there are approximately 0,623 SONET network elements deployed in Florida.

As of September, 1997, approximately 48,100 potential living units have been passed with filter distribution facilities in Florida.

INFORMATION PROVIDED BY: John R. Jackson

Manager

3635 Colonnade Parkway

Birmingham, Alabama

Hank Darsey Director 675 West Peachtree Street Atlanta, Georgia 30375

Exhibit
Docket Nos: 960833-TP/960846-TP/960757TP/971140-TP/960916-TP
Majoros Rebuttal Exhibit MJM - /
Bell South Response to AT&T's interrogatories (2nd)
Attachment 2, Page 10 of 10

BellSouth Telecommunications, Inc.
Docket No. 960833-TP
AT&T's Second Set of Interrogatories
October 16, 1997
Item No. 62
Page 1 of 1

REQUECT: Picace provide your eurrent planning feregat for fiber in the distribution network.

RESPORUL. Delibotion is curronity applicating their visualization and all their residential developments of sufficient size to warrant startup costs and where significant investment has not already been made for copper distribution facilities. It is expected that approximately 27,700 putential living units will be passed with these facilities in Florida in 1007. No forecast has been completed for deployment in Florida for 1998 or beyond.

INFORMATION PROVIDED BY: John R. Jackson
Manager
3535 Colonnade Parkway
Birmingham, Alabama