1	BEFORE THE				
2	FLOR.	VICE COMMISSIO	N		
3					
4	In the Mat	ter of	: DOCKET NO.	991838-TP	
5	PETITION BY BLUES	TTAR NETWORKS	:		
6	INC., FOR ARBITAL	ATION FOR	· :	*	
7	INTERCONNECTION 1		:		
8	TELECOMMUNICATION	NS, IN.	:	4	
9			-	7	
10	******************				
11	* * ELECTRONIC VERSIONS OF THIS TRANSCRIPT *				
12	* ARE A CONVENIENCE COPY ONLY AND ARE NOT * * THE OFFICIAL TRANSCRIPT OF THE HEARING * * AND DO NOT INCLUDE PREFILED TESTIMONY. * *				
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14	*****	*****	****	****	
15	PROCEEDINGS:	PREHEARING CON	FERENCE		
16	BEFORE:	COMMISSIONER E	. LEON JACOBS	. JR.	
17	BEFORE.	Prehearing Officer			
18	DATE:	Monday, Februa	ırv 21, 2000		
19	TIME:	Commenced at 9	-		
20	TIME:	Concluded at 1			
21	PLACE:	Betty Easley C	Conference Cen	ter	
22		4075 Esplanade Tallahassee, F	_		
23	REPORTED BY:	KORETTA E. STA			
24	KEPOKIED BI:	Official FPSC		porter	
25				iMDED DATE	

DOCUMENT NUMBER-DATE
02531 FEB 248

APPEARANCES:

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1	PROCEEDINGS			
2	COMMISSIONER JACOBS: We'll call the hearing to			
3	order.			
4	Counsel, read the notes.			
5	MS. CLEMONS: By notice issued February 8th,			
6	2000, this prehearing conference has been set for the time			
7	and place, the purpose is as set forth in notice.			
8	COMMISSIONER JACOBS: Take appearances.			
9	MR. GOGGIN: Michael Goggin and Phil Carver for			
10	BellSouth Telecommunications.			
11	MS. KAUFMAN: Good morning.			
12	Vicki Gordon Kaufman of the McWhirter Reeves law			
13	firm on behalf of BlueStar Networks, Inc.			
14	And with me is Mr. Norton Cutler, general			
15	counsel for Bluestar.			
16	COMMISSIONER JACOBS: The first name is Mort?			
17	MS. KAUFMAN: Norton, N-o-r-t-o-n.			
18	MS. CLEMONS: Donna Clemons, staff counsel on			
19	behalf of the PSC.			
20	COMMISSIONER JACOBS: Very well.			
21	Counsel, how would you like to proceed?			
22	MS. CLEMONS: Commissioner, we have some			
23	preliminary matters.			
24	The first one is BlueStar's Motion to Compel,			
25	which was filed on January 20th, 2000.			

If the Commissioner would like to hear from the 1 parties. 2 COMMISSIONER JACOBS: Okay. Yeah, we have a 3 series of motions here. Do we need to argue them each 4 5 individually? MR. CARVER: I think we do. Actually, I guess I 6 have one matter I'd like to raise preliminary before even 7 getting into the motions, which is this: 8 At 4:35, Friday afternoon, BlueStar served on 9 BellSouth, basically, with some sort of small book-sized 10 motion. And they have indicated that previously that they 11 plan to argue this today. 12 I don't believe it's appropriate to file 13 something at 5:00 Friday and then argue it first thing 14 Monday before BellSouth has had a chance to respond to it 15 in writing, and there's some other circumstances. 16 So, I object to that being argued. And I don't 17 need to go into my objection at length now, but I'd just 18 like to note that I would like to know whether or not they 19 intend to raise this today, because if they do, I would 20 like to arque my objection to hearing it today before the 21 motion begins. 22 COMMISSIONER JACOBS: Which motion is this? 23 MS. KAUFMAN: Commissioner Jacobs, as Mr. Carver 24

said, we filed a motion on Friday to strike portions of

Mr. Varner's rebuttal testimony. We don't have any 1 intention of requesting that we argue it today. 2 We understand Bell's time for response has not 3 And I'm not sure where Mr. Carver's getting his run. 4 information. Nonetheless, we are happy to argue it at the 5 beginning of the hearing on March 2nd, if that's your 6 7 pleasure. MR. CARVER: I appreciate that. Just to 8 clarify, we had a deposition last Wednesday. And at that 9 time, Mr. Cutler told me that they were going to argue 10 this today. And I haven't heard back from him, so I 11 thought they still intended to. So, I appreciate their 12 giving us the extra time. 13 COMMISSIONER JACOBS: Okay. Sounds like we have 14 15 a happy result. 16 MR. CARVER: Yes. MR. CUTLER: I would point out, Mr. Carver 17 received a letter on Friday, which certainly said we did 18 not intend to argue this today. 19 COMMISSIONER JACOBS: Okay, but we've got that 20 resolved. 21 Okay. 22 MR. CUTLER: COMMISSIONER JACOBS: We won't argue it today. 23 We were about to argue it anyway, but we won't. 24 Let's see. So, then we're going to argue each 25

of these individually. Don't want to get -- sounds like we're full of energy this morning. I don't want to get too long-winded here.

Why don't we go with the motion for

reconsideration first. And that's your motion, BlueStar?

MS. KAUFMAN: You talking about the motion for reconsideration of your ruling not allowing the issue on

COMMISSIONER JACOBS: Right.

liquidated damages, sir?

MS. KAUFMAN: Okay. Essentially, and I can be very brief, we believe that this Commission clearly has authority to include liquidated damages and penalties in an interconnection agreement. We are aware, however, that this issue has come up before.

So, we're not unaware of the Commission's precedent on the issue. However, we would point out to the Commission that recently the Georgia Public Service Commission, who had a position similar to the Florida Commission's position, has looked at that issue again and has decided that they do have the authority to include these sorts of penalties and liquidated damages in interconnection agreements.

The state of the industry makes it critical that there be some sort of penalty for nonperformance.

Otherwise, the LECs, then in this case, BellSouth, don't

have any incentive to perform.

But having said all that, we recognize the Commission's position on this. And to the extent that you intend to deny our motion for reconsideration, what we would ask is that you clearly include that denial in the final order in this case for purposes of appeal.

Really what we're trying to do is to be sure that that issue is preserved, because right now it would be our intent to appeal that.

COMMISSIONER JACOBS: Mr. Carver? I'm sorry, Mr. Goggin.

MR. GOGGIN: By way of quick response, we think the Commission has got it right. We noted in our response to their motion for consideration that the standard for reconsidering such an order is whether the Commission has overlooked or failed to consider any of the arguments that were raised by BlueStar in its original response to our motion.

And the order, very clearly, sets forth each of BlueStar's arguments, states that they have been considered; and nevertheless, rules that the issue should be removed from arbitration. Under the circumstances, we don't think that a motion for reconsideration would be in order.

On the matter of whether or not Georgia has seen

fit to include such provisions in its agreements, I guess our first point would be that what Georgia has done or not done would not necessarily be relevant here, in any event, but we're not aware of any decision by Georgia to compel the inclusion of such provision in an agreement in Georgia.

And secondly, to the extent that they request reconsideration to ensure that the order removing this issue be included in the final order for purposes of taking up the matter for appeal, it's our understanding that they could certainly appeal that order, even if it were included in a prehearing order or an order establishing procedure.

So, we don't think that there's any need to grant a motion for reconsideration for that reason.

COMMISSIONER JACOBS: I am -- I'm persuaded that what I'd like to do is defer ruling on the motion to consideration to the panel. While I think it could be disposed of today, I think it would be -- we do have the discretion to let the panel rule on that.

So, that will be the ruling is we'll defer that, and then let it be ruled on by the panel at hearing.

Okay. Next is the Motion to Compel. That's BlueStar's motion?

MS. KAUFMAN: Yes, Commissioner. Mr. Cutler

will argue that motion.

COMMISSIONER JACOBS: Okay.

MR. CUTLER: Good morning, Your Honor. My name is Norton Cutler. I'm the general counsel for BlueStar Networks. Most of the issues in this Motion to Compel resolve around BellSouth.

Thank you very much. I'm unfamiliar with the microphone system here.

Most of the issues to compel that we're pressing on with involve BellSouth's objections to producing a large number of documents relating to their provision of ADSL services. And we should probably sort of go all the way back to the beginning, I think, since this is our first appearance in this case.

This -- BlueStar is a so called data LEC, which provides, generally speaking, data services to mainly small and medium businesses in the state of Florida, although we do anticipate that there might be some residential services as we move forward.

In order to provide these services, BlueStar provides so called DSL services over copper loops, which it obtains as unbundled network elements from BellSouth, among other ILECs.

BellSouth provides services itself which it calls ADSL, and that stands for Asynchronous Digital

Subscriber Line services. The services that BellSouth provides to itself are provided via a wholesale tariff, which BellSouth filed at the FCC, claiming that there was no state jurisdiction over it. And BellSouth then purchases from that wholesale tariff services which it sells to its customers.

I think in most states, and Florida as well, these services are supposedly sold by something called BellSouth.net.

COMMISSIONER JACOBS: So, your contention is that BellSouth provides the -- basically, the loops for ADSL at wholesale to its subsidiary, and then the subsidiary actually offers the service to the public.

MR. CUTLER: I believe that's the position they take. I think BlueStar would say the fact of the matter is BellSouth.net is not a separate subsidiary. And under any stretch of the imagination, it's really part of BellSouth.

But that's the position that BellSouth takes, and it's summarized in Mr. Varner's rebuttal testimony, is that BellSouth is providing these services to another arm of BellSouth via a wholesale tariff.

Now, what BlueStar is seeking in Interrogatories 2, 3, 5, 9, 16, and 18 and document requests 5, 6, 7, and 12 is cost studies --

MR. CARVER: I'm sorry, could I have those 1 numbers again? 2 MR. CUTLER: Sure. 2, 3, 5, 9, 16, and 18. 3 That's of the interrogatories. And then document requests 4 5, 6, 7, and 12. 5 MR. CARVER: Thank you. 6 MR. CUTLER: The cost studies are the cost 7 studies that underlie the wholesale tariff that was filed 8 at the FCC. 9 And then the rest of those interrogatories and 10 document requests deal with various technical parameters 11 and plans and other issues surrounding what BellSouth 12 currently offers itself or what it plans to offer itself. 13 We could go through them in detail, if you would 14 like, Your Honor. I am trying to be quick, but I mean, 15 that's the essence of the issue there. 16 And BellSouth's own testimony says that the real 17 issue here is parity. So, BlueStar's just trying to 18 explore what BellSouth provides for itself. 19 COMMISSIONER JACOBS: The -- I don't have the 20 parity provisions in the act with me. 21 What do they specify in terms of what the 22 entering CLEC measures against? Do you measure against 23 the services that the ILEC provides itself or that it will 24

provide itself or any of its subsidiaries?

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I'm not sure where the language for that is.

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MR. CUTLER: I think you're dealing with parity

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vis-a-vis performance measures.

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And again, this, I think, is parity in terms of actual service or UNE offering.

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COMMISSIONER JACOBS: Okay.

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MR. CUTLER: But -- just, for example, on the

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cost study, the FCC's recent line-sharing order made it

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clear that it was very important to look at the cost study

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that was filed by the ILEC for the services that the ILEC

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provides itself to see what that cost is.

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And that's the principle document that BlueStar wants out of all these requests is that cost study, but

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there are a number of other requests and interrogatories

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there, which deal with the technical parameters of what

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BellSouth provides itself that BlueStar wants to explore.

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For instance, going forward there, obviously,

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needs to be something done about fiber loops here. And

19 20 one of the solutions that other RBOCs have talked about and, indeed, BellSouth has discussed on occasion with

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BlueStar, is putting so called line cards in the, what I

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would call, a serving area interface.

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I'm not sure that's the right BellSouth terminology, but basically at the end of the fiber where

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the copper begins. And put a -- there's a terminal that

various ILECs have talked about installing there.

And again, that's just a technical parameter issue about what are BellSouth's plans in that area and how is it going to work.

For another issue, the question arises will there be loop conditioning on various types of loops going forward and what will that cost? And that's, obviously, a key issue in this case is loop conditioning.

And BlueStar's just trying to explore what are BellSouth's plans for conditioning loops for itself. And how does BellSouth plan to cost that out?

Another one of BlueStar's contentions in this case is that loop conditioning is a perfectly ordinary part of normal maintenance. Whenever somebody goes out and maintains loops, they take out bridge taps and load coils. And therefore, that loop conditioning is already in the cost factor dealing with maintenance. And BlueStar shouldn't have to pay separately for that.

That's another issue that is addressed in these document requests.

The next -- and that's Interrogatory Number 2 -- sorry.

COMMISSIONER JACOBS: Excuse me.

MS. CLEMONS: Commissioner, may I interject?

Staff was under the impression that BlueStar had

withdrawn Interrogatories Numbers 2, 3 and 20. 1 what was stated in your Motion to Compel, footnote two on 2 page one. 3 MR. CUTLER: I believe that was a proposal to 4 completely resolve the issue; that if -- if the rest of 5 the interrogatories and document requests were answered, 6 we would resolve those. 7 However, we certainly are not going to back away 8 from that, and we would be willing to not press on with 9 those. 10 COMMISSIONER JACOBS: So, let me make sure we 11 understand. You are pursuing your request for responses 12 to Interrogatories 2 and 3? And what was the -- there was 13 another one that wasn't in my list here; 2, 3 --14 MS. CLEMONS: And 20. 15 COMMISSIONER JACOBS: -- and 20. So, you are 16 17 pursuing responses to those three? MR. CUTLER: Could I have a moment to have a 18 19 quick look at those? COMMISSIONER JACOBS: 20 Okay. MR. CUTLER: Please, Your Honor. 21 That's fine. We will not -- we will stand by 22 that. And I'm sorry, I was really meaning to explain more 23 that --24

COMMISSIONER JACOBS: Proceed.

MR. CUTLER: It was more the general issue of 1 the -- of BellSouth's objection that BlueStar can't 2 receive anything dealing with so called retail cost 3 studies. 4 5 COMMISSIONER JACOBS: Okay. MR. CUTLER: But to summarize on that point, 6 what BlueStar really wants to gain from pressing on with 7 this Motion to Compel is the cost studies that BellSouth 8 did that underlie its own wholesale ADSL tariff filed at 9 the FCC and any other studies that were done dealing with 10 loop conditioning, whether or not it was for that service 11 or any other service provided by BellSouth. 12 And I don't believe those are covered by 2, 3, 13 and 20. 14 COMMISSIONER JACOBS: The information that would 15 -- that you would receive in response to those, that's 16 going to give you, essentially, background on how they 17 18 came up with their cost; is that correct? MR. CUTLER: Or, indeed, what the costs were. 19 COMMISSIONER JACOBS: And the purpose of that is 20 so that you can understand whether or not you're being 21 assessed something that's comparable to what Bell would 22

assess itself to provide the same service?

MR. CUTLER: Yes, Your Honor.

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COMMISSIONER JACOBS: Okay. If I recall in the

issues, you accepted BellSouth's testimony as to cost. 1 MR. CUTLER: Well, that gets us to another 2 interesting problem that probably belongs more to the 3 motion for surrebuttal testimony, but I'd be happy to 4 address it now. 5 COMMISSIONER JACOBS: Okay. And you did have a 6 7 motion on that, right? MR. CUTLER: Yeah. The issue there is even 8 though we accept those particular proposed rates, 9 BellSouth seems to have taken them back. 10 COMMISSIONER JACOBS: Okay. We'll address that 11 12 then. MS. CLEMONS: Commissioner, if I may make a 13 14 suggestion. It appears to me that it would be more 15 efficient if we went through each of these one by one, 16 because I think there are distinctions between each of the 17 interrogatories and the production requests. 18 COMMISSIONER JACOBS: Okay, that sounds fine. 19 MR. CARVER: Could I ask for one clarification? I apologize, but I'm just not clear at this point of which 20 21 parts of its Motion to Compel BlueStar is requesting. 22 Originally, by my count, they were moving to compel 9 Interrogatories and something like 10 or 11 PODs. 23 24 And it sounds like what they're after now is a much

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smaller universe of material.

And for my own clarification, I'm just trying to 1 match up what they want with the particular request so 2 that I can respond to it. So, if they can clarify that, I 3 would appreciate it. 4 MR. CUTLER: I believe there was a letter sent 5 to you on Friday that clarified that, but let me just go 6 through it from start to finish. 7 COMMISSIONER JACOBS: Okay, that would be good. 8 MR. CUTLER: Okay. 9 Again, we are seeking all the information, which 10 was covered by the so called retail objection. 11 Now, I believe that is -- and again, 2 and 3, 12 which are covered by that objection we have, obviously, 13 given up on and I appreciate Ms. Clemons pointing that 14 out, and I apologize for the confusion there. But our 15 opinion is 5, 9, 16 and 18 are covered by that objection. 16 COMMISSIONER JACOBS: Okay. 17 MR. CUTLER: As are document requests 5, 6, 7 18 19 and 12. COMMISSIONER JACOBS: Now, on my document I see 20 11 as well, but it's not included in your --21 MR. CUTLER: 11 is also covered by that. And I 22 have it sort of separately broken out, because that deals 23 with one particular issue. 24

COMMISSIONER JACOBS: Okay.

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So -- okay.

then the production request -- was that all the
interrogatories?

MR. CUTLER: Then we would also like
Interrogatory Number 17 seeks, basically, information on

And there's one more issue that hasn't been recalled there and that is that BlueStar would like to review LFACS, which -- I think it's called Loop Facilities Assignment something or other. And as will become more obvious as this case goes on, I think it's already in the testimony.

loop make-up of which BellSouth has provided quite a bit.

BlueStar is seeking so called loop make-up information. That, basically, tells you how long is the loop, what's the wire gauge, is it fiber, is it copper, does it have load coils, does it have bridge taps, does it have things like that.

COMMISSIONER JACOBS: Okay.

MR. CUTLER: BellSouth has offered to make LFACS available to BlueStar and basically testify that that should provide us with enough information. And I guess BlueStar simply wants to look at LFACS.

COMMISSIONER JACOBS: They've offered it to you, and you haven't had a chance to review it yet.

MR. CUTLER: Well, I believe that we had an informal conference where I asked to review it to

contemplate accepting that offer, but I just haven't had
an opportunity to look at it.

We don't resolve the issue completely, I'd
certainly like to look at it before the case goes forward.

COMMISSIONER JACOBS:

MR. CARVER: If I may, Commissioner, I'm sorry to interrupt, but Mr. Cutler has had some conversations with our negotiators, and I don't know what he said to them, but I just wanted to clarify on this one, access to this particular document or this database has not been requested.

I see.

I think what he's saying, although he didn't say it directly, is that if you look at Interrogatory Number 17, in response to it, we identified a particular database.

And now what he's doing is in effect making an impromptu request to produce the database, even though he has not previously asked for it. And again, I can't say what he did or didn't talk to our negotiators about, but this is the first time I've heard about this.

COMMISSIONER JACOBS: Okay.

MR. CARVER: So, I don't think this is properly part of the Motion to Compel.

COMMISSIONER JACOBS: I don't have a copy of 17.

Could you give me a copy of that?

MS. CLEMONS: Yes, Commissioner. 1 I did not understand 17 to be one of the 2 interrogatories that were in dispute. It was not listed 3 in the Motion to Compel. 4 MR. CUTLER: I believe, on page 4 it's listed in 5 6 paragraph 8. COMMISSIONER JACOBS: Let's review what we have. 7 We have 5, 9, 16, 17, 18, 20 -- I'm sorry, 20, right. 20 8 was withdrawn. And 21 and 23? 9 MR. CUTLER: We are no longer seeking 21 and 23. 10 COMMISSIONER JACOBS: Okay. So --11 MR. CUTLER: 19 --12 COMMISSIONER JACOBS: So, just up to -- got it. 13 MR. CUTLER: The other one that we're seeking to 14 press on with is document request number 19. 15 COMMISSIONER JACOBS: Okay. There were some 16 document production requests here, a list of them. Let me 17 18 find that. Okay. Production Requests. Let's confirm those 19 as well. 20 Well, why don't you tell me. Which ones are you 21 22 pursuing? MR. CUTLER: Okay. On the document request we 23 are seeking responses for 5, 6, 7 and 12. And then number 24 25 11 and number 17 and number 19.

And by the way, on those last three document 1 requests, the reason why we're pressing our Motion to 2 Compel is because two of the BellSouth witnesses who were 3 deposed last week said that documents existed in those 4 categories, even though -- I think BellSouth took the 5 6 position that they don't exist. COMMISSIONER JACOBS: So, 5, 6, 7, 11, 12, 17 7 and 19 are your document production requests that you're 8 9 pursuing. 10 MR. CARVER: If I understand counsel correctly, 11 he's saying there are some things that are not included within his Motion to Compel and based upon something he 12 13 thinks he heard at a deposition last week, he's now added 14 some new ones. 15 Again, news to me, but if that's what it is, if 16 he could just identify the new ones here. I mean, which 17 are the ones that were not included within the motion that 18 he's now trying to add? 19 COMMISSIONER JACOBS: 11, 17 and 19? 20 MR. CUTLER: Well, I think 17 was in there 21 before. 22 COMMISSIONER JACOBS: I'm sorry, 11 and 19 then? 23 MR. CARVER: I don't think 17 was. 24 If I could clarify something about 17. Under

the Commission's rules we, of course, have to file

objections within ten days and then the responses are due, in some instances, in 20 days, in some in 30; in this case, in 20.

So, what inevitably happens is that you look at a request on the face of it some particular things look objectionable, and then as you get into the documents it turns out that it's not a problem.

What happened was that we filed an objection to 17. Immediately after we filed our objection before waiting for the 20-day response, BlueStar filed a Motion to Compel on Interrogatory Number 17.

Subsequently, we answered Interrogatory Number 17. And in our response, we said, okay, we think this is resolved, because we've withdrawn our objection and we've answered it.

Now, as I understand counsel is saying is that in our answer we put something that he didn't know about before. So now, in effect, he's sort of coming to you today and under the general umbrella of a Motion to Compel saying plus I want more documents I haven't even asked for yet.

And I will respond to that when we get to that point, but on 17, I just want to make clear, this is not something that was included in their motion. This is something that a different objection was made -- I'm

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sorry, a different motion was made or different aspect of
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    their motion addressed our objection. We withdrew our
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    objection. And 17 is completely new.
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              MR. CUTLER: I think we're getting confused
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    between Interrogatory Number 17 and document request
5
    number 17.
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              COMMISSIONER JACOBS: You did say interrogatory
7
    request, Mr. Carver.
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              MR. CARVER: I did. And maybe that's my fault.
 9
    Let me look again.
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               COMMISSIONER JACOBS: But you did ask for
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     Interrogatory 17 as well.
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               So, your argument was going back to when we said
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     -- you were going back in time for a moment.
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               MR. CARVER: No, actually I was confused, but I
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     think I inadvertently made an argument that goes to the
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17
     interrogatory.
               MS. CLEMONS: Commissioner, if I may try and
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     clarify. Interrogatory 17 was included in the Motion to
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     Compel, but BellSouth did respond to it in their
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     responses.
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22
               COMMISSIONER JACOBS:
               MS. CLEMONS: So, I did not think that it
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24
     remained as one of the disputed requests.
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               COMMISSIONER JACOBS: Okay.
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MR. CUTLER: And the one thing we want that we 1 did not get there -- and we did ask for all the documents 2 that dealt with the interrogatory. And a document, as 3 defined, which is the electronic database itself, is 4 LFACS. 5 And we'd be happy to accept a couple of sample 6 printouts here. But, I mean, BellSouth has testified that 7 our loop make-up information request is going to be taken 8 care of via electronic access to LFACS. And we certainly 9 think we ought to have an opportunity to look at LFACS. 10 COMMISSIONER JACOBS: Let me just see. Let us 11 get some clarity here. If I understand it, the original 12 objection to Interrogatory 17 was withdrawn. And you 13 14 provided a response. MR. CARVER: Yes. 15 COMMISSIONER JACOBS: You've reviewed that 16 response. And your position now is that the response is 17 18 not complete? MR. CUTLER: Yes. 19 MR. CARVER: If I may. 20 21 COMMISSIONER JACOBS: Mr. Carver. 22 MR. CARVER: To go to POD number 17, our 23 response to produce number 17 is that we have no responsive documents. We, obviously, can't produce what 24

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we don't have.

Now, on this point --1 COMMISSIONER JACOBS: On interrogatory or the 2 document? 3 MR. CARVER: I'm talking about the document 4 request now. 5 COMMISSIONER JACOBS: Okay. 6 MR. CARVER: Our response to number 17 is that 7 there are no responsive documents. 8 Now, what Mr. Cutler is saying for the first 9 time -- again, I have not heard this before, is that based 10 on something he thinks he heard in a deposition last week, 11 he believes we do have documents. 12 So, in effect, he's sort of making an ore tenus 13 Motion to Compel us to produce something that we say 14 doesn't exist. I think in fairness, if that's what he 15 wants to do, then he needs to file a written motion, I 16 need to look at the deposition transcript, and I can make 17 a determination as to whether or not he's right. 18 But for him to bring this up now, simply make a 19 representation as to what a witness said when neither of 20 21 us have the deposition transcript in front of us and expect BellSouth to respond to that on the spot with no 22 advance notice, I don't think that's fair. 23 MR. CUTLER: I would add that I think Mr. Pate 24

and Mr. Varner put in their written testimony that these

documents exist, too.

Now, I wasn't quite sure what the written testimony meant, so I explored it with Mr. Pate; haven't had an opportunity to depose Mr. Varner yet.

MR. CARVER: Well, again, this was a motion that counsel is sort of making up as he goes along today, and I don't believe that this is appropriate. If he wanted to compel production of something, because he thought we had neglected to produce it, he should have filed it.

And upon looking at it, I mean, who knows, there's a chance that he's right. And if he is, I'll give him the document, if he simply overlooked it. But if he's wrong, we should have an opportunity to file a response to that.

And I just object generally to this process of filing a Motion to Compel that identifies some items as being at issue and then coming to the prehearing conference and trying to raise all sorts of matters that aren't encompassed within that motion.

I don't think that's consistent with the Commission's rules, and I really don't think that should be allowed.

COMMISSIONER JACOBS: Just a moment.

MR. CUTLER: Your Honor, could I suggest that even though I was trying to speed things up, I don't think

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it's helping.
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              I'll take up Ms. Clemons on her suggestion. I
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    think we need to go one by one here, because we're getting
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    quite confused.
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              COMMISSIONER JACOBS: I agree. And what I want
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    to do is I want to go through your motion to do that.
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              MR. CUTLER:
                           Okay.
7
              COMMISSIONER JACOBS: Okay.
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              MR. CUTLER: Okay. Now, can we start with
9
    paragraph 4, okay, on page 2 of the motion.
10
              COMMISSIONER JACOBS: I'm there.
11
                           Okay. Now -- okay. Number one,
              MR. CUTLER:
12
    we give up on. Okay? We're no longer pressing on with
13
14
     that.
15
              Now, let's go to number 5.
16
              COMMISSIONER JACOBS: For now, I don't want to
     arque each individual one. What I'd like to do is just
17
     confirm that you are pursuing a response to that.
18
               In other words, you want to pursue a Motion to
19
     Compel as to that interrogatory.
20
              MR. CUTLER: Okay. We do want to pursue 5, 9,
21
22
     16, and 18.
23
               COMMISSIONER JACOBS:
               MR. CUTLER: And 11, too. I'm sorry.
24
               COMMISSIONER JACOBS: Okay. So then, your
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motion is withdrawn as to 1, 21 and 23. 1 That's as what is covered in MR. CUTLER: 2 paragraph 4. 3 COMMISSIONER JACOBS: Okay. 4 MR. CUTLER: My co-counsel points out that --5 why don't we go paragraph by paragraph, okay? 6 And part of the problem here, Your Honor, as is 7 not unusual in a case like this. We filed this Motion to 8 Compel about three weeks ago. And the case has changed a 9 little bit since then. And certain documents have been 10 produced. 11 So, again --12 COMMISSIONER JACOBS: That's exactly the point 13 of today is to come up-to-date. 14 MR. CUTLER: And I'd be happy to give you a copy 15 of the letter that I wrote to Mr. Carver on Friday. 16 COMMISSIONER JACOBS: That brings everything 17 up-to-date as exactly what you're looking for? 18 MR. CUTLER: I tried to, yes. 19 COMMISSIONER JACOBS: Okay. Well, then, perhaps 20 maybe that -- do you have a copy of that letter, Mr. 21 22 Carver? MR. CARVER: No, I have not been given a copy of 23 that letter. I haven't received any correspondence from 24 25 BlueStar in a couple of days. If I had the letter, that

might help things.

COMMISSIONER JACOBS: Why don't we take a moment and get a copy of that, then.

MR. CARVER: One thing I did want to note, though. Counsel said that he was pursuing number 11, and we produced documents in response to number 11.

Again, 11 is where we made a preliminary objection, and then once we looked at it we withdrew the objection and we produced documents. And in the response that we filed, paragraph 18 says very plainly that we made production in response to 11. So, I think 11's off the board.

COMMISSIONER JACOBS: What I want to do is I want to put this in -- we need to get some closure on exactly what it is we want to argue about. And we need to do that quickly.

So what I want to do, if this letter can do that, is what you're telling me, let's get this letter. Let's figure out then where we are in terms of what we actually are going to pursue.

Now, then, in terms of whether or not there are disputes over whether or not a response has been given and whether or not that response is complete; that, in my mind, we can argue about as to the Motion to Compel, but we have to get clear on what's included on the motion for

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the moment.
              So, we'll go off the record for a moment and
2
    we'll get the letter and we'll come back.
3
               (Recess taken)
4
              COMMISSIONER JACOBS: Go back on the record.
5
              All righty. Okay. Where are we now?
6
              MS. CLEMONS: Commissioner, the parties have
7
    agreed that these are the discovery requests that they're
8
    going to pursue: Interrogatories Numbers 9, 16, 17, 18,
9
10
     and 11.
                           I dropped 11, I thought.
              MR. CUTLER:
11
              MS. CLEMONS: You want to drop 11?
12
              MR. CUTLER:
                           Yes.
13
              COMMISSIONER JACOBS:
                                     So --
14
              MR. CARVER: Just so I'm clear, it's 9, 16, 17
15
16
     and 18?
              MR. CUTLER: Yes.
17
              MS. CLEMONS: Yes.
18
               MR. CARVER: Okay.
19
              MS. CLEMONS: With regards to the document
20
     requests: 5, 6, 7, 12, 17, and 20.
21
               COMMISSIONER JACOBS: Okay. All right.
22
               Now, what I'd like to do, let BlueStar argue,
23
     and make this as quick as possible, why you think
24
25
     responses are still due on these, and then we'll go back
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to BellSouth.

MR. CUTLER: All right. Unfortunately, I think we need to go one by one, since I tried it the other way, and we didn't get very far, and some of them do go together.

First, let's turn to number 9, Interrogatory
Number 9.

COMMISSIONER JACOBS: Okay.

MR. CUTLER: That's the one where BlueStar is seeking their evidence of what BellSouth charges itself.

There is a cost study that, again, in lieu of writing and answer to that, all we want to see is that cost study.

COMMISSIONER JACOBS: Okay.

MR. CUTLER: Okay.

Now, 16 and 18 deal with, basically, the same subject.

It's our understanding that when BellSouth attempts to so-called qualify a loop for one of its own customers, they use something called LQS, which is the loop qualification, I think, system or something like that.

And we're seeking evidence on what plans they have for changing that in the future. And the particular item that we'd like to see, if they're going to do, is currently the so-called LQS is only searchable by working

telephone numbers.

In other words, you put in a telephone number, and it feeds back some data. We would like to see that database modified so that you could search it via something else, if the -- if that -- if the circuit wasn't hooked up.

We've suggested the circuit I.D. number might be something reasonable in some way. In other words, if there's an unused loop between a central office and premise why, there's no way to look that up with LQS. And we're just trying to inquire whether BellSouth has plans to do that in the future.

COMMISSIONER JACOBS: Okay.

MR. CUTLER: And then 17 is that issue that we were discussing earlier about whether or not we can review LFACS.

And I believe that document request number one certainly asks for all the documents relied upon in preparing the interrogatory answers.

And I presume they relied upon LFACS.

MR. CARVER: I'm sorry, I thought one was off the list. Is one back on the list now?

MR. CUTLER: Okay. Your Honor, I'm trying to stay away from procedural activity here, but basically, we want to see LFACS. We think we asked for it in 17,

interrogatory request number 17. COMMISSIONER JACOBS: Okay. 2 MR. CUTLER: Now, if Mr. Carver wants to hide 3 behind a claim that we didn't technically move to compel 4 on document request number one, I suppose he can do that. 5 It doesn't seem to get us to the end of a simple question 6 here, which is can BlueStar review LFACS. 7 MR. CARVER: No, actually, I'm just trying to 8 find out what's in from one minute to the next so I can 9 And that was the only point of my question was I 10 respond. just want to know if one is in now or if one is still out. 11 COMMISSIONER JACOBS: Okay. We understand that 12 one is not in. You think that you -- the substance of 17 13 gets you to the LFACS --14 MR. CUTLER: Yes, Your Honor. 15 COMMISSIONER JACOBS: -- data? Okay. 16 Thank you. 17 MR. CARVER: MR. CUTLER: Okay. Now, should we go through 18 the document requests or would you like to hear from 19 BellSouth on the interrogatories first? 20 COMMISSIONER JACOBS: Let's go ahead and go 21 through the documents requests. 22 Okay. Now, number 5 deals with all MR. CUTLER: 23 documents that BellSouth has relating to their policies 24 and procedures for removing load coils and bridge taps 25

when they're providing ADSL service themselves. That's 1 the retail objection, once again. 2 COMMISSIONER JACOBS: Okay. 3 MR. CUTLER: Number six deals with any cost 4 studies and guidelines that were done on that same 5 subject. 6 Number 7, again, specifically requests the cost 7 study filed at the FCC to support BellSouth's wholesale 8 ADSL tariff. 9 Number 12 refers to documents dealing with the 10 subject of modifying LQS in the future and/or any other 11 mechanizing of the process of providing ADSL loops to 12 itself. 13 COMMISSIONER JACOBS: Okay. 14 MR. CUTLER: I want to make sure my notes are 15 Did we agree that 17 was fair game here? right. 16 COMMISSIONER JACOBS: I have 17 as one. 17 MR. CUTLER: 17 is another parity issue. 18 like to see the provisioning intervals for what BellSouth 19 does for itself on ADSL and ISDN loops. 20 COMMISSIONER JACOBS: And then 20. 21 MR. CUTLER: Number 20 deals with repair 22 intervals, another issue in the case. 23 In fairness, BellSouth took the position that it 24 was too burdensome to produce everything. And BlueStar's 25

position is that there must be something we can look at on 1 that subject, which isn't burdensome. 2 COMMISSIONER JACOBS: So, you've gotten a 3 response to 20, but in your mind it's nonresponsive. 4 MR. CUTLER: There was an objection that it was 5 too burdensome. 6 COMMISSIONER JACOBS: Okay, I understand. Okay. 7 That completes your argument? 8 MR. CUTLER: Yes, but I mean, just briefly to 9 summarize it, it seems like a lot of requests, but we're 10 really not talking about a lot of items here. 11 We're talking about the ADSL cost study that was 12 filed at the FCC, a review of LFACS in some format. And 13 even if we just have some printouts or something or other 14 to look at as to what LFACS printouts look like, the plans 15 16 for modifying LQS, if any, and loop conditioning cost 17 studies to the extent they exist on the retail side. And I think that sort of generally summarizes 18 19 what we're looking for. 20 COMMISSIONER JACOBS: Okav. 21 BellSouth. 22 MR. CARVER: Thank you. I think I can group 23 some of these together, because I think the fundamental point and the fundamental reason why we believe that this 24

is not an appropriate request applies to all of them.

that's because they've asked for information.

In some instances -- well, information relating to our retail services. In some instances, they've asked for information as to our future plans. And their overall justification is that they're trying to get to parity.

But if something doesn't currently exist in our network, and at this point I don't see how they can look to something that's nonexistent to try to determine whether or not there's parity.

So, I think right off the bat, any request that goes to our future request or our business plans or what we intend to provide to our customers in the future is something that is not really appropriate.

The other thing, I mean, parity, generally speaking under the act, is that we have to give them the same thing that we make available to our retail customers. And it's a pretty broad concept that there's some difficulty sometime in applying it.

I think in this particular instance, again, misapplied for this reason. Much of what they've asked about, and this really goes to Interrogatories 9, 16, 18 and request to produce 5, 6, 7, and to some extent, 12. They've asked us for information that really relates to how we develop our cost for retail services.

Now, a retail service is always going to have a

different cost than a UNE. I mean, to give you a very basic example, if you look at voice-grade service, which includes things like, you know, operator services or whatever, when we sell someone a 1-FR, there are items in that that are not in the loop that's used to provide the 1-FR. So, fundamentally, there are different costs for the 1-FR than there would be for the two-wire type of loop that's usually used to provide that service.

So, what we have done is we've gone through, and to the extent they've asked us for cost studies that relate to true wholesale offerings or UNEs, we've provided them. I think that's an important point, and it's one that I don't want to get lost in the shuffle.

We provided to BlueStar a little bit short of 5,100 pages of documents. I think the actual number is 5,065. They looked at them in our offices, and they requested us to copy for them about 3,100 pages of documents.

Of those documents, I would say roughly 3,000 pages of those are cost studies. And we have given them studies that relate to UNEs for ADSL. We've given them studies that relate to UNEs for UCL. And we've given them studies that relate to network terminating wire.

When you look at the actual cost studies that are really at issue here, which are the ones that support

the rates in Mr. Varner's testimony, all of that's been provided.

The only thing that we have refused to provide are the, essentially, irrelevant cost studies and some of the other information that goes to how we technically provision things that are services as opposed to UNEs and that are not at issue.

Now, in general, that's our position. One thing I do want to clarify though, and Mr. Cutler made a couple comments about the FCC tariff.

Essentially, there is a service, I believe it's an ADSL service, that we have tariffed federally in much the same way that access service is tariffed; in other words, it's bought by the person who sells to the customers, but is ultimately used by the customer.

We don't necessarily consider that to be a retail or wholesale tariff. It's kind of a hybrid, because of the way it's purchased. But again, it's not what we're talking about here. And to the extent that we are talking about ADSL as a UNE, we produced those cost studies.

Now, here's where it doesn't, but here's where that might come into play. Under paragraph 138, I believe it is, or 139 of the FCC's line-sharing order, they say that when you're trying to determine the appropriate cost

for the high-frequency portion of the loop that's used for line sharing, then you can look at that federal tariff.

And that tariff, or ADSL service, since it has a comparable functionality, should serve as the ceiling for any charge that's made.

Now, the position we took originally was that that's not really something that we should produce to them, because we haven't proposed a rate. What we say in Mr. Varner's testimony is that we're trying to respond to the UNE remand order and its provisions relating to line sharing.

We have until sometime in June to do that. And we will do that once we work through it, once we figure out what we're going to offer, then we'll know what we're going to provide. And at that point, we'll have a cost figure. Now we don't.

So, for that reason, we don't think that's really relevant. Now, that was the position. And frankly, I'll admit, that's a close call. I don't think it's a close call any longer, because looking at the prehearing statement of BlueStar that we got toward the end of last week, they now have removed issue number 2 and issue number 11. Those are the line-sharing issues. And what they have placed in the prehearing order is a statement that they agree to having those resolved in a

generic docket.

So, the only possible relevance that the ADSL tariff, the federally filed tariff, had to this proceeding related to that issue, which they've now removed.

So, once you get rid of that, then you're back to the more general situation that I talked about earlier, which is a simple apples and oranges comparison between retail services that are developed on one cost basis and UNEs that are developed on another.

And again, we've produced all the UNE studies -excuse me a moment -- that's not at issue. It's just the
retail ones that are at issue.

So, that's my general position. And I know this has gone on for a long time, so I won't go through each one specifically, but that relates to 9, 16, 18 of the Interrogatories; 5, 6, 7 and 12 of the PODs.

Now, as to the other three, Interrogatory Number 17, essentially, we gave an answer to that. They asked a question, we gave them a complete answer. And the answer, it related to a database. And Mr. Cutler's position, as I see it now, is that they want that database.

In other words, what he's doing is he's sort of formulating an impromptu request to produce today, which is the first we've heard about it.

And across the board, I don't think that's

appropriate. It was not encompassed within the Motion to Compel. It's not been the subject of any discovery requests. It's something that having looked at our interrogatory answer, he's decided he wants this, and then he chooses today to bring it up for the first time.

So, I mean, I guess, we're well passed the discovery deadline at this point. So, how he would get that information is an issue, but the point is it's not part of his motion, and it shouldn't be considered. That's all for the Interrogatories. I believe those are the only ones.

On the PODs, there are two remaining. POD

Number 17 was one where they filed the request. We

objected initially. This was at the 10-day point. Then

BlueStar immediately filed a Motion to Compel.

Our response really preempted the motion, because we said we don't have any documents. They just don't exist. Now, in the letter that Mr. Cutler gave me a few minutes ago, which I've seen today for the first time, he states that he believes that in the deposition of Ron Pate taken last time, he gave information that suggests that these documents do exist. I have not seen a transcript. I have no idea what he's talking about. I don't know whether he's right or whether he's wrong.

But again, it's not part of his original motion.

And it's not something that I think it's appropriate for him to raise for the first time today and, in effect, say, even though we have adequately responded the first time and even though we have taken care their objection and even though that's not an issue, they now want to move on to something else regarding Number 17 and put that into it.

Again, if, you know, when we look at the deposition, he wants to send me a letter and tell me the part of the deposition that he thinks reveals that there's some document, I will be happy to look at that letter and look and see if there's a document.

If there is, I'll produce it, but I don't think it's appropriate to raise that within the context of the Motion to Compel that doesn't include it.

The final one is Number 20. And taken on its face, Number 20 is literally a response for every repair record having to do with every customer of BellSouth, both retail and wholesale, in the entire nine-state region since the beginning of time.

I mean, as burdensome responses -- as requests that are burdensome go, this one really has to win some kind of prize, because it is so far beyond impossible. I mean, essentially, they want every repair record.

Two responses to that. I think the burdensome

party is obvious, and I think it's obvious to BlueStar, because Mr. Cutler's response was, well, there must be something we can give him.

The answer to that is even if it were relevant,

I don't know what he means by there must be something we
can give him. I think the way the process is supposed to
work is they make requests and then we respond.

The request they made, and the only one they've made before this morning, was for this huge, you know, mass of information that I don't think we could even find. And that's all that's on the table right now. There's nothing else.

However, I don't think it's relevant, in any event, because the issue -- and this really goes to Number 9, which is expedited repair, is that BlueStar has asked -- and I'm not sure. They've changed their testimony.

In direct testimony, their witness says that they wanted their repairs to be done in one hour. And on rebuttal, they said they wanted it to be in two hours.

But either way, we have told them that that is a level of expedition, if you will, that's a level of acceleration that we simply cannot do; we don't do that for them, we don't do it for anyone else.

So, rather than asking us for documents that would show, you know, whether or not we've done that for

anyone else, they've asked for documents that show the repair we offer to customers under the standard repair intervals.

In other words, they've asked for information that relates to the repair standards and the application of those standards that they've rejected.

And given the fact that the issue is not the standard repair intervals or whether they're adequate or whether BlueStar gets what it needs, the issue is whether they can have this special treatment. I think the standard intervals are irrelevant.

Again, though, that's only one of the two reasons why we can't -- why we shouldn't have to comply with the response. The other one is that to the extent they're asking for all repair records anytime, anywhere of anyone, it's just not possible.

And that concludes my argument.

MS. CLEMONS: Commissioner, with regards to
Interrogatory Number 9, which seeks information relating
to the cost of the loop BellSouth attributes to its own
retail ADSL service, staff is in agreement with BellSouth.

We don't see the relevance of retail cost information to this preceding. The cost of providing a loop as a UNE bears no relevance to the cost of providing a service utilizing -- using a loop to a retail customer

since the former, the UNE loop, has to be based on Telric.

So, we just don't see that there is a cost nexus and therefore, don't believe that the request is reasonably calculated to lead to admissible evidence.

With regards to Interrogatory Number 16, however, that seeks the process that BellSouth uses to determine if specific customer locations qualify for BellSouth's retail ADSL service. Staff does believe that this request is reasonably calculated to lead to admissible evidence.

In this preceding, BlueStar is complaining that it needs greater access to loop qualification make-up information as a wholesale purchaser of the unbundled loop.

And, therefore, we believe that the inquiry goes to the, you know, the heart of the parity issue and that BlueStar wants to make the comparison of whether it's receiving comparable service and comparable information in making that decision.

With regards to Interrogatory Number 18,
BlueStar seeks information relating to BellSouth's future
plans to expand mechanization of its retail DSL ordering
capabilities.

And initially, staff felt that this was reasonably calculated to lead to admissible evidence,

because again, you know, it seems to go at the parity issue, but we have since changed our recommendation, because it is asking for future information. And so, that really has no bearing on whether BellSouth is offering nondiscriminatory service to BlueStar at the present.

With regards to Interrogatory Number 17, that

interrogatory was answered by BellSouth. And therefore, staff agrees with BellSouth that it's not included in the Motion to Compel.

What BlueStar is essentially saying is that we don't like the answer that was given. And I think that should be the subject of a different motion at this point since BellSouth has given them an answer on 17.

Turning to the production requests. Number 5 seeks BellSouth's procedures and guidelines regarding its policies and practices relative to line conditioning. Staff believes that this information is reasonably calculated to lead to admissible evidence. Again, it goes to parity, whether BellSouth will provide the same services to BlueStar, the same line-conditioning services.

COMMISSIONER JACOBS: I'm sorry, that was which one?

MS. CLEMONS: That was production request number 5.

COMMISSIONER JACOBS: Okay

MS. CLEMONS: Production request numbers 6 and 7, BlueStar is seeking cost recovery plans associated with line conditioning and cost study that BellSouth has developed to determine its cost to provide retail ADSL service. And for the same reasons that staff expressed with regards to Interrogatory Number 9, we do not believe that that's reasonably calculated to lead to admissible evidence.

Again, an unbundled local loop has to be based on Telric; whereas, retail prices do not. So, we don't see that there is any cost nexus.

Request number 12 seeks BellSouth's documentation related to plans to mechanize any portion of BellSouth's systems and processes.

Again, this seems to be seeking future information. And for the reasons expressed previously, we do not believe that's reasonably calculated, because it has no bearing on the services that BellSouth will provide to BlueStar at the present.

Request number 17 seeks documents measuring provisioning intervals for retail digital services.

BellSouth has answered that this document does not exist.

And therefore, I do not believe that -- staff does not believe that that's going to be encompassed within the Motion to Compel, because BellSouth has already given its

lanswer.

With regards to number 20, BlueStar seeks all documents reflecting repair interval measurements on repair services provided by BellSouth through retail and wholesale customers.

Staff believes that this is reasonably calculated to lead to admissible evidence. However, there is a concern that the request is overly broad. So, BlueStar would need to tailor that request to something that is manageable.

Repair intervals is an issue within this case.

And staff does not agree with BellSouth that just because BlueStar is seeking one-hour intervals that it cannot discover information that cannot repair intervals of more than one hour.

So, the information is reasonably calculated to lead to admissible evidence, but the request is overbroad.

COMMISSIONER JACOBS: Okay. Very well.

MR. CUTLER: Your Honor, may I be heard one more time on parity, because I think we kind of missed the parity point here.

COMMISSIONER JACOBS: Um --

MR. CUTLER: Solely on the cost issue.

COMMISSIONER JACOBS: Well, actually, I think you have an opportunity for that on the next motion. Is

that the one that you're looking for to file in your information, nonsupplemental testimony?

MR. CUTLER: Certainly. I don't think that's quite the same point. This will take all of one minute, Your Honor.

COMMISSIONER JACOBS: Okay.

MR. CUTLER: Okay. The same loop that BellSouth wants us to pay over \$300 for, we believe they're charging themselves less than a dollar for that. That's why we want to see that cost study.

COMMISSIONER JACOBS: Okay.

Okay. Here's what we'll rule. As to

Interrogatory Number 9, which requests, "Please state the

cost of the loop BellSouth attributes to its own retail

ADSL service and any cost analysis, please identify the

specific cost analysis referenced in your response."

I think there is some relevance. I am concerned that the data sought is specifically for retail service.

I am going to deny the motion as to that request with leave for BlueStar to narrow its request to data that's relevant; more relevant, I should say, to the service it seeks to acquire from BellSouth.

And I think some of the argument today may be given some guidance on that, but I would deny it as to that one on those grounds.

As to Interrogatory Number 16, it's my understanding that the information being sought here is available now, but you would like to see it referenced in a different -- by a different search key.

I don't think this was in the scope of discovery to seek some kind of reordering of the data that you request. If you seek a request, you get it as it is, and then you may seek some leeway to study it as you choose to see fit. But as I understand it, this is relevant data.

And so, I'm going to grant the motion as to Interrogatory 16.

As to Interrogatory 17, I am persuaded that you have -- you did get a response, as I understand, initially, but you didn't think it was complete. I was unclear. Did that response come before the filing of the motion or after?

MR. CUTLER: After, Your Honor.

COMMISSIONER JACOBS: Quite frankly, from what I understand, it does sound like that's more appropriate for request for production.

So, I'm going to deny it as to the interrogatory request. You have identified the information that you need to be identified. You did choose whether or not you want to see that information.

As to Interrogatory 18, I'm going to deny. I

agree with staff. That's looking for future information, but I'm going to deal with that in some fashion in production request.

Now, in the production request, I'm going to grant that. I think it's narrow enough. I'm going to grant the motion as to POD Number 5, POD 6 and 7.

Actually, let me go to 7 first. Is the data that you're looking for here, is it the same data that was filed with the FCC?

MR. CUTLER: I believe so, Your Honor.

COMMISSIONER JACOBS: And it's not available to you from them? You can't go to the FCC and get it?

MR. CUTLER: I have asked both the FCC and the BellSouth. I informally requested it from -- there's some docket manager, I think, at the FCC who they sent me to who said that since the tariff was approved, we can no longer have access to it there.

COMMISSIONER JACOBS: Mr. Carver?

MR. CARVER: Well, the point I was going to make, I think this one was the one I was talking about, about the FCC tariff that related to the rate for line sharing.

And, as I said earlier, I think there's an argument that is relevant to begin with. But since they've now removed issue 11, which is line sharing, I

don't think it has any further relevance. 1 MR. CUTLER: There's still an enormous disparity 2 between that rate and the one we're being charged. And 3 that's why we would like to present some evidence on that 4 5 to the Commission. If we can reach a simple agreement that it's 6 below \$2.00, which is what I think it is, that would solve 7 any burden issue. 8 COMMISSIONER JACOBS: Is there a generic docket 9 10 on this, on line sharing? MS. CLEMONS: No, not at this time. 11 COMMISSION STAFF: No. 12 13 MS. CLEMONS: No, Commissioner. 14 COMMISSIONER JACOBS: Here's what I'd like to 15 do. If you can pursue a stipulation on that, that 16 would be wonderful. Again, relative to the issues that 17 are in this docket can't resolve that issue so that you 18 quys can come up with -- if you guys, which I'm being 19 very, very hopeful here, that you can sit down and come up 20 with some kind of a stipulation on that, as to this 21

There is some merit, quite frankly, to the argument raised by BellSouth that by deferring this issue, its continued relevance becomes -- but I think there is

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request.

sufficient issues that remain.

And it's my understanding that you deferred issue one, or I shouldn't say deferred, but you said that as to issue one, and your position would be you would move the issue to a different proceeding?

And issue 1-A and 1-B.

MS. KAUFMAN: Commissioner Jacobs, I think there's just one part to issue one, and the parties have resolved that.

COMMISSIONER JACOBS: I'm sorry, issue one.
This is issue two, issue 2-A and 2-B.

MR. CARVER: Commissioner, I believe it's issue 2, in general, and issue 11 are the two that this relates to.

COMMISSIONER JACOBS: I'm going to grant it in part and conform it. The information should be conformed to issue 10.

Now, let me understand what issue 10 is asking for. It says, "What are the tariff-based rates for the two-wire ADSL compatible loop?"

So, to the extent that you want to inquire to ensure that whatever rates come out of issue 10 are compatible to what BellSouth is offering or seeking to provide itself, then that's what this has to be conformed to.

Understood? Am I clear? I'm not. 1 MR. CUTLER: I believe that's our point, which 2 is what we use to compete. And it's really the UCL, not 3 the ADSL compatible loop, which is at issue for the 4 moment, but what we use to compete with BellSouth is a 5 UCL. 6 COMMISSIONER JACOBS: I understand. Ι 7 understand, but what I'm saying is what you're asking for 8 in issue 10 is not that. 9 MS. KAUFMAN: Issue 10 has several subparts to 10 it, and subpart "C" relates to the UCL the. 11 12 COMMISSIONER JACOBS: Okay. MR. GOGGIN: Commissioner, I'm just trying to 13 14 make sure that we have it clear. The discovery request, as I understand it, 15 relates to cost studies filed with the FCC for a service 16 which does not include the provision of separate UNEs, 17 like loops. 18 COMMISSIONER JACOBS: Okay. Your digital filing 19 20 with the FCC does not have UNEs in it; is that what you're 21 telling me? 22 MR. GOGGIN: That's right. It's a service that can be bought and resold as a service by an ISP, for 23 24 example, or BellSouth also sells it at retail.

What issue 10 involves are the provision by

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BellSouth to the ALEC community of certain UNEs, and in 1 particular to BlueStar. 2 COMMISSIONER JACOBS: The UNEs that would make 3 up a similar offering, is it the UNEs that would make up 4 an offering similar to your wholesale offering? 5 It's similar, but not the same in MR. GOGGIN: 6 the sense that BellSouth would not provision, for example, 7 an ADSL compatible loop in connection with the wholesale 8 9 offering of ADSL service. 10 Issue 10 really relates to the following UNEs, ADSL compatible loops, ADSL compatible loops, unbundled 11 copper loops, and the loop conditioning cost that relate 12 to those three UNEs. 13 So, I quess we're -- and I understand that the 14 cost studies that relate to those UNE offerings have been 15 16 produced. COMMISSIONER JACOBS: Okay. Are you in 17 18 agreement with that? MR. CUTLER: I think so. 19 COMMISSIONER JACOBS: 20 Okay. It was a large mass of paper, and I 21 MR. CUTLER: haven't yet had time to depose Mr. Varner on exactly what 22 it is, but they certainly tried to produce them. 23 COMMISSIONER JACOBS: Okay. So, what does 6 and 24 7 get you beyond that that you need? 25

MR. CUTLER: When BlueStar wants to serve 1 customer "X," BlueStar orders up either an ADSL compatible 2 loop or if it doesn't -- if BellSouth doesn't have one on 3 that route, a UCL. 4 COMMISSIONER JACOBS: And what he's saying is 5 that for you to -- that could be exactly true, and that's 6 fine, but what he's saying is for you to get their studies 7 that they filed with the FCC gives you no guidance as to 8 what their cost would be for; am I correct, Mr. Goggin? 9 MR. GOGGIN: That's correct. 10 11 COMMISSIONER JACOBS: Because --MR. CUTLER: Here's where I'm coming from. 12 Whether or not this Commission decides in our favor on 13 this subject, I certainly think that it ought to have a 14 15 look and see what BellSouth charges itself for the 16 service. 17 COMMISSIONER JACOBS: For a similar service. 18 MR. CUTLER: For the service, the highly-similar 19 service which they sell to the same customer to decide 20 whether BellSouth's cost studies are reasonable. 21 We may well lose that argument, but I think the 22 Commission ought to at least have a look at that study. 23 COMMISSIONER JACOBS: Sounds like they're 24 provisioning the service in a different way. They certainly -- yes. And I would

MR. CUTLER:

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contend that we'll present evidence that the way they provision it should cost much more than what they're paying if they're charging themselves much less.

Therefore, there must be something funny going on here.

COMMISSIONER JACOBS: Your argument is going to be that first -- well, let me not even do that. Okay.

Let's deal with this.

It doesn't sound like the data that you're going to get from this -- from POD 6 and 7, is going to provide, based on what they're saying, you're not going to get data that's going to give you cost information for a DSL-compatible loop from the data that you're getting here.

What you will get is data that will say here's how they provision the service at the wholesale level and approximately what it costs. That's not how your document request is stated.

I'm going to deny it and give you leave to come back to narrow that, okay? I'm going to deny it as to 6 and 7. And maybe you all can sit down and hopefully work through this; again, being very hopeful, but I'm going to deny it as to 6 and 7 as presently stated.

Now, actually -- I'm just reading here, let me make sure that I have 17 stated correctly, "Please provide a complete copy of any cost data BellSouth has developed

for submission for any state or federal regulatory agency 1 to determine cost to be provided retail ADSL service or 2 any other xDSL-based technology deployed for retail 3 purposes. Please identify any differences and methodology 4 between the cost and service provided." 5 Let me not say that, but I don't -- I stand by 6 my original rationale, and that is that even if you were 7 to get the cost study that was provided to the FCC, which 8 is my understanding what has been identified as the only 9 thing that responds to this request. 10 Let me make sure of that. Is that the case, 11 that the study that was filed at the FCC is the only item 12 that is deemed to be responsive to this request? 13 MR. CARVER: I'm not -- I lost you. Are we 14 talking about 17 now or 12? 15 COMMISSIONER JACOBS: I'm sorry, I'm still on 6 16 and 7. 17 MR. CARVER: 6 and 7. 18 COMMISSIONER JACOBS: What I'm hearing is that 19 20 the study filed with the FCC is the only document 21 responsive to these two requests. MR. CARVER: I think that's true. To tell you 22 the truth, I'm not sure. There may be ADSL offerings that 23

BellSouth offers on a retail basis other than that.

COMMISSIONER JACOBS: Okay. My ruling is based

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on what you're telling me about the FCC study. 1 MR. CARVER: Right. 2 COMMISSIONER JACOBS: If there are, I would 3 suggest that those be responsive to those requests. 4 MR. CARVER: No, those would -- well, I guess 5 the bottom line is I'm not sure if there are others that 6 are responsive. I think this is the one that's at issue. 7 And I want to say no, there are no others. 8 know the wholesale ones we've produced. 9 COMMISSIONER JACOBS: Okay. 10 MR. CARVER: The thing I'm not entirely clear on 11 is if there is any, and I have the information, I just 12 don't have it at my fingertips, whether other than the 13 service that was tariffed at the FCC, whether there is any 14 other retail ADSL type service which has a cost study. 15 But my understanding was that was not what they were 16 17 asking for. 18 COMMISSIONER JACOBS: Okay. MR. CARVER: I mean, I could find that out, but 19 20 I mean, again, it would be the same type situation where to the extent it's retail service, it has a different 21 22 basis. COMMISSIONER JACOBS: Okay. Let me go off the 23 24 record for a moment. MR. CARVER: Commissioner, I have an answer to 25

The study filed with the FCC is the only your question. 1 There is no state analogous study. 2 one. COMMISSIONER JACOBS: Okay. 3 I'm going to go ahead and stand by my Okay. 4 original ruling and deny production for request 6 and 7. 5 As to production for request 12, I'm going to 6 grant it. I'm going to reform it to follow staff's 7 recommendation as to interrogatory number -- which number 8 is that, 18. Let me be clear about that. 9 Essentially, what I'm granting is a narrowing of 10 12 to request data on future plans to expand mechanization 11 of retail DSL ordering capabilities. 12 So, it would not -- and that will be the limit 13 of what I'm granting. So, granting in part your motion as 14 to POD number 12. 15 MS. CLEMONS: Commissioner, just for 16 clarification, with regards to Interrogatory Number 12, we 17 denied it, because it related to BellSouth's future plans. 18 And I think this request for production is seeking the 19 It's seeking the documents as to future plans as 20 same. well. 21 COMMISSIONER JACOBS: You're right. 22 thinking present plans. 23 MR. CUTLER: Your Honor, may I be heard on that 24

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for a second?

COMMISSIONER JACOBS: Briefly, very briefly. 1 MR. CUTLER: The problem I'm having is -- oops, 2 thank you. 3 BellSouth's response to our request for make-up 4 information, as reflected in their testimony, is we plan 5 to give you on-line access to LFACS in the third quarter 6 of this year. Now, BlueStar simply wants to know whether 7 there are some plans to do something similar to LQS. 8 COMMISSIONER JACOBS: Yeah, we understand, but 9 what we're saying is that you can't -- those plans have to 10 be in existence now; i.e., present plans. We can't impose 11 on them a requirement to come back to you with future 12 plans at the time they're developed. 13 MR. CUTLER: Present plans are fine with us. 14 That's certainly what 12 is looking for. 15 COMMISSIONER JACOBS: So, you would modify your 16 request to say "present plans" rather than "future plans." 17 MR. CUTLER: I don't see the word "future." I 18 think 12 simply said "plans." 19 "Please provide a complete copy of all internal 20 documentation related to plans to mechanize any portion of 21 22 BellSouth's systems and processes to qualify loops for its 23 retail ADSL service." COMMISSIONER JACOBS: Okay. So, we can clarify 24 that and say "present plans," not anything in the future.

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MR. CUTLER: That would be fine with us. 1 COMMISSIONER JACOBS: Okay. I'm going to grant 2 number 12, then. 3 17. I'm kind of on the fence with this thing, 4 but I think I'm persuaded by staff's recommendation. So, 5 I'll follow their recommendation, and as to 20 as well. 6 So, as to 17 and 20, we're denying, right? 7 MS. CLEMONS: Yes, Commissioner. With regards 8 to 20, staff had a concern that the request was overly 9 broad. 10 COMMISSIONER JACOBS: Right. 11 MS. CLEMONS: What BlueStar was seeking was all 12 documents reflecting repair intervals. I agree with 13 BellSouth that that would be almost impossible to produce 14 15 all documents. COMMISSIONER JACOBS: I looked at the issue on 16 this. I'm just trying to remember. I'll go ahead and 17 18 deny it. MS. CLEMONS: You're going -- okay. So, 20 is 19 denied. 20 21 And then just to clarify staff's recommendation 22 with 17 was to grant, not to deny. COMMISSIONER JACOBS: Now, my problem here is 23 that the issue is relevant. My only concern here is that 24 it's overbroad. 25

I would entertain -- and I know we're getting 1 short on this case, but I think the parties ought to sit 2 down, and I'll just give this to both sides. 3 I think you ought to sit down and try to narrow 4 this request. The issue is absolutely irrelevant. I 5 think you ought to sit down and try to narrow it down to 6 something you can agree on that will be specifically and 7 directly pertinent here. 8 MR. CUTLER: May I suggest, Your Honor, I 9 believe that BellSouth has a proposed parity measurement 10 in the state of Florida on this item, and we would be 11 happy to get access to either the results of that or 12 13 something resembling that. COMMISSIONER JACOBS: Well, here's what I'll do. 14 15 I'll let you guys sit and discuss that. I'm not going to rule on that. 16 MS. CLEMONS: Commissioner, one more 17 18 clarification. With regards to 17, what staff said earlier was 19 20 that BellSouth already answered that the documents did not 21 exist. 22 COMMISSIONER JACOBS: On 17 they did? 23 MS. CLEMONS: Yes. 24 COMMISSIONER JACOBS: Okay. If they say they don't exist, they don't. 25

MR. CARVER: And if I may, excuse me, as I said earlier when I was arguing, if counsel thinks that there is something in Mr. Pate's deposition that indicates that they do exist and he wants to show it to me, I'll be happy to discuss it with him. As far as I know, there aren't any, so...

COMMISSIONER JACOBS: All right. Very well.

That takes care of BlueStar's Motion to Compel. Am I correct?

Okay. So, we're on the motion to file supplemental rebuttal testimony. You can go ahead, Ms. Kaufman.

MS. KAUFMAN: Thank you, Commissioner.

I hope, in contrast to the last time we spent, I can make this one fairly simple.

We had filed a motion asking to be able to file supplemental rebuttal testimony of our cost witness, who will now be Dr. Ankum. And our request is very simple.

We sent discovery to BellSouth at the beginning of January as we heard extended discussion about. Part of what we asked for involved cost studies. Initially, BellSouth objected and then they did provide some of them.

Representatives from BlueStar traveled to
BellSouth's office in Atlanta on February 2nd, looked at
the cost studies and requested copies of them as well as

electronic copies, which we had requested when we initially propounded our discovery. That was on February 2nd.

As of the date the motion was filed, which was February 10, we had not received any cost study information. On February 11th, I did receive in my office in Tallahassee a small excerpt of the cost studies.

After continued and subsequent discussion, finally at the end of the day, I believe on the 11th, the entire cost study, along with the CDs, was sent to our witness in Houston, Texas. And he received them on Saturday, which I believe was February 12th.

Our rebuttal testimony in this case was due that Monday, February 14th. We filed to the extent that we could, but in that brief a time frame, the cost witness was unable, obviously, to do any sort of thorough analysis of the cost studies that we were provided with.

We've been very prejudice, and our witness has, in regard to not being able to take a thorough look at these cost studies. I'm sure you know they're very voluminous, they're very complicated. They take some time to analyze.

COMMISSIONER JACOBS: And you use that as for five days, the --

MS. KAUFMAN: Yes. Of course, five days has

already run, because I think that would have been on Thursday, but we can be prepared to file this week, tomorrow or Wednesday.

COMMISSIONER JACOBS: Okay.

MS. KAUFMAN: I wanted to also let you know that in response to our motion, Bell says, well, gosh, they don't need to file any supplemental rebuttal, we have agreement on these rates.

It's kind of interesting to us. We thought we had agreement, because we had agreed when we saw

Mr. Varner's direct testimony, we said these rates look good to us. This isn't an issue anymore.

However, now in Mr. Varner's rebuttal testimony, he has totally changed his story and provided different rates and references a cost study that has never been provided to us.

So, we're somewhat dismayed by that. Some folks would say we've sort of been sandbagged without the opportunity to respond to rates that are just coming up on the first-time rebuttal. And I understand we're not arguing the motion to strike Mr. Varner's testimony, so I won't go into that at this time.

Suffice it to say that I don't think there's any agreement on the rates, unless Bell agrees we can utilize Mr. Varner's rates that he supplied on direct.

And with the delay in getting the cost studies and the timing of our rebuttal testimony, we believe that it's only fair that we have the opportunity to address the information in the cost study as well as these new rates that have appeared for the first time in rebuttal.

And I want to make one more comment on BellSouth's response to our motion. At the very end of it they say, well, if you let BlueStar file rebuttal testimony on the cost issue, then we should be allowed to file supplemental rebuttal in regards to Ms. Hassett's testimony.

Well, Ms. Hassett doesn't have anything do with cost studies or cost testimony. And in our view, that's sort of a non sequitur, though I know BellSouth has another motion that I'm sure you're going to take up.

The bottom line is we request that we be permitted to file supplemental testimony on the cost issues that still, as far as we know, remain outstanding in this case. And we can be prepared, I believe, to file it by close of business Wednesday.

COMMISSIONER JACOBS: BellSouth?

MR. CARVER: First of all, I just want to make a note that some of the facts that counsel represented to you are certainly in dispute.

There was some confusion, which we set out at

length in our response relating to the delays in getting documents to BlueStar.

Basically, what happened is Mr. Cutler came to our office. We made available to him the 5,000 pages of documents and asked him to mark what he wanted copied.

He marked about 200 pages of documents. We sent those to him. But after he received them, he said well, he not only wanted the one copies that he marked, but the ones copied that he didn't mark, which was news to us. But after we found that out, we got the documents and we made them available to their local counsel in Atlanta in about 12 hours.

We got a phone call from him 6:00 on Thursday night, and they were available actually, I guess, maybe 15 hours, 9:00 the next morning. And I'm not going to take up a lot of time going through the chronology, but you look at our response, you can see that the pattern is, is that BlueStar, you know, we respond to discovery and we say the documents are here if you want to look at them or if you want to pay for copy, we'll send them to you.

Nine days later, they come and look at them and they don't count that into the delay. So, we don't believe that there has been any sort of delay attributable to BellSouth.

The second point I want to make is that

Ms. Kaufman made the representation to you that they have never seen the UCL cost study that Mr. Varner references in his rebuttal testimony. And that is not correct.

That is among the 3,000 pages of cost studies that were produced ten days ago. They have seen that.

That was sent on to their expert, and he's reviewed that.

Finally -- here's the part about this that mystifies me. Even under their calculation, they got everything they needed by February 11th. So, even if you believe that all of the delays were BellSouth's fault, then they had everything they needed by February 11th. And they asked for five days from February 11th, which was last Wednesday.

Now, ten days later, ten days after they've had the documents, and five days after what they asked for in their motion, they still haven't filed anything.

So, they're now asking you to give them two or three more days. It just seems to me like if they wanted to file something within five days, they should have filed it last week, but now we're at the point where their witness, Mr. Ankum, is to be deposed Thursday.

When they say that they want to file the supplement at the end of business Wednesday, and if they typically don't deliver things to us, you know, very regularly, it seems that in all likelihood, I'm not even

going to have Mr. Ankum's supplemental rebuttal testimony, if you let them do this, at the time I try to take his deposition on Thursday.

So, again, I wouldn't have minded if you had granted their original request and let them file something last week, but apparently what's happened, and frankly, coming to the hearing today I thought it was moot, since last week is gone, but now they've asked you for the five days that they wanted in their motion plus an additional five days. And they want to file something where, essentially, it'll be too late for me to depose their witness.

And I think if you look at facts of the case, you can see that BellSouth has done everything they can to get documents to BlueStar promptly. And, you know, and even if you believe that the delays were attributable to us, what they asked for was to file last week.

So, I just don't think it's appropriate for them to continue to ask for more and more time, particularly given the fact that if they file Wednesday then at this point they're prejudicing BellSouth's ability to take a deposition to find out what their experts filed.

MS. KAUFMAN: Can I respond, Commissioner Jacobs? Briefly?

COMMISSIONER JACOBS: Very briefly.

MS. KAUFMAN: I only have two points.

I think Mr. Carver either misunderstood or misspoke.

The study that has yet to ever be provided to us is the North Carolina study referenced in Mr. Varner's testimony in which he intends to rely, it appears. We have never been provided with that study to this day.

COMMISSIONER JACOBS: I understand.

MS. KAUFMAN: Secondly, he's correct. We did not want to be presumptuous and file supplemental rebuttal testimony, which we recognize is out of the ordinary here at the Commission, without first being granted permission to do that.

And so we -- if our motion is granted, we will do it as expeditiously as possible. We filed our motion as quickly as we could. We knew we were having the prehearing conference today, and we await your ruling on that.

MR. CARVER: And I'd just like to add, I think the typical procedure that parties follow is that they file something and ask for permission sort of at the same time, and then it's either allowed or it's stricken.

And if they had followed that, we would have had the testimony since last Wednesday. And we would have had time to have our experts look at it, and I'd have time to

prepare for the deposition. 1 As it is though, again, they're proposing to 2 basically file a supplement so late that it will prejudice 3 us, if they do that. 4 And again, what they ask for is five days. I 5 don't think it's appropriate for them to show up today and 6 say, well, we don't really want five days, we really want 7 12 days, even though that's not what we ask for. 8 MS. KAUFMAN: And I would just respond, 9 Commissioner Jacobs, that if the studies had been timely 10 provided to us, we wouldn't be in the situation that we're 11 in today. 12 COMMISSIONER JACOBS: I got it. 13 MS. KAUFMAN: Thank you. 14 COMMISSIONER JACOBS: Thank you. 15 Let me make sure I understand. You filed your 16 There was an objection filed. 17 request. MS. KAUFMAN: I'm sorry. Could you repeat that? 18 COMMISSIONER JACOBS: Your original discovery 19 request was -- the response was an objection. 20 MS. KAUFMAN: Back in January. 21 COMMISSIONER JACOBS: Now, BellSouth, your 22 23 objection --MR. CARVER: No, sir, there was no objection. 24 Here's what happened. They sent a request. We 25

responded to the request on the day it was due, and we said the documents are here. Do you want to come look at 2 them or do you want to pay us to copy them and send them 3 to you? 4 So, you did not object on COMMISSIONER JACOBS: 5 6 the --MR. CARVER: Not to the documents at issue. I 7 mean, we objected to some things, but the documents they 8 were talking about now, we did not object to producing. 9 10 We simply --COMMISSIONER JACOBS: The documents that we're 11 talking about now, you did not object to? 12 MR. CARVER: No, sir. We said there are 5,000 13 pages, do you want to come look at them or do you want to 14 pay to have 5,000 pages copied? 15 And about a week later they got back us to and 16 they said Mr. Cutler will be there in 24 hours to look at 17 18 them. And we said can you give us 48, we need to find a 19 room. So, he basically came nine days after we told him 20 that the documents were available. 21 Then there was some confusion about what was to 22 be copied, because what we did was we gave him some stickies and basically said tab whatever you want copied. 23 24 And he told our paralegal that he wasn't sure if he wanted

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them copied.

There was a lot of confusion, and I'm not going to get into a lot of who shot John, but the bottom line, by Monday the following week, we clarified what they wanted. We got it to him by Thursday of that week in Tallahassee.

I don't even think Ms. Kaufman even had to come get the documents. I think we carried them to her and said here's a proprietary agreement, sign it, and we'll turn them over to you. That was Thursday, I believe, if I've got my facts straight, about 11 days ago.

About three hours later, we got a phone call from yet another attorney representing BlueStar in Atlanta who said that's not what we want. We don't want the 200 he pages marked, we want 3,000 pages he didn't mark. We said it doesn't sound right to us, but whatever.

And then as I say, by early the next morning, they were ready go. So, by the 11th, at this point we've copied another 3,000 pages of documents, we've cut six CDs, and we've made them all available on less than 24 hours' notice.

Now --

COMMISSIONER JACOBS: The original response, was that by the 25th of January?

MR. CARVER: Yes, sir, it was. And it was nine days after that before BlueStar even came to look at the

documents.

So, I mean, all together, there's about a two-week process between the time we said here are the documents, if you want to look at them and the time they actually got them.

But my point is, first of all, that I think the delay, if you look at the facts, are attributable to BlueStar. But even if you think it's somehow BellSouth's fault, the relief they ask for is five extra days. And those five days expired, at this point, six days ago or five days ago.

So, I mean, even if they had a legitimate basis to argue that the delay was somehow attributable to BellSouth, this -- today is the first I've heard that they don't really want five days, they really want 12 days, and they're not going to be able to file their testimony until, basically, so late that I won't be able to depose their witness.

COMMISSIONER JACOBS: Thank you.

MS. KAUFMAN: Commissioner Jacobs, I just want the record to be clear. There is -- we use the word confusion in quotes. And Mr. Cutler was there. And he can address it, if you want.

Bottom line is we looked at those documents on February 2nd. They were not in the hands of our cost

76 expert until February 12th. We would assert to you that 1 it was entirely clear what we wanted, it's entirely clear 2 from our original production request. So, that's about a 3 little less than two weeks in there that it's unclear, to 4 me, where these documents were. 5 What was delivered to me on the 11th was a very 6 small subset of the cost studies and, of course, the CDs 7 were not provided to us until we made numerous requests 8 and had to get another attorney involved to escalate it up 9 the line. 10 COMMISSIONER JACOBS: Okay. Thank you. 11 it, I got it. I think I got it. 12 MR. CARVER: I just want to say that the delay 13 was not in production, the delay was in copying, because 14 there was confusion about what he wanted copied. So... 15 COMMISSIONER JACOBS: Okay. I got it. 16 Staff? 17 MS. CLEMONS: Commissioner, unless staff 18 19

misunderstands, but our understanding of the situation is that the orders establishing procedure required a response to the discovery request by January 25th.

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BellSouth objected to production request number And then not until January 26th did it file an amendment to its discovery response saying that it changed its mind and would now produce this information.

Therefore, in staff's opinion, the information was due by January 25th and was not provided by the 25th in accordance with the order on procedure which, recognizing the expedited nature of this proceeding, said that the information had to be faxed, hand-delivered or expressed so that the parties would have it in an expedited time frame.

And I don't, you know, we can't figure out exactly what happened after that point, but if BlueStar was to have the information as contemplated by the order within 20 days, then it seems to me that BellSouth's objection, original objection, is what delayed BlueStar getting that information within the 20 days.

And if BlueStar did not travel to Atlanta 'till February 2nd to actually review documents, their request did call for all computerized models.

So, staff believes that at the very least, you know, if BellSouth had not filed that objection, which apparently had no merits since they withdrew it without a ruling from the prehearing officer, that at the very least BellSouth should have provided cost studies and CD-rom -- on CD-rom by the 25th.

COMMISSIONER JACOBS: Okay.

Here's what I'll rule. I'll grant the motion, and I will instruct BlueStar to file that testimony by the

close of business tomorrow.

MS. KAUFMAN: We can do that, Commissioner.

COMMISSIONER JACOBS: And please have it in the hands of BellSouth by tomorrow as well, so that they can have a chance to review it. I'll bet not as sufficiently as you would like, but have a chance to review it by the time of their deposition.

And if they want to revise their notice to give, I guess, another day, I know that might not be possible, in advance, I'll indicate that I think that's appropriate.

MR. CARVER: If they file tomorrow, I can make do. I would just request that they do one thing, and that's in addition to hand-delivering it as required by the procedural order, if they can also fax to it my office, because I'll be taking the deposition, and I'd like to get it the same day that it's hand-delivered.

MS. KAUFMAN: We'd be glad to do that.

MR. CUTLER: Well, actually, I think Mr. Carver and I will be in the same deposition tomorrow, and provided it's finished by the time the deposition finishes, I'll hand it to him.

COMMISSIONER JACOBS: Okay.

So, tomorrow is -- either the deposition or close of business, one of the two.

MS. CLEMONS: Commissioner, did BellSouth -- I

understood from their response to the motion that they
also wanted to file supplemental rebuttal?

MR. CARVER: Well, I think actually, there are

two different issues that arise. And I think one of them
-- well, we can probably address that in the context of
our motion to strike, because what we have asked is that
certain testimony of Ms. Hassett be stricken. And we
believe it should be.

If it's not stricken, then we have a problem, because we don't have time to respond. And filing some sort of late rebuttal might be a remedy would work in better there. So, I think we can probably take that up --

MS. CLEMONS: But it would not be supplemental rebuttal in relation to what the Commissioner has granted BlueStar?

MR. CARVER: No, I don't think it would be.

I'd like to ask for one point of clarification, though. And this is sort of related to this motion, and it's sort of on something different.

I think that the procedure that both BlueStar and BellSouth have taken is to say if the documents requested are huge, if they're voluminous, that rather than shipping you thousands of pages of documents, you know, we'll make them available for inspection.

And that's what we tried to do, in our view, is

that by making them available we had responded, and there was some delay in looking at them, and there was some delay in copying them.

I have another problem though. Now that -- if the standard is on the day responses are filed the documents are to be made or actually sent to the party on that day, then I have a problem, which is this: BlueStar had discovery responses that were due to us last Thursday.

On Monday, in anticipation of that date, I sent them a letter, and I said I'll pay whatever it takes to copy these; please copy them, and send them to me. That was a week ago. I have to take depositions tomorrow, and so far the only documents that I have from them are these.

Now, again, we produced 5,000 pages to them.

That's all they've given us. And in the actual response they filed, they designated, I believe, seven different categories of documents that they agreed to produce, they did not object to, and that were not proprietary.

But I find myself in a position where I'm going to have to take a deposition tomorrow, and this is all I've got. And I have no idea when they're going to give me anything else.

And I understand that I'm bringing this up and it wasn't -- because frankly, they told me they were going to send me all the documents on Friday, so I didn't really

have time to file a motion.

But the problem I have now is, I guess, the standard is that on the day they file the response, they're supposed to get the documents to me. They basically did the same thing we did, which is to say they're here; if you want to come look at them, come look at them. And I have to take a deposition tomorrow, and I don't have documents.

So, what I would like to request is that under the circumstances that BlueStar, anything that they have agreed to produce that they have not sent to me, even though I have said I would pay the cost of copying, that they would bring to the deposition tomorrow in Nashville.

At least that way I'll have the documents there.

And I guess the deposition may take all day, but I can go through them as I do the deposition, because otherwise, what I have is a situation where despite my sending a letter a week ago and saying I'll pay for the copying costs, I want everything copied, please send them to me, I guess they have declined to do that. And I guess I don't have whatever I need.

MR. CUTLER: Your Honor, I think -COMMISSIONER JACOBS: Excuse me.

We've allowed ourselves to go into a new Motion to Compel. I think what I need to do first is finish

today's matters. And if we need to come back to that, we'll come back to that at the end. 2 MR. CUTLER: May I make a suggestion? 3 COMMISSIONER JACOBS: Yeah. 4 MR. CUTLER: I believe that Mr. Carver can be 5 satisfied that short of all of BlueStar's interconnection 6 agreements, which do fill up six file drawers or, I don't 7 know, several file drawers, we have produced to him all 8 the documents that we have. 9 We've never -- what I'm trying to say is we've 10 never conferred on this issue. 11 COMMISSIONER JACOBS: Excuse me, that's exactly 12 13 what I'm suggesting is that at the end of today's issues, what I'll give you is a moment to confer. And if we need 14 15 to come back to this, we will. 16 MR. CARVER: Thank you, Your Honor. COMMISSIONER JACOBS: All righty. 17 18 We are on BellSouth's motion. Just a moment. Do you need to take a break? 19 20 Why don't we take a 10-minute break for the court 21 reporter. 22 (recess taken) 23 COMMISSIONER JACOBS: Let's go back on the 24 record. 25 Mr. Carver.

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MR. CARVER: Thank you.

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BellSouth has filed a motion to strike a portion of the direct testimony of BlueStar's witness, Carty Hassett. And we've also filed, in conjunction with that, a motion to protective order that relates to two different depositions. And in the alternative, we're hoping you will grant those two, but in the alternative we've moved to continue the hearing.

And essentially, here's the crux of the matter.

Issue 15 involves dispute resolution. BlueStar, their request has changed at various times, but they want some sort of form of alternate dispute resolution that would be administered by the Commission.

And in our testimony, we've tried to address what we think is the real issue, questions like whether that could be done for specific parties or whether it should be done generically, whether the complaint process that's in place now works, whether you need to do something as an alternative. We believe that that's really the proper scope of that topic.

Ms. Hassett, in her testimony, addresses those types of issues for less than one page. She does spend about four pages or five pages, however, making a lot of general allegations about BellSouth.

They claim that we did something in Kentucky.

And although we're not sure what, they claim that we've delayed their orders in Florida, although there's no real detail. They have claimed that there is a problem with collocation.

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In essence what they've done is they've raised a variety of very specific complaints that are the type of thing that belong in the complaint hearing. They really don't have anything to do with the ADR issue.

And as BellSouth said in its motion, I think the parties can pretty much stipulate the disputes occur. And we don't believe that there's any merit to the particular issues that they are raising, but ultimately, that's not the issue, because whether there is merit or whether there isn't merit really doesn't have very much to do with the question of whether the Commission's complaint procedure is appropriate or whether you need to change it.

So, what we have asked you to do is to strike those portions of the testimony. If BlueStar does have a legitimate complaint, they can certainly file a complaint.

And point of fact, they filed a complaint about collocation, one that BellSouth believes was frivolous, and that was dismissed a couple of weeks ago.

What they've done now though is they've taken, at least some of the allegations from that and they've tried to put them into this issue. And they've also

requested the deposition of two different BellSouth employees. And when we inquired as to why they wanted to depose them, we were just told that they knew something about ADR. In their answer though we get a little more information.

And basically, what we find is that they have information that BlueStar believes relates to the situation that was the subject of the collocation complaint that has now been dismissed.

So, in effect, what we have is we have a motion to arbitrate one issue. And what they have done is they've sort of appended to that a lot of allegations of conduct by BellSouth that really has nothing to do at all with the core issue.

So, for that reason, what we have done is we have asked you to strike the portion of Ms. Hassett's testimony where she talks about that. And we've also asked you to issue a protective order saying that BlueStar cannot depose those two individuals.

And at the same time, of course, if you do that, it would be appropriate for BellSouth to withdraw the portions of its rebuttal testimony where we do the best we can to respond to her allegations. And that's -- I should say, that's primarily what we're seeking. Excuse me.

COMMISSIONER JACOBS: Okay.

MR. CARVER: I'm sorry, I was just going to go to the next part of it, which is the motion to continue.

If you grant that, then I think the issue will be properly focused, and we can move forward without delay. My concern though is that if these allegations remain in the case, then BellSouth is placed in a position where we just can't respond to them.

Basically, the testimony was filed, the direct testimony was filed, which raised these allegations for the first time on January 25th. Three days later -- we didn't get the testimony until the next day.

Two days after that we sent out discovery to try to find out something about the allegations so they could respond, because as you can see in our rebuttal testimony, in some instances, we really have no idea what she's talking about. And that discovery was due the 17th.

Now, the production portion of it is what I brought up a little bit earlier. We really don't have very much information, and it's difficult to go forward.

The interrogatory answers, however, though were very telling, I think. In those, BlueStar identified 16 individuals that they claim have some knowledge about these incidents. And there are three different incidents.

One of them they identified four individuals with knowledge, and Ms. Hassett is not one of them. The

other incident, they identified four individuals, and
Ms. Hassett was not one of them. And the third incident
they identified eight individuals. She was one of them,
but there's seven others.

So in addition to her, we've now been told that there are 15 other BlueStar employees who know the specifics of what she's alleged.

And our position, again, is that this should not be treated as a complaint proceeding, that this is an arbitration, and it should be kept narrow and focused.

But if BlueStar is going to be allowed to turn this into a complaint proceeding and to raise these allegations and to ask the Commission to rule based on them, then in all fairness, BellSouth needs to have the opportunity to do the discovery that's necessary to respond to those.

And since BlueStar has said that there are 15 people who have information, I think, basically, we have to depose those 15 people, which is impossible to do, given the fact that the discovery deadline is Thursday. We have three days left. And we already have depositions every day.

So, again, our preference is for you to strike the testimony and narrow the issue, but if you're going to allow BlueStar to broaden the issue and to argue things

that we don't think are proper, then in fairness, we need more time.

We need at least 30 days to take those depositions and a 30-day delay in the hearing so that we can respond to these sort of complaint type allegations.

Thank you.

COMMISSIONER JACOBS: Okay.

Ms. Kaufman.

MS. KAUFMAN: Thank you, Commissioner.

I want to try and start in reverse order, and I want to respond to Mr. Carver's comment that BlueStar's collocation complaint was frivolous.

What happened in that matter is that BellSouth changed their procedures, and upon the proper procedures being employed, we withdrew our complaint.

But I want to respond to the motion proper.

Issue 15, in this case, deals with BlueStar's contention that we need to include in the interconnection agreement some sort of an expedited dispute resolution process, because currently BellSouth has no incentive and, in fact, a disincentive to deal with things quickly.

And just given that this Commission's own calendar, sometimes it takes quite a while to get a hearing actually before the Commissioners.

That issue has been in this case since our

petition.

2 COMMISSIONER JACOBS: I'm sorry.

MS. KAUFMAN: That's okay. That issue is in our petition on day one, was included in the issue identification. There's never been a dispute as to whether or not that is an appropriate issue.

Basically, what I hear BellSouth saying is they don't like Ms. Hassett's testimony. They don't like that she's described to the Commission situations where an alternative or an expedited dispute mechanism would be very helpful in opening up the market to local competition.

And I want to be clear here. We are not asking this Commission to resolve, if you will, disputes or specific situations that she describes. What she describes in her testimony are real-world situations that occur every day with BellSouth and are illustrative of the critical need to have some sort of an expedited process to deal with these situations. That's the point of her testimony.

Mr. Carver says, gosh, BellSouth would have to depose all these witnesses. We don't know what she's talking about. I suggest that Mr. Carver discuss this with his own employees.

And I would further tell you, Commissioner, that

BellSouth is scheduled to take the deposition of

Ms. Hassett tomorrow, I believe, where they are free to
inquire in regard to her testimony.

I would also point out to you that BellSouth address issue 15, the expedited dispute resolution issue, both in its direct and its rebuttal, the issue as joined. And we think that it's one that is appropriate for the Commission's consideration, and Ms. Hassett's testimony to which Bell objects, goes to the very heart of that.

The second matter is the deposition of two Bell witnesses that Bell has objected to producing, even though their depositions were noticed for last Friday, I believe, Bell refused to produce them. And we have not yet had an opportunity to depose them.

These two witnesses, again, like Ms. Hassett, are familiar with a lot of these situations in which an expedited dispute resolution process is critical.

Again, not for the Commission to decide whether in situation "A," Bell is right or BlueStar is right. The point is these are facts that the Commission ought to have before it when it decides whether or not some kind of an expedited process would be the way to go.

And finally, I would say to you that BellSouth has shown absolutely no basis for any continuance in this case, as I said earlier, since she's been on the table

since this case started.

It's been the same issue since the case started.

And all the witnesses that should have addressed this
issue have addressed it. Bell will have the opportunity.

As he said, they've already received our discovery responses. They will depose Ms. Hassett, and they can inquire to the areas in her testimony. So, we would tell you that her testimony is entirely proper, should not be stricken.

We should have the opportunity to depose the two Bell employees that Bell has refused to produce. And we should go forward to hearing March 2nd and 3rd.

MR. CARVER: May I respond briefly?

COMMISSIONER JACOBS: I have a couple questions.

15 Mr. Solon and Mr. Aguayo --

MS. KAUFMAN: Yes, sir.

COMMISSIONER JACOBS: They are -- what their depositions would you hope would produce for you?

MS. KAUFMAN: What I hope their depositions would produce are factual circumstances that have occurred between BlueStar and BellSouth, situations that have arisen where dispute was not resolved for "X" number of days.

What happened, you know, we wrote you a letter, you didn't respond. It's illustrative of the continuing

problem that a lot of the competitive carriers have with getting any kind of a speedy resolution from BellSouth.

These two witnesses, it's my understanding, are in the Florida area. And they have knowledge of some of the situations that we think could be addressed by an expedited dispute resolution process.

COMMISSIONER JACOBS: Okay.

MR. CARVER: Just a couple points I'd like to respond to.

First of all, I think you can see that one of the keys to this is in the response that BlueStar filed.

On page 2, paragraph 7, they say, "BlueStar is pleased to find that BellSouth agrees that there are disputes between BellSouth and competitive carriers that require resolution. The correct procedure to quickly resolve these disputes may well be a legal question that does not require testimony."

Then you turn to the next page -- I'm sorry, it's two pages. And they say, "BlueStar does not oppose the Commission instituting some form of a generic proceeding on expedited dispute resolution."

Now, the issue that's been in the case all along is dispute resolution, and it's changed somewhat. I mean, initially BlueStar filed a petition, and they asked for a private mediator.

Our response was that we didn't think that was appropriate. They then asked for the Commission to come up with a form, in effect, that's sort of like a special complaint bureau for carrier complaints that's sort of like consumer complaints. In the motion, they also mentioned a procedure that Georgia has.

So, I mean, the proposal that they've made has changed somewhat, but the issue all along has been the proposal. And the issue all along has been the question of whether the Commission's current complaint procedure is appropriate or whether you need to develop some sort of alternate dispute resolution through staff or otherwise.

And that's a topic for generic docket. We agree with BlueStar on that. But we also think that it's an issue that has to do with legal questions, it has to do with policy questions, and it has to do with procedural questions. It doesn't have to do with getting into the specifics of some dispute that may have occurred and reaching a determination that BlueStar was right or that BellSouth was right or that someone else was right.

COMMISSIONER JACOBS: Okay.

MR. CARVER: And I think when Ms. Kaufman answered your question about these two witnesses, I think that shows the point.

These two witnesses know absolutely nothing

about alternative dispute resolution. She wants to depose them, because she believes that they have knowledge about the collocation dispute that was the subject of the complaint that's now been dismissed.

COMMISSIONER JACOBS: Okay. I understand. Staff?

MS. CLEMONS: Commissioner, Issue 15 states as follows: "What, if any, provision should the agreement include for alternative dispute resolution?"

Because the issue is worded, "if any," there seems to be a question of whether or not an ADR provision would be appropriate. And staff believes that the evidence that BlueStar wants to provide gets to the question of whether or not an ADR provision would be appropriate.

What we hear BlueStar saying is that it wants to provide this evidence, not for the purpose of adjudicating the rights between the parties as it relates to those collocation issues, but just to illustrate the types of disputes that are occurring between the parties that would be right for ADR.

And based on that, staff believes then that the evidence would be appropriate within the proceeding.

Therefore, staff recommends that BellSouth's motion to strike be denied and also its motion for protective order

against the depositions of Mr. Solon and Mr. Aguayo.

Additionally, staff does not believe that

BellSouth -- that a continuance is going to be

appropriate, because BellSouth needs it to conduct further discovery.

Again, BlueStar's purpose for the evidence is to illustrate the need for alternative dispute resolution and not adjudicate the rights of the parties. Therefore, BellSouth is not going to have a need to prove or disprove the allegations.

Further, BellSouth has stated that it has received some responses to discovery requests, I believe, on the 17th. And staff was further persuaded by the fact that Ms. Hassett's deposition is upcoming and BellSouth can gain additional information from the deposition.

COMMISSIONER JACOBS: Just a moment, please.

Okay. As to the motion to strike, I'm going to deny that. As to the protective orders, I'm going to grant those.

I agree that Mr. -- that those witnesses are going to probably just add further facts as to specific instances and they won't -- and the reason I'm going to deny is the testimony goes to why present procedures are inadequate. And I don't think those witnesses will further that.

They may give you some specific facts that you 1 can then attribute to that, but they won't specifically 2 say why an expedited dispute resolution process would have 3 been better in that particular instance or not. I don't 4 think that will happen. 5 So, I'm going to deny the motion for 6 The case has already been prefiled. I don't 7 continuance. think we need to go with a continuance on the case. 8 All righty. That gets us to the actual 9 prehearing order. Want to do this fairly quickly. The 10 procedure is to go through and come up with any 11 corrections. As we go through, we'll go section by 12 section. 13 First of all, any modification as to the 14 appearances in front? 15 Okay. And let's go to section one, conduct of 16 17 proceedings. This is boilerplate. 18 Section 2, the case background. MS. CLEMONS: Excuse me, Commissioner. I did 19 have one question for BellSouth. Did we need to add 20 21 Douglas Lackey? MR. CARVER: No, he won't be trying the case. 22 COMMISSIONER JACOBS: Okay. 23 Section 2, case background, no changes? 24 Section 3, procedure for having confidential 25

That's pretty much boilerplate. information. 1 Section 4, post-hearing procedures. 2 Section 5, prefiled testimony and exhibits. 3 Okav. To section 6, order of witnesses. 4 MS. KAUFMAN: Commissioner, BlueStar does have a 5 6 change there. We filed, I believe it was last week, in regard 7 to substitution of a witness. Mr. Starkey is listed 8 there, but he has a conflict. And instead of Mr. Starkey, 9 we'll have appearing Dr. Gus, G-u-s, Ankum, A-n-k-u-m. 10 will replace Mr. Starkey and adopt Mr. Starkey's 11 12 testimony. COMMISSIONER JACOBS: Okay. Are you still 13 planning on calling Mrs. Solon and Aguayo? 14 MS. KAUFMAN: I think, Commissioner, in light 15 of your ruling, it would be safe to delete them. And 16 additionally, Commissioner, we would offer to speed things 17 along to combine the direct and rebuttal of Ms. Hassett, 18 so she takes the stand one time. 19 COMMISSIONER JACOBS: I'm sorry, say again. 20 MS. KAUFMAN: We would offer to combine the 21 22 direct and rebuttal, only though of Ms. Hassett. So, she will take the stand one time. 23 COMMISSIONER JACOBS: Okay. 24 MS. KAUFMAN: But we would prefer that Dr. Ankum 25

appear twice at this point and time. COMMISSIONER JACOBS: Okay. 2 MR. CARVER: Actually, I was just --3 COMMISSIONER JACOBS: Any objection to that? 4 MR. CARVER: Well, actually, I was just going to 5 suggest that we combine the direct and rebuttal for all 6 the witnesses. I think that's a practice that's typically 7 followed. It makes the proceedings move a lot more 8 quickly. 9 We have, basically, five witnesses and each of 10 them have filed direct and rebuttal. So, instead of 11 having those five witnesses each get up twice, I think if 12 each got up once, it wouldn't result in prejudice to 13 anyone, and would certainly streamline the proceeding. 14 15 COMMISSIONER JACOBS: I don't tend to rule that. I will leave it to the discretion of the parties. If you 16 are inclined to do that though, that would be certainly up 17 18 to you. I think at this -- we'll consider 19 MS. KAUFMAN: 20 it, Commissioner, but right now our inclination is to have 21 Dr. Ankum take the stand twice. COMMISSIONER JACOBS: Okay. You also want to 22 have your witnesses come up for rebuttal and for direct? 23 24 MR. CARVER: For now. We'll look at the 25 possibility of combining some of them, but if we're not

going to do it across the board, I'd like to think a 1 little bit more about who we'd want to combine. 2 COMMISSIONER JACOBS: Maybe we can reach a happy 3 medium by then. Okay. Any other changes to the order of 4 witnesses? 5 Okay. Then we'll go to section 7, basic 6 7 positions. MR. GOGGIN: Commissioner, we have one change on 8 line 2 of BellSouth's position. The word "represent," 9 believe, should be "represents" to agree with the subject 10 "each." 11 COMMISSIONER JACOBS: Okay. Any other changes? 12 Okay. Section 7, issues and positions. 13 Okay, we'll just go issue by issue. Issue one 14 is, I'll take it, resolved. 15 Now, I note that there are several issues in 16 here that are resolved, but I haven't seen a stipulation. 17 Will you all do a stipulation on those or do we need one? 18 MR. CARVER: Let me try to address that. I'm 19 20 not sure at this point what's resolved. Here's what's happened. We originally had 16 issues. Four of them were 21 resolved before the issues were identified. So, that left 22 us 12. 23 One was removed by a legal ruling. Of those 24

other 11, I think BlueStar has unilaterally removed two,

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which is number 2, line sharing, and number 11, which also relates to line sharing, which leaves us 9.

On those other 9 issues, we don't have a stipulation and we don't have a settlement agreement and I'm not sure if we're going to have one. And a lot of those, BlueStar has listed them as being resolved, but I'm not sure why, because we don't have a settlement on them.

COMMISSIONER JACOBS: Okay.

MR. CARVER: So, I think the ones that BellSouth
-- I'm sorry, the ones that BellSouth has listed as being
resolved, I think, are the ones that have been resolved
for a while, except for 2 and 11.

MR. CUTLER: Your Honor, there are numerous issues where BellSouth has sent us language. We've said fine. And we don't seem to be able to get it signed and stipulated to. There are other issues where we're very close, and we just need to go a little bit farther. And that may be the reason why the stipulation isn't signed.

COMMISSIONER JACOBS: Okay. For today's purposes, absent a signed stipulation, the issues that remain, you're free to present a stipulation from now until trial, from now until the the time of the hearing, and those issues can be removed.

Is that --

MS. CLEMONS: That's fine, Commissioner.

COMMISSIONER JACOBS: I think that's by our 1 procedure, but I'm not going to remove something, if we 2 don't have an agreement that's pretty ironclad to remove 3 it. 4 MR. CARVER: Yes, sir. Except for 2 and 11, to 5 the extent that BlueStar wants to remove this to some 6 future generic proceeding, I think that they can probably 7 do that unilaterally. 8 COMMISSIONER JACOBS: Is it your position that 9 you want to withdraw those issues? 10 MR. CUTLER: Yes, Your Honor. 11 COMMISSIONER JACOBS: Okay. And you understand 12 there is no, at the moment, there is no generic --13 MR. CUTLER: All we're making clear is that it's 14 basically the court equivalent of a withdrawal without 15 prejudice. 16 17 COMMISSIONER JACOBS: Okay. MR. CUTLER: In other words, BellSouth has, as 18 we requested, started generic line-sharing negotiations. 19 Whether or not those end in an agreement, we don't know. 20 If they don't, we presume they'll be generic dockets in 21 22 various states, and we intend to participate in those. 23 COMMISSIONER JACOBS: Okay. MR. CARVER: Basically, we're trying to handle 24 line sharing through industry meetings. And BlueStar and 25

a number of other new entrants have attended those. 1 So, we're hoping we can work all that out 2 informally, but if we can't, then I'm sure somebody will 3 file a petition for a generic proceeding. 4 COMMISSIONER JACOBS: Okay. 5 So, issue one is resolved, but remains until 6 formally stipulated. And parties can file positions. Ιf 7 you want to have positions on those, I'd like to have 8 those in pretty quickly. So, if it's not going to go away 9 by written stipulation, I'd like to have positions on 10 11 those. Issue one, Your Honor, is the 12 MR. CUTLER: subject of the disputed amendment where we're having 13 trouble deciding what the meaning of it is. 14 COMMISSIONER JACOBS: I can understand that. 15 MR. CUTLER: The language in the amendment, 16 which both parties I think signed, deals with the terms 17 and conditions for provision of a UCL. And I don't think 18 there's any disagreement about that. 19 COMMISSIONER JACOBS: Yeah, but definition can 20 always be a problem. So, I'll leave that for now. Unless 21 22 you're prepared to stipulate to it, I'll leave the issue. 23 MR. CUTLER: Again, we are happy to accept the language in there. What is disputed is the pricing. 24 COMMISSIONER JACOBS: Oh, I understand. I'm

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sorry, I misunderstood. So, the actual definition that's 1 being proposed is acceptable to you. 2 MR. CUTLER: Yes, Your Honor. 3 MR. CARVER: Commissioner, there are actually 4 four issues that when the procedural order came out, the 5 issue list attached to the order had those listed as being 6 resolved. And I think both parties have treated those as 7 pretty much being out of the case. Those are issues 8 number 1, 8, 12, and 13. 9 COMMISSIONER JACOBS: Okay. 10 MR. CARVER: And I'm not sure that we have a 11 signed stipulation, but I think we can pretty much agree 12 that the understanding we have on those is not going to 13 fall apart. 14 COMMISSIONER JACOBS: Okay. If that's 15 acceptable to you all, then that's fine with me and 16 acceptable to staff. Okay. And then 2-A and B are 17 18 withdrawn. So, we're at 3. Any revisions to the positions 19 of the parties there? 20 MR. CARVER: None for BellSouth. 21 22 COMMISSIONER JACOBS: Okay. Issue 4, no revisions? 23 24 MR. CARVER: No. COMMISSIONER JACOBS: Issue 5. I assume issue 5 25

is one where it is not mutually resolved on both parties.

BellSouth, you indicate that.

MR. CARVER: Yes, sir.

COMMISSIONER JACOBS: Okay.

MR. CUTLER: Well, I -- is there any way to get, with the assistance of staff, something to get this taken off the table?

We have passed language back and forth that

BlueStar has said yes to about four different times, and

it never seems to end up in a signed document. I guess

I'm puzzled about why we need to put on evidence about it.

MR. CARVER: If I may.

What occurred is that we set down and we thought we had an agreement in principle. And on, I believe, on the 11th we wrote up what we thought the agreement was, and we sent it to BlueStar.

Last week, after the deposition, Mr. Cutler gave me back their response, which changed what he had written up substantially. In fact, during the deposition at a break, I think, staff asked the parties if we were likely to settle these. And I said yes, because I thought we were going to just get back a signed agreement; that what we got back instead was something that was changed. So, now I guess we're going have to negotiate those some more, because BlueStar --

MR. CUTLER: There was absolutely no change in 1 the language on that issue, other than the fact that it 2 originally had a promise to complete something by the end 3 of January. And since it was February 10th, and it hadn't 4 been done, we simply took that deadline out. 5 COMMISSIONER JACOBS: Okay. Here's what I 6 resolve. Again, I'm not going to remove it. I'm going to 7 leave it here, but you guys are absolutely free to present 8 a stipulation on that which, in your mind, resolves it. 9 For today's purposes, I'm not going to remove it. 10 Okay, issue --11 MS. CLEMONS: Commissioner, in case the parties 12 can't reach a stipulation, then I think BlueStar needs to 13 file a position. 14 COMMISSIONER JACOBS: Yeah, you want to make 15 sure you get a position in, if you don't resolve it before 16 trial, before hearing. 17 Okay. Issue 6, any changes there? It includes 18 subparts A and B. Same on issue 6-B, I assume. 19 I think that's in the same MS. KAUFMAN: 20 situation. We think it's resolved and, I guess, Bell does 21 not. 22 No, it's not resolved. MR. CARVER: 23 COMMISSIONER JACOBS: Okay. Same situation 24

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there.

And C.

MR. CUTLER: Your Honor, is it too late for a formal request for a mediation in this case?

COMMISSIONER JACOBS: It's my understanding that what the process we've handled is that you go through all the mediation that's necessary. When we go to trial, the assumption is that you have reached an impasse.

Is that not the process?

MS. CLEMONS: I believe, Commissioner, that the parties can mediate anytime up until the trial.

COMMISSIONER JACOBS: You're free to mediate up until trial. And if you reach an agreement, then that's fine, but we go to hearing, arbitration hearing, and interconnection agreement, which I personally have always kind of had some issues with, but that's the process we follow.

But we go to hearing and arbitration for interconnection agreement assuming that the parties are at an impasse on an issue. In fact, part of the purpose of today is whatever mediation the Commission can do, it does do.

But in the role of a mediator you don't postulate resolutions to issues. What you do is you motivate the parties to come to an agreement. And my understanding of mediation, if they don't come to an agreement, then that issue remains.

MR. CUTLER: Well, there are at least three different issues in this case where things have been offered in settlement discussions that we've said yes to that don't seem to be resolved here, including things that witnesses have already testified to..

And I don't want to get to the merits, but I think that we could save the Commission quite a bit of time here if next week after discovery is finished we at least have a conference call with someone present from the Commission, perhaps staff, to mediate these issues. And all these ones that BlueStar says are resolved should fall off the table.

COMMISSIONER JACOBS: Okay. Give me a moment.

MS. KEATING: Commissioner, I just want to point out, we do have certificated mediators here at the Commission.

And I realize there is a short amount of time before the hearing, but if the parties are truly interested in pursuing that along a twin track with the hearing process, we can certainly put them in touch with David Smith, who heads up our appellate division. And he does have some attorneys that are mediators.

COMMISSIONER JACOBS: Okay. Is there any formal notice requirement for that?

MS. KEATING: No. There are some forms, I

believe, but there's no notice requirement. 1 COMMISSIONER JACOBS: Okay. Then, Mr. Cutler, 2 will you get with Ms. Keating afterwards, and I'm sure 3 she'll fill you in on the details. And you can pursue 4 that at your convenience and schedule. 5 MR. CUTLER: Thank you, Your Honor. 6 COMMISSIONER JACOBS: Okay. Very well. 7 So, we were at, let's see, 6-A, B, C, D. All of 8 9 those issues seem to be in the same posture. Issue 7, same again, same kind of posture there. 10 MR. GOGGIN: I just have a very small correction 11 to make in BellSouth's position. And it looks as if there 12 was something that was incorrect in the prehearing 13 statement that we filed, but if you could strike the 14 bracket word "sic" and add the word "of," I believe that 15 would correct the sentence. 16 COMMISSIONER JACOBS: Above? 17 MR. GOGGIN: The sentence should read, 18 "BellSouth proposes to include a time interval for the 19 provisioning of xDSL loops and UCLs." 20 21 COMMISSIONER JACOBS: I see. MR. CUTLER: Your Honor, issue 7 is the perfect 22 example of something that I can't understand. 23 They have sent us language which, basically, 24 says there's a nonguaranteed interval. We said, yes. Why 25

we can't get it signed by both parties, I can't figure out.

MR. CARVER: I can't respond to that. I have not been directly involved in negotiations, but I spoke to our negotiator Friday, and I mentioned to her that we had a prehearing conference coming up and I'd like her to clarify what's settled and not settled.

And her response was that we wrote up what we believed was a settlement agreement and that we sent it to Mr. Cutler and he changed every issue.

Now, I don't have personal knowledge of that, but that is what a BellSouth representative has told me. So, I mean, I guess, if Mr. Cutler wants to talk about this everytime we get to a new issue, we can, but across the board that's my response. We just don't have a settlement.

COMMISSIONER JACOBS: Okay.

MR. CUTLER: I think this Commission is being faced with what borders on bad faith, and it should try to do something about it to get the issues off the table.

COMMISSIONER JACOBS: Okay.

Well, the issues will be gotten off the table by our decision, our final decision. As to those issues that remain, when we go to hearing we will take evidence on those, and we'll make a decision as to resolve the issues

that remain to be decided. 1 That's how we resolve them, but in terms of 2 before hearing and the parties not wanting to put on 3 evidence on the issue that, again, we're going to leave 4 that pretty much in your court. And again, we'll offer 5 the assistance that we've done already. 6 Issue 8 is on -- that was on the list Okav. 7 that is, indeed, resolved. 8 Issue 9, okay. No changes there. 9 Issue 10, subparts A, B, C, D. 10 Now, in this instance, it's my understanding 11 that you're going to revise -- you're going to file 12 supplemental testimony. Will you also revise your 13 positions on these issues as well? 14 MS. KAUFMAN: I don't think that our positions 15 are going to be revised, no. 16 COMMISSIONER JACOBS: Okay. All righty. 17 Issue 11 is on the list. I'm sorry, no, it's 18 not. 19 20 Issue 11. MR. GOGGIN: Issue 11 is one of the two issues 21 22 that I believe BlueStar has to withdraw. Issue 2 and Issue 11, they're related to line sharing. 23 COMMISSIONER JACOBS: You're right. 24

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correct, is it, Mr. Cutler?

1	MR. CUTLER: Yes, Your Honor.
2	COMMISSIONER JACOBS: Okay. And 12 is resolved
3	and 13.
4	Issue 14. That stays pending, ruling upon a
5	ruling on a reconsideration.
6	And Issue 15, no changes there.
7	Issue 16, no changes there.
8	Okay. We'll move to section 9, the exhibit
9	list. Any modifications? I assume responsive for
LO	Mr. Starkey's exhibits will also be Dr. Ankum?
L1	MS. KAUFMAN: That's right.
L2	MR. GOGGIN: I'd just like to note, for the
13	record, that BellSouth would have no objection to
14	substituting Mr. Ankum's resume for Mr. Starkey's. And it
15	would be helpful if we could get a copy of it, in fact,
16	before Thursday's deposition.
17	MS. KAUFMAN: We will do our best to include it
18	in the supplemental testimony.
19	MR. GOGGIN: Thanks.
20	COMMISSIONER JACOBS: Okay. Any other revisions
21	to the exhibit list?
22	And under proposed stipulations, we can put
23	issues 1, 8, 12 and 13.
24	And on the pending motions, they are resolved as
25	per our rulings today.

1	Any other matters that come before?
2	MS. KAUFMAN: Commissioner, we have one small
3	matter, and that is there's a request for a qualified
4	representation pending for Mr. Cutler in this case.
5	COMMISSIONER JACOBS: Okay. We'll grant that.
6	MR. CUTLER: Thank you, Your Honor.
7	COMMISSIONER JACOBS: And did we resolve our
8	other issue?
9	MR. CARVER: The discovery issue?
10	COMMISSIONER JACOBS: Yeah.
11	MR. CARVER: No, but no. We didn't resolve
12	it, but I'm not sure we're going to get it resolved today.
13	I think probably I'll have to talk to
14	Mr. Cutler, and then I'll have to decide whether to file a
15	Motion to Compel.
16	COMMISSIONER JACOBS: Okay. I'm available.
17	MR. CARVER: Thank you.
18	COMMISSIONER JACOBS: If there's nothing else,
19	prehearing is adjourned.
20	MS. KAUFMAN: Thank you, Commissioner.
21	(Adjourned at 12:50 p.m.)
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1	STATE OF FLORIDA)
2	: CERTIFICATE OF REPORTER
3	COUNTY OF LEON)
4 5 6 7	I, KORETTA E. STANFORD, RPR, Official FPSC Commission Reporter, DO HEREBY CERTIFY that the Prehearing Conference in Docket No. 991838-TP was heard by the Florida Public Service commission Staff at the time and place herein stated; it is further
8	CERTIFIED that I stenographically reported the said proceedings, that the same has been transcribed by me; and that this transcript, consisting of 112 pages,
9	
10	constitutes an accurate transcription of said proceedings.
11	DATED this 24th day of February, 2000. KORBITA E. STANFORD, RRR FPSC Official Commission Reporter
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