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October 8, 2004

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

Re: Docket No.: 040301-TP
Petition of Supra Telecommunications and Information Systems, Inc. for Arbitration with BellSouth Telecommunications, Inc.

Dear Ms. Bayó:

Enclosed are an original and fifteen copies of BellSouth Telecommunications, Inc.'s Rebuttal Testimony of Ken L. Ainsworth and D. Daonne Caldwell, which we ask that you file in the captioned docket.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

E. Earl Edenfield, Jr. /BN

Enclosure

cc: All Parties of Record
Marshall M. Criser III
Nancy B. White
R. Douglas Lackey

CERTIFICATE OF SERVICE
Docket No. 040301-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Electronic Mail, (*) Federal Express and U.S. Mail this 8th day of October, 2004 to the following:

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E. Earl Edenfield, Jr.

(+) Signed Protective Agreement

BELLSOUTH TELECOMMUNICATIONS, INC.

REBUTTAL TESTIMONY OF KEN L. AINSWORTH

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 040301-TP

OCTOBER 8, 2004

Q. PLEASE STATE YOUR NAME, YOUR BUSINESS ADDRESS, AND YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH").

A. My name is Kenneth L. Ainsworth. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. My title is Director –Interconnection Operations for BellSouth.

Q. ARE YOU THE SAME KENNETH L. AINSWORTH WHO CAUSED TO BE FILED DIRECT TESTIMONY BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION ("PSC") IN THIS PROCEEDING?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to counter many of the statements made by Supra Witness Mr. David Nilson, some which are unclear and some which are blatantly wrong.

Q. ON PAGE 13, LINES 18 AND 19 OF MR. NILSON'S TESTIMONY, HE DISCUSSES HIS VIEW OF BELLSOUTH'S OBLIGATION TO COOPERATE IN TERMINATING

SERVICES OR UNBUNDLED NETWORK ELEMENTS ACQUIRED FROM BELLSOUTH AND TRANSITIONING CUSTOMERS TO SUPRA'S SERVICES.

DOES BELLSOUTH COOPERATE WITH SUPRA IN TERMINATING AND TRANSITIONING SERVICES?

A. Yes. BellSouth meets its obligations under the terms of the Interconnection Agreement between Supra and BellSouth ("Agreement") and cooperates with Supra in terminating and transitioning services. BellSouth's cooperation in migrating Supra's customers from BellSouth's switches to Supra's switches is obvious based on the fact that over 18,000 Unbundled Network Element-Platform ("UNE-P") arrangements have been transitioned, by means of hot cuts, to Supra's network as Unbundled Network Element-Loops ("UNE-L") since November 2003.

Supra's suggestion that a hot cut is a "termination" of a UNE-P arrangement is misguided and reflects a lack of basic network understanding on their part. Clearly Supra does not want the service provided to its end users terminated; instead, Supra obviously desires (evidenced by literally thousands of conversions from UNE-P arrangements to UNE-L arrangements) to convert from one service arrangement (UNE-P) to another (UNE-L). If Supra truly desires that its end users' services be terminated Supra could simply send to BellSouth a Local Service Request ("LSR") to disconnect the UNE-P for any Supra end users that Supra wants disconnected. Indeed, from an operations standpoint Supra is not terminating its service with BellSouth, rather Supra was transitioning its customers' service from one arrangement (that is, UNE-P) to a different service arrangement (that is, UNE-L) as was perfectly obvious to Supra during the period in which those transitions took place. Furthermore Supra understood that this process required work activities on

BellSouth's part as well as Supra's based on face-to-face meetings I attended with Supra's representatives (including Mr. Nilson) to explain in detail BellSouth's hot cut process. BellSouth Witness Daonne Caldwell discusses in more detail in her testimony the term "termination" as that term is used in the Agreement. In doing so, Ms. Caldwell explains how Mr. Nilson has taken words out of context and has distorted the intent of that section of the Agreement.

Q. ON PAGE 14, LINE 17 OF HIS TESTIMONY, MR. NILSON STATES "IT FOLLOWS THAT THE OBLIGATION IN GT&C SECTION 3.1 IS TO BE FULFILLED AT BELLSOUTH'S EXPENSE". DO YOU AGREE?

A. Absolutely not. Regarding hot cuts, BellSouth Witness Daonne Caldwell explains that the Commission has set rates that allow BellSouth to recover its expenses plus a reasonable profit, which is consistent with §252(d) of the 1996 Act. However, from a network operations perspective, I can assure the Commission that BellSouth incurs costs related to Supra's request to convert UNE-Ps to UNE-Ls. BellSouth's processing costs are the same for any similar UNE-L migration process whether from retail, resale or UNE-P service. For BellSouth to perform work for which no cost recovery is allowed, as Supra demands in this case, would be both discriminatory (since other CLECs pay the appropriate charges for conversions) as well as contradictory to the 1996 Act and the Commission's cost recovery decisions.

Q. ON PAGE 15, LINES 8-12 OF MR. NILSON'S TESTIMONY, HE ALLEGES THAT A CROSS-CONNECT ELEMENT IS NOT A PART OF A UNE-P, AN ENHANCED EXTENDED LINK ("EEL"), OR A POINT-TO-POINT DS1 SERVICE

ARRANGEMENT CONSTRUCTED FROM UNBUNDLED NETWORK ELEMENTS. IS MR. NILSON CORRECT?

A. Partly. Mr. Nilson is correct that a UNE-P arrangement does not have a collocation cross-connect element since the UNE-P arrangement is not extended to a CLEC's collocation area. Remember the so-called UNE-P is a combination of an unbundled local switching port and a loop, both of which BellSouth rather than a CLEC provides. However to provision either an EEL arrangement or a "point-to-point T1 constructed from UNEs", a collocation cross-connect element is required to extend these UNE products into a CLEC's collocation arrangement.

Q. BEGINNING ON PAGE 15 AT LINE 19, MR. NILSON TESTIFIES THAT SUPRA IS NOT REQUESTING THAT BELLSOUTH REPLACE THE UNE LOOPS SERVING ITS CUSTOMERS WITH NEW FACILITES BUT INSTEAD WANTS TO DISCONNECT THE UNBUNDLED LOCAL SWITCHING ELEMENT AND CONTINUE USING EXACTLY THE SAME LOOP FACILITY AS IS CURRENTLY USED TO SERVE A GIVEN SUPRA END USER TODAY. PLEASE COMMENT.

A. This appears to be an attempt by Supra to oversimplify the conversion process that must take place for the customer to receive dial tone from a Supra switch. First, it is BellSouth's policy to reuse the loop facility that served a given end user when that end user was provided service via a UNE-P arrangement where doing so is technically feasible. However, it appears to me that Supra is attempting to confuse the term "loop" as used as part of the composition of a UNE-P arrangement and "loop" provided as a "standalone" UNE-L. While both elements use loop facilities, the manner in which the

loops are used is different. For a UNE-P arrangement, the loop is connected either by jumpers on BellSouth's Main Distribution Frame ("MDF") or, in the case of Integrated Digital Loop Carrier ("IDLC"), the transmission facilities carrying the individual, multiplexed loops are connected directly to BellSouth's switch. In either arrangement, a "cross-connect" is not required since neither the loop nor the switch port are extended to the CLEC's collocation arrangement. To provide the loop as a UNE-L arrangement, however, the loop must be coupled with a collocation cross-connect such that the loop is extended to the CLEC's collocation arrangement, and, ultimately, to the CLEC's switching equipment.

Q. ON PAGE 20, LINES 7-11 OF HIS TESTIMONY, MR. NILSON SUGGESTS THAT A NEW NONRECURRING RATE SHOULD BE CREATED THAT APPLIES FOR A HOT CUT FROM UNE-P TO UNE-L. DO YOU AGREE?

A. No. While this question is perhaps better answered by BellSouth Cost Witness Daonne Caldwell, it is my understanding that other CLECs are paying the existing rates for this type of work regardless of whether the hot cut is from a BellSouth retail or resale arrangement to a UNE-L arrangement or whether the hot cut is from a UNE-P arrangement to a UNE-L arrangement. In this regard, Supra's rates for this same activity should receive equal treatment. This appears to be an attempt by Supra to either avoid paying altogether for the hot cuts it requests or a belated challenge to the current non-recurring rates for hot cuts previously set by this Commission.

Q. MR. NILSON SUGGESTS ON PAGE 20, LINES 8-11 THAT "THE COMMISSION SHOULD SET A NEW, REASONABLE RATE FOR A HOT CUT WHEREIN THE

LINE INVOLVED IS SERVED VIA COPPER OR UDLC (I.E., NON-IDLC LINES), AS WELL AS A NEW, REASONABLE RATE FOR A HOT CUT WHEREIN THE LINE INVOLVED IS SERVED VIA IDLC." DO YOU AGREE?

A. No. The Commission has already ordered blended hot cut rates in a prior cost docket which also included Commission cost reductions resulting from changes in assumed work times and the like. The blended rate ordered by the Commission allowed for competitive benefits to reach the vast majority of end users, regardless of any specific network architecture. Mr. Nilson is now requesting that the current blended rate be separated into non-IDLC and IDLC rates (based on the assumed different costs encountered for hot cuts requiring field dispatch compared to hot cuts that do not require a field dispatch). Such differentiated rates would immediately reduce the opportunity for competition for some end users (that is, those end users served by IDLC for whom a field dispatch would be required in order to perform the hot cut.) Surely, it is not the Commission's goal to exclude from competition certain end users based solely on the serving architecture. Further, if such differentiated rates were put into place, new work activities would be required and thus new costs would accrue for which BellSouth should be allowed recovery. For example, additional processes would need to be developed to identify whether a given end user's service is currently provided via IDLC and would thus require a dispatch. Since some CLECs might cancel their requests for hot cuts once it were determined that a dispatch would be required, there must also be a mechanism in place for BellSouth to recover its costs for those cancelled orders.

Q. DID BELLSOUTH REVIEW MR. NILSON'S NON-RECURRING RATE RECOMMENDATION FOR NON-IDLC LINES AND IDLC LINES TO DETERMINE

WHETHER THERE ARE COST DIFFERENCES RELATED TO HOT CUTS?

Yes. Ms. Caldwell, BellSouth's cost witness, and I studied this idea over the last few weeks in an attempt to estimate costs and identify separate processes that would be applicable were differentiated rates to be established to replace the existing, blended non-recurring rate. Ms. Caldwell's testimony will address the findings of our study. From a process perspective, an additional process would have to be developed and implemented to allow the identification of IDLC lines and non-IDLC lines prior to a CLEC's submitting its local service request. Otherwise, additional cost would be incurred by BellSouth for the work it performs up to the point the CLEC cancels its requests for which a dispatch would otherwise be required. From an operations perspective, I believe overall processing costs would increase due to differentiating the current process (and resultant rates) into separate processes for hot cuts requiring field dispatches and for hot cuts that do not require a field dispatch. As I noted earlier, since a CLEC might choose to serve customers from its own switches only in cases where a dispatch is not required, some customers will be denied competitive choices they would otherwise enjoy. For any CLEC to successfully manage a facilities-based serving strategy in such a situation would be extremely difficult if not impossible.

Q. ON PAGE 21, LINES 17-18, MR. NILSON REFERENCES EVIDENCE PRESENTED BY BELLSOUTH IN THE FLORIDA TRIENNIAL REVIEW ORDER ("TRO") PROCEEDINGS THAT DISCUSSED BELLSOUTH'S HOT CUT PROCESS. WAS THIS EVIDENCE INTENDED TO DEMONSTRATE ALL OF THE WORK THAT MUST BE PERFORMED WHEN UNE-P SERVICE IS CONVERTED TO UNE-L SERVICE?

A. No. The intent of the TRO evidence to which Mr. Nilson refers was to explain BellSouth's hot cut processes in a simple, easy to understand manner and to demonstrate that BellSouth has effective, seamless, and efficient hot cut processes, including its batch hot cut process, which can be used to accomplish conversions from BellSouth's switch to a CLEC's switch. It stands to reason that if Supra is seeking free conversions or a lower rate for its conversions, Supra would benefit from oversimplifying the work activities involved in the process. In fact, on Page 21, lines 7-9, of Mr. Nilson's testimony, Supra acknowledges the oversimplification:

"Q. IS THIS AN OVERSIMPLIFICATION OF THE ACTUAL BELLSOUTH PROCESS?

A. Perhaps, ..."

Supra provides no specific reference to substantiate its claim that "the hot cut process is defined by just five (5) work activity steps performed by three (3) departments."

Q. ON PAGE 22, LINES 1-4 OF HIS TESTIMONY, MR. NILSON STATES "THE PROCESS WOULD HAVE TO AVOID UNNECESSARY DISCONNECTIONS WHOSE SOLE PURPOSE WOULD BE TO RAISE THE COSTS TO SUPRA". PLEASE COMMENT.

A. First, it is irrefutable that to move a given loop from BellSouth's switch to a CLEC's switch, a physical disconnection and reconnection must take place. BellSouth's hot cut process was carefully designed to minimize the amount of time an end user is disconnected from one switch but not yet connected to another. Many of the work steps are meant to ensure that minimal time by verifying the accuracy of both the computerized

records in BellSouth's databases as well as the physical wiring within BellSouth's network. BellSouth does not, as might be implied from Mr. Nilson's statement, unnecessarily disconnect customers in order to raise Supra's costs of doing business.

Q. ON PAGE 23 LINES 6-10 AND FOOTNOTE 32 OF HIS TESTIMONY, MR. NILSON ALLEGES THAT YOU TESTIFIED THAT A COST STUDY WAS "LOWER" THAN THE "A.1.1 AND A.2.1". ARE YOU AWARE OF THE TESTIMONY THAT MR. NILSON REFERENCES?

A. No. In the Florida TRO Docket 030851-TP, my reference to something being "lower" was the volume of UNE-P to UNE-L conversions in the context of manpower requirements in BellSouth's ordering and provisioning centers.[1] I do not recall any testimony regarding a cost study being "lower." If Mr. Nilson can provide a specific reference in my testimony, I would be happy to respond.

Q. ON PAGE 23, LINES 11-16, MR. NILSON ALLEGES THAT BELLSOUTH HAS TRIED TO PORTRAY ITS HOT CUT PROCESS DIFFERENTLY IN THE TRO PROCEEDINGS THAN IT HAS IN THIS PROCEEDING. IS HE CORRECT?

A. No. Mr. Nilson criticizes a process that has been in existence for more than seven (7) years. Both the FCC and nine state commissions (including this Commission) have consistently found that BellSouth's hot cut process is efficient, effective and seamless. Likewise, third party tests of BellSouth's hot cut process conducted as part of BellSouth's Section 271 Application and as part of the TRO proceedings reached exactly that same

[1] See Florida Dkt. 030851-TP, Direct Testimony of Kenneth L. Ainsworth, page 30, line 10, December 4, 2003.

conclusion. Apparently, Mr. Nilson believes his unwarranted criticism of BellSouth's hot cut processes will somehow lead this Commission to a conclusion that Supra ought not to be required to pay Commission-approved rates for services Supra requests and BellSouth renders. The hot cut process has been discussed in numerous forums, has been demonstrated for many CLECs and Commissions, and reams of testimony have been filed, all leading to the same conclusion – BellSouth's process is effective, efficient, and seamless.

Q. ON PAGE 24, LINES 16-26, AND AGAIN ON PAGE 33, LINES 9-16, OF HIS TESTIMONY, MR. NILSON DISCUSSES ALLEGED DISCREPANIES BETWEEN BELLSOUTH'S COST STUDIES AND ITS TRO TESTIMONY. HE STATES THAT THE COST STUDY MAKES NO MENTION OF THE CUSTOMER WHOLESALE INTERCONNECTION SERVICES ("CWINS") ORGANIZATION BEING INVOLVED IN HOT CUTS. PLEASE COMMENT.

A. Again, Mr. Nilson jumps to an erroneous conclusion. Frankly, Mr. Nilson should have been aware that BellSouth changed the name of its so-called "UNE Centers" to CWINS Centers in the Year 2000. Regardless, the functionalities of the centers did not change as a result of that name change.

Q. MR. NILSON FURTHER ALLEGES THAT EITHER THE CENTRAL OFFICE FORCES OR THE OUTSIDE FORCES ARE INVOLVED IN HOT CUTS BUT THAT THERE ARE NOT CASES WHERE BOTH CENTRAL OFFICES AND OUTSIDE FORCES WOULD BE REQUIRED TO PERFORM WORK STEPS ON THE SAME HOT CUT. IS HE CORRECT?

A. No. Mr. Nilson should apparently review the flow charts used to describe BellSouth's hot cut process, a copy which I believe to be in his possession. The decision block referenced in his testimony is preceded by the central office personnel performing preliminary hot cut activity (installing jumper, verifying BellSouth and CLEC dial tone). The central office always has pre-conversion work to perform for a hot cut regardless of whether the actual hot cut takes place in the central office or in the field. Therefore, Mr. Nilson is simply wrong.

Q. ON PAGE 25, LINES 1-3 AND AGAIN ON PAGE 27, LINES 13-18, MR. NILSON ALLEGES THAT THE HOT CUT PROCESS DISCUSSED IN THE TRO PROCEEDING AND THE WORKFLOW PROCESS ESTABLISHED FOR THE BELLSOUTH COST STUDY ARE NOT THE SAME AND THAT DIFFERENT DEPARTMENTS ARE INVOLVED. PLEASE COMMENT.

A. There are no substantive differences in the hot cut workflow used in the TRO proceeding and the workflow which supports BellSouth's cost study. The workflow used in the TRO proceeding was not intended to be used to support the cost study. Instead, in the TRO proceedings, this Commission was required by the FCC's now vacated TRO rules to adopt a batch hot cut process. BellSouth's batch hot cut process workflow was described in words and shown pictorially and I presented a simple overview of the kinds of work steps involved for a hot cut. This flow did not, and was not intended to, show all of the departments or work steps that are involved in the end to end process of assigning, engineering, and/or designing the loops for a hot cut. The assumption for the workflow used in the TRO proceeding to which Mr. Nilson refers was that many other work steps

had already been successfully performed.

Q. MR. NILSON, ON PAGE 30, LINES 26-31, AGAIN ALLEGES THAT THE HOT CUT PROCESS DEFINED BY THE CURRENT AGREEMENT DOES NOT MATCH BELLSOUTH'S COST STUDY. PLEASE COMMENT.

A. It is unclear to me what point Mr. Nilson is trying to demonstrate in this section of his testimony. He claims that his exhibit DAN – 29 is the flow chart that BellSouth created for the current interconnection agreement between Supra and BellSouth. He then goes on to state that the hot cut process defined in the current agreement is more recent than the cost study BellSouth filed on August 16, 2000. The document date on the exhibit filed by Mr. Nilson is April 18, 2000, and the document is marked as "Issue 2". This indicates that there was a prior issue of the document that was in place before April 18, 2000. However, the Issue 2 document was clearly in place four (4) months before BellSouth filed the cost studies on August 16, 2000. That Mr. Nilson describes a document created on April 18, 2000 as "significantly newer" than the cost study filed on August 16, 2000 is surprising yet irrelevant

Q. ON PAGE 31, LINES 18-20, IN DISCUSSING BELLSOUTH'S COMPLETION NOTIFICATION PROCESS, MR. NILSON ALLEGES THAT BELLSOUTH REPLACED A "MANUAL PHONE CALL" WITH AN E-MAIL NOTIFICATION PROCESS. IS HE CORRECT?

A. No, he is not correct. Mr. Nilson is again attempting to confuse the issue by mixing two different processes. The manual phone call that Mr. Nilson speaks of is used when a

CLEC, such as Supra, places an order for a coordinated hot cut. This phone call from a CWINS technician to the CLEC has not been replaced by an "e-mail notification". BellSouth still makes a phone call to the CLEC when a coordinated hot cut has been completed. The e-mail notification is used when Bellsouth performs a non-coordinated hot cut. This e-mail notification did not replace a phone call but, ironically, was put in place at Supra's request to be used instead of a facsimile completion notification. BellSouth now offers, facsimile, e-mail or web postings, whichever the CLEC prefers, as completion notification of its non-coordinated hot cuts.

Q. MR. NILSON, ON PAGE 35, LINES 23-24 OF HIS TESTIMONY, BASES HIS SUGGESTED "MAXIMUM" COST FOR A HOT CUT ON YOUR TRO TESTIMONY THAT THE CENTRAL OFFICE FORCES TAKE JUST TWO (2) MINUTES, 39 SECONDS ("2:39") TO ACTUALLY PERFORM A HOT CUT. DO YOU AGREE WITH HIS ASSERTION?

A. Absolutely not. Mr. Nilson is at best trying to mislead the Commission with his testimony here. My TRO testimony actually stated "Due to the pre-conversion work that BellSouth performs before the actual transfer from switch to switch, the average conversion time to make this physical transfer since January 2003 has only averaged 2:39 minutes in Florida according to BellSouth Service Quality Measurements ("SQM") reports. This indicates the end-user would be without calling capability for only 2:39 minutes." Nowhere did I state that the central office forces take just 2:39 to actually perform all of the work steps required for a successful hot cut. Mr. Nilson apparently failed to read, or intentionally ignored, the part of the sentence that references the significant amount of pre-conversion work that BellSouth must perform to prepare for a

hot cut. The 2:39 minutes which I referenced was intended to show the actual out of service time that an end user experiences during a hot cut.

Q. AGAIN ON PAGE 36, LINES 6-16, MR. NILSON TRIES TO MAKE SOME CORRELATION BETWEEN THE 2:39 FOR THE ACTUAL OUTAGE TIME OF A HOT CUT AND THE FULL AMOUNT OF WORK THAT MUST BE PERFORMED TO ACCOMPLISH A HOT CUT. PLEASE COMMENT.

A. As I stated above, the 2:39 referenced in my testimony is only the time it takes to make the physical transfer once all wiring steps and testing leading up to the due date have been completed. That timeframe certainly does not represent the entire amount of work that must be accomplished to prepare for and perform a hot cut, and I have never stated otherwise.

Q. ON PAGE 40, LINES 7-10 OF HIS TESTIMONY, MR. NILSON ALLEGES THAT BELLSOUTH IS ONLY USING TWO (2) OF THE EIGHT (8) OPTIONS FOR CONVERTING IDLC LINES TO UNE-L AND BY SUCH IS "IGNORING" THE OTHER SIX (6) OPTIONS. DO YOUR AGREE?

A. No, I do not agree. BellSouth will use any of the eight (8) alternatives that Mr. Nilson references. Alternatives 1, 2 and 3 are utilized when the CLEC is requesting either a Service Level 1 non-designed loop ("SL1") or a Service Level 2 designed loop ("SL2"). Alternatives 4, 5 and 6 are utilized for an SL2 loop. Alternatives 7 and 8 are also utilized for either an SL1 or SL2 loop but require the CLEC to bear the cost of Special Construction.

Q. MR. NILSON, ON PAGE 40 BEGINNING ON LINE 19 AND ENDING ON PAGE 41 AT LINE 1 OF HIS TESTIMONY, DISCUSSES THE NONRECURRING CHARGE ("NRC") FOR LOOPS SERVED BY UNIVERSAL DIGITAL LOOP CARRIER ("UDLC") AND COPPER FACILITIES AND THE NRC FOR LOOPS SERVED BY INTEGRATED DIGITAL LOOP CARRIER ("IDLC"). PLEASE COMMENT.

A. BellSouth witness Ms. Caldwell will address the cost issues raised by Mr. Nilson. However, Mr. Nilson's assertion that the NRC for a hot cut would somehow be less if the customer is served on IDLC is nonsensical. Hot cuts performed on IDLC facilities normally require BellSouth to perform a field dispatch. If the so-called "side-door/hairpin" arrangement is used, a field dispatch might be avoided through the use of an alternative that requires additional work steps by the central office forces to effect the "side-door/hairpin". If BellSouth were to charge different rates for hot cuts that are performed in the central office than for those that are performed in the field, the NRC would most certainly have to be considerably higher for those performed in the field due to the cost of the dispatch. BellSouth does not charge different rates for these hot cuts but rather charges the blended rates that have been approved by this Commission. My understanding is that blended rates have long been used to charge a group of customers the same rate even though the underlying costs to serve those customers have some variability. Indeed, were the Commission to determine that two different NRCs should be put in place (that is, a rate for a hot cut not requiring a field dispatch, and a second rate for a hot cut requiring a field dispatch); the Commission cannot simply add a new rate. Instead, the Commission would need to eliminate the existing, blended rate (to which, doubtless, some CLECs would object) in order to prevent arbitrage. Said differently,

were the Commission to establish two new rates but leave the existing, blended rate in place, a CLEC would always choose the non-dispatch rate in cases where dispatches were not required but would choose the blended rate rather than the higher rate in cases where a field dispatch is required. Such a scenario would violate TELRIC principles and, therefore, would be unlawful.

Q. ON PAGE 41, LINES 11-18 OF HIS TESTIMONY, MR. NILSON DISCUSSES BELLSOUTH'S USE OF DIGITAL CROSS CONNECT SYSTEMS ("DCS" OR "DACS") WITH ITS IDLC. IS THIS RELEVANT TO THE ISSUES BEING DISCUSSED HERE?

A. No. Few of the transmission facilities connecting IDLC remote terminals pass through DCS equipment. As I explain in more detail later in my rebuttal testimony, in some instances, BellSouth uses DCS equipment to "pull out" special service circuits from the transmission facilities which would otherwise be sent forward to BellSouth's switch. The use of DCS equipment is an older solution rarely employed now, given the availability of the "side-door/hairpin" capability that allows the same functionality. Nonetheless, despite its limited use in BellSouth's network for this purpose, the use of DCS equipment is one of the eight (8) methods by which BellSouth makes all of its loops, including those loops served by IDLC equipment, available on an unbundled basis.

Q. MR. NILSON, ON PAGE 54, LINES 12-19, ALLUDES THAT BELLSOUTH MAY "NOT SUCCESSFULLY EXECUTE" A HOT CUT AND THAT SOMEHOW THIS MAY INCREASE SUPRA'S COSTS. CAN YOU COMMENT ON BELLSOUTH'S HOT CUT PERFORMANCE?

A. Yes. Mr. Nilson is making another allegation that is without any merit. In fact, the results of BellSouth's performance, as reported to the Commissions in BellSouth's nine-state region, prove him wrong. The results of independent third-party tests also prove him wrong. BellSouth engaged Price Waterhouse Coopers ("PwC") to conduct independent third-party testing of BellSouth's batch hot cut process. PwC affirmed that BellSouth's hot cut performance is efficient and allows CLECs to migrate large volumes of loops from BellSouth's switches to the CLECs' respective switches. BellSouth's process for individual hot cuts was likewise confirmed as effective and nondiscriminatory based on the independent, third-party testing conducted as part of BellSouth's Section 271 Application proceedings before this Commission and the FCC.

Q. ON PAGE 56, LINES 14-18, MR. NILSON STATES "BELLSOUTH USES DLC TO CONCENTRATE ADDITIONAL LOOPS ONTO EXISTING FEEDER CIRCUITS IN AREAS WHERE THEY HAVE RUN OUT OF LOOPS". IS THIS CORRECT?

A. No. Mr. Nilson vastly understates the role of Digital Loop Carrier ("DLC") in modern telecommunications networks. In many cases, instead of using only simple copper facilities all the way to the customer's premises, other equipment is added to improve the transmission quality on very long loops, as well as minimize the overall cost of serving customers who are located a great distance from the central office. Electrical signals deteriorate over distance and such deterioration, at some point, becomes noticeable to the customer as noise or low volume. Generally, the smaller the gauge wire used for the pairs within the cable, the higher resistance and thus, the greater the loss. One way to overcome these transmission problems is to use larger gauge cables when long loops are

required and smaller gauge cables when shorter loops are required. Obviously, this would complicate both the process of designing and constructing loop facilities, as well as the inventorying, assignment and activation processes used to actually provide service to a given customer. Instead, standard gauge cables are used and equipment called "loop electronics" are added to compensate for long loops by digitizing the voice signals and adding any amplification required to ensure high quality service. This digitization is important from a quality standpoint. Analog amplifiers have one significant disadvantage which digitization overcomes. The analog amplifier boosts a deteriorating signal; however, it also boosts the noise along with the signal (in this case, the voice). Digital amplifiers boost the signal, but also "clean up" the signal using various mathematical formulae such that the signal is returned to its original quality. The most common form of these "loop electronics" is equipment referred to as DLC. The DLC equipment is housed in an above-ground cabinet or underground vault, and is placed at the junction of the loop feeder cable and the loop distribution cable. Thus, contrary to Mr. Nilson's simplistic, inaccurate description of DLC equipment, that equipment serves a variety of useful purposes and is not utilized solely when BellSouth has "run out of loops".

Q. IN DISCUSSING INTERNET MODEM SPEED, MR. NILSON, ON PAGE 57, LINES 16-18 OF HIS TESTIMONY, STATES, "CLEARLY BELLSOUTH HAS A SUBSTANTIAL ADVANTAGE OVER SUPRA IN THIS SITUATION". DO YOU AGREE WITH HIS ASSERTION?

A. No. The "substantial advantage" condition of the new facility to which Mr. Nilson apparently refers is applicable only to certain dial-up data services; it is not applicable to voice services. While true that, in some instances, the unbundled loop to which the

subscriber is transferred cannot support dial-up data at the data rate that might have been possible when the subscriber was on IDLC, at present there is no technology solution to that situation. Recently BellSouth participated in a cooperative effort with one CLEC (ITC^DeltaCom) to determine whether a solution is available.

Q. PLEASE BRIEFLY DESCRIBE THE GOALS OF THE IDLC TECHNICAL TRIAL THAT BELLSOUTH CONDUCTED.

A. On January 13, 2003, BellSouth met with DeltaCom in Anniston, Alabama, to discuss the benefits and goals of BellSouth engaging in a technical trial of some technical alternatives that, if successful, might be useful in addressing DeltaCom's concerns regarding analog to digital conversions that are inherent when loops are provided over certain technology. Several other conference calls between BellSouth's and DeltaCom's technical experts ensued. In a spirit of cooperation, BellSouth agreed to shoulder the expense of this trial even though, ordinarily, a CLEC would detail the type loop it desired and, if that loop type is not currently offered, use the New Business Request process to have BellSouth analyze the feasibility of such a development. BellSouth coordinated the trial and marshaled appropriate resources within BellSouth to conduct the technical trial and to document the findings of that trial.

Essentially, the trial was meant to determine if loops provided over IDLC could be provisioned without any additional analog to digital conversions (compared to the quantity of analog to digital conversions when the end user was a BellSouth retail customer). The trial used functionality referred to as "side-door/hairpin" arrangements within the BellSouth switch and additional DCS equipment to aggregate unbundled loops

for a given CLEC. For the trial, DeltaCom furnished a list of telephone numbers of 'friendly customers' who had BellSouth service. From this list, two (2) lines were selected. These customers were served via a Nortel DMS-100 central office switch in BellSouth's network, and DCS equipment was already installed in that building.

Nortel DMS-100 switch peripheral (SMS) assignments were obtained for the loops in question. The availability of vacant DS1 terminations on the associated SMS was verified. DS1 terminations in the DCS were obtained, and BellSouth built circuits from the DCS to the SMS's. The DS-1 facilities between DeltaCom's collocation arrangement and the DCS were also built.

Q. WHAT WAS THE OUTCOME OF THE TECHNICAL TRIAL?

A. The trial was unsuccessful. Unfortunately, two (2) unforeseen issues arose. It turns out that the loops to be converted were working in Mode II, i.e., concentrated mode. Concentration, in this setting, is the sharing of transmission paths between the DLC Remote Terminal and the switch. For example, two (2) end users might share a single path and this is referred to as 2:1 concentration. In the DMS-100 switch, a Mode II channel must be in the four (4) right-most line card slots, i.e., channels 17-24, of the digital transmission facility in order to be "hair pinned" in the switch.

BellSouth also learned during the trial that only one (1) customer may be assigned to the Remote Terminal card (which normally accommodates two lines) serving the loop to be unbundled. This limitation arises due to the fact that the DMS-100 "nails up" both channels on the line card. Because it is extremely unlikely that both end-users would be

converting simultaneously to the same CLEC, this effectively means that the other of the two (2) channels must be vacant, resulting in stranded investment. To overcome these limitations, the end users to be converted would have to be re-assigned to other DLC cards or other facilities. This would involve, among other things, a physical transfer at the crossbox.

Q. WHAT DOCUMENTATION OF THE TECHNICAL TRIAL DID BELLSOUTH PROVIDE TO DELTACOM?

A. The best description of the trial outcome is documented in the "white paper" that BellSouth produced (a copy also was furnished to DeltaCom) at the end of the trial. BellSouth and DeltaCom had discussed before the trial began that, even if successful, providing loops via DCS equipment might be prohibitively expensive for both parties. Anticipated costs included the following:

- Determining the availability of spare switch peripheral ports,
- Determining the availability of a Digital Cross-connect System and spare ports
- The provisioning of DS1 links between the switch peripherals and the Digital Cross-connect ports
- The use of the Digital Cross-connect system

When the unanticipated cost of the line rearrangements (necessary to "hairpin" a mode II IDLC channel in a DMS-100 office) became known, the process was viewed to be even less viable. No effort was made to transfer the end-users or continue the trial. Finally, when BellSouth better understood the effect of multiple links of robbed-bit signaling on V.90 modem performance, there was simply no point in continuing the work. BellSouth

removed the temporary arrangements it had made and informed DeltaCom, in a conference call of both parties' technical subject matter experts participating, that the trial was unsuccessful.

Q. HAS DELTACOM RESPONDED FORMALLY TO BELLSOUTH'S "WHITE PAPER" DISCUSSING THE OUTCOME OF THE TECHNICAL TRIAL?

A. No. From BellSouth's viewpoint, the technical trial demonstrates that the solutions attempted are not technically feasible. At the conclusion of the conference call, BellSouth invited DeltaCom to suggest other technical solutions, but DeltaCom has made no such suggestion. To summarize, it is my belief that BellSouth and DeltaCom worked together in good faith to solve a technical problem for which, at present, there is no technically feasible solution.

Q. WHAT WAS THE REGULATORY OUTCOME FOR THIS ISSUE RAISED BY DELTACOM?

A. BellSouth and DeltaCom voluntarily reached agreement on appropriate Interconnection Agreement language and this Commission was not required to render a decision.

Q. DO THE UNBUNDLED LOOPS BELLSOUTH PROVIDES TO CLECs MEET APPROPRIATE TECHNICAL STANDARDS?

A. Yes. In an open industry forum, Technical Committee T1 has adopted certain minimum technical criteria for unbundled loops. This document is entitled *T1 Technical Report #*

60 "Unbundled Voicegrade Analog Loops". The loops BellSouth uses for its own retail service, as well as the unbundled analog loops supplied to requesting CLECs, conform to that Technical Report. BellSouth is not aware of any unbundled loop facility that, by design, fails to meet the criteria contained in that document. Furthermore, loops like this, i.e., either loaded copper loops, or loops provided via UDLC, are very commonly used to provide BellSouth's retail service.

In other words, Supra apparently wants a guaranteed dial-up speed on a voice grade service. Supra is not entitled to this guarantee. Rather, Supra is entitled to receive the voice-grade service for which it has paid. If Supra wants a guaranteed data-capable loop, Supra can, for example, purchase an xDSL-capable loop from BellSouth.

Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.

A. Supra's suggestion that a hot cut is a "termination" of a UNE-P arrangement is misguided. Clearly Supra does not want the service provided to its end users terminated; instead, Supra obviously desires (evidenced by literally thousands of conversions from UNE-P arrangements to UNE-L arrangements) to convert from one service arrangement (UNE-P) to another (UNE-L).

It is BellSouth's policy to reuse the loop facility that served a given end user when that end user was provided service via a UNE-P arrangement where doing so is technically feasible. However, in its discussion of "cross connections," Supra is attempting to confuse the term "loop" as used as part of the composition of a UNE-P arrangement and "loop" provided as a "standalone" UNE-L. While both elements use loop facilities, the

manner in which the loops are used is different. To provide the loop as a UNE-L arrangement, the loop must be coupled with a collocation cross-connect such that the loop is extended to the CLEC's collocation arrangement, and, ultimately, to the CLEC's switching equipment. A cross connect is also required for so-called "EELs" and what Supra describes as a "point-to-point T1 constructed from UNEs"

There are no substantive differences in the hot cut workflow used in the TRO proceeding and the workflow which supports BellSouth's cost study. The workflow used in the TRO proceeding was not intended to be used to support the cost study. Instead, in the TRO proceedings, this Commission was required by the FCC's now vacated TRO rules to adopt a batch hot cut process. BellSouth's batch hot cut process workflow was described in words and shown pictorially and was a simple overview of the kinds of work steps involved for a hot cut. This flow did not, and was not intended to, show all of the departments or work steps that are involved in the end to end process of assigning, engineering, and/or designing the loops for a hot cut. Supra's suggestion that BellSouth has portrayed its hot cut processes differently in this proceeding than in the TRO proceeding is completely without merit.

Mr. Nilson completely mischaracterizes my TRO testimony regarding work times required for hot cuts. My TRO testimony actually stated "Due to the pre-conversion work that BellSouth performs before the actual transfer from switch to switch, the average conversion time to make this physical transfer since January 2003 has only averaged 2:39 minutes in Florida according to BellSouth Service Quality Measurements ("SQM") reports. This indicates the end-user would be without calling capability for only 2:39 minutes." Nowhere did I state that the central office forces take just 2:39 to

actually perform all of the work steps required for a successful hot cut. Instead, the 2:39 minutes which I referenced was intended to show the actual out of service time that an end user experiences during a hot cut.

Blended rates have long been used to charge a group of customers the same rate even though the underlying costs to serve those customers have some variability. Indeed, were the Commission to determine that two different NRCs should be put in place (that is, a rate for a hot cut not requiring a field dispatch, and a second rate for a hot cut requiring a field dispatch); the Commission cannot simply add a new rate. Instead, the Commission would need to eliminate the existing, blended rate in order to prevent arbitrage.

The sufficiency of BellSouth's hot cut processes, including its batch hot cut process has been affirmed by independent third party audits. PwC affirmed that BellSouth's hot cut performance is efficient and allows CLECs to migrate large volumes of loops from BellSouth's switches to the CLECs' respective switches. BellSouth's process for individual hot cuts was likewise confirmed as effective and nondiscriminatory based on the independent, third-party testing conducted as part of BellSouth's Section 271 Application proceedings before this Commission and the FCC.

Q. DOES THAT CONCLUDE YOUR TESTIMONY?

A. Yes.