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November 1, 2000

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Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
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Tallahassee, Florida 32399-0850

**HAND DELIVERY**

RECEIVED-FPSC  
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RECORDS AND REPORTING

Re: Docket No. 000907-TP

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Level 3 Communications, LLC ("Level 3") are the following documents:

1. Original and fifteen copies of the Prefiled Rebuttal Testimony of Gregory L. Rogers; *14157-00*
2. Original and fifteen copies of the Prefiled Rebuttal Testimony of Anthony Sachetti; *14158-00*
3. Original and fifteen copies of the Prefiled Rebuttal Testimony and Exhibits TJG-8 through TJG-9 of Timothy J. Gates; *14159-00*
4. Original and fifteen copies of the Prehearing Statement and in disk in Word Perfect 6.0 containing a copy of the Prehearing Statement; and *14160-00*
5. Original and one copy of the Notice of Service of Attachment 1 to Level 3's First Set of Interrogatories to BellSouth Telecommunications, Inc. *14161-00*

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me. Copies of the above-referenced testimony have been provided to Staff counsel and counsel for BellSouth Telecommunications, Inc. in accordance with the attached Certificate of Service.

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*Henry (Appearance)*

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Blanca S. Bayo, Director  
Page 2  
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Thank you for your assistance with this filing.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth A. Hoffman", with a long horizontal flourish extending to the right.

Kenneth A. Hoffman

KAH/rl  
Enclosures  
cc: Parties of Record

Blanca S. Bayo, Director  
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November 1, 2000

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing was furnished by hand delivery(\*) and United States Mail to the following this 1<sup>st</sup> day of November, 2000:

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\_\_\_\_\_  
Kenneth A. Hoffman, Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

Petition of Level 3 Communications, )  
LLC for arbitration of certain terms and ) Docket No. 000907-TP  
conditions of proposed agreement with )  
BellSouth Telecommunications, Inc. ) Filed: November 1, 2000  
\_\_\_\_\_)

**PREFILED REBUTTAL TESTIMONY OF  
ANTHONY SACHETTI  
ON BEHALF OF  
LEVEL 3 COMMUNICATIONS, LLC**

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DOCUMENT NUMBER-DATE

14158 NOV-18

FPSC-RECORDS/REPORTING

1           **Q:    PLEASE STATE YOUR NAME, TITLE, AND ADDRESS FOR THE**  
2           **RECORD.**

3           A:    My name is Anthony Sachetti. I am Senior Director, Network Planning  
4           and Interconnection Services, for Level 3 Communications, LLC (“Level  
5           3”). My address is 1025 Eldorado Boulevard, Broomfield, Colorado,  
6           80021.

7           **Q:    PLEASE DESCRIBE YOUR RESPONSIBILITIES AT LEVEL 3.**

8           A:    I am responsible for Network Planning and Interconnection Services for  
9           Level 3 - North America. In my Network Planning role, I have  
10          supervisory responsibility for planning, forecasting and monitoring the  
11          Level 3 network to support our local network deployment. In the  
12          Interconnection Services area, I am responsible for negotiating and  
13          managing Level 3's interconnection agreements and other arrangements  
14          with local exchange carriers.

15          **Q:    PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND**  
16          **AND EXPERIENCE.**

17          A:    I have a Bachelor’s degree in Communications from Central Connecticut  
18          State University. I have worked in the telecommunications field for  
19          approximately 10 years. I started with TCI, helping that company to build  
20          the first broadband cable telephone and cable modem networks in  
21          Connecticut, Illinois and California. While with TCI, I became involved  
22          in the construction and management of the company’s Denver-based

1 Network Operation Center. In this position, I was responsible for  
2 managing and troubleshooting network issues arising in the daily  
3 performance of the Center, as well as supervising operations in TCI's  
4 provisioning and report management organizations. I joined Level 3 in  
5 December, 1998 to work within the Network Planning organization.

6 **Q: DID YOU FILE TESTIMONY IN THIS PROCEEDING ON**  
7 **OCTOBER 5, 2000?**

8 A: No, I did not. However, for purposes of the hearing in this matter, I am  
9 adopting the Direct Prefiled Testimony of Kevin Paul.

10 **Q: WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

11 A: The purpose of my rebuttal testimony is to respond to the testimony of  
12 BellSouth witness Cox on the following issues set forth in Level 3's  
13 Petition for Arbitration: Interconnection Points (Issue 1).

14 **Q: KEVIN PAUL PREVIOUSLY TESTIFIED CONCERNING THE**  
15 **FACTUAL BASIS IN SUPPORT OF LEVEL 3'S POSITION ON**  
16 **ISSUES 4 (ACCESS SERVICE REQUESTS) AND 5 (TRUNK**  
17 **PROVISIONING). WILL YOU ADDRESS THOSE ISSUES ALSO?**

18 A: No. Level 3 and BellSouth have reached a compromise on Issues 4 and 5  
19 and no longer require the Commission's assistance in resolving those  
20 issues.

21 **Q: HAVE YOU PARTICIPATED IN LEVEL 3'S**  
22 **INTERCONNECTION NEGOTIATIONS WITH BELL SOUTH?**

1 A: Yes, I have participated in some of the negotiating sessions to settle the  
2 arbitration issues. In addition, members of my staff have been involved in  
3 each of the negotiating sessions, and I have reviewed the points of  
4 contention raised during the negotiations to ensure their consistency with  
5 Level 3's network planning and design priorities.

6 **Q: BELLSOUTH WITNESS COX TESTIFIES THAT ISSUE ONE IS**  
7 **REALLY JUST A FINANCIAL ISSUE. (COX AT 3:9) DO YOU**  
8 **AGREE?**

9 A: Although the interconnection of competing networks does have financial  
10 consequences, that should not be the parties', or the Commission's, only  
11 concern. The establishment of interconnection points ("IPs") has  
12 financial, competitive, and operational/service implications, and is  
13 governed by the legal framework established in the Telecommunications  
14 Act of 1996 ("1996 Act"). My rebuttal testimony will address the  
15 operational and service implications of BellSouth's position. Gregory  
16 Rogers will testify concerning the legal and competitive policy framework  
17 that makes BellSouth's position untenable and Timothy J. Gates will  
18 testify about the economic impacts of BellSouth's proposal. The  
19 Commission must balance all of these factors in making its determination  
20 on this issue, and should not be misled by BellSouth's attempt to frame the  
21 question as a black and white issue of who bears the cost of  
22 interconnection facilities.

1           **Q:    MS. COX CLAIMS LEVEL 3 MUST CONNECT TO EACH OF**  
2                   **BELLSOUTH’S “SPECIALIZED NETWORKS” IF IT WANTS**  
3                   **THE CAPABILITY TO DELIVER TRAFFIC TO AND RECEIVE**  
4                   **TRAFFIC FROM EACH SPECIALIZED NETWORK (COX AT 7:2-**  
5                   **8). DO YOU AGREE THAT BELLSOUTH MAINTAINS THESE**  
6                   **DISTINCT “SPECIALIZED NETWORKS?”**

7           **A:**    No. Ms. Cox’s claim of separate and distinct networks that require  
8                   multiple connections to each one is contradicted by her company’s own  
9                   press statements.

10                           BellSouth’s e-Platform provides unique “bunker-  
11                           like” security and reliability against potential  
12                           natural and man-made disasters because BellSouth  
13                           utilizes “battle-tested,” existing facilities that have  
14                           weathered hurricanes like Hugo, Andrew and Floyd.  
15                           BellSouth is also building upon some three million  
16                           miles of fiber optic cable, 1,650 central offices, 50  
17                           BellSouth Managed Facilities, 15,000 Sonet rings  
18                           and over 500 fast-packet switches with its e-  
19                           Platform initiative.<sup>1</sup>

20                           In another press release, BellSouth touts itself as an “integrated  
21                           communications services company” that provides customers with  
22                           “integrated voice, video and data services to meet their communications

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<sup>1</sup> *BellSouth Launches ‘E-Platform’ for Business; New E-Biz Centers to Unleash Power of Extensive, Fiber-based Network*, BellSouth News Release (Sept. 26, 2000), <http://www.bellsouthcorp.com/proactive/documents/render/34042.vtml>.

1 needs.”<sup>2</sup> BellSouth cannot have it both ways. It cannot claim Balkanized,  
2 specialized networks for its competitors while touting integrated networks  
3 for its end user customers.

4 **Q: HOW IS LEVEL 3'S NETWORK STRUCTURED?**

5 A: Level 3 has a state-of-the-art Internet Protocol based network capable of  
6 delivering a full range of services, including data, voice, video, fax and  
7 multi-media. Level 3's network employs a “softswitch” technology. A  
8 softswitch is a software system running on commercially available servers  
9 that can provide Level 3 with the ability to offer voice services over the  
10 same Internet Protocol network that carries broadband data services. Thus  
11 Level 3's softswitches are designed to be capable of handling the full range  
12 of communications services (voice, video, data), both local and long  
13 distance.

14 **Q: DO YOU AGREE WITH MS. COX THAT MOST**  
15 **TELECOMMUNICATIONS COMPANIES HAVE SEPARATE AND**  
16 **DISTINCT NETWORKS FOR VARIOUS SERVICES?**

17 A: No. Although monopolists such as BellSouth may have divided their  
18 network into local and access tandem serving areas, there is no  
19 technological reason to do so. Most new entrant carriers use a single  
20 switch for both local and long distance traffic. Furthermore, as

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<sup>2</sup> *BellSouth Third Quarter EPS Increases 10%*, BellSouth News Release (Oct. 19, 2000), <http://www.bellsouthcorp.com/proactive/documents/render/34282.vtml>.

1 BellSouth's own press releases acknowledge, the same local loops, central  
2 offices, and fiber transport networks used for local services are also  
3 essential inputs in the provision of other communications services --  
4 including some of the most advanced services BellSouth is seeking to  
5 offer today. BellSouth clearly maintains the facilities necessary to connect  
6 its "distinct local" networks and blurs the line between "local" and "other"  
7 facilities for its own end user customers. It is therefore disingenuous, and  
8 anti-competitive, for Ms. Cox to claim that Level 3 is not entitled to access  
9 the same integrated network BellSouth touts and provides to its end user  
10 customers.

11 **Q: APART FROM FINANCIAL INCENTIVES, DOES LEVEL 3 HAVE**  
12 **OTHER INCENTIVES TO OPTIMIZE ITS NETWORK**  
13 **INTERCONNECTION WITH BELLSOUTH?**

14 A: Yes, we do. Our other incentives include issues of control and network  
15 reliability. Because we must rely in part upon BellSouth to provide  
16 service to our customers, we have an interest in ensuring that the weakest  
17 link in the chain -- the BellSouth facilities, over which Level 3 has little if  
18 any control -- does not undermine Level 3's ability to provide high quality  
19 service to its customers. If we establish a single IP in a LATA and traffic  
20 volumes increase to the point that the single IP becomes a bottleneck,  
21 Level 3 will need to establish additional IPs to relieve the bottleneck, or  
22 face the prospect of having customer services delayed or even blocked.

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Similarly, if BellSouth does not have adequate facilities available at the single IP to accommodate Level 3's forecasted growth, Level 3 will establish additional IPs to avoid facility restrictions on our continued growth. Issues such as these are addressed by the local network planners for each company on a regular basis.

**Q: IS BELLSOUTH CORRECT IN ASSERTING THAT NETWORK INTERCONNECTION ONLY BENEFITS LEVEL 3?**

A: No. As I explained in my initial testimony, customers of both BellSouth and Level 3 benefit from efficient network interconnection that permits all end users on the public switched telephone network ("PSTN") to reach all other end users on the PSTN. Because BellSouth maintains a monopoly share of the local exchange market in Florida, it is common sense that many BellSouth customers will want to place calls to Level 3 customers. Thus, contrary to Ms. Cox's claim (Cox at 3:9-13), Level 3 is not the sole cost causer, and certainly not the sole beneficiary, for facilities necessary to interconnect the companies' networks. In short, BellSouth is attempting to shift the costs caused by its own customers' communications demands to its market competitors.

**Q: ARE THERE NETWORK RESOURCE AND RELIABILITY ISSUES THE COMMISSION SHOULD CONSIDER WITH RESPECT TO THIS ISSUE?**

1 Yes. BellSouth is calling upon ALECs to duplicate its own historical  
2 architecture without any sound engineering basis for doing so. Because  
3 BellSouth has been in this business for over 100 years, it has developed a  
4 ubiquitous network, paid for in large part by captive ratepayers. As part of  
5 this ubiquitous network, BellSouth has built dedicated facilities to connect  
6 its historical hierarchy of end office, local tandem, and access tandem  
7 switches. If BellSouth gets its wish to have each ALEC interconnect  
8 wherever BellSouth mandates, it could require every ALEC to build, or  
9 purchase from BellSouth, dedicated facilities to the 20 or more local  
10 calling areas BellSouth has established in each LATA (Cox at 4:19-20).  
11 The ALEC would have to bear the cost of these dedicated facilities  
12 regardless of traffic volumes and regardless of whether BellSouth has the  
13 additional capacity already in place to provide such facilities to ALECs. If  
14 BellSouth has additional capacity in place, ALECs will generally choose  
15 the path of least resistance and lease these facilities from BellSouth. This  
16 would create a huge financial windfall for BellSouth. It will also be  
17 inefficient, as ALECs will be required to build or lease dedicated facilities  
18 on a flat-rated, non-traffic-sensitive basis even when little, if any, traffic  
19 actually flows over such facilities. It could also lead to facilities exhaust  
20 that would not otherwise occur if BellSouth would carry its own  
21 customers' traffic on the network it has built for just that purpose.

1                   The problem with multiple IPs only grows if BellSouth does not  
2                   have additional capacity in place to lease to ALECS. If BellSouth does  
3                   not have such additional capacity in place, BellSouth's multiple IP  
4                   requirement will force ALECs to build facilities or forego entering the  
5                   market in the local calling area where facilities are exhausted. As the  
6                   Commission knows, the business of laying fiber is a tedious process that  
7                   requires permitting, tears up streets, and delays the provisioning of service  
8                   for months. BellSouth has failed to address the costs its proposal would  
9                   impose on the PSTN and the manner in which its proposal may delay the  
10                  introduction of competition in Florida local exchange markets. The  
11                  Commission should weigh such issues carefully in considering this dispute  
12                  between Level 3 and BellSouth.

13               **Q: HAS LEVEL 3 ATTEMPTED TO REACH A COMPROMISE**  
14               **WITH RESPECT TO THIS ISSUE?**

15               A: Yes, we have. As I explained in my initial testimony, notwithstanding our  
16               legal position (as outlined by Gregory Rogers) that Level 3 is only  
17               required by the Act and FCC rules to establish a single IP in each LATA,  
18               Level 3 offered two compromise approaches to establishing multiple IPs  
19               in a LATA. These alternatives were set forth in our petition, proposed  
20               contract language, and my initial testimony. The first alternative was to  
21               establish an additional IP when traffic originating from and/or terminating  
22               to a BellSouth tandem serving area reached an OC-12 level. The second

1 alternative was to permit BellSouth to establish additional technically  
2 feasible IPs on Level 3's network.

3 Since we filed the petition and my testimony, we have continued to  
4 negotiate with BellSouth to no avail. BellSouth still clings to the premise  
5 that it should be allowed to establish its own IPs for its originating traffic,  
6 regardless of how much traffic is involved, irrespective of the Act, and  
7 notwithstanding the fact that the Parties have operated in Florida with a  
8 single IP in each LATA for some time now.

9 **Q: WHAT ACTION DO YOU RECOMMEND TO THE**  
10 **COMMISSION?**

11 A: While we would prefer to leave the decision to establish additional IPs to  
12 the discretion of the network planners against the backdrop of a contract  
13 requirement of one IP per LATA, we have proposed alternative contract  
14 language to provide general guidance on the establishment of additional  
15 IPs. If the Commission determines to depart from the single IP per LATA  
16 rule established by the FCC, it should adopt Level 3's position that will  
17 define by contract when and how BellSouth may require Level 3 to  
18 establish additional IPs beyond the single IP per LATA mandated by the  
19 Act and FCC rules. To do otherwise would permit BellSouth to strand  
20 valuable PSTN resources, require Level 3 to mirror BellSouth's claimed  
21 separate and distinct networks, and delay the benefits competition will  
22 bring to Florida consumers.

1           **Q.    DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

2           **A.    Yes, it does.**

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