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July 31, 1997

Ms. Blanca Bayo, Director
Division of Records and Reporting
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 960786-TL

Dear Ms. Bayo:

Enclosed for filing on behalf of American Communications Services of Jacksonville, Inc. are an original and fifteen copies of the Rebuttal Testimony of Riley M. Murphy in the referenced docket.

Please indicate receipt of this document by stamping the enclosed extra copy of this letter.

Thank you for your assistance in this matter.

Sincerely,

Norman H. Horton, Jr.
Norman H. Horton, Jr.

ACK

AFA

APP

CAE NHH:amb

CMU Enclosures

CTR cc: James C. Falvey, Esq.
Parties of Record

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DOCUMENT NUMBER-DATE

07775 JUL 31 5

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Consideration of BellSouth)
Telecommunications, Inc.'s entry into)
InterLATA services pursuant to Section)
271 of the Federal Telecommunications)
Act of 1996.)
_____)

Docket No. 960786-TL
Filed: July 31, 1997

REBUTTAL TESTIMONY

OF

RILEY M. MURPHY

ON BEHALF OF

AMERICAN COMMUNICATIONS SERVICES, INC.

AND IT SUBSIDIARIES

DOCUMENT NUMBER-DATE

07775 JUL 31 5

FPSC-RECORDS/REPORTING

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS FOR THE**
2 **RECORD.**

3 A. My name is Riley M. Murphy. My business address is 131 National
4 Business Parkway, Suite 100, Annapolis Junction, Maryland 20701.

5 **Q. HAVE YOU PREVIOUSLY FILED DIRECT TESTIMONY IN THIS**
6 **DOCKET?**

7 A. Yes.

8 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

9 A. The purpose of my rebuttal testimony is to respond in a general way to the
10 testimony and specifically to some comments of Mr. Varner.

11 **Q. THE TESTIMONY OF THE WITNESSES FOR BELL SOUTH IS**
12 **ESSENTIALLY THAT BELL SOUTH HAS COMPLIED WITH THE**
13 **14 POINTS OF THE SECTION 271 CHECKLIST REQUIREMENTS.**
14 **DO YOU AGREE THAT BELL SOUTH HAS MET ALL 14 POINTS?**

15 A. No. While BellSouth submits that it has complied with all 14 points, ACSI's
16 experience with ordering service from BellSouth in Florida and other
17 BellSouth states demonstrates that BellSouth's process for provisioning
18 service to ALECs are defective in many respects. Specifically in Florida,
19 ACSI has been reselling local exchange service in Jacksonville since April
20 1997. During that time, ACSI has not had access to adequate OSS to handle
21 resale orders. The result has been significant delays in the provisioning of

1 service to ACSI customers. This constitutes a failure to meet points 2 and 14
2 of the checklist. Since BellSouth's programs are region-wide, I have no
3 reason to believe that we will not have the same problems in Florida.

4 **Q. IS THE IMPLEMENTATION OF LENS STILL EXPECTED IN LATE**
5 **JULY?**

6 A. No. ACSI now understands that it will not be able to use LENS for "live"
7 orders until mid-August. By late July, ACSI and BellSouth expect to have
8 completed a LAN-to-LAN interface that will permit ACSI to use the LENS
9 system. ACSI still has to have employees trained on the LENS system and
10 given the failings of LENS pointed out by larger ALECs, test the system
11 prior to issuing "live" orders.

12 **Q. WHAT ARE THE MOST SIGNIFICANT PROBLEMS WITH LENS?**

13 A. It cannot handle unbundled loop and most "complete" resale orders.

14 **Q. HAS ACSI ACTED AS QUICKLY AS POSSIBLE TO IMPLEMENT**
15 **LENS?**

16 A. Yes. Although BellSouth claims to have made LENS available in late April,
17 there will always be an implementation period, particularly for the LAN-to-
18 LAN interconnection which ACSI requires for its customers.

19 **Q. MR. VARNER SAYS THAT CUSTOMERS WILL BENEFIT FROM**
20 **BELLSOUTH'S ENTRY INTO THE IN-REGION INTEREXCHANGE**
21 **MARKET IMMEDIATELY AND THAT BELLSOUTH'S ENTRY**

1 **WILL LIKELY HASTEN DEVELOPMENT OF LOCAL**
2 **COMPETITION. DO YOU AGREE?**

3 A. No. In fact, probably every potential local competitor in Florida would also
4 disagree. The best way to hasten the development of local competition is to
5 continue to hold BellSouth's feet to the fire by holding off on a positive
6 section 271 recommendation. BellSouth has little incentive to cooperate with
7 potential competitors. Until there is effective competition in the residential
8 and business markets for local exchange service, BellSouth has not met the
9 statutory standard for entry into long distance. Moreover, any negligible
10 benefit of adding another major carrier in the long distance market is greatly
11 outweighed by the substantial detriment to the incipient local markets that
12 will result from BellSouth entry.

13 **Q. WHAT HAS ACSI'S EXPERIENCE IN OTHER STATES**
14 **DEMONSTRATED?**

15 A. Contrary to BellSouth's claims, BellSouth has not demonstrated that is has
16 developed adequate processes to ensure consistent quality service to ALECs
17 at parity with service to BellSouth's own end users. In particular,
18 BellSouth's unbundled loops (checklist points 2 and 4) and number
19 portability (checklist point 11) have caused significant disruptions to ACSI
20 service in every month in which ACSI has been in service. BellSouth clearly
21 needs more time to develop satisfactory processes. ACSI expects to initiate

1 switched service on a facilities basis before the end of the year. BellSouth
2 can then demonstrate in Florida that its systems are at parity.

3 **Q. HAS BELLSOUTH ATTEMPTED TO ERECT OTHER BARRIERS**
4 **TO ENTRY IN RECENT WEEKS?**

5 A. Yes. In Federal District Court in Chattanooga BellSouth has recently argued
6 that ALECs should pay a 5% franchise fee in Chattanooga , while BellSouth,
7 which has a preexisting franchise, pays nothing. City of Chattanooga,
8 Tennessee v. BellSouth Telecommunications, Inc., et al. This is flatly
9 inconsistent with Section 253(c) of the Telecommunications Act of 1996
10 which requires that such franchise fees be “competitively neutral” and
11 “nondiscriminatory.” The Chattanooga case will be an early precedent across
12 the BellSouth region and across the country. BellSouth’s position in this case
13 is indicative of its approach to opening its markets to competition from
14 ALECs.

15 **Q. DO YOU THINK THAT BELLSOUTH’S REQUEST IS**
16 **PREMATURE?**

17 A. Yes, I do. Again, until there is actual and effective competition I think their
18 entry is premature.

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

20 A. Yes, it does.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the Rebuttal Testimony of Riley M. Murphy on behalf of American Communications Services of Jacksonville, Inc. in Docket No. 960786-TL have been served upon the following parties by Hand Delivery (*) and/or Overnight Delivery (**) this 31st day of July, 1997:

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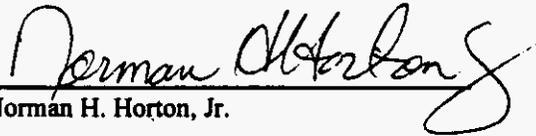
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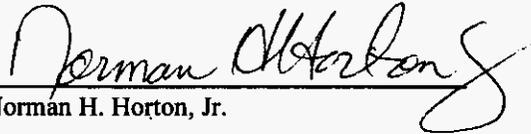
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