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ORIGINAL

February 18, 1999

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket Nos. [REDACTED] and 981745-TP

Dear Ms. Bayó:

Enclosed are an original and 15 copies of BellSouth Telecommunications, Inc.'s Revised Responses and Objections to e.spire Communications, inc.'s First Request for Production of Documents. Please file this document in the captioned matter.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me.

Sincerely,

Thomas B. Alexander (cc)

Thomas B. Alexander

Enclosures

cc: All parties of record
M. M. Criser, III
N. B. White
William J. Ellenberg II (w/o enclosures)

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CERTIFICATE OF SERVICE

Docket Nos. 981642-TP and 981745-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by

Federal Express this 18th day of February, 1999 to the following:

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**Thomas B. Alexander (ke)
Thomas B. Alexander**

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Intermedia Communications Inc.)
For Arbitration with BellSouth Telecommunications,) Docket No. 981642-TP
Inc., Pursuant to the Telecommunications Act of 1996)

In re: Petition by e.spire Communications, Inc.)
And American Communication Services of Tampa,)
Inc., American Communications Services of)
Jacksonville, Inc. for Arbitration of an) Docket No. 981745-TP
Interconnection Agreement with BellSouth)
Telecommunications, Inc. Pursuant to Section 252(b))
Of the Telecommunications Act of 1996)
FILED: Feb. 18, 1999

**BELLSOUTH TELECOMMUNICATIONS, INC.'S REVISED RESPONSES AND
OBJECTIONS TO E.SPIRE™ COMMUNICATIONS, INC.'S
FIRST REQUEST FOR PRODUCTION OF DOCUMENTS**

BellSouth Telecommunications, Inc., ("BellSouth" or "Company"), pursuant to Rules 25-22.034 and 25-22.035, Florida Administrative Code, and Rules 1.340 and 1.280(b), Florida Rules of Civil Procedure, hereby submits the following Responses and Objections to American Communications Services, Inc.-Jacksonville, Inc., d/b/a e.spire™ Communications Inc.'s ("e.spire") First Request for Production of Documents.

GENERAL OBJECTIONS

BellSouth makes the following General Objections to e.spire's First Request for Production of Documents:

1. BellSouth objects to each Request for Production to the extent that it seeks information protected from discovery by the attorney-client privilege and/or work product doctrine.

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2. BellSouth objects to the instructions to e.spire's Request for Production to the extent e.spire seeks to require BellSouth to produce documents in a form in which such documents are not maintained by BellSouth.

3. BellSouth has interpreted e.spire's Request for Production to apply to BellSouth's regulated intrastate operations in Florida and will limit its responses accordingly. To the extent that any request is intended to apply to matters other than BellSouth's Florida intrastate operations, BellSouth objects to such request as irrelevant, overly broad, unduly burdensome, and oppressive.

4. BellSouth objects to providing documents to the extent that such documents are already in the public record.

5. BellSouth is a large corporation with employees located in many different locations in Florida and other states. In the course of its business, BellSouth creates countless documents that are not subject to the Commission or FCC retention of records requirements. These documents are kept in numerous locations that are frequently moved from site to site as employees change jobs or as the business is reorganized. Therefore, it is possible that not every document will be provided in response to these Requests for Production. Rather, these responses will provide all the information obtained by BellSouth after a reasonable and diligent search conducted in connection with e.spire's discovery requests. BellSouth will conduct a search of those files that are reasonably expected to contain the requested information. To the extent that the discovery requests purport to require more, BellSouth objects on the grounds that compliance would be unduly burdensome.

SPECIFIC RESPONSES

3. Please provide copies of the most recent cost studies prepared by; or for BellSouth which show the recurring and non-recurring cost of providing each of the following types of local loops as an unbundled network element:

- a) 2-Wire Analog Voice Grade Loop(s)
- b) 4-Wire Analog Voice Grade Loop(s)
- c) 2-Wire ISDN Digital Grade Link(s) (BRI ISDN)
- d) 2-Wire ADSL – Compatible Loop(s)
- e) 2-Wire HDSL – Compatible Loop(s)
- f) 4-Wire HDSL – Compatible Loop(s)
- g) DS1 Loops
- h) DS3 Loops
- i) OC3 Loops
- j) OC12 Loops
- k) OC48 Loops

RESPONSE: BellSouth has the following cost studies filed with the Florida Public Service Commission in the specified Dockets:

a) TSLRIC study for Unbundled 2-Wire Analog Voice Grade Loop filed in Docket Nos. 960833-TP/960846-TP/960916-TP.

b) TSLRIC study for Unbundled 4-Wire Analog Voice Grade Loop filed in Docket Nos. 960833-TP/960846-TP/960916-TP.

c) TSLRIC study for Unbundled 2-Wire ISDN Digital Grade Loop filed in Docket Nos. 960833-TP/960846-TP/960916-TP.

d) Cost study filing in Docket Nos. 960833-TP/960846-TP/960916-TP/960757-TP/971140-TP, Cost Element A.6: 2-Wire ADSL Compatible Loop.

e) Cost study filing in Docket Nos. 960833-TP/960846-TP/960916-TP/960757-TP/971140-TP, Cost Element A.7: 2-Wire HDSL Compatible Loop.

f) Cost study filing Docket Nos. 960833-TP/960846-TP/960916-TP/960757-TP/971140-TP, Cost Element A.8: 4-Wire HDSL Compatible Loop.

g) TSLRIC study for Unbundled 4-Wire DS1 Digital Grade Loop filed in Docket Nos. 961150-TP.

h) Cost study filing in Docket Nos. 981642-TP/981745-TP, Cost Elements A.16.1, A.16.2, & A.16.199: High Capacity Unbundled Local Loop – DS3.

i) Cost study filing in Docket Nos. 981642-TP/981745-TP, Cost Elements A.16.4, A.16.5, & A.16.499: High Capacity Unbundled Local Loop – OC3.

j) Cost study filing in Docket Nos. 981642-TP/981745-TP, Cost Elements A.16.7, A.16.8, & A.16.799: High Capacity Unbundled Local Loop – OC12.

k) Cost study filing in Docket Nos. 981642-TP/981745-TP, Cost Elements A.16.10, A.16.11, A.16.13, A.16.1099, & A.16.1399: High Capacity Unbundled Local Loop – OC48.

Items (a) to (g) above were submitted to the Florida Public Service Commission in support of the rates ordered by the Commission. Subject to the nondisclosure agreement executed by e.spire, BellSouth will make these proprietary cost studies available for review at 3535 Colonnade Parkway, Birmingham, Alabama and will, if available, provide an electronic copy of the studies. Items (h) to (k) above were filed

with the Commission in this proceeding on February 4, 1999, copies of which were provided to e.spire.

These costs are statewide average costs and pertain to all ALECs in the state of Florida. The studies utilize TSLRIC methodology, unless otherwise specified, with fixed costs identified as shared and common costs. Distance-related costs are not an output of the studies. However, the sampling procedures applied in the studies selected loops of varying distances. These loops were used in computation of average loop costs.

Studies based on the localities where e.spire has requested interconnection at a disaggregated basis by exchange, switching center or density cell have not been performed.

4. Please provide the most recent cost studies including workpapers and working copy prepared by or for BellSouth which show the recurring and non-recurring cost of providing analog and digital cross-connections required to connect an unbundled local loop to the e.spire system and/or other telecommunications carrier systems. If the cost study pertains to other telecommunications carriers, please identify the carriers.

RESPONSE: The most recent cost study was filed with the Commission in Docket Nos. 960833-TP/960846-TP/960916-TP/960757-TP/971140-TP, Cost Elements H.1: Physical Collocation and H.2: Virtual Collocation. A copy of this cost study is available for review at 3535 Colonnade Parkway, Birmingham, Alabama subject to the protective agreement executed by e.spire. BellSouth also will provide an electronic copy of the proprietary studies. These costs are statewide average costs and pertain to all ALECs in the state of Florida.

6. Please provide the most recent cost studies including workpapers and work copy prepared by or for BellSouth which show the recurring and non-recurring cost of providing interoffice transport to e.spire or other telecommunications carriers as may be required to transport traffic from BellSouth's end office where unbundled loops are ordered to another BellSouth end office or tandem switch. Please identify the cost separately for DS-1 dedicated, DS-3 dedicated and tandem switched transport. To the extent cost studies for higher bandwidth interoffice transport are available, please provide same separately.

RESPONSE: See BellSouth's cost study filing in Docket Nos. 981642-TP/981745-TP, Cost Element Elements D.3: Interoffice Transport: Dedicated – DS0 – 56/64 Kbps, D.6: Interoffice Transport – Dedicated – DS3, D.7: Interoffice Transport – Dedicated – OC3, D.8: Interoffice Transport – Dedicated – OC12, D.9: Interoffice Transport – Dedicated – OC48.

The other most recent cost studies are: (1) BellSouth's TSLRIC study for Special Access Voice Grade Service – Interoffice Channel Voice – Unbundled Exchange Access filed with the Commission in Docket Nos. 961150-TP; and (2) BellSouth's cost study filing in Docket Nos. 960833-TP/960846-TP/960916-TP/960757-TP/971140-TP, Cost Element D.4: Interoffice Transport – Dedicated – DS1. These cost studies are available for review at 3535 Colonnade Parkway, Birmingham, Alabama subject to the protective agreement executed by E.spire. BellSouth also will provide an electronic copy of the proprietary studies.

These costs are statewide average costs and pertain to all ALECs in the state of Florida.

7. Please provide the most recent cost studies including workpapers and work copy prepared by or for BellSouth relating to local traffic transport and termination (including end office switching, transport and tandem switching). Please provide the complete working copy of each cost study, including a complete working copy of all computerized models involved in preparing the cost estimate with data intact; a complete set of workpapers with all special studies, data sources data inputs and assumption; and a complete set of cost study documentation.

RESPONSE: The most recent cost studies are: (1) BellSouth's TSLRIC study for Unbundled Local Usage filed in Docket Nos. 961150-TP; and (2) BellSouth's cost study filing in Docket Nos. 960833-TP/960846-TP/960916-TP/960757-TP/971140-TP, Cost Element D.5: Local Channel – Dedicated. These cost studies are available for review at 3535 Colonnade Parkway, Birmingham, Alabama subject to the protective agreement executed by e.spire. BellSouth also will provide an electronic copy of the proprietary studies.

11. Please provide copies of any written explanations which describe the manner in which BellSouth's existing non-recurring charges (NRCs) for local exchange service were established. Also provide any cost studies which have been prepared by or on behalf of BellSouth to support those NRCs, and for each cost study identify the pricing methodology existing non-recurring charges (NRCs) for local exchange service were established. Also provide any cost studies which have been prepared by or on behalf of BellSouth to support those NRCs, and for each such cost study identify the pricing methodology.

RESPONSE: BellSouth objects to this request on grounds that the information requested is not relevant to any issue in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Although the Commission has been asked to arbitrate the nonrecurring rates for certain unbundled network elements, the charges a customer pays when it changes long distance carriers, the charges a BellSouth retail customer pays or the cost to BellSouth of providing service to a retail customer are irrelevant because, as the Federal Communications Commission has repeatedly held, unbundled network elements do not have a retail analogue. See *In re: Application of BellSouth Corp., BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Louisiana*, CC Docket 98-121, 13 FCC Rcd 20599 ¶ 87 (Oct. 13, 1998); See *In re: Application of BellSouth Corp., et al. Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in South Carolina*, CC Docket 97-208, 13 FCC Rcd 539 ¶ 98 (Dec. 24, 1997); *In re: Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Michigan*, CC Docket 97-137, 12 FCC Rcd 20543 ¶ 141 (Aug. 19, 1997).

12. Provide any cost studies including workpapers and work copy which have been prepared to support the NRC assessed when a customer elects to change its present long distance carrier. (See Interrogatory No. 5). For each such cost study, explain the pricing methodology used (e.g., TELRIC, TSLRIC, LRIC, etc.).

RESPONSE: BellSouth objects to this request on grounds that the information requested is not relevant to any issue in this proceeding nor reasonably

calculated to lead to the discovery of admissible evidence. Although the Commission has been asked to arbitrate the nonrecurring rates for certain unbundled network elements, the charges a customer pays when it changes long distance carriers, the charges a BellSouth retail customer pays or the cost to BellSouth of providing service to a retail customer are irrelevant because, as the Federal Communications Commission has repeatedly held, unbundled network elements do not have a retail analogue. See *In re: Application of BellSouth Corp., BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Louisiana*, CC Docket 98-121, 13 FCC Rcd 20599 ¶ 87 (Oct. 13, 1998); See *In re: Application of BellSouth Corp., et al. Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in South Carolina*, CC Docket 97-208, 13 FCC Rcd 539 ¶ 98 (Dec. 24, 1997); *In re: Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Michigan*, CC Docket 97-137, 12 FCC Rcd 20543 ¶ 141 (Aug. 19, 1997).

16. With respect to BellSouth's ADSL Service referenced in BellSouth's FCC Transmittal No. 476 (dated Aug. 18, 1998), have cost studies been prepared by or on behalf of BellSouth? If the answer is in the affirmative, please (a) describe the cost studies, (b) provide any and all documents relating to the cost studies, (c) identify the costing methodology used, (d) state whether loop recurring costs are reflected in the cost studies, (e) state whether loop conditioning costs are reflected in the cost studies, and (f) state whether electronics are included in the cost studies. Please provide the complete working copy of each cost study, including a complete working copy of all

computerized models involved in preparing the cost estimate with data intact; a complete set of workpapers with all special studies, data sources, data inputs and assumptions; and a complete set of cost study documentation.

RESPONSE: BellSouth objects to this Request for Production to the extent it seeks information concerning the cost of BellSouth's retail services, which is not relevant to any issue in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Although the Commission has been asked to arbitrate rates for certain unbundled network elements, the costs BellSouth incurs in connection with its retail services is irrelevant to this issue because, as the Federal Communications Commission has repeatedly held, unbundled network elements do not have a retail analogue. *See In re: Application of BellSouth Corp., BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Louisiana*, CC Docket 98-121 13 FCC Rcd 20599 ¶ 87 (Oct. 13, 1998); *See In re: Application of BellSouth Corp., et al. Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in South Carolina*, CC Docket 97-208, 13 FCC Rcd 539 ¶ 98 (Dec. 24, 1997); *In re: Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Michigan*, CC Docket 97-137, 12 FCC Rcd 20543 ¶ 141 (Aug. 19, 1997).

18. Please provide all nonrecurring cost studies performed in the last five years pertaining to unbundled loops or to any service that includes the loop (e.g., local residential or local business).

RESPONSE: BellSouth objects to this Request for Production to the extent it seeks information concerning the cost of BellSouth's retail services, which is not relevant to any issue in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Although the Commission has been asked to arbitrate rates for certain unbundled network elements, the costs BellSouth incurs in connection with its retail services is irrelevant to this issue because, as the Federal Communications Commission has repeatedly held, unbundled network elements do not have a retail analogue. See *In re: Application of BellSouth Corp., BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Louisiana*, CC Docket 98-121, 13 FCC Rcd 20599 ¶ 87 (Oct. 13, 1998); See *In re: Application of BellSouth Corp., et al. Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in South Carolina*, CC Docket 97-208, 13 FCC Rcd 539 ¶ 98 (Dec. 24, 1997); *In re: Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Michigan*, CC Docket 97-137, 12 FCC Rcd 20543 ¶ 141 (Aug. 19, 1997).

Subject to this objection, and without waiving this objection, please refer to response to POD No. 3 for cost studies pertaining to unbundled loops filed in recent Dockets.

19. Please provide the most recent cost study corresponding to each service identified in the preceding question. For each study, identify the date prepared, the purpose of the study (e.g., to be presented in a Commission proceeding, used in

conjunction with a CSA, etc.), the cost methodology (LRIC, TSLRIC, TSLRIC, etc.).
Provide workpapers.

RESPONSE: See BellSouth's response to Request for Production No. 18.

23. Please provide the study or the estimates of required time and tasks upon which BellSouth based its quotes for collocation construction to ALECs for each construction job completed or closed.

BellSouth objects to this request on grounds that it is overly broad and unduly burdensome. To date BellSouth has completed more than 100 physical and virtual collocation arrangements in Florida and approximately 500 in the region. In order to provide the information requested, BellSouth would have to consult seven different Network organizations, two or more BellSouth Network contractors, and three or more property management contractors (depending on the scope of the work). Based on input from these participants, who are involved in the various aspects of the work associated with collocation, BellSouth conservatively estimates that it would require in excess of 5,000 man-hours to provide the requested information just for those collocation projects completed in Florida. Furthermore, the individuals who would have to gather these documents are the same individuals responsible for fulfilling active, in-progress collocation requests for BellSouth's ALEC customers. To impose such onerous discovery burdens upon these individuals would impede BellSouth's ability to timely fulfill its collocation obligations to these ALECs.

BellSouth also objects to this request to the extent it seeks information about the work performed by BellSouth to permit ALECs other than e.spire to collocate on BellSouth's premises. Such information would tend to reveal the marketing and network

plans of e.spire's competitors, including the types of facilities such competitors have elected to deploy to service their customers and the locations where they intend to compete. Although the Commission has been asked to arbitrate certain issues concerning the rates, terms, and conditions that should apply when e.spire physically collocates on BellSouth's premises, e.spire should not be permitted to delve into trade secret and other confidential commercial information of e.spire's competitors. See *Everco Industries, Inc. v. OEM Products Co.*, 362 F. Supp. 204, 206 (N.D. Ill. 1973) (rejecting open-ended discovery request for company's confidential documents, recognizing that confidential documents should not be disclosed between business competitors absent sufficient cause).

33. Please provide a copy of the study, or studies, identified in Interrogatory No. 23.

RESPONSE: BellSouth objects to this Request for Production to the extent it seeks information concerning the cost of BellSouth's retail services, which is not relevant to any issue in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Although the Commission has been asked to arbitrate rates for certain unbundled network elements, the costs BellSouth incurs in connection with its retail services is irrelevant to this issue because, as the Federal Communications Commission has repeatedly held, unbundled network elements do not have a retail analogue. See *In re: Application of BellSouth Corp., BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc. for Provision of In-Region, InterLATA Services in Louisiana*, CC Docket 98-121, 13 FCC Rcd 20599 ¶ 87 (Oct. 13, 1998); See *In re: Application of BellSouth Corp., et al. Pursuant to Section 271 of the*

Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in South Carolina, CC Docket 97-208, 13 FCC Rcd 539 ¶ 98 (Dec. 24, 1997); In re: Application of Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Michigan, CC Docket 97-137, 12 FCC Rcd 20543 ¶ 141 (Aug. 19, 1997).

Subject to this objection, and without waiving this objection, see BellSouth's cost study filing in Docket Nos. 981642-TP/981745-TP, Cost Element N.1: Unbundled Packet Switching Frame Relay Service.

36. Please provide a copy of the study, or studies, with workpapers, identified in Interrogatory No. 31.

RESPONSE: BellSouth's rates and rate structure in 1996 for reciprocal compensation varied, depending on the outcome of the negotiations between the Parties. The rates and structure have changed since 1996. These changes were also based on negotiations between the Parties. All downward changes were based on arbitration decisions, which were cost supported. Such cost support filed by BellSouth in these arbitrations is available through the Public Service Commission. The rates and rate structure in 1996 of BellSouth's reciprocal compensation varied, depending on the outcome of the negotiations between the Parties. The present rates are based on the MCI and AT & T Arbitration orders.

37. Please provide a copy of the study, or studies, with workpapers, identified in Interrogatory No. 32.

RESPONSE: Since BellSouth does not consider ISP traffic to be local, a cost comparison to local traffic is not appropriate.

Respectfully submitted this 18th day of February, 1999.

BELLSOUTH TELECOMMUNICATIONS, INC.

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