BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by DIECA Communications, Inc., d/b/a Covad Communications Company for Arbitration of Unresolved Issues in Interconnection Agreement with BellSouth Telecommunications, Inc.
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Docket No. 001797-TP

Filed: April 23, 2001

DIRECT TESTIMONY OF THOMAS E. ALLEN

ON BEHALF OF COVAD COMMUNICATIONS COMPANY

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ON BEHALF OF COVAD COMMUNICATIONS COMPANY

Q. What is your name and for whom are you employed?

A. My name is Tom Allen, and I am employed as Vice President of ILEC Relations for Covad Communications Company ("Covad"). My business address is 10 Glenlake Parkway, Suite 650 Atlanta, GA 30328.

Q. What are your responsibilities as Vice President of ILEC Relations?

A. As Vice President of ILEC Relations and External Affairs, I have responsibility for regulatory and ILEC management for the BellSouth region.

Q. What is the purpose of your testimony?

A. I want to provide the Commission with a general understanding of the reasonable terms and conditions Covad has proposed in negotiations for its Interconnection Agreement with BellSouth. Specifically, I will be addressing issues 5(a), 5(b), 5(c), 6, 7(a), 7(b), 8, 11, 12, 13, 21, 22, 29, 30. In addition to myself, Covad is filing direct testimony of four other witnesses. Tom Koutsky will address Issues 1, 2, 3, 31 and 32(a) (as well as the Issue A proposed by staff regarding this Commission's jurisdiction to hear this arbitration). William Seeger will address Issues 5(a), 5(b), 5(c), 8, 25, 30. As a panel, Elizabeth Kientzle and Joseph Riolo will address Issues 16, 18, 23, and 24 (with respect to line sharing costs only).

Furthermore, since the last issue list was submitted to the Commission, the parties have continued to work to resolve certain open issues. The following issues have all been resolved and will not need to be litigated in this docket: 4, 9,14, 15, 17, 20, 26, 27, 28, 32(b), 33, 34, and 35. Additionally, BellSouth and Covad agreed that issues 10(a), 10(b), and 24 (except for costs relating to line sharing) have been

litigated and will be resolved by the Final Order in Docket 990649-TP, the UNE Pricing docket. Those three issues likewise will not need to be addressed in this docket.

As the Vice President of ILEC Relations, I spend a great deal of time in my job ensuring that Covad's sole supplier, BellSouth, is able to meet its commitments under the interconnection agreement. Covad needs an Interconnection Agreement with reasonable terms that allow Covad to successfully develop its business plan. Therefore, these key unresolved issues must be addressed and incorporated into an interconnection agreement between Covad and BellSouth.

Q. Briefly describe your professional and educational background?

A. I graduated from Emory University in 1976 with a BA in Political Science. I then attended the University of Georgia where I graduated with a Master's Degree in Public Administration, majoring in Public Finance in 1978. I began my career with Southern Bell in the Residence Installation and Maintenance Department as an Installation Foreman in Augusta, Georgia. My next assignment was as Dispatch Supervisor for the Augusta District. I went into Customer Services where I worked as a Business Office Manager and in various positions in the Billing and Collection group in the Customer Services-HQ organization and the Rates and Tariff - Regulatory group at Southern Bell headquarters. By 1990, this group was incorporated into the BellSouth Regulatory Policy and Planning organization. I was a part of this group where I worked on Local Competition planning until I left BellSouth in October of 1995.

After leaving BellSouth, I joined Intermedia Communications as Divisional Vice President- Regulatory and External Affairs with all regulatory responsibilities. In this role, I was also the lead negotiator of Interconnection Agreements. In July 1997, I joined ICG Communications as Vice President of Regulatory and External Affairs. Finally, I joined Covad Communications in September 1999 as Vice President of ILEC Relations and External Affairs with responsibility of the regulatory and ILEC management in the BellSouth region.

Q. Describe Covad's general business plan.

A. Covad is a competitive local exchange carrier that provides high-speed Internet and network access utilizing digital subscriber line ("DSL") technology. Covad offers DSL services through Internet service providers ("ISPs") to small and medium sized businesses, home users, and directly to companies who use DSL to enable their employees to connect with their businesses' internal computer networks ("Local Area Networks") from their homes. Covad currently provides its services across the United States in 81 of the top metropolitan statistical areas ("MSAs"), including Orlando, Miami, Jacksonville, and Tampa.

Issue 5(a): WHAT IS THE APPROPRIATE INTERVAL FOR BELLSOUTH TO PROVISION AN UNBUNDLED VOICE-GRADE LOOP, ADSL, HDSL, OR UCL FOR COVAD?

Q. What does Covad propose as the appropriate loop delivery intervals?

A. BellSouth offers several different types of unbundled loops, including voice-grade,

ADSL, HDSL and Unbundled Copper Loops (UCLs). Covad proposes a uniform and firm loop installation interval of three (3) business days for these types of loops. The work required to provision a DSL loop is simple and routine. DSL loops are nothing but voice grade copper loops, and, therefore, provisioning intervals should reflect that fact.[1]

Q. Why is it important that the Commission establish firm loop intervals?

A. A firm and predictable loop delivery interval is critical to Covad's success in delivering competitive DSL service in Florida. BellSouth proposes that it be given a "targeted" 5-7 business days to provision a loop, counting from the time the Firm Order Confirmation ("FOC") date is returned to Covad. To Covad's customers, that means that BellSouth would have its "targeted" 2 business days to return the FOC and a "targeted" 5 business days to deliver the loop. Because BellSouth does not propose a firm interval for the Service Inquiry, the SI process has the effect of "tolling" the 5 business day target interval—only when the SI process is completed does the 5 business day target interval resume. Since no interval is established for the SI process, BellSouth in effect would be able to grant itself an unspecified time to install a loop.

BellSouth steadfastly refuses to negotiate a shorter loop delivery interval. BellSouth will only commit to targets to provision a DSL loop, in addition to

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[1] BellSouth also offers, and Covad requires, "IDSL-Compatible Loops." The installation interval for IDSL-Compatible loops is addressed in Issue 5(b).

whatever time is necessary to perform a Service Inquiry before the clock even starts on the loop provisioning interval.

Q. Is it appropriate to only consider the loop intervals without taking into account the Firm Order Confirmation (FOC) delivery interval?

A. No. As I stated above, BellSouth's FOC interval is two (2) business days. This is simply added to the loop delivery interval. This interval is compounded by the manual service order process of faxing LSRs. In other ILEC regions, the FOC interval is much shorter. For example, in SBC's PacBell region, the FOC interval is six (6) hours and in the Qwest region, the FOC interval is only twenty-four (24) hours.

Q. Do you have any other concerns with BellSouth's proposed loop delivery intervals?

A. Yes. In addition to the concerns I discussed above, BellSouth wishes to reserve the right to alter and extend loop delivery intervals unilaterally, as it did last year when it extended the loop delivery interval for the ISDN loop. Without a clear contract provision requiring BellSouth to deliver loops in a firm interval, BellSouth has no incentive to meet its "targets" or to improve. BellSouth's current loop delivery intervals deny Covad a meaningful opportunity to compete in Florida.

A firm loop interval—one that cannot be altered by unilateral action by BellSouth—will assist competitors, the Commission, and Florida consumers. From Covad's and the Commission's perspective, a firm and predictable loop installation interval in the contract will allow every Covad employee to refer to the

Interconnection Agreement to know decisively what is required of BellSouth. A firm loop delivery interval will also enable Covad to set customer expectations and deliver service that meets or exceeds those expectations.

Q. Have other state commissions ordered loop delivery intervals for xDSL loops, which are included in interconnection agreements?

A. Yes. Covad has won arbitration awards that have set specific loop delivery intervals in several states in the Verizon territory, such as New York, Pennsylvania, Maryland and Massachusetts. In those states, the standard loop delivery interval set for all DS0 loops (this category includes all xDSL type loops) is six (6) business days from receipt of a correct LSR. This means that unlike BellSouth, the firm order confirmation (FOC) interval is included in the loop delivery interval. This interval is significantly less than the previous interval of ten (10) business days that Verizon originally proposed. Further, based on the arbitration decisions, these intervals are to be clearly spelled out in the final Interconnection Agreement language between Covad and Verizon. That way, both Verizon and Covad understand the interval in which Verizon must deliver its loops to Covad and that interval may not be altered by Verizon unilaterally.

Q. Has Covad also agreed to specific language in Interconnection Agreements regarding loop delivery intervals with other ILECs?

A. Yes. Covad has reached agreement with SBC for its entire 13-state region regarding specific loop delivery intervals. Loop delivery intervals for stand-alone xDSL loops is five (5) business days with no conditioning and ten (10) business days with

conditioning. The loop delivery for line sharing is three (3) business days with no conditioning and ten (10) business days with conditioning. This agreement demonstrates that carriers can agree to clearly defined loop delivery intervals that are a part of the Interconnection Agreement language.

Q. Why is it important to include intervals in the actual language of the interconnection agreement?

A. Covad employees must have a single reliable source to go for loop delivery interval information. Without this single source, Covad wastes valuable time and resources trying to determine if the ILEC is meetings its contractual obligation. It is not acceptable to just reference an interval guide on a web site. These can, and do, change at times without input or negotiation with Covad. If the specific language on loop delivery intervals is a part of the interconnection agreement and BellSouth wishes to make changes, then that can be accomplished through the negotiation of amendments to the Interconnection Agreement. This affords both parties the opportunity to negotiate and discuss what changes will occur to the loop delivery intervals.

Issue 5(b): WHAT IS THE APPROPRIATE INTERVAL FOR BELLSOUTH TO PROVISION AN IDSL-COMPATIBLE LOOP FOR COVAD?

Q. What does Covad propose as the appropriate interval for an IDSL-compatible loop?

A. Covad proposes that in general BellSouth commit to providing IDSL-Compatible

Loops within (5) five calendar days of submission of an LSR. This interval recognizes that in some, but not all, instances, BellSouth will need to place an appropriate line card in the digital loop carrier system to support this loop. Thus, Covad proposes 5 business days for this work.

In addition, installation of an xDSL loop served by certain IDLC systems often requires a "work around" to certain components of that DLC system. As a result, Covad has proposed that BellSouth undertake this work around and provide such loops within (10) ten business days.

Q. What is the problem with BellSouth's proposal for IDSL-compatible loops?

A. BellSouth has not proposed any substantive installation interval for IDSL-Compatible Loops (called "UDC Loops" by BellSouth) and seemingly does not agree that it should provide a work-around for IDSL-Compatible Loops over an IDLC. For an installation interval, BellSouth only refers to its "Interval Guide", a document that BellSouth can unilaterally change at any moment. In addition, despite the fact that Covad has been ordering ISDN loops for IDSL service for two years, BellSouth refuses to agree to anything other than a "target" delivery interval.

BellSouth refuses to provide a work around when it has chosen to deploy a type of IDLC through which DSL cannot be provisioned. Without such a work around, large groups of customers may be prevented from obtaining the competitive advanced services they desire.

Q. Why must the Commission set firm installation intervals for BellSouth to provide IDSL-compatible loops?

A. For the same reasons set forth above for unbundled digital loops, Covad believes that a firm installation interval for IDSL-Compatible Loops will make Covad's operations more efficient and will advance the public interest (as consumers would receive service more quickly). Most importantly, firm intervals are critical to ensuring Covad's ability to deliver satisfaction to customers. Customers demand, and should be entitled to know, when Covad can provide them with DSL service. Under BellSouth's proposal, BellSouth commits only to "targeted" intervals. Those "targets" do not hold BellSouth accountable for meeting customer expectations. Moreover, by refusing to put the interval in Covad's contract, BellSouth reserves its ability to change the interval at any time.

Covad utilizes IDSL-Compatible loops to provide IDSL service. Covad's IDSL service is requested by end-users that are either too far from a central office to receive ADSL or SDSL service, or by end-users served by a fiber-fed digital loop carrier (DLC) system. This represents a substantial portion of the consumers served by BellSouth in Florida that otherwise would not be able to obtain Covad's DSL service. Last year, BellSouth unilaterally extended its target loop delivery interval from 7 to 12 days, without consultation or approval of Covad. We want to prevent that from happening again.

Issue 5(c): WHAT SHOULD BE THE APPROPRIATE INTERVAL FOR BELLSOUTH TO "DE-CONDITION" (I.E., REMOVE LOAD COILS OR BRIDGED TAP) LOOPS REQUESTED BY COVAD?

Q. What is loop de-conditioninig?

A. Covad recognizes that for certain loops, de-conditioning actions need to be taken in order for that loop to support DSL services. These de-conditioning services include the removal of load coils and excessive bridge taps—encumbrances originally on a loop put in place to support analog voice service (in the case of a load coil) or to save BellSouth engineering costs (in the case of a bridge tap). BellSouth has performed and continues to perform these de-conditioning services for its own retail data communications services, including ADSL.

Q. What interval does Covad propose for BellSouth to "de-condition" loops when requested by Covad?

A. Covad proposes that BellSouth de-condition loops within (5) five business days of Covad's order. This interval for de-conditioning would be an additive to the installation intervals discussed in Issues 5(a) and (b) above. Covad believes that these intervals are reasonable.

In negotiations, BellSouth has proposed a series of different "target" conditioning intervals, depending on what type of de-conditioning is required. For underground plant, BellSouth proposes to give itself up to 30 business days—nearly a month and a half—to de-condition a loop. It also should be noted that if Issues 5(a) and 5(b) are resolved in BellSouth's favor, BellSouth's promised conditioning intervals may ultimately be meaningless—because the overall loop installation interval in BellSouth's proposals is so flexible and subject to unilateral alteration by BellSouth.

Moreover, numerous other retail services require loops that are de-conditioned, including ISDN and T-1 service. BellSouth does not make its retail customers wait an undisclosed period of time for a conditioned loop. Therefore, it is inappropriate to make Covad wait an unspecified period for the same work to be performed.

Issue 6: WHERE A DUE DATE FOR THE PROVISIONING OF A FACILITY IS CHANGED BY BELLSOUTH AFTER A FIRM ORDER CONFIRMATION HAS BEEN RETURNED ON AN ORDER, SHOULD BELLSOUTH REIMBURSE COVAD FOR ANY COSTS INCURRED AS A DIRECT RESULT OF THE RESCHEDULING?

Q. Can you please explain why it is important that Covad should be reimbursed for any costs incurred as a direct result of rescheduling?

A. Yes. I would be glad to explain. BellSouth has proposed, in 2.1.7 and 2.1.8 of Attachment 2, that Covad compensate BellSouth's costs in the event Covad cancels or changes a loop order. As a result, Covad has proposed that BellSouth compensate Covad in the event BellSouth modifies or cancels a Covad unbundled loop order, using the same rates that BellSouth would impose on Covad.

In two years of operation in the BellSouth territory, BellSouth has repeatedly and unilaterally cancelled Covad unbundled loop orders—oftentimes on the date BellSouth originally promised to provide the loop (the FOC date). These last-minute cancellations impose considerable costs on Covad because ordering and receiving an

unbundled loop is only part of the process Covad must follow in order to turn-up DSL service to a customer.

BellSouth believes that Covad should compensate BellSouth if Covad cancels or modifies a loop order—but, at the same time, BellSouth does not agree that it should pay Covad the same rates if BellSouth cancels or modifies a Covad loop order. By proposing that Covad compensate BellSouth, under the recent *MCI* decision, BellSouth may no longer challenge this Commission's jurisdiction to arbitrate this issue pursuant to Section 252.

Q. Why shouldn't BellSouth be entitled to recover costs when Covad changes or cancels an order?

A. In complex business relationships, parties do not generally attempt to impose penalties on every possible failure point. For example, when Covad sends a package through UPS, Covad can call UPS and change the destination of the package. It may cost UPS a small amount of administrative work, but UPS does not attempt to charge Covad for that. As business partners, UPS recognizes that Covad is a valuable customer. UPS wants Covad's business and does not seek to penalize Covad for changes or cancellations of an order.

BellSouth is different. As a monopoly provider, BellSouth recognizes Covad has no where else to buy loops. Therefore, BellSouth can unilaterally decide to impose penalities on each potential point in the provisioning process.

Q. How big a problem is this?

A. It is substantial. In Florida alone, BellSouth issues more than one firm order

confirmation ("FOC") with a loop delivery date on 36% of Covad's orders. Greater than 12% of Covad's orders receive 3 or more delivery dates. Covad had at least 10 orders receiving 8 or more delivery dates.

Q. Can you explain how receiving multiple firm order confirmations (FOCs) on a single order can significantly add to Covad's internal processing time and costs?

A. Sure. When Covad receives a firm order confirmation (FOC), it contains the due date for the installation of that loop. Today, FOCs are received manually via a fax from the BellSouth Local Carrier Service Center (LCSC) or by referring to a BellSouth web-based report called the PON (Purchase Order Number) Status Report. Once received, Covad then must update its internal systems to reflect the date that BellSouth is scheduled to complete delivery of the loop. Based on the due date provided by BellSouth on the FOC, the Covad systems then trigger testing on the loop, notification to end user, and the dispatch of a Covad installation technician for completion of the DSL service. Therefore, Covad is relying on the BellSouth due date to set up all of the downstream steps towards provisioning DSL for the end user.

If after receipt of the original FOC BellSouth changes the due date, BellSouth must issue a new FOC. The only way Covad is aware of the new FOC is by receiving the faxed FOC, provided we receive the fax, because no one would check the PON Status Report since we already received a FOC. Assuming we did receive the new fax, we must change the Covad internal systems to reflect the new BellSouth delivery date. The new FOC can be received before, on, or after the original due date. Changes will have to be made to the scheduled testing of the loop as well as

changes of the load for the Covad technician who was to be dispatched based on the original due date. The Covad representative will have to also contact the Internet service provider (ISP) so it can contact the end user customer to let them know of the change in the BellSouth due date. Depending on when the new FOC was received, this often causes end user customer frustration because they have already taken time off work to be home when the loop is delivered.

If for some reason we do not receive the new FOC via fax, the order would not be looked at again until after the original BellSouth delivery date. Covad usually finds out about these after the ISP or the end user customer contacts Covad. As you can imagine, this contact is not generally pleasant. This whole sequence of events adds to Covad's internal processing time which results in much higher provisioning costs. These costs are magnified when two, three, four or more FOCs are issued on single order.

Q. What does Covad propose to resolve this issue?

A. All we want is nondiscriminatory treatment. Either BellSouth must agree not to charge Covad for modifying or cancelling an order or BellSouth must reimburse Covad when BellSouth modifies or cancels an order by changing the delivery date.

Issue 7(a): WHEN BELLSOUTH PROVISIONS A NON DESIGNED xDSL LOOP, UNDER WHAT TERMS, CONDITIONS AND COSTS, IF ANY, SHOULD BELLSOUTH BE OBLIGATED TO PARTICIPATE IN JOINT ACCEPTANCE TESTING TO ENSURE THE LOOP IS PROPERLY PROVISIONED?

Q. Should BellSouth be required to participate in joint acceptance testing on non-designed loops?

A. Yes. Joint Acceptance Testing is a safety net intended to catch non functional loops during the provisioning process, rather than forcing these problems to be resolved through the repair and maintenance process. This testing should be unnecessary because when Covad orders a loop, it should always receive a functional loop from BellSouth. Requiring BellSouth to perform Joint Acceptance Testing on all loops, including the new non designed loop, insures that Covad gets what it pays for. Once BellSouth proves that it is delivering functional loops with consistency, this testing will become unnecessary.

Q. How does Joint Acceptance Testing work?

A. Essentially, Joint Acceptance Testing works as follows. The BellSouth technician, having delivered the loop to the customer premise, calls a Covad 1-800 number. Next, the BellSouth technician and Covad run a series of tests on the loop (like having the BellSouth technician put a short on the loop) to establish that it is functioning properly. Although it is not foolproof, these series of tests can determine in most instances whether the loop works at the time of installation. By requiring BellSouth to participate in Joint Acceptance Testing on all loops, including non designed xDSL loops, the Commission can ensure that more of BellSouth loops function properly at the time of delivery.

Q. What does Covad propose as the terms and conditions for joint acceptance testing of a non-designed loop?

A. BellSouth should provide for joint acceptance testing on every non-designed loop that it provides to Covad. BellSouth should be required to perform such testing before Covad will accept the loop as "delivered."

Q. At what cost should joint acceptance testing be performed?

A. First, I strongly believe that Covad should not be charged for this testing at all. It is only necessary to insure that BellSouth actually does what has it promised to do -- deliver a functional, fully connected loop. Covad developed this series of tests that they do cooperatively with BellSouth and other ILECs as a result of the ILECs' failures to properly provision loops. The testing procedure acts as a safety net. This saves both ALECs and BellSouth time and money because it identifies problems with loops during the provisioning process, rather than having these issues arise only as trouble tickets. In Covad's experience, Joint Acceptance Testing identifies instances in which BellSouth has not made the promised cross connections or has not made them properly. Thus, the testing confirms that BellSouth has not delivered Covad a functional, fully connected loop. Obviously, this testing safety net **should** be unnecessary. Given that the cost of delivering a functional loop is built into BellSouth's rate structure, there should be no charge to Covad for this testing.

Q. What proposal has Covad made to BellSouth about Joint Acceptance Testing on the new non-designed (UCL-ND) loop?

A. Covad is willing to put its money where its mouth is. From experience, we believe that Joint Acceptance Testing on these loops will show that BellSouth is failing to provision a fully connected and functional loop the vast majority of the time. Thus,

we proposed:

> BellSouth will provide joint acceptance testing on the UCL-ND for $40. If BellSouth delivers UCL-ND loops on time that are functional 90% of the time, Covad will pay for the Joint Acceptance Testing. If BellSouth does not deliver UCL-ND loops that are functional on time 90% of the time, BellSouth pays for the Joint Acceptance Testing.

We believe this is a reasonable proposal. If BellSouth can deliver functional loops on time at a level that enables Covad to successfully compete, Covad will have no need to require Joint Acceptance Testing.

Issue 7(b): SHOULD BELLSOUTH BE PROHIBITED FROM UNILATERALLY CHANGING THE DEFINITION OF AND SPECIFICATIONS FOR ITS LOOPS?

Q. Why is it crucial that BellSouth not be allowed to unilaterally change the definitions and specifications for its loops?

A. BellSouth seeks to reserve the right to unilaterally change the definitions of loops by changing its Technical Specifications. All Covad needs is a loop that complies with the engineering guidelines that BellSouth's network should already be designed to support. But we are trying to build a business based on loops as specified in the existing BellSouth documents and in our contract. BellSouth seeks to reserve the right to alter the definition and specifications of its loops unilaterally, by making changes to its Technical References. Covad's business plan relies on certainty and

its ability to consistently order the loops as defined in its contract with BellSouth. Covad asks that BellSouth's loop definitions for DSL loops remain as defined in the contract and the Technical Specifications in place on the date of Execution of the Interconnection Agreement.

Issue 8: WHEN COVAD REPORTS A TROUBLE ON A LOOP WHERE, AFTER BELLSOUTH DISPATCHES A TECHNICIAN TO FIX THE TROUBLE, NO TROUBLE IS FOUND BUT LATER TROUBLE IS IDENTIFIED ON THAT LOOP THAT SHOULD HAVE BEEN ADDRESSED DURING BELLSOUTH'S FIRST DISPATCH, SHOULD COVAD PAY FOR BELLSOUTH'S COST OF THE DISPATCH AND TESTING BEFORE THE TROUBLE IS IDENTIFIED?

Q. Please explain the process that Covad goes through when there is a trouble on the loop and must report it to BellSouth.

A. When Covad experiences trouble with a UNE loop, Covad opens a trouble ticket with BellSouth. On numerous occasions, BellSouth has responded to the trouble ticket by saying "no trouble found," presumably meaning that BellSouth had dispatched a truck, tested the loop and found no problems. BellSouth then charges Covad for that dispatch. After several trouble tickets are opened on the loop, a joint meeting between Covad and BellSouth will occur. In many instances, BellSouth and Covad technicians then locate and resolve the problem. However, it is then incumbent upon Covad to challenge all of the incorrect "no trouble found" charges imposed on Covad.

Q. Should Covad be charged for BellSouth's dispatch and testing on a loop if

BellSouth is not able to identify a trouble on that loop?

A. Absolutely not. That's the best way to preclude BellSouth from charging Covad for these types of trouble tickets. Covad proposes that BellSouth not be allowed to charge when no trouble is found on the loop. Covad certainly does not open trouble tickets without a problem on the loop and, as a matter of customer service, BellSouth should service the loops Covad orders. Moreover, Covad pays extraordinarily high recurring charges that are sufficient for all routine maintenance on the loops it orders. Moreover, Covad should certainly not be charged for trouble tickets that are prematurely closed. We know this is the case since many times Covad is forced to open multiple trouble tickets before BellSouth actually finds and fixes the problem. In Florida, for example, Covad has been forced to open more than one trouble ticket on 40% of the loops where a trouble ticket was opened at all. That means that 40% of the time, BellSouth is failing to cure the problem with its loop on the first trouble ticket. By not allowing BellSouth to charge Covad for trouble tickets when "no trouble" is found, BellSouth will have an incentive to cure the problems on the first ticket. At the very least, Covad should not be charged when BellSouth has improperly and prematurely closed the trouble ticket.

Issue 11: WHAT RATE, IF ANY, SHOULD COVAD PAY BELLSOUTH IF THERE IS NO ELECTRONIC ORDERING INTERFACE AVAILABLE, WHEN IT PLACES A MANUAL LSR FOR: (A) AN XDSL LOOP? (B) LINE SHARING?

Q. What nonrecurring rate does BellSouth propose for a manual Local Service

Request (LSR) submitted for an xDSL loop and line sharing?

A. Under Covad's existing Interconnection Agreement, BellSouth charged Covad $19.99 nonrecurring charge for each Local Service Request (LSR) that it submitted manually in Florida. In the most recent UNE pricing docket in Florida, BellSouth proposed a similar charge.

Q. Is this charge appropriate?

A. No. Such a charge is clearly anti-competitive. First, BellSouth retail customers are not required to pay any such manual order charges because BellSouth has developed electronic ordering systems for its own retail divisions. In contrast, BellSouth has delayed development of Electronic Data Interchange ("EDI") for pre-ordering and ordering of xDSL loops. As a result of this delay, Covad has been forced to submit orders manually, either using a facsimile or email. Covad must then follow-up and escalate each and every order manually as well. This process has had a severe and detrimental impact on Covad's business. BellSouth claims that it has now made electronic ordering available for xDSL loops, but all of BellSouth systems for handling these orders (LENS, TAG, EDI) are in the embryonic stage and are relatively unstable. Covad, for example, has experienced numerous problems with placing orders through LENS.

If any charge is allowed to be imposed for manual LSRs, it should only be allowed when BellSouth has functional, stable electronic systems available for ordering which Covad has chosen not to use. When BellSouth's systems are nonfunctional, rather than delaying orders, Covad will be forced to use the manual

processes. This severely delays Covad's process. BellSouth seeks to further damage Covad by imposing an additional charge for manual service order processing, even though Covad must order manually as a result of BellSouth's own failure to provide functional, electronic ordering systems for xDSL loops.

Issue 12: SHOULD COVAD HAVE TO PAY FOR A SUBMITTED LSR WHEN IT CANCELS AN ORDER BECAUSE BELLSOUTH HAS NOT DELIVERED THE LOOP IN LESS THAN FIVE BUSINESS DAYS?

Q. Does Covad believe it should be charged for submitting the LSR if BellSouth has not delivered the loop within the required interval?

A. No. BellSouth unjustly states that it should be paid an LSR OSS charge even if it ultimately fails to deliver a loop to Covad or delivers that loop late. Covad strongly disagrees. Because of BellSouth's poor performance in delivering loops, Covad's customers often cancel orders while Covad is waiting for BellSouth to deliver a loop. BellSouth seeks to charge Covad the LSR submission fee for these cancelled orders, even if it is BellSouth that has delayed in providing the loop. BellSouth's proposal provides BellSouth a perverse incentive to delay Covad loop deliveries.

Q. What does Covad propose in this situation?

A. Covad proposes that BellSouth waive the LSR OSS charge if Covad cancels an LSR when BellSouth has failed to deliver a loop within the loop delivery interval. Covad believes this bright-line proposal would better align BellSouth's interests with installing Covad's loops, rather than delaying those installations. Requiring Covad

to pay for LSR submission when BellSouth fails to meet loop delivery intervals only makes Covad suffer for BellSouth's poor performance.

Issue 13: WHAT ACCESS SHOULD COVAD HAVE TO BELLSOUTH'S LOOP MAKE UP INFORMATION?

Q. Does the FCC's UNE Remand Order make it clear what access to loop make information Covad is entitled to?

A. Yes. The FCC's *UNE Remand Order* requires BellSouth to provide access to all loop makeup (LMU) information it possesses. The *UNE Remand Order* states at ¶ 427 that,

> an incumbent LEC *must* provide the requesting carrier with nondiscriminatory access to *the same detailed information about the loop* that is available to the incumbent, so that the requesting carrier can make an independent judgment about whether the loop is capable of supporting the advanced services equipment the requesting carrier intends to install. . . . *[I]ncumbent LECs must provide requesting carriers the same underlying information that the incumbent LEC has in any of its own databases or other internal records.*

The FCC also made clear that "the relevant inquiry is not whether the retail arm of the incumbent has access to the underlying loop qualification information, but rather whether such information exists anywhere within the incumbent's back office and can be assessed by any of the incumbent LEC's personnel." *Id.* at ¶ 430.

Q. What level of access to its loop make up information has BellSouth proposed?

A. BellSouth has only proposed that Covad have mediated access to some of this information, by operation of a Loop Makeup Service Inquiry (LMUSI) process.

Q. Is there a problem with the way BellSouth's loop make up interfaces are designed?

A. Yes. The way BellSouth designed the electronic loop makeup inquiry precludes Covad from effectively using the system. BellSouth requires that Covad search for loop makeup by identifying a BellSouth loop product. For example, rather than simply inputting a customer's address and asking what loops are available (like Covad would like to do), BellSouth requires that Covad search for ADSL loops to a customer's house. If the loops to that customer's house do not meet the BellSouth defined criteria for that type of loop, the loop makeup will indicate that no loops are available. Covad would then have to make another inquiry seeking information on a different, maybe a longer, loop type, like the IDSL loop. At any rate, Covad is forced to hunt and peck to find loops, all because BellSouth has imposed artificial and illegal restrictions on its access to loop information.

Issue 21: SHOULD BELLSOUTH BE REQUIRED TO PROVIDE ACCURATE SERVICE ORDER COMPLETION NOTIFICATIONS FOR LINE SHARED UNE ORDERS?

Q. Should BellSouth be required to provide accurate service order completion notifications for line sharing?

A. Yes. Remember, provisioning a line shared loop requires no truck roll. All BellSouth has to do is perform some simple cross connections in the central office. Covad seeks accurate information from BellSouth confirming that the cross connections necessary to provision a loop have been performed. It's that simple.

BellSouth refuses to send Covad a service order completion, like it does for other loop orders. Our experience shows that BellSouth routinely fails to perform the cross connections on time, which makes accurate service order completion notices even more important.

Q. Has BellSouth provided a suitable accurate and timely service order completion system?

A. No. BellSouth has given ALECs access to two reports on its web site called the COSMOS CFA Report and the SWITCH CFA Report. However, these reports are not completion notifications. Instead, they are lists of working cable, pair, and splitter assignments listed by CLLI code and telephone number.

Q. Why are the COSMOS/SWITCH reports not a suitable and accurate timely service order system?

A. This solution is not an active completion notification that is sent to Covad. It is merely a stop-gap solution to a larger issue. The notification that is sent to the ALECs only show the completion of the billing order and not that the physical cross-connects have been completed in the central office. It's ironic. The system is clearly designed to start billing at the earliest possible point, but the system apparently is not set up to ensure that the work for which Covad is billed has been done.

Further, Covad must actively go to the web to view the reports and to search for orders that *should* be completed. If the phone number is on the report and has a "wk" or working status, it means that the BellSouth CO technician has completed the work order for the central office cross-connects for the line sharing. This means that

the line sharing should be complete and working.

The reason that there are two reports is that BellSouth has two internal facilities and assignment systems---COSMOS and SWITCH. COSMOS is the older system that is gradually being replaced by SWITCH. This means that Covad must look in both reports for each order to see if BellSouth completed the work on the due date. If the number is not on the report and it is past the due date, BellSouth has instructed ALECs to open a trouble ticket with its repair and maintenance center. Obviously, this is an unworkable system.

Q. Are there any other problems associated with the COSMOS/SWITCH reports?

A. Yes. These web-based reports are only updated three (3) times per week. This can, in practical terms, cause the delivery interval for the line sharing order to increase because Covad cannot dispatch for the data installation at the end user premises until we know that BellSouth has actually completed the work. These reports must be updated at least Monday through Friday in order to give ALECs accurate completion notifications so they can set realistic end user expectations. In addition, the report format is not very user friendly. It is difficult to search for the CLLI codes and phone numbers of the line sharing order. BellSouth has said that it is working on enabling these reports to be easily downloaded in a spreadsheet format, but this has not been done.

Q. How does this inaccurate and unusable information affect Covad?

A. Covad depends upon BellSouth to accurately and timely notify Covad that work has been completed on line shared loops. BellSouth's failure to provide accurate service

order completion notices for line-shared UNE orders jeopardizes Covad's ability to effectively compete for customers in the state of Florida. When Covad receives inaccurate service order completions from BellSouth, Covad wastes time and effort attempting to get its customer's service going -- only to learn that the DSL service cannot work because BellSouth had not yet accomplished the limited cross connection work necessary to provision the line shared loops. Covad has been plagued with inaccurate information recorded on the various databases and spreadsheets BellSouth forces Covad to use to ascertain the status of its orders.

Q. What does Covad propose?

A. Covad seeks two things. First, Covad wants BellSouth to update the information in SWITCH/COSMOS on a daily basis. BellSouth will only commit to doing it three times week. Second, Covad wants BellSouth to produce to Covad a daily list of completed line share orders.

Q. Should BellSouth provide a daily completion report to Covad for line sharing orders?

A. Yes. Although, BellSouth has attempted to provide systems (CSOTS and COSMOS/SWITCH REPORT) to Covad that would provide information on successful completion of line sharing order, these systems are not adequate. BellSouth should simply provide a daily email listing all of the line sharing orders that were completed by BellSouth on the previous day. Covad could verify this against its records based on the firm order confirmations (FOCs) received.

Q. Do other ILECs provide such completion reports?

A. Yes. Qwest has developed a completion report that it emails to Covad daily. This report lists all line sharing orders that Qwest completed the previous day. This line sharing completion reporting function is also being added to Qwest's electronic ordering systems. When completed, Covad will be able to access the system and pull reports showing completions of line sharing orders. This report will also include what are called "losses." Losses are notifications of when a Covad customer has disconnected to go to another data provider. BellSouth should produce a similar report for Covad.

Issue 22: SHOULD BELLSOUTH BE REQUIRED TO TEST FOR DATA CONTINUITY ON EACH LINE SHARED LOOP BOTH IN THE PROVISIONING AND IN THE REPAIR AND MAINTENANCE OF THE LOOPS?

Q. Why is crucial that BellSouth test for data continuity during provisioning and repair and maintenance of line sharing?

A. During the initial implementation of line sharing, Covad experienced numerous problems with ensuring that BellSouth had completed the work necessary to provision the loop. As a result of the FCC Line Sharing Summits, Covad and BellSouth determined that BellSouth technicians were testing line-shared loops only for working voice service. BellSouth technicians did not test to insure that BellSouth had properly completed the cross connections on the data line from the splitter to the collocation space.

Q. Has BellSouth since implemented data continuity testing in both for provisioning and repair and maintenance?

A. Yes. BellSouth has implemented the use of the Line Sharing Verification Test Set (LSVT) in most of its central offices. As of April 12, 2001 BellSouth reported that approximately 420 central offices had the LSVT. BellSouth began deployment of the LSVT in January 2001. It also modified its methods and procedure for its central office technicians to use the test set during initial provisioning of line sharing and also during repair and maintenance. This is a good first step.

Q. Does the LSVT provide the necessary data continuity testing that Covad needs to assure that BellSouth has accurately provisioned and repaired line sharing orders?

A. No. While the LSVT is a good step towards providing good quality line sharing orders to Covad, it does not provide Covad with all that it needs regarding this issue. BellSouth has testing capabilities that it uses for its own retail ADSL that it refuses to use for Covad line sharing.

Q. What capability does BellSouth use to test its own retail ADSL?

A. Covad has learned that BellSouth uses a Sunset ADSL test set to test its own ADSL services. Covad discovered this when several BellSouth CO technicians actually used these sets to successfully test Covad line sharing circuits. With the success that we have experienced using the Sunset ADSL test sets in a few offices, Covad requested during the line sharing collaborative that BellSouth use these sets to provision Covad's line shared service. BellSouth responded the the Sunset test set

could only be used for BellSouth retail ADSL orders, not Covad's wholesale orders.

BellSouth seemed to be under the impression that the Sunset test set might not work on equipment other than that used by BellSouth for its retail service. As a result, Covad researched the Sunset ADSL test set manufactured by Sunrise Telecom. We discovered that it is designed to work with DMT4 ADSL Line Cards; the same type of line cards which Covad uses on all line sharing orders and BellSouth uses for its ADSL service.

Q. Why should BellSouth use the Sunset ADSL test set for Covad line sharing orders?

A. Unlike the LSVT test set, the Sunset ADSL test set would provide Covad repair representatives, located in Covad's repair center, with visibility into the configuration of our line sharing circuits and improve our cooperative testing abilities during the repair and maintenance process.

Q. Should BellSouth still use the LSVT for the provisioning of line sharing circuits for Covad?

A. Yes. The LSVT test allows the BellSouth central office technicians to double-check the cross-connections and jumpers when initially wiring Covad line sharing orders. The Sunset ADSL test set would only be used in a repair and maintenance situation.

Q. Does this mean that the Sunset test set would not be used if Covad was having trouble turning up a line sharing circuit initially?

A. No. The way that BellSouth has implemented its processes, as soon as the due date for an order has passed, BellSouth considers it a maintenance issue. Today, Covad

must open a trouble ticket on a new order that is having a problem, even though it has never been successfully turned up on the provisioning side.

Q. Do you think that BellSouth could easily modify its methods and procedures to begin using the Sunset ADSL test set for Covad line sharing orders?

A. Absolutely. Since BellSouth uses these for its own retail ADSL service, it can easily be used for Covad's service as well. The benefits to Covad are enormous, and use of the set will also help BellSouth resolve quickly problems on the orders.

Issue 29: WHAT RATES SHOULD COVAD PAY FOR COLLOCATION?

Q. Can Covad adequately offer testimony on this issue at this time?

A. No. Once BellSouth files its cost study, Covad will have an opportunity to evaluate the proposals and will offer testimony on this issue in rebuttal.

Issue 30: SHOULD BELLSOUTH RESOLVE ALL LOOP "FACILITIES" ISSUES WITHIN THIRTY DAYS OF RECEIVING A COMPLETE AND CORRECT LSR?

Q. Why is it crucial that BellSouth resolve loop facilities issues within thirty (30) days of receiving a complete and correct LSR?

A. This issue is similar to that addressed in Issue 5 (loop provisioning intervals, in particular Issue 5(a) and (b)). BellSouth has proposed language that would only obligate it to resolve "facilities" issues for a Covad loop order in an unspecific manner. As described in Issue 5 above, Covad believes it is vitally important that the loop installation process be as predictable and uniform as possible. Allowing

BellSouth to claim that a loop is presented with a "facility" issue without placing a time frame around resolution of that issue essentially gives BellSouth the unilateral power to delay Covad loop installations.

To give you a sense of how serious a problem this is, Covad estimates that over 10% of its cancelled Florida orders were placed in a "pending facilities" que by BellSouth. Similarly, of Covad's working loops in Florida, more than 20% percent experienced facilities issues, of those more than 23% were placed into pending facilities queue more than once. BellSouth believes that its legal obligations require it only to offer a parity interval for resolving facilities issues, but BellSouth steadfastly refuses to produce any documentation to prove that it is currently resolving pending facility situations at a parity level. Instead, BellSouth believes Covad should take its word that it is performing at a parity level.

As discussed above, firm and predictable installation intervals would result in better end-user customer service, would help detect breakdowns in BellSouth's provisioning systems, and would expedite dispute resolution procedures.

Q. Does that conclude your direct testimony?

A. Yes.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Direct Testimony of Thomas E. Allen on Behalf of Covad Communications Company has been furnished by (*) hand delivery this 23rd day of April, 2001, to the following:

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