

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 010098-TP

In the Matter of

PETITION BY FLORIDA DIGITAL NETWORK,
INC. FOR ARBITRATION OF CERTAIN
TERMS AND CONDITIONS OF PROPOSED
INTERCONNECTION AND RESALE
AGREEMENT WITH BELL SOUTH
TELECOMMUNICATIONS, INC. UNDER THE
TELECOMMUNICATIONS ACT OF 1996.

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VOLUME 3

Pages 275 through 395

PROCEEDINGS: HEARING

BEFORE: COMMISSIONER J. TERRY DEASON
COMMISSIONER LILA A. JABER
COMMISSIONER MICHAEL A. PALECKI

DATE: Wednesday, August 15, 2001

TIME: Commenced at 9:35 a.m.
Concluded at 5:15 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: TRICIA DeMARTE
Official FPSC Reporter
(850) 413-6736

APPEARANCES: (As heretofore noted.)

FLORIDA PUBLIC SERVICE COMMISSION

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1 P R O C E E D I N G S

2 (Transcript follows in sequence from Volume 2.)

3 COMMISSIONER DEASON: Call the hearing back to order.

4 BellSouth, you may call your next witness.

5 MR. TURNER: Thank you, Commissioner Deason.

6 THOMAS G. WILLIAMS

7 was called as a witness on behalf of BellSouth

8 Telecommunications, Inc., and, having been duly sworn,

9 testified as follows:

10 DIRECT EXAMINATION

11 BY MR. TURNER:

12 Q Mr. Williams, will you state your name and business
13 address for the record, please.

14 A Yes. My name is Tommy Williams, 3535 Colonnade
15 Parkway, Birmingham, Alabama 35243.

16 Q Mr. Williams, did you file or cause to be filed in
17 this docket testimony consisting of -- direct testimony
18 consisting of six pages?

19 A Yes, I did.

20 Q And there are no exhibits to your direct testimony;
21 right?

22 A That's correct.

23 Q And did you also file or cause to be filed in this
24 docket rebuttal testimony consisting of 27 pages?

25 A I did.

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1 Q And there are two exhibits to that rebuttal
2 testimony; is that right?

3 A Yes, that's correct.

4 Q You had -- the first exhibit is TGW-1 consisting of
5 two pages?

6 A Yes.

7 Q And the second exhibit is TGW-2 consisting of two
8 pages?

9 A Yes.

10 Q Mr. Williams, do you have any corrections or
11 modifications to either your direct or your rebuttal testimony?

12 A No changes.

13 Q If I were to ask you the same questions that were set
14 forth in your direct and rebuttal prefiled testimony today,
15 would your answers be the same?

16 A Yes, they would.

17 MR. TURNER: Chairman Deason, with that we'd like to
18 ask that Mr. Williams' direct and rebuttal testimony be entered
19 into the record.

20 COMMISSIONER DEASON: Without objection, it shall be
21 inserted into the record.

22

23

24

25

1 BY MR. TURNER:

2 Q Mr. Williams, do you have a summary of your
3 testimony?

4 A Yes, I do.

5 Q Could you present your summary, please.

6 A Yes. Thank you. Good afternoon. My name is
7 Tommy Williams, and I'm employed by BellSouth as the product
8 manager for line sharing and line splitting. The purpose of my
9 testimony is to present BellSouth's position on the unresolved
10 issues and the negotiations between BellSouth and Florida
11 Digital Network, FDN. Specifically, my testimony addresses
12 Issue 1. Issue 1: For the purpose of a new interconnection
13 agreement, should BellSouth be required to provide xDSL service
14 over UNE loops when FDN is providing voice service over that
15 loop?

16 Mr. Gallagher would have you believe that alternate
17 local exchange carriers, or ALECs, are not able to offer DSL
18 service where digital loop carrier, or DLC, is deployed, and
19 that BellSouth should be forced to unbundle its packet
20 switching functionality for FDN to be able to launch a
21 facilities-based competitive local voice option for residential
22 subscribers who also desire data services.

23 When BellSouth provides its own ADSL service where
24 DLC is deployed, BellSouth must locate digital subscriber line
25 access multiplexer, or DSLAM, equipment at the DLC location.

1 Through the collocation process currently offered by BellSouth,
2 an ALEC that wants to provide xDSL where DLC is deployed also
3 can collocate DSLAM equipment at BellSouth's DLC remote
4 terminals, or RT sites. BellSouth will attempt it in good
5 faith to accommodate any ALEC requesting such collocation
6 access at a BellSouth DLC RT site that contains a BellSouth
7 DSLAM.

8 In the very unlikely event that BellSouth cannot
9 accommodate collocation at a particular RT, where a BellSouth
10 DSLAM is located, BellSouth will unbundle the BellSouth packet
11 switching functionality at that RT in accordance with the FCC
12 requirements. ALECs, therefore, have the same opportunity to
13 place DSLAMs at an RT as BellSouth has. Once an ALEC has
14 collocated its DSLAM at the remote terminal, BellSouth offers
15 unbundled network elements, or UNEs, that allow FDN to offer
16 high-speed data service on a ubiquitous basis in Florida over
17 the same UNE loops that it uses to provide voice service to its
18 customers. This includes UNE subloops from a network interface
19 device, or the NID, to the RT and the UNE subloop feeder
20 products from the RT to the central office. This will allow
21 the ALEC to provide the high-speed data access in the same
22 manner as BellSouth.

23 In some cases BellSouth has gone beyond what is
24 required by law. For example, although not required to do so,
25 in some situations BellSouth provides splitters to ALECs who

1 want to provide voice and data service over a single loop.
2 Typically, FDN typically uses its own switch and UNE loops it
3 purchases from BellSouth to provide service to its end users.
4 The situation addressed by this issue arises when FDN uses this
5 type of arrangement to provide voice service to an end user and
6 that end user also wants xDSL service from FDN. In the
7 situation I just described, FDN wants the Commission to order
8 BellSouth to provide BellSouth's ADSL service to FDN's end user
9 over the same UNE loop that FDN is using to provide voice
10 service to that voice user.

11 BellSouth's position is that it's not required to
12 provide its ADSL service over a loop if BellSouth is not
13 providing the voice service on the loop. This is an ADSL
14 transport service that BellSouth sells to Internet service
15 providers. The service works with existing analog voice
16 telephone service, and BellSouth offers its wholesale ADSL
17 service through the FCC access tariff. That tariff specifies
18 that the service is available only when BellSouth is the voice
19 service provider. When an ALEC uses UNE elements to provide
20 voice service, the ALEC is considered to be the voice provider.

21 In the recent Line Sharing Reconsideration Order, the
22 FCC stated, quote, we deny, however, AT&T's request that the
23 Commission clarify that incumbent LECs must continue to provide
24 xDSL service in the event customers choose to obtain service
25 from a competing carrier on the same line because we find that

1 the Line Sharing Order contained no such requirement, end of
2 quote. In an arbitration proceeding before the Public Service
3 Commission of South Carolina, IDS Telecom, LLC alleged that it
4 was anticompetitive for BellSouth not to provide xDSL service
5 over a loop that an ALEC is using to provide voice service.
6 The South Carolina Commission rejected IDS's allegation
7 stating, quote, IDS's allegation is without merit, close quote.

8 Additionally, in the MCI WorldCom arbitration, this
9 Commission ruled, quote, while we acknowledge WorldCom's
10 concern regarding the status of DSL service over a shared loop
11 when WorldCom wins the voice service from BellSouth, we believe
12 the FCC addressed this situation in its Line Sharing Order, end
13 of quote.

14 Additionally, there are significant operational
15 issues associated with providing -- BellSouth providing its
16 ADSL service when an ALEC like FDN provides dial tone from its
17 own switch. The ILEC assigns the telephone number to the end
18 user in these cases. BellSouth's database, therefore, does not
19 include loop information for facilities-based UNE telephone
20 numbers, and BellSouth cannot use the database to readily
21 determine whether a facilities-based UNE loop is ADSL
22 compatible.

23 Similarly, the operational and support systems
24 related to BellSouth provisioning of ADSL service require the
25 entry of a telephone number to properly identify the correct

1 A Yes, we did.

2 Q And since your deposition, have you had reason to
3 reconsider any of your answers to the questions I asked you?

4 A Yes. Yes, one question I've reconsidered. It was
5 the question concerning DS-3 feeder UNE loops, and you asked me
6 if multiplexing was required, and I said BellSouth provided the
7 multiplexing. I have since found out that is not correct.
8 BellSouth hands off the signal to the ALEC at the DS-3 level,
9 and if channelization is required, it would be up to the ALEC
10 to provide such channelization.

11 Q We'll get there this morning, I think -- this
12 afternoon, I think. I just want to come back a little bit and
13 begin with a discussion of the underlying technology that we're
14 talking about. DSL stands for digital subscriber line, you
15 would agree?

16 A Yes.

17 Q And the beauty of a DSL service is that it permits
18 telephone companies to provide high-speed data service and
19 voice service on the same line; is that correct?

20 A That is correct.

21 Q That's one of the beauties of it?

22 A That's one of the beauties.

23 Q And the DSL service occupies the high-frequency
24 portion of the loop, generally above 3,000 Hertz, I believe,
25 and the voice service is below that.

1 A Well, and maybe as high as 4,000, but you're correct.

2 Q Now, DSL travels only over copper facilities; is that
3 correct?

4 A That is correct.

5 Q And when an end user orders DSL or receives DSL
6 service, I'd like to talk a little bit about some of the
7 network architecture that's involved there. Let's begin with
8 the home. At the customer's home, there will be a splitter
9 installed; is that correct?

10 A Not necessarily. There could be. In most cases a
11 low pass filter would be associated with the modem but usually
12 not a splitter.

13 Q And the low pass modem will route the voice signal to
14 the telephone and the data signal that's coming over the copper
15 loop to the computer; is that correct?

16 A That's right.

17 Q And since this is a two-way service, it goes from the
18 home to the termination point of that copper loop; is that
19 correct?

20 A Yes.

21 Q And is there also another splitter or splitter like
22 device at the termination point?

23 A Yeah. We would place a splitter at the termination
24 point and split the signals and send the data signal to the
25 data equipment and the voice signal along the voice path.

1 Q And the voice path is routed to a switch; is that
2 correct?

3 A Yes, it is.

4 Q And then switched along the public switched, the
5 public switched network?

6 A That's just business as usual.

7 Q The data signal, on the other hand, is routed at the
8 termination point along the data network; is that correct?

9 A Well, after it's split. I think I agree with you.

10 Q After it's split --

11 A Right.

12 Q -- it's then routed along the data network?

13 A Right.

14 Q It's at that point it will go through an ATM switch?

15 A It would go through a DSLAM first, and then to an ATM
16 switch.

17 Q Okay. Now, the DSLAM, that's a DSL multiplexer; is
18 that correct?

19 A That's right.

20 Q And what the DSLAM does is it aggregates multiple DSL
21 signals for multiple copper loops, and it permits those signals
22 to be routed over a shared transmission facility; isn't that
23 correct?

24 A Well, first it would packetize those, and then they
25 would come in, like you said, from multiple end users, so the

1 packets could be mixed together to go out over a packet network
2 toward the ATM switch.

3 Q So the DSLAM packetizes the data, and it routes the
4 data along the -- a shared transport medium?

5 A Yes, it does.

6 Q And that's multiplexing?

7 A Yes.

8 Q Now, you agreed earlier that DSL only travels -- the
9 DSL signal only travels along the copper transport facility.

10 A That's right.

11 Q And after it's routed through the DSLAM, it's no
12 longer in a DSL signal format; is that correct?

13 A That is correct.

14 Q It's either -- it's in some packet format?

15 A Yes.

16 Q Returning to our discussion of what happens on the
17 copper loop. Two of the Commissioners here have sat through
18 the UNE rate case I recall from last fall, so they're very
19 familiar with the characteristic requirements of a copper loop.
20 But you'd generally agree, wouldn't you, that a loop cannot be
21 longer than 18,000 feet in order to carry DSL to its
22 termination point?

23 A That's the recognized industry standard.

24 Q And sometimes it can be longer and sometimes --

25 A Sometimes shorter, depending on the equipment.

1 Q Depending on the equipment and other conditions?

2 A Right.

3 Q Within that distance -- and the reason that the
4 distance is -- the DSL signal is distance limited is because
5 the DSL signal degrades or attenuates with distance?

6 A Yes.

7 Q And the quality of the signal is the function of the
8 distance; isn't that correct?

9 A Yes, that's true.

10 Q So a DSL signal that's routed over a 5,000-foot
11 copper loop will be higher quality, generally speaking, than a
12 similar signal routed over a 10,000-foot loop; isn't that
13 correct?

14 A That's true. That is correct.

15 Q And similarly, you will have a stronger signal over a
16 10,000-foot loop than you would have over a 15,000-foot loop?

17 A That's correct, a stronger signal.

18 Q Now, earlier we heard Mr. Gallagher speak about
19 Florida's network architecture, but he also spoke about the
20 common conception of a telephone network. And I think that
21 that is depicted in some respects in Exhibit 7. Do you have
22 Exhibit 7 that's been earlier introduced?

23 A I have two. Which is 7?

24 Q Seven is the one with no DSLAM at the remote
25 terminal.

1 A I have that.

2 Q This is actually not quite what I'm talking about,
3 but we normally think of a telephone network, do we not, as
4 consisting of a home and a central office? That's the
5 stereotypical conception.

6 A That would be a layman's conception of the telephone
7 network, yes.

8 Q Exactly. That's a perfect answer. In Florida, that
9 is not our network architecture, is it?

10 A In Florida, you do have remote terminals, and not
11 just Florida, all of the BellSouth states. We use remote
12 terminals extensively because it makes our voice network more
13 efficient, and this network was designed for voice.

14 COMMISSIONER JABER: Mr. Williams, I don't know if we
15 established once and for all in the record how many remote
16 terminals you do have in Florida. Do you know?

17 THE WITNESS: How many remote terminals?

18 COMMISSIONER JABER: Uh-huh.

19 THE WITNESS: I don't object to the number 12,000
20 that are being used. I don't know exactly what it is, but it's
21 in that range. Region-wide we have 45,000; 12,000 seems to
22 make sense.

23 BY MR. SLOAN:

24 Q Mr. Williams, could you turn to -- we do have an
25 interrogatory answer to that question, and it is Item Number --

1 I'm not sure which exhibit number it is, but it's your answer
2 to Interrogatory Number 4, Exhibit 1.

3 A I have that.

4 Q And how many remote terminals are in Florida's
5 BellSouth network?

6 A 12,037 as of May 23rd.

7 Q Thank you. Now, the way that Florida's DLC network
8 works, as I understand it and as you've testified earlier, is
9 that through the location of numerous remote terminals in the
10 field, you are allowed -- it permits you to have shorter copper
11 loop lengths.

12 A I'm sorry, I didn't understand your question.

13 Q Let me rephrase it. BellSouth's network consists of
14 long distribution -- longer distribution facilities and shorter
15 copper loops as a result of the deployment of numerous remote
16 terminals in the field; isn't that correct?

17 A I'm not sure I agree with that. We use remote
18 terminals, and it does shorten the copper portion of the loop.
19 I'm not sure where you are going with the question.

20 Q Okay. Well, generally speaking, then the DLC network
21 architecture involves individual end users served by copper
22 loops that terminate at remote terminals; is that correct?

23 A That is correct.

24 Q Okay. A copper facility travels from the remote to
25 the end user. Multiple copper loops are aggregated at the

1 remote, and a shared transport facility connects the remote
2 with BellSouth's central office; is that correct?

3 A That is correct. That's what DLC does.

4 Q And the transport facility can be either fiber, an
5 optical transport facility, or a copper facility; is that
6 correct?

7 A That is correct.

8 Q And I believe that you've answered an interrogatory
9 question. You've stated -- BellSouth has stated that
10 61 percent of its network consists of fiber fed remote
11 terminals; is that also correct?

12 A I think I recall that number, yes.

13 Q The remaining portion -- well, let me ask another
14 question. What total portion of BellSouth's network is served
15 behind remote terminals?

16 A I don't know that.

17 Q Is it over 90 percent?

18 A It's probably in that range. It could be 90. I just
19 don't know what it is. We admit we use remote terminals
20 extensively because it makes our voice network much more
21 efficient.

22 Q And that's not in dispute. What I'm driving at here
23 is, we're getting at how the DSL service is provided over this
24 facility, and that's why I'm taking the time here.

25 A Okay.

1 Q Now, there was some testimony earlier -- there was a
2 line of questioning about remote terminals that are also fed by
3 copper transport facilities.

4 A Yes.

5 Q And in an answer to an interrogatory question,
6 BellSouth said that there were a million remotes, I'm sorry, a
7 million customers served by copper fed remotes. Are you
8 familiar with that answer?

9 A Yes, I am.

10 Q A T-1 facility serving a remote terminal is also a
11 shared transport facility; is that correct?

12 A Yes, it is.

13 Q And I think that there is agreement that the DSL
14 signal cannot travel over the fiber -- the optical transport
15 facility. You've agreed to that?

16 A Yes, I have.

17 Q Do you also agree that the DSL signal cannot travel
18 over the T-1 copper facility as well?

19 A Yes, I agree with that. DSL requires a dedicated
20 copper facility, and because that T-1 is multiplexed, it's not
21 dedicated from a remote terminal to the central office. That's
22 a common misconception, by the way. I'm glad you brought that
23 out.

24 Q Thank you. Now, when a CLEC like FDN orders voice
25 UNE loops, the customers that its serving are also served over

1 this same network; is that not true?

2 A Yes.

3 Q In which there is not a direct copper loop between
4 Florida Digital's collocation space in the central office and
5 the end user?

6 A If they order voice service, that is very likely the
7 case.

8 Q And the -- for voice service, a copper signal
9 terminates at the remote terminal as well; is that true?

10 A Yes.

11 Q And then that voice signal is also routed back to the
12 central office over a shared transport facility, in most cases?

13 A In most cases, that's right.

14 Q And that's done, is it not, through a multiplexing
15 function over the transport facility?

16 A Yes, it is.

17 Q The difference between Florida Digital's attempts to
18 serve -- the only difference between Florida Digital's attempts
19 to provide voice to its end users is that you'll multiplex the
20 voice signal, but you won't multiplex the DSL signal; is that
21 correct?

22 A Well, the data signal wouldn't work if it were
23 multiplexed. You require dedicated copper for the data signal.
24 We're providing whatever is ordered, but you're correct. If
25 they order something over a shared facility for data, it's not

1 going to work.

2 Q Right. Because you would have to multiplex it on a
3 DSLAM at the remote terminal and transport it back to the
4 central office; is that correct?

5 A That's right.

6 Q And you do that for voice over multiplexing
7 equipment. It's not called a DSLAM, but you multiplex it --
8 you de-multiplex it back at the central office, and then you
9 hand that voice traffic off to Florida Digital; is that
10 correct?

11 A Yes, that's correct. We've been doing voice service
12 that way a long time.

13 Q And the reason that you do that, is it not, is
14 because the FCC regulations define the local loop as the
15 transport medium between the end user and the central office
16 and all intervening electronics?

17 A Well, the reason we do it is because it makes our
18 voice network a lot more efficient, and we started doing it
19 long before the FCC said that.

20 Q Well, I mean, if the FCC said that a local loop is
21 just a copper transport facility, then CLECs would not be able
22 to order voice service, would they?

23 A No, that's -- you're right. That's not what the FCC
24 said.

25 Q The FCC said, no, the loop is not just the copper

1 transport facility.

2 A Associated electronics included, I agree.

3 Q All right. Thank you. And so then you will agree
4 that whereas you will multiplex voice so that it can be handed
5 off to FDN and other ALECs at the central office, you will not
6 multiplex the data signal through your DSLAMs, which we agree
7 you must do, and hand it back off to Florida Digital at the
8 central office?

9 A That is correct, we won't do that. And when the FCC
10 ordered that we had to include associated electronics, which we
11 never objected to, by the way, anyway, in a loop, they
12 specifically excluded DSLAMs as saying associated electronics
13 except DSLAMs. And I believe that was in Paragraph 175 of the
14 Line Sharing Order, if I'm not mistaken.

15 Q Would you accept, subject to check --

16 A I'm sorry, the Remand Order.

17 Q The Remand Order. And the UNE Remand Order was
18 issued late 1999; is that correct?

19 A Yes, it was.

20 Q Do you know what the definition of a loop was prior
21 to that?

22 A No, I don't.

23 Q Would you accept, subject to check, that it did not
24 exclude DSLAM multiplexing?

25 A Subject to check.

1 Q Okay. Thanks. So we've agreed that in order for an
2 ALEC to provide, or for any carrier, excuse me, to provide DSL
3 service it has to have a DSLAM placed at the end of the copper
4 loop wherever that loop may be, whether it's in the field at
5 the remote terminal or whether it's in the central office?

6 A Yes, we agree that for the loop to work, you've got
7 to have the DSLAM connected to the copper. Yes.

8 Q And BellSouth is deploying DSLAMs in its remote
9 terminals around the state of Florida?

10 A Yes, we are.

11 Q And the number -- I think you said in your deposition
12 that you thought that they would have deployed 10,000 DSLAMs by
13 the end of this year?

14 A Yes. We have since found that that number probably
15 region-wide will be about 9,000.

16 Q Oh, so you were talking about a region-wide number.

17 A Yes, I was.

18 Q And your answer to the interrogatory -- I believe
19 it's Interrogatory Answer Number -- well, we said earlier that
20 in Florida you are deploying approximately -- you will have
21 deployed approximately 3,300 DSLAMs by the end of the year?

22 A 3,249 by the end of the year. Currently, at the end
23 of July it was 2,728.

24 COMMISSIONER DEASON: Let me ask a question. Earlier
25 you indicated region-wide there was a target of 10,000, and

1 then you revised that to 9,000. Is it because the 10,000 was
2 incorrect, or is it because you have revised your target?

3 THE WITNESS: The 10,000 was a guess. I knew that it
4 was in that range, but I didn't know precisely what it was. So
5 I gave my best guess that day.

6 COMMISSIONER DEASON: So it was a guess. It's not
7 that BellSouth has revised its planning for the installation of
8 DSLAMs.

9 THE WITNESS: That's correct. I went on my best
10 recollection that day, and I was a little high.

11 BY MR. SLOAN:

12 Q In Florida, do you know how much money BellSouth has
13 spent over the last three years deploying DSLAMs?

14 A No, I don't.

15 Q Was it \$150 million?

16 A I wouldn't have a clue.

17 Q Who would know?

18 A No one here. I'm not sure. I can't answer that. I
19 don't know who would answer that.

20 Q Now, when BellSouth places a DSLAM at a remote
21 terminal, it needs to provide, as you've testified, it needs to
22 provide transport back to the CO; is that correct?

23 A Yes.

24 Q To transport the data signal that's been packetized
25 back to its data network; is that correct?

1 A That's correct.

2 Q Has BellSouth had to augment the transport network to
3 do this?

4 A Well, BellSouth constantly augments their transport
5 network, and I'm sure that's a part of the mix when they look
6 at what facilities are required from certain remote terminals
7 to central offices. I'm certain that's part of it, but I don't
8 know of any effort to augment specifically for our remote
9 terminal DSLAM deployment program.

10 Q When the feeder network is optical fiber, usually all
11 you will have to do is upgrade the electronics, though; isn't
12 that correct?

13 A Well, it depends. That is the case sometimes. You
14 can just change out the electronics, and the existing fiber can
15 be used.

16 Q And BellSouth's position in this arbitration is that
17 if CLECs like Florida Digital want to provide DSL service to
18 their end users, they have to collocate their own DSLAMs in all
19 these remotes; is that correct?

20 A I never said that, and I'm not sure anybody else said
21 that. What we said is that if you want to serve a customer who
22 is fed by -- in a DLC environment with data equipment, you've
23 got to locate a DSLAM to get to the copper portion of the loop.
24 Now, when BellSouth started deploying their own data network,
25 they didn't go out and start putting DSLAMs in all remote

1 terminals because we didn't have any customers. So when you
2 have no customers, you don't go out and spend that kind of
3 money. What we did is, we started deploying central office
4 based solutions, and we still have central office based
5 solutions. And then as you start building a base of customers,
6 you start to look at where those customers are located. And
7 what we found is that they cluster in neighborhoods.

8 Certain neighborhoods have a higher propensity to buy
9 data services than others. And where you find those
10 neighborhoods, then you start looking at what that remote site
11 looks like, and you make a determination whether it makes sense
12 to put a DSLAM in that remote terminal. And when we started
13 deploying DSLAMs in remote terminals, we didn't use 148-port or
14 48-port, excuse me, 48-port DSLAMs. We started using 8-port
15 DSLAMs first. And we put the 8-port miniRAM in, that's what we
16 called it, to take care of that neighborhood. And as we put
17 that in, we took those lines from the central office who had
18 been serving those and put them on the miniRAM, and then
19 started looking for new customers in that neighborhood so that
20 we could fill up that miniRAM. And once it started getting to
21 being full, we started putting larger capacities in.

22 And that's how you build up a data network, not go
23 out and try to deploy in all remote terminals at one time with
24 large equipment and DS-3 feeder facilities. It's just simply
25 not required when you have one or two customers.

1 COMMISSIONER JABER: Mr. Williams, is one of your
2 points with that testimony that Florida Digital could collocate
3 its own DSLAM in your central office?

4 THE WITNESS: Yes, they can.

5 COMMISSIONER JABER: Okay. But from a technological
6 standpoint, they cannot go beyond 18,000 feet.

7 THE WITNESS: That's correct.

8 COMMISSIONER JABER: So therein lies one problem;
9 correct?

10 THE WITNESS: Well, it does mean you're working with
11 a much smaller universe of end user customers, but at the same
12 time, we provide tools so that DLECs or ALECs like FDN can go
13 in and look at loops and determine if that loop qualifies for
14 the data service or not.

15 COMMISSIONER JABER: So if I was looking at the
16 bigger picture, one little piece of the bigger picture, which
17 would be to make sure that DSL as one technology for Internet
18 is deployed rapidly in all areas of Florida, I really should be
19 looking for ways to encourage deployment that would get beyond
20 18,000 feet; correct?

21 THE WITNESS: Well, that is one way to look at
22 deployment. They can get out further than the 18,000 feet.
23 And one way to do that is to go to remote terminals. Other
24 ways, and you mentioned this earlier, is that there are some
25 communities that are not in the larger communities that are

1 good target markets, and I'm the line sharing product manager,
2 and I work every week with data LECs who are deploying
3 equipment like this. And some of them are, in fact, targeting
4 communities that BellSouth is not looking at.

5 COMMISSIONER JABER: I'm glad you brought that up.
6 In your testimony -- let me go ahead and do that now so that if
7 anyone wants to follow up, they can. In your testimony, you
8 make reference to the fact that Florida Digital can enter into
9 these line splitting agreements with other data ALECs. Those
10 other data ALECs, if they're using DSL, are relying on DSLAMS
11 someplace in the BellSouth system; correct?

12 THE WITNESS: For line splitting?

13 COMMISSIONER JABER: Yeah.

14 THE WITNESS: I need to explain. With line
15 splitting, that's an arrangement where you have a CLEC voice
16 service and a data LEC providing the data service. And
17 generally, they have to provide their own DSLAM -- they do
18 provide their own DSLAM, and they provide their own splitter.

19 COMMISSIONER JABER: Their own DSLAM is provided and
20 installed where?

21 THE WITNESS: The ones we're working with right now
22 are looking at central office space solutions.

23 COMMISSIONER JABER: Okay. So then FDN can enter
24 into these line splitting agreements with data ALECs that have
25 installed their DSLAM in your central office.

1 THE WITNESS: That's correct.

2 COMMISSIONER JABER: So that brings me back to that
3 technological problem of 18,000 feet.

4 THE WITNESS: Well, that's an option that they have,
5 is they can deploy the solution in a central office. They can
6 also use the remote terminal solution if they like. Like I
7 said a moment ago, when you have no customers, it doesn't seem
8 to make a lot of sense to go into remote terminals, which are
9 expensive to deploy in. I don't argue with that, but it seems
10 to me it makes a lot more sense to build up a base of customers
11 with a central office space solution, even though you can't get
12 as many customers, and then just start picking your
13 neighborhoods where you want to deploy remote solutions.

14 COMMISSIONER JABER: So are you telling me that
15 whether they enter into a line splitting agreement with a data
16 ALEC who has to collocate in your central office by installing
17 their DSLAM there, or whether Florida Digital Network
18 collocates in your central office by putting its own DSLAM
19 there, the technological problem would be -- from a deployment
20 standpoint would be that they are limited to that 18,000 feet?

21 THE WITNESS: That 18,000 is a real issue, I agree
22 with you.

23 COMMISSIONER JABER: Okay. Now, one of the other
24 solutions here you talk about on Page 14 of your testimony --
25 and I think this is rebuttal, yes -- the remote terminal

1 collocation solution. And you're referencing some earlier
2 testimony where you say, look, if it's an issue of not having
3 enough space in our central office -- or in our remote
4 terminal, you know, we will try to make space. Is that because
5 the DSLAM is really very small? How large is the DSLAM?

6 THE WITNESS: There are various sizes for DSLAMs. As
7 Mr. Gallagher testified, you can get a 48-port DSLAM, put it in
8 a shelf this wide, perhaps. I'm not sure what equipment he's
9 looking at. Some others are more dense. The first ones we
10 started deploying in remote terminals were 8 ports, fairly
11 small. But whether the remote terminal is filled because we
12 have our equipment in there, our data equipment or our voice
13 equipment, we'll still accommodate a request to collocate a
14 DSLAM where we have our DSLAM deployed. We will get it there.
15 We're committed to that.

16 COMMISSIONER JABER: So it's not common for you to
17 have an issue with respect to finding space in your remote
18 terminal for a DSLAM.

19 THE WITNESS: I don't want to lead this Commission to
20 believe that space in a remote terminal is not an issue. These
21 cabinets are small in some cases, but what my testimony is that
22 we'll expand it. My executives have told me, no matter what we
23 have to do, we will make room, and we will.

24 COMMISSIONER JABER: Okay. And then, finally, you
25 suggest they could pursue an available home run loop. What is

1 that?

2 THE WITNESS: Well, we've talked about home run
3 copper loop sometimes, and that's a term we discussed a lot in
4 the deposition. And it's a term that my engineers have told me
5 to stop using because it can be easily confused. But their
6 terminology -- what it means to me, a home run copper loop,
7 would be from the NID all the way to the central office, but
8 that term could mean different things to different people.

9 COMMISSIONER JABER: What did you mean by it?

10 THE WITNESS: That's what I meant there, from the NID
11 to the central office.

12 COMMISSIONER JABER: From the NID to the central --

13 THE WITNESS: From the network terminating device,
14 from the end user's location, to the central office. And what
15 I meant by that, and I don't know exactly where we are in my
16 testimony, but let me just say --

17 COMMISSIONER JABER: Page 14 in your rebuttal, Lines
18 3 through 6.

19 THE WITNESS: What I mean by that is if Florida
20 Digital Network wishes to provide a customer with a data
21 solution and they find that they are in a DLC environment, they
22 have the capability to do an electronic loop makeup and
23 determine if there is a home run copper loop, which would be a
24 copper loop all the way from the end user to the central
25 office. And if there is such a loop out there, they have the

1 capability to reserve that loop and issue an order to
2 BellSouth, putting that reservation number on it. We'll give
3 them a reservation number, and they can put it on their order.
4 And we will do a loop change for them to move them to an
5 all-copper loop.

6 COMMISSIONER JABER: And that's what you referred to
7 as an electronic loop makeup?

8 THE WITNESS: Yes, that's part --

9 COMMISSIONER JABER: So that's something that they
10 would have to get from BellSouth.

11 THE WITNESS: Yes.

12 COMMISSIONER JABER: That would be an unbundled
13 network element that is priced by TELRIC.

14 THE WITNESS: Yes, it is an unbundled network
15 element, and today the price is zero.

16 COMMISSIONER JABER: Going back to the data ALEC
17 solution which we agree is an 18,000-foot limitation. Are you
18 aware of how many data ALECs are left in the Orlando/Tampa
19 area?

20 THE WITNESS: No, I'm not.

21 COMMISSIONER PALECKI: I wanted to follow up on that.
22 Where you are talking about the data ALEC solution, you are
23 only talking about a situation where the DSLAM is located in
24 the central office, and there's copper running out to the
25 remote. If there was fiber running out to the remote terminal,

1 we don't have a solution there at all, do we?

2 THE WITNESS: Well, that's right. I mean, there are
3 cases where there would be fiber, but there would also be some
4 remaining copper that was originally put in and was not taken
5 out when the fiber was put in. So it's possible to find those
6 copper loops all the way to the end user.

7 COMMISSIONER PALECKI: And that's available I think
8 the previous testimony we heard was approximately 30 percent of
9 BellSouth's network; is that about right?

10 THE WITNESS: Well, I think that even when they talk
11 about copper fed DLC, we need to keep in mind, copper fed DLC
12 is not a dedicated copper loop and that is not suitable for
13 this data service, even though it says "copper." And a lot of
14 people misunderstand that, sir.

15 COMMISSIONER PALECKI: And that's why, I believe,
16 Mr. Gallagher testified that it doesn't always work. Sometimes
17 it will work for you, and sometimes it won't.

18 THE WITNESS: That's correct. And it's important to
19 understand that because a lot of people get all hung up talking
20 about fiber fed DLC. It's any DLC because even if it's copper,
21 it's multiplexed, and it's not suitable for this type of data.

22 COMMISSIONER PALECKI: Now, the 8-port DSLAM
23 equipment you were talking about, what is the price on an
24 8-port DSLAM? I think we heard about a 48-port. Is there a
25 much less expensive piece of equipment that an ALEC could

1 collocate in your remote terminal?

2 THE WITNESS: Yes, there is less expensive equipment
3 than a 48 port. And that's how we started in the business.
4 When we started deploying our what we call remote solutions in
5 the remote terminals, we started with what we call an 8-port --
6 it was called a miniRAM. And I'm sorry, I don't know how much
7 that equipment costs, but it's -- I wouldn't want to hazard a
8 guess, but significantly less than a 48-port solution.

9 COMMISSIONER PALECKI: And that's the way you
10 started, and it's also the way BellSouth still has some of
11 their remote terminals configured?

12 THE WITNESS: I don't know how many we still have
13 that way, but that is how we started with remote terminal
14 solutions. We started with the 8-port systems, and then as
15 those filled up -- and by the way, one thing we found out, once
16 you put a remote solution in a remote terminal, the neighbors
17 talk, and they start buying it. You don't have to advertise.
18 They start saying, I got DSL and it's great. And the next
19 thing you know you're signing the whole neighborhood up and
20 that miniRAM is full, and you've got to put a larger solution
21 in.

22 COMMISSIONER PALECKI: Commissioner Deason, I'd like
23 to ask for a late-filed exhibit, price of an 8-port DSLAM. If
24 you could, provide that to us.

25 THE WITNESS: Yes, sir, we'll get you some prices.

1 COMMISSIONER PALECKI: Thank you.

2 COMMISSIONER DEASON: Before we do that, let's do a
3 little bit of housekeeping here. I don't believe that we
4 actually identified the prefiled exhibit for this witness. I
5 believe that this is TGW-1 and 2. That will be identified as
6 Exhibit 11.

7 (Exhibit 11 marked for identification.)

8 COMMISSIONER DEASON: And then we will identify the
9 requested late-filed exhibit as Exhibit 12, and this is the
10 cost of an 8-port DSLAM; is that right?

11 COMMISSIONER PALECKI: Correct.

12 (Late-Filed Exhibit 12 identified.)

13 MR. SLOAN: I assume that you are interested in
14 submission from both parties or just from BellSouth?

15 COMMISSIONER PALECKI: I guess that would be more
16 fair to hear from both parties, so would --

17 COMMISSIONER DEASON: We will identify then as
18 Exhibit 13 a late-filed exhibit. Mr. Gallagher will provide
19 that?

20 MR. SLOAN: We will.

21 COMMISSIONER DEASON: Okay. We will indicate that it
22 will be provided by Witness Gallagher, and it will be his
23 estimate of the cost of an 8-port DSLAM.

24 (Late-Filed Exhibit 13 identified.)

25 COMMISSIONER PALECKI: And, Mr. Williams, if FDN

1 wished to install DSLAM devices in your remote terminals, would
2 BellSouth provide FDN and any other ALEC, for that matter,
3 information on exactly what addresses and customers are served
4 from each of the 12,000 remote terminals in the state of
5 Florida?

6 THE WITNESS: I don't know if that information is
7 available. I can tell you that we don't traditionally do that.
8 We had not planned to do that, and I don't know --

9 COMMISSIONER PALECKI: Is there any way that an ALEC
10 could target end users for DSL applications and make these
11 large capital expenditures on DSLAMs without knowing exactly
12 what customers to surgically target? I hear your position is
13 that they have to buy the DSLAMs. You're not going to share
14 your DSLAM.

15 THE WITNESS: Yes, sir.

16 COMMISSIONER PALECKI: Now, are you telling me that
17 you won't provide the information regarding end users off of a
18 remote terminal? It almost -- is it possible for an ALEC then
19 to market the DSL solution that -- you know, it's made the
20 investment in the DSLAM, it's put it in your remote terminal,
21 then what do they do?

22 THE WITNESS: I'm not sure whether we have exactly
23 what you are asking for. I can check and see what we can do.
24 I've heard that we can get things like a range of addresses
25 served off of a remote terminal, but I'm not sure what our

1 policy is in regard to that. I'm not sure whether we are
2 allowed to divulge that information or not. I just don't know
3 what the policy is, sir.

4 COMMISSIONER JABER: We're talking about customer
5 address.

6 THE WITNESS: Yes.

7 COMMISSIONER JABER: Your hesitancy relates to
8 whether that information is confidential?

9 THE WITNESS: Yes. I'm not sure exactly what's
10 involved here.

11 COMMISSIONER JABER: But to the degree the areas are
12 not -- do not constitute proprietary confidential information,
13 you would not have any trouble sharing that information with
14 the ALEC?

15 THE WITNESS: Well, I'm -- we're a little bit out of
16 my area, but I can understand your point and your question. I
17 just don't know what the policy is in this regard.

18 COMMISSIONER PALECKI: So you don't even know if the
19 geographic area, a boundary line could be given that would
20 allow the ALEC that has chosen to make the large expenditure
21 for the DSLAM to determine which customers it could serve off
22 of that DSLAM and which it cannot?

23 THE WITNESS: There's some information available,
24 Commissioner. I'm just not sure exactly what it is. I've
25 heard that we can get a range of addresses, things like that,

1 but as far as customers names and things like that, I'm not
2 sure about that.

3 COMMISSIONER PALECKI: Well, put yourself in the
4 shoes of an ALEC that wants to provide DSL service. You've
5 purchased the DSLAM for \$52,000, and you paid all the
6 application fees, and you're paying your monthly fees, and you
7 want to serve 48 customers. What would you do?

8 THE WITNESS: What I would do is take the customers
9 that have already signed up for my service from my CO-based
10 solution, and I would start marketing to that in that
11 neighborhood.

12 COMMISSIONER PALECKI: Now, you have some remote
13 terminals that have as few as a hundred customers, it's my
14 understanding, and others that have a thousand or more
15 customers?

16 THE WITNESS: Yes, sir. More than a thousand, yes.

17 COMMISSIONER PALECKI: What's your biggest remote
18 terminal? How many customers would that serve?

19 THE WITNESS: I really don't know. I would have
20 to -- a guess be 4,000 or 5,000 in something like a hut or a
21 CEV, but that's just a guess, Commissioner. I'm not sure, but
22 you're right, some go down as small as a hundred and up to
23 several thousands.

24 COMMISSIONER PALECKI: So that would probably be very
25 important information for any ALEC that wanted to purchase

1 DSLAM equipment to have before they actually installed it in
2 one of your remote terminals.

3 THE WITNESS: Would be the --

4 COMMISSIONER PALECKI: The number of customers that
5 you serve off of that remote. Is that public information that
6 you would provide to --

7 THE WITNESS: I don't know. I honestly don't know.

8 COMMISSIONER PALECKI: Thank you.

9 BY MR. SLOAN:

10 Q We're talking about the home run copper loop
11 solution, which we'll stay away from the term, but we'll define
12 it as a continuous strand of copper from the central office to
13 the home.

14 A Okay. I'm okay with that.

15 Q And which it is not traveling through a shared
16 transport facility, either fiber or copper.

17 A That's correct.

18 Q You've testified that the availability of these
19 facilities is small in Florida.

20 A I don't know what it is, but it would not be the
21 majority of the facilities for certain.

22 Q Well, we know that 61 percent of the remote terminals
23 are served through fiber; correct?

24 A Correct.

25 Q We know -- I'll admitted the discovery is not perfect

1 on this, but we also know that there are another million
2 customers who are served through copper fed DLC; is that
3 correct?

4 A Yes, that's correct.

5 Q So that would leave the remaining -- potentially the
6 remaining group as those who are served by continuous fiber --

7 A Continuous copper.

8 Q -- continuous copper, excuse me.

9 A Yes, sir, that's correct. But I want to remind the
10 Commission that that's how BellSouth started in the business.
11 I mean, we started with CO-based solutions, taking the small
12 number of customers that we could reach, and we marketed to
13 those people. And then where they were buying, then we put
14 remote solutions in to serve those neighborhoods and started
15 selling to their neighbors.

16 Q Mr. Williams, do you know that the remote --

17 COMMISSIONER PALECKI: Excuse me, one moment, just
18 following up on that answer. Can the ALEC find out who those
19 customers are, so it can do the same thing you did when you
20 first started out?

21 THE WITNESS: Well, again, we're back to the same
22 question, and I'm not sure whether we can get names and
23 addresses. I believe we can get a range of addresses if they
24 know a remote terminal, and they can request a -- what's called
25 a CLLI, which is an address of a remote terminal. They can

1 request the address --

2 COMMISSIONER PALECKI: Well, you've suggested that
3 the ALECs do it the same way you did.

4 THE WITNESS: Yes, sir.

5 COMMISSIONER PALECKI: And my question is, can they?
6 Do they even have a remote ability to possibly do that without
7 information on exactly which customers are connected up to
8 copper? It seems like that's the only way they could ever
9 accomplish what you're suggesting that they do.

10 THE WITNESS: Well, if they have a customer we will
11 tell them what -- we allow them to go into electronic loop
12 makeup system and determine if they are served by copper.

13 COMMISSIONER PALECKI: But that's only their existing
14 customers; correct?

15 THE WITNESS: Or a BellSouth customer as well.

16 COMMISSIONER PALECKI: So you would inform them that
17 on an address-by-address basis or name-by-name?

18 THE WITNESS: Well, the way it works is, you can go
19 into electronic loop makeup system and put in a telephone
20 number. And if it's an FDN customer or a BellSouth number, we
21 will give them the loop makeup for that particular loop,
22 including the remote terminal address, so they could tell what
23 remote terminal is involved and what type of equipment is at
24 that remote terminal.

25 COMMISSIONER DEASON: And you can provide that

1 information for an FDN number, but you indicated earlier about
2 operational issues. So that's a different database from your
3 mechanized maintenance and trouble isolation system?

4 THE WITNESS: Well, you're right. I appreciate you
5 bringing that up. That database will not contain FDN telephone
6 numbers. If they get a telephone number from BellSouth, it
7 will be in that database. But you are right, we don't know
8 FDN's telephone numbers, so they won't be in that database. So
9 that's certainly an operational impediment to providing DSL
10 service on FDN's loops.

11 COMMISSIONER DEASON: I'm sorry, I didn't mean to
12 interrupt.

13 COMMISSIONER PALECKI: Thank you.

14 BY MR. SLOAN:

15 Q Let's follow up a little bit on the operational
16 issues while we're here. You said the problem is that you
17 don't track telephone numbers after the line is acquired by an
18 ALEC; is that correct?

19 A Well, not exactly. We don't know the telephone
20 number. FDN would assign the number. We don't have it.

21 Q But you are capable of tracking a circuit ID number,
22 aren't you?

23 A We have circuit IDs on our loops, that's true.

24 Q And the circuit ID numbers are permanent, are they
25 not?

1 A Yes.

2 Q Wouldn't it be a simple matter of -- or maybe not
3 simple, but would it be technically feasible to track loops by
4 circuit ID number?

5 A It's not how we do business today, but I would assume
6 it's technically feasible given unlimited resources to make the
7 change.

8 Q And you've made lots of changes to your operational
9 support systems to accommodate the competitive requirements of
10 the Act, haven't you?

11 A We have certainly made that.

12 Q Thanks. A question for you. We heard earlier that
13 you -- you testified earlier that when a CLEC or ALEC serves a
14 customer that is served by a remote facility, BellSouth
15 provides both the transport component from the remote terminal
16 to the end user, the copper loop, the multiplexing function at
17 the remote terminal, the transport facility back to the central
18 office, is that correct, for voice?

19 A Yes. We do the multiplexing as defined in the DLC
20 system.

21 Q Why is it that if it's only the DSLAM that BellSouth
22 claims it's not required to unbundle, that it requires an ALEC
23 to buy separate UNE transport when -- to serve back to the
24 central office?

25 A Would you repeat that, please.

1 Q Why do you require -- if a loop -- what we're talking
2 about is a loop and the intervening electronics. And you've
3 said that for DSL service, the one part of that end-to-end
4 service that you're not required to unbundle is the DSLAM.

5 A That's correct.

6 Q Now, the new UNE rates for a loop in Florida are
7 approximately \$11. Are you aware of that?

8 A No, I'm not.

9 Q You'll accept that, subject to check?

10 A Yes, I will.

11 Q And a CLEC can provide voice service to an end user
12 served behind a remote facility for \$11. Now, to provide DSL
13 service to that same end user, you are stating that -- you are
14 requiring the CLEC to place a DSLAM in the remote terminal,
15 purchase the \$11 loop or the subloop component of that, and
16 separate UNE transport back to the central office. So whereas
17 before it was only required to purchase one UNE, now it has to
18 purchase two; is that correct?

19 A That's correct. Before, we had a continuous loop.
20 Remember, the loop is defined -- it's from the NID all the way
21 to the central office, actually to the MDF. But the FCC wanted
22 CLECs to have the capability to provide data service in a DLC
23 environment because you couldn't -- didn't have a continuous
24 copper loop. So that's why the FCC and the 319 Remand Order
25 said that we had to allow collocation of DSLAMs, and at the

1 same time they said, you must also provide subloops, subloop
2 distribution facilities from the NID to the remote terminal and
3 subloop feeder facilities from the remote terminal to the
4 central office. So we built those products because the FCC
5 told us to build those products so that we could serve
6 customers as they collocated their DSLAMs.

7 Q The FCC said you had to price them -- you had to
8 offer them a separate network elements?

9 A That's my understanding.

10 Q Now, it's BellSouth's position that it's only
11 required to unbundle the DSLAM if a CLEC can demonstrate that
12 it's impaired; is that correct?

13 A I believe that was Mr. Ruscilli's testimony. We have
14 agreed that we will unbundle the DSLAM at a particular remote
15 terminal if we have our DSLAM collocated there and we're not
16 able to accommodate a request to collocate an ALEC's DSLAM at
17 that same remote terminal.

18 Q Now, I just want to follow up on something you just
19 said. The CLEC -- if you are not -- if you do not have DSLAM
20 equipment placed at the remote terminal, then the CLEC is not
21 permitted to place its own DSLAM?

22 A No, sir, I didn't say that. If BellSouth doesn't
23 have their DSLAM at a particular remote terminal and an ALEC
24 applies for collocation, if there's space available, you know,
25 we will make that space available for collocation. We won't go

1 the extra mile that I demonstrated saying, no matter what the
2 cost, I'll make room. We're not going to do that, necessarily,
3 but the ALEC still has the right, we believe, to add a cabinet
4 themselves beside the BellSouth cabinet and put a DSLAM there.

5 Q You will only go the extra mile and add the extra
6 room if you are already collocated there; is that correct?

7 A Yes, sir, that's correct. If we don't have our DSLAM
8 there, normal space rules apply just like collocation in a
9 central office or anywhere else. If space is not available and
10 there's an application, we would file a waiver with this
11 Commission informing them that this particular remote site was
12 full and that we would have to expand the capabilities, and it
13 would take some time to do that. And we would make every
14 effort to accommodate them to do that.

15 Q In the --

16 COMMISSIONER PALECKI: Excuse me. If you have a
17 situation where you have a remote terminal where you don't yet
18 have a DSLAM, is there any circumstance where you would allow
19 an ALEC to put a DSLAM in that remote terminal and get a jump
20 on you in retaining those customers?

21 THE WITNESS: Yes, sir, we will. If there's space in
22 that facility, the interval, it's a 15-day application
23 interval, and then I think it's a 60-day period until the
24 collocation space is ready, and they can have their equipment
25 collocated there.

1 COMMISSIONER PALECKI: And you have between 3,000 and
2 4,000 DSLAMs already in place today; correct?

3 THE WITNESS: Yes, sir. I believe the number was
4 like 3,249.

5 COMMISSIONER PALECKI: And you intend to ultimately
6 have DSLAMs installed in all of your remote terminals?

7 THE WITNESS: No, sir, I don't believe so.

8 COMMISSIONER PALECKI: Do you have any DSLAMs in any
9 remote terminal that has been installed by a competitor?

10 THE WITNESS: No, sir, we do not.

11 COMMISSIONER PALECKI: Do you know across the nation
12 whether it's common that other ILECs may have situations where
13 competitors have installed DSLAMs in the remote terminals?

14 THE WITNESS: There are some situations. I've talked
15 to some representatives from SBC and also Qwest who have
16 indicated that they have some ALECs who have collocated DSLAMs
17 at remote terminals. Also, we are in communication now with
18 two, I wish it was more, but only two who are currently
19 interested in deploying DSLAMs in our remote terminals.

20 We started a collaborative effort last year. I
21 believe it was about September, and we met every week for quite
22 a while. And there was a lot of CLEC interest, and as the
23 market, the CLEC market, started to slow down, they lost
24 interest. And we developed a product all the way up to the
25 point we were ready to do joint testing. We couldn't find an

1 ALEC who wanted to joint test with us, so we suspended the
2 collaborative. We just put it on hold. And within the last
3 two or three weeks, two ALECs have contacted me, and we're
4 going to begin the collaborative again and work with them so
5 that we can come up with a means for us to be able to work with
6 ALECs to put their own DSLAMs in remote terminals.

7 BY MR. SLOAN:

8 Q Are those Florida --

9 COMMISSIONER PALECKI: Do you --

10 MR. SLOAN: I'm sorry, Commissioner.

11 COMMISSIONER PALECKI: Do you know why this isn't
12 common throughout the country, why we don't have very many
13 CLECs choosing to install the DSLAMs?

14 THE WITNESS: I think it's a couple of things. First
15 of all, we've recognized at BellSouth, it is an expensive
16 solution. It costs a lot of money to put the equipment out in
17 remote terminals, and we don't deny that. Also, the way the
18 data LEC world has had the economic problems lately, they are
19 not interested in spending that kind of money right now.

20 COMMISSIONER PALECKI: Thank you.

21 BY MR. SLOAN:

22 Q Are the ALECs you are negotiating with located in
23 Florida?

24 A I'm not sure. I know that one of them in is in one
25 state only other than Florida, and the other, I'm not sure

1 where they are, but we are just beginning those discussions.

2 Q Now, your position is that CLECs are not impaired
3 from collocating their own DSLAMs; is that correct?

4 A That is correct.

5 Q But there are no CLECs in Florida or anywhere else,
6 for that matter, from what I understand, who have collocated --
7 successfully and completed the collocation of a DSLAM in a
8 remote terminal anywhere?

9 A Not in the BellSouth region, that's correct.

10 Q I think you say in your testimony that CLECs have
11 made a business decision not to do this; is that correct?

12 A Well, I suppose. I'm not sure that they have ever
13 concluded they would never do it. They were convinced they
14 were going to do it. We were holding serious discussions with
15 them, meeting on a regular basis. Then I think they concluded
16 that they had other things they needed to focus on right now.

17 Q So they have just decided that they are going to only
18 be in a position to offer services to 10 or 15 percent of
19 Florida consumers; is that correct? They have just made that
20 business decision.

21 A I don't know, but it may appear that way at least for
22 now.

23 Q Well, isn't it more likely that they've made the
24 decision not to collocate DSLAMs in remote terminals because
25 it's not economically practical to do so?

1 A I wouldn't say that. As I said, we have had several
2 others indicate an interest in reinitiating the collaborative.
3 Covad is still interested in doing that. Sprint is interested
4 in doing that, by the way.

5 Q In BellSouth's Florida territory?

6 A Yes.

7 Q Have they done it yet?

8 A No, they haven't.

9 Q Do you know whether or not Sprint has asked this
10 Commission in an arbitration petition to unbundle packet
11 switching in remote terminals?

12 A No, I don't know.

13 Q I want to explore for a moment your position that
14 CLECs are in no worse a position or it's no more expensive for
15 a CLEC to collocate a DSLAM in a remote terminal. Would you
16 agree that a CLEC faces, for example, a higher cost of capital
17 to make that investment?

18 A I don't know that.

19 Q When a CLEC places its DSLAM in the remote
20 terminal -- excuse me, when BellSouth places a DSLAM in a
21 remote terminal, does it pay itself for the transport back to
22 the central office?

23 A Well, there are obviously expenses associated with
24 it, but, you know, we don't have a contract with ourself, but
25 we have to pay for all those facilities.

1 Q There are costs, but as the network is currently
2 configured, and there are prices for them as well, but as the
3 network is currently configured, the costs, the short-run
4 costs, to BellSouth are fixed, are they not, in most cases?

5 A I'm not certain I'm qualified to answer that
6 question, but I will certainly maintain that there's very real
7 cost with putting fiber in multiplexers and DSLAM equipment in.

8 Q Now, you've said that there will almost always be
9 room in remote terminals for CLEC DSLAMs. Have you conducted
10 any surveys or studies to substantiate that statement?

11 A I didn't have to. Our executives looked me in the
12 eye and said, Williams, you're to make room, and if you have to
13 find a case where you think you cannot make room, you come see
14 me.

15 Q Now, that policy differs from your policy with
16 respect to central office collocation, does it not?

17 A I don't know anything about central office
18 collocation.

19 Q But you will accept that, subject to check, that a
20 CLEC who faces a position in which there is no room might have
21 to pay special construction charges for adjacent collocation?

22 A Subject to check.

23 Q And in cases when there is not room in a remote
24 terminal for a DSLAM, there will still be -- BellSouth will
25 still have to undertake the effort, you will do it yourselves,

1 but you will have to undertake the effort to augment that
2 space?

3 A If required, we will.

4 Q And that augmentation process could take time, could
5 it not?

6 A Yes, it would take time.

7 Q It could take you -- you might have to apply for
8 local zoning ordinances --

9 A Perhaps.

10 Q -- approval?

11 A Perhaps.

12 Q And you might have to do new construction to do that?

13 A Yes, we may have to add a cabinet.

14 Q And meanwhile, in many of these cases, you will have
15 already had your DSLAM in place.

16 A Yes.

17 Q And the CLEC will be in a position of waiting for you
18 to augment the facility.

19 A You know, these UNEs and collocation, this has been
20 available for quite a while. There's been a wait. We're not
21 causing anyone to wait.

22 Q And as you've added DSLAMs to remote terminals, it
23 goes without saying that there is now less room in those remote
24 terminals than there was before?

25 A Yes, that's correct.

1 Q So the chances -- while there may have been room for
2 your initial DSLAM, there might not be now?

3 A Sometimes we add a cabinet for ours.

4 Q Now, you've testified that you are not an expert on
5 collocation.

6 A That is correct.

7 Q And you are not familiar with the ways that the
8 remote site collocation process differ from the central office
9 collocation process?

10 A I'm not familiar with that.

11 Q But it is your position that for -- that BellSouth
12 will provide the space within 60 days for a remote site
13 collocation; is that correct?

14 A I understand that that's our normal interval.

15 Q Now, that's only after the issuance of a firm order
16 confirmation; is that right?

17 A Yes.

18 Q And the application process before that does not
19 count in that interval, does it?

20 A The application process itself is 15 calendar days.

21 Q Well, 15 calendar days to respond to a space request;
22 is that right?

23 A Yes.

24 Q And then after the space request, there's a
25 subsequent application?

1 A Yes.

2 Q Now, is there a space request investigation fee for
3 collocating in a remote terminal?

4 A I'm not sure of that.

5 Q Why are the application fees and space fees,
6 investigation fees so much smaller for remote terminal
7 collocation than for central office collocation?

8 A I really can't answer that. I'm not sure.

9 Q So let's go through the process just for a second. A
10 CLEC makes a space application fee -- makes an application for
11 space to find out if there's space in a remote terminal.
12 BellSouth has to respond within 15 days.

13 A Correct.

14 Q Then a CLEC can apply to collocate; is that correct?

15 A Yes.

16 Q And you have to respond to that in 15 days. What if
17 a field has been left out on that application? In other words,
18 if the application has been not correctly or perfectly filled
19 out, what happens?

20 A I imagine it is sent back, you know, for
21 clarification.

22 Q It's sent back. A 15-day clock starts again; is that
23 correct?

24 A I don't know that.

25 Q Is there a subsequent application fee for collocating

1 at remote terminals?

2 A I don't know.

3 Q Whereas, there is one for central office collocation.

4 A I don't know.

5 Q Is collocation -- the terms and conditions for
6 collocating at remote terminals is not in the interconnection
7 agreement that was submitted with this petition, is it?

8 A I don't know, but terms and conditions for remote
9 site collocation have been available for over a year. So I
10 don't understand that. I can't comment on whether they were
11 attached or not, but I know they were -- have been available.

12 Q And if I told you that when FDN asked its account
13 manager what was involved in collocating at a remote terminal,
14 they were told that it was the same process as collocating in a
15 central office, then that account manager just had not been
16 informed; is that correct?

17 A Well, I don't believe it's the same, but I don't know
18 that for sure. I would like to say that the terms and
19 conditions, as well as all the processes and a lot of other
20 information on remote site collocation, is available at the
21 BellSouth interconnection Web site and has been for well over a
22 year.

23 Q When BellSouth decides that it wants to collocate a
24 DSLAM at a remote terminal, does it have to fill out a space
25 request with an application fee?

1 A No, we don't collocate. We do have to locate, and
2 obviously, when you have to do that, there is a lot of
3 administrative requirements surrounding that. A lot of the
4 things that we have to do, you don't have to do when you apply
5 for collocation, because all those zoning things you were
6 talking about, we take care of all that for you, the ordering
7 of the cabinet, we take care of all of that for you, but
8 BellSouth has to do it for itself as well as the ALECs.

9 Q Mr. Ruscilli said earlier that BellSouth made a
10 strategic investment in deciding to place -- invest in DSLAMs
11 in remote terminals; is that correct?

12 A Yes, he did.

13 Q And that one of the considerations in that decision
14 was BellSouth's confidence that they would not be required to
15 unbundle the packet switching functionality with DSLAMs; isn't
16 that correct?

17 A That's my understanding.

18 Q But when they made that decision, wasn't BellSouth
19 also leveraging its existing network that's already in place?

20 A I don't understand that.

21 Q Well, when BellSouth made that investment, they
22 realized that they wouldn't have to build new transport. They
23 had the fixed cost of technicians to go out and do the
24 installations. They could decide which remote terminals to
25 collocate equipment at and know which customers would be

1 served.

2 A Well, yes, because we're the telephone company, and
3 we do have remote terminals already and trucks. And, I mean,
4 there are certain assets that we're available to leverage, if
5 that is your question, I'm not sure.

6 Q And the CLEC does not have the same advantages?

7 A Doesn't have what, sir?

8 Q The same advantages.

9 A Well, but they don't have to do everything I just
10 said we have to do.

11 Q Are you aware of any alternative facilities available
12 to a CLEC that wants to provide broadband data service to end
13 users?

14 A No, I'm not. I know that, obviously, that's an
15 option that ALECs are free to follow. Whether it's something
16 that's easy to do or hard to do, I couldn't say.

17 Q You don't know of any third parties that are
18 providing local loops into residences and businesses?

19 A Yes, I happen to know that some are doing that.

20 Q Could you explain?

21 A A company called Bracknell (phonetic) out of Canada,
22 I know for a fact they do that.

23 Q Is the cable company required to open up its network
24 to Florida Digital so that Florida Digital can provide service?

25 A I don't know.

1 Q Now, Florida Digital's request here is technically
2 feasible, is it not?

3 A I would have to agree that it's technically feasible,
4 but given the operational considerations that I've mentioned as
5 far as the multiple databases which will not contain FDN's
6 telephone numbers, I would have to say that it would be
7 extremely costly and onerous.

8 Q And are you aware that several other state
9 commissions have ordered similar unbundling of packet switch
10 functionality located at DSLAMs?

11 A Yes, I have heard that.

12 Q The Illinois Commission and the Texas Commission.

13 A Yes, I've heard that.

14 Q And are you also aware that one of the key findings
15 in both of those orders was the finding that CLECs could not be
16 reasonably expected to collocate at remote terminals?

17 A No, I'm not aware of that. I'm also not sure whether
18 they had to unbundle those facilities when the ALEC provides
19 the port and the telephone number.

20 Q Could you explain what you mean by that?

21 A Yes. We're talking about, when BellSouth provides
22 their ADSL service, it's on BellSouth's telephone service, and
23 the telephone number is the key. That's the key. That's
24 how -- all of our systems work off the telephone number. In
25 the case where FDN, when they provide the telephone number,

1 that number is not in any of our systems. And all I said was,
2 I'm not sure that the unbundling order of the Texas Commission
3 and the Illinois Commission applied to telephone numbers not
4 provided by the ILEC in those particular states. There's a
5 significant difference.

6 Q The Illinois and Texas orders involve SBC's Project
7 Pronto; is that correct?

8 A Yes, that's my understanding.

9 COMMISSIONER JABER: Mr. Williams, there is a
10 significant difference. I need to appreciate that difference,
11 I think, because I don't understand your comment. Why don't
12 you explain that?

13 THE WITNESS: Okay. Thank you. When BellSouth
14 provides their ADSL service, we do that over a BellSouth
15 telephone line, and we have the telephone number. That
16 telephone number is what identifies all of our facilities in
17 our voice network. In those cases where FDN provides their own
18 switch, they provide their own telephone number, and that
19 telephone number is not in any of our databases. Our
20 troubleshooting system, our loop provisioning system, our loop
21 qualification systems, none of those systems contain the
22 telephone number that FDN has.

23 COMMISSIONER JABER: Okay. But to the degree they
24 have established that phone number, that's an easy solution,
25 they would just provide all of those numbers to you.

1 THE WITNESS: No, ma'am, I don't see it as an easy
2 solution at all.

3 COMMISSIONER JABER: Okay. Explain.

4 THE WITNESS: I see it as -- it would be quite costly
5 to try to -- to take telephone numbers that are not resident in
6 our system today and to put those into those multiple
7 databases.

8 COMMISSIONER JABER: From a resource standpoint, from
9 a technology standpoint, what --

10 THE WITNESS: Oh, I don't deny that it's technically
11 feasible. I'm just saying it would be extremely expensive.

12 COMMISSIONER JABER: Okay. From a resource
13 standpoint, it's costly for your people to put those numbers on
14 the system.

15 THE WITNESS: Yes, ma'am, that's exactly right.

16 COMMISSIONER JABER: Thank you.

17 BY MR. SLOAN:

18 Q What happens when a BellSouth customer changes his
19 telephone number, his or her telephone number?

20 A Changes and BellSouth still has the --

21 Q Right.

22 A Our systems are set up so that we can make that
23 change, and that change will flow throughout all of our
24 provisioning systems and trouble reporting systems.

25 Q Could I ask you to take a look at your answer to

1 Interrogatory Question Number 20? I believe that's part of
2 Exhibit Number 1. Now, isn't true that this is -- this OSS
3 limitation that you are referring to is something that you have
4 to have had to build into your system?

5 A Let me make sure I'm looking at the same item. What
6 are we looking --

7 Q Well, look at the second paragraph of your response.

8 A Oh, is it -- I'm looking at Issue Number 1, Item
9 Number 20?

10 Q Correct.

11 A Okay. Okay.

12 Q So at one point when FDN would obtain a new customer,
13 the DSL service continued to function on that line.

14 A That's correct, but that was in a UNE-P situation.
15 In a UNE-P situation, BellSouth's telephone number is still
16 being used because we're using the UNE-P which includes the
17 loop and the port. So BellSouth's switch is still being used.
18 There's a dramatic difference when you take our port out of the
19 mix and use somebody else's port with a different telephone
20 number, a significant difference.

21 And, yes, what happened was, when we -- we had some
22 telephone numbers because we didn't have an edit system in our
23 system in place, and we had some UNE-P situations that had
24 BellSouth's ADSL up and working.

25 Q Well, when FDN wins a customer, don't, in most cases,

1 they retain the old telephone number?

2 A I don't know. I think -- I believe that's an option
3 where they can have the number ported, but I'm not sure.

4 Q And so the issue -- so when FDN wins a BellSouth
5 customer and the number is ported over to FDN, the number is
6 maintained in your database --

7 A No, it's not.

8 Q -- or it could be?

9 A No, it's not.

10 Q It could be?

11 A It's taken out because that's a disconnect.

12 Q But it could be maintained?

13 A We don't have the customer anymore, and we don't know
14 where he went.

15 COMMISSIONER JABER: How is it you call them in your
16 win-back program?

17 THE WITNESS: I don't know. I can't answer any
18 questions about the win-back program. I just don't know
19 anything about it, ma'am.

20 BY MR. SLOAN:

21 Q And in this case you had to literally go into your
22 system and change it so that the DSL was no longer functioning.

23 A In the UNE-P situation, you are talking about here?

24 Q Well, that would be true for a number that was ported
25 over to FDN as well.

1 A No, I'm trying to answer your question. Ask me your
2 question again, please.

3 Q Well, my question is that for the class of customers
4 identified here, customers that were won by competitive
5 carriers --

6 A UNE-P customers.

7 Q -- they continued to service their DSL service until
8 you changed your OSS system to shut it off?

9 A We put an edit in so that we would recognize -- when
10 BellSouth lost a voice customer, we could block the ADSL order,
11 that's correct.

12 Q And are you also aware that when FDN first began
13 providing DSL -- first began in business and would begin
14 porting telephone numbers over, it had customers who maintained
15 their DSL service after the port --

16 A No, I'm not familiar with that.

17 Q -- until you changed the database identifier and cut
18 them off?

19 A Well, I'm not familiar with it. I am familiar with
20 the UNE-P situation. I was personally involved in that, but
21 I'm not familiar with where you're speaking of with FDN.

22 COMMISSIONER JABER: Mr. Williams, how does it work
23 when you've got the Internet customer, you've got the voice
24 customer, the voice customer wants a different provider? Walk
25 me through what happens to make sure that the number stays in

1 place for your Internet service. And then the second question
2 is, who starts billing that customer after that? BellSouth.net
3 or BellSouth Telecommunications?

4 THE WITNESS: I'll do my best. Some of it, I think,
5 is easy for me; other parts I'm going to have a little trouble.
6 When we have a BellSouth retail voice customer, and they also
7 have our BellSouth ADSL service, Fast Access, and they decide
8 they want to change voice providers, if they go to a resale
9 situation where some ALEC operates as a reseller of the voice
10 service, we can convert them to a resale status situation, and
11 the ADSL service will remain up and working, and we have no
12 problem. BellSouth is still considered to be the voice
13 provider in that situation.

14 If it goes to a UNE-P, a UNE loop and port, the --
15 when somebody buys a UNE loop, they are entitled to all the
16 capabilities and spectrum of a UNE loop. So they own it all.
17 Now, remember, BellSouth's ADSL service travels across the
18 high-frequency spectrum of that loop. We don't think we have a
19 right to be on that loop. And we don't, in fact, want to be on
20 the loop because they are not the voice provider, but there are
21 several issues involved here, not the least of which is, we
22 don't own the spectrum.

23 A similar situation happens in the FDN case where we
24 would lose the customer to a facility-based provider where they
25 would port their telephone number over to FDN, and then in our

1 system that would look like a disconnect, disconnect of the
2 telephone number, even though the loop would now be transferred
3 to FDN as a UNE loop.

4 Now, as far as billing on the Internet service, on
5 the resale we would continue to bill directly, I believe.
6 Well, that's the only situation where we would continue to
7 bill, would be on the resale.

8 BY MR. SLOAN:

9 Q You said that you don't want to be on the high
10 portion of the loop. Is that what you said?

11 A Well, we don't think -- well, we don't feel like we
12 have the right to be on the high-frequency portion of the loop.

13 Q What about when a customer asks you to be on the
14 high-frequency portion of the loop?

15 A Well, it's nice that they asked, but, you know, the
16 loop belongs to the ALEC.

17 Q Well, as a common carrier, don't you have an
18 obligation to provide service when asked?

19 COMMISSIONER PALECKI: Excuse me. What if the
20 customer and the ALEC ask you to use the high portion of the
21 loop for DSL?

22 THE WITNESS: Well, that's a situation that we've
23 decided that because we don't have to do it, we don't really
24 want to do it. We don't want to get into multiple negotiations
25 with 200 different ALECs about how much they're going to charge

1 us for that spectrum.

2 BY MR. SLOAN:

3 Q But the cost of the spectrum has been set by this
4 Commission at zero, isn't it?

5 A Well, it is for a BellSouth loop. I don't think -- I
6 could be wrong. I'm not a lawyer here, but I don't know that
7 that rate would apply to FDN because they don't have to sell
8 UNEs to us.

9 COMMISSIONER PALECKI: What if the ALEC told you that
10 it would allow you to be on that portion of the loop for free?

11 THE WITNESS: Well, that would be an important
12 economic consideration. There are more things here than the
13 spectrum, not the least of which, and what I continue to point
14 out, is if we don't have that telephone number, we have a
15 significant operational problem at hand.

16 COMMISSIONER PALECKI: So if this Commission asked
17 the parties to get together after this hearing, that would be
18 an issue that we could discuss with FDN; correct?

19 THE WITNESS: You mean use of the spectrum?

20 COMMISSIONER PALECKI: Use of the spectrum and
21 whether they would allow you on the spectrum free of charge so
22 that they could continue to provide phone service while you
23 provided DSL service, and they wouldn't be booted off the line.

24 THE WITNESS: Yes, sir, that would be one of the
25 subjects for decision, but I keep saying that that's a nit

1 compared to the fact that we don't have that telephone number
2 in our systems. I mean, that's a significant operational
3 barrier.

4 COMMISSIONER PALECKI: Are there any other ILECs in
5 the United States that have 12,000 remote facilities in a
6 single state other than BellSouth, remote terminals?

7 THE WITNESS: I don't know firsthand, but I would
8 imagine that states like Texas would have significantly more
9 than that and California.

10 COMMISSIONER PALECKI: You mentioned earlier some
11 findings in some cases that -- where it was found that CLECs
12 were not impaired where they were being required to install
13 their own DSLAM facilities in remote terminals. Do you know if
14 any of those findings were in states where there are 12,000
15 different remote terminals in a single utility's operation?

16 THE WITNESS: No, sir, I'm sorry, I don't know that.

17 COMMISSIONER PALECKI: So that would be something
18 that this Commission could easily distinguish those cases,
19 would it not, and the fact that there are 12,000 remote
20 terminals in this situation we're discussing here?

21 THE WITNESS: Well, I really can't say. I don't know
22 what the situation was in those other states, whether it was
23 more than 12 or less than --

24 COMMISSIONER PALECKI: Well, you're the one that
25 cited the cases. I think -- well, we can do our own research

1 on that, but I would speculate that none of those cases involve
2 systems where there are 12,000 remote terminals.

3 THE WITNESS: I'm sorry, I just don't know.

4 COMMISSIONER PALECKI: Thank you.

5 COMMISSIONER JABER: Mr. Williams, back on the
6 telephone numbers and your concern with respect to the numbers
7 not being in your system, in the system, and the resource
8 problem.

9 THE WITNESS: Yes.

10 COMMISSIONER JABER: Could that concern be addressed
11 by Florida Digital providing you the phone numbers on software
12 that's compatible with your software in a format that's
13 compatible with your format so that it's just easily placed
14 into your system?

15 THE WITNESS: I'm not saying that it can't be fixed.
16 I don't see anything easy about it, though.

17 COMMISSIONER JABER: Well, but if I understood your
18 response to my question, it was more of a resource problem,
19 that it would take some time and manpower to put the phone
20 numbers back in your system.

21 THE WITNESS: Yes, that's correct.

22 COMMISSIONER JABER: And again, part of this is just
23 my own naivete about the level of difficulty that you want us
24 to fully appreciate. And my question is, could that concern be
25 addressed by putting the burden on the ALEC to provide you the

1 phone numbers in a format in a software that's compatible with
2 your system?

3 THE WITNESS: Yes, I think that would be a
4 consideration.

5 COMMISSIONER JABER: All right.

6 BY MR. SLOAN:

7 Q Related to that, Mr. Williams, when a CLEC has a
8 problem with its network today, the way you trace it, isn't it,
9 is by circuit ID number?

10 A Yes. The trouble is reported -- we're talking about
11 a loop.

12 Q Right.

13 A If it's trouble that's reported on a circuit ID, and
14 that's how we trace the problem.

15 Q And presuming that the edit to your system was made,
16 the CLECs could give you their phone numbers on a
17 number-by-number basis as the need arose, couldn't they?

18 A I suppose. You know, when you operate a telephone
19 company, you try to do things in a mechanized way and as
20 quickly and efficiently as possible. I'm not saying there
21 can't be work-arounds. It just isn't going to be very smooth.

22 Q I just want to pause briefly on the Project Pronto
23 Order in Illinois. Have you read the Illinois order that came
24 out I believe it was last week --

25 A I have not.

1 Q -- or two weeks ago?

2 We provided it to your counsel. Are you aware that
3 in that case the Illinois Commission found that 2,100 remotes
4 were too many to expect CLECs to collocate in?

5 A No, I'm not familiar with that.

6 Q And 2,100 is, obviously, just a fraction of what we
7 have here in Florida, you would agree?

8 A It sounds like about a sixth, yes, sir.

9 Q One other issue related to Project Pronto, in your
10 testimony, you address the different architecture there.
11 Project Pronto involves the deployment of NGDLC equipment; is
12 that correct?

13 A That's my understanding.

14 Q And NGDLC equipment differs from BellSouth's
15 deployment, BellSouth's primary deployment, in that it involves
16 equipment that has combined voice and data functionality within
17 the same card that's located on the equipment; is that correct?

18 A That's right. It uses what we call a combination
19 card, or combo card, in the DLC equipment that multiplexes the
20 voice and also performs a DSLAM functionality.

21 Q But you agree, don't you, that in terms of the
22 product that FDN is seeking here, which is a delivery of
23 packets back to the central office or some other point, that
24 difference is not relevant?

25 A I don't think it's relevant.

1 Q Thank you. We've talked a lot about the Line Sharing
2 Order, and I just want to clarify that the Line Sharing Order
3 established a product in which the ILEC provides the voice and
4 the CLEC, the DLEC provides DSL; is that correct?

5 A Well, what it did is -- yes. What it did is, it
6 designated that the high-frequently spectrum of the ILEC's loop
7 would be a UNE.

8 Q That would be unbundled and made available to
9 requesting CLECs?

10 A Correct.

11 Q Now, that is different, is it not, from the line
12 sharing capability inherent in the copper loop, is it not?

13 A The line sharing capability?

14 Q Correct.

15 A I'm not sure I understand that.

16 Q Well, there are different arrangements that this
17 could be done. For example, you testified earlier about line
18 splitting --

19 A Yes.

20 Q -- in which a CLEC provides voice and either that
21 CLEC or another CLEC provides data.

22 A Right.

23 Q And in the Line Sharing Order, what the Commission
24 was addressing there was just the regulatory product, is it
25 not?

1 A I'm not sure how you are differentiating, but they
2 ordered ILECs to make available the high-frequency spectrum of
3 their voice line for CLECs to use for data.

4 Q We've talked earlier about the UNE Remand Order that
5 was issued by the FCC in late 1999; is that correct?

6 A Yes, sir.

7 Q And in that order, the FCC for the first time
8 excluded the DSLAM from unbundling obligations -- ILECs'
9 unbundling obligations; is that correct?

10 A Well, they did exclude it. I didn't say "for the
11 first time," but they did exclude it there.

12 Q Do you know why the FCC chose not to unbundle packet
13 switching?

14 A No, I don't.

15 Q Earlier, we passed out -- I don't believe it was
16 marked as an exhibit, but we have the UNE Remand Order, an
17 excerpt from the UNE Remand Order passed out. Do you have that
18 available?

19 A No, I don't have the UNE Remand.

20 Q You have an excerpt from the UNE Remand Order in
21 front of you. I'd like to direct your attention to Paragraph
22 308 of that order. Midway through that paragraph, there's a
23 sentence that says, "Incumbent LECs and their competitors are
24 both in the early stages of packet switched deployment, and
25 thus face relatively similar utilization rates of their packet

1 switching capability."

2 Further down, "Because the incumbent LEC does not
3 retain a monopoly position in the advanced services market,
4 packet switch utilization rates are likely to be more equal as
5 between requesting carriers and incumbent LECs. It therefore
6 does not appear that incumbent LECs possess significant
7 economies of scale in their packet switches compared to the
8 requesting carriers."

9 It is now 18 months later, and the CLECs have
10 deployed no packet switches -- no DSLAMs in remote terminals in
11 Florida; is that correct?

12 A That's correct.

13 Q And BellSouth has deployed 3,200?

14 A Yes.

15 Q Of the 133,000 DSL consumers in Florida, in
16 BellSouth's Florida network, 132,000 of them are served by
17 BellSouth; is that correct?

18 A Say your numbers again. Let me hear that again.

19 Q I believe that it's 132,000 out of 133,000.

20 A If you are talking about DSL numbers.

21 Q Why don't you look at BellSouth's answer to
22 Interrogatory Number 2?

23 A All right. I have that.

24 Q It says, "BellSouth has 133,000 wholesale and retail
25 high-speed data subscribers in the state of Florida."

1 COMMISSIONER PALECKI: What page is that?

2 MR. SLOAN: It's Bates stamped Page 2.

3 BY MR. SLOAN:

4 Q And in your testimony, you state that competitive
5 LECs provide DSL service to fewer than a thousand customers in
6 the State.

7 A Right, it's about a thousand.

8 Q Return to the UNE Remand Order, Paragraph 307.

9 A I believe I was looking at 308.

10 Q Right. We're moving to the earlier paragraph.

11 A You want me to look at 307?

12 Q Yes, please.

13 A Okay.

14 Q It says, "Both the record in this proceeding, and our
15 findings in the 706 Report, establish that advanced services
16 are being -- are actively deploying," sorry, "that advanced
17 services providers are actively deploying facilities to offer
18 advanced services such as xDSL across the country." Do you see
19 that? That's the first sentence of Paragraph 307.

20 A Yes, I see that.

21 Q Then it goes down. This paragraph identifies a
22 number of competitors. The first one is Rhythms. And what is
23 the status of Rhythms today?

24 A Rhythms has declared bankruptcy, I believe.

25 Q And, in fact, they are -- they have announced

1 recently that they will not be emerging from Chapter 11,
2 haven't they?

3 A I believe.

4 Q The next competitor that is there is Covad. And what
5 is the status of Covad's business operations today?

6 A Covad has filed for Chapter 11 with the bankruptcy
7 court. I don't think their demise imminent. I'm not sure
8 exactly what their status is. We're still receiving orders
9 monthly from Covad for line sharing. In fact, the orders the
10 last two months have been up.

11 Q The next competitor identified in this paragraph is
12 NorthPoint. And what is the status of that company today?

13 A They are bankrupt, and all their assets have been
14 bought by AT&T.

15 Q They have been dissolved. They don't exist; is that
16 correct?

17 A That's correct.

18 Q Then the FCC goes on and cites Qwest. To the best of
19 your knowledge, has Qwest deployed any facilities in Florida?

20 A Not that I'm aware of.

21 Q Then it notes that Earthlink is partnering with
22 Sprint to offer nationwide xDSL service. To date, has
23 Sprint -- is Sprint offering DSL service in BellSouth's
24 footprint?

25 A Sprint has their eye on service. I believe they are

1 offering that.

2 Q Then the next competitor is KMC. Is KMC offering DSL
3 service in Florida?

4 A Not that I'm aware of.

5 Q I'm on Page 143. The second full paragraph from the
6 top. It begins, "Marketplace developments like the ones
7 described above suggest that requesting carriers have been able
8 to secure the necessary inputs to provide advanced services to
9 end users in accordance with their business plans." That
10 almost has a note of irony today, does it not, Mr. Williams?

11 A I think it says a lot about their business plans.

12 COMMISSIONER DEASON: Mr. Sloan, how much more do you
13 have for this witness?

14 MR. SLOAN: Very little.

15 COMMISSIONER DEASON: How much is very little?

16 MR. SLOAN: I'm done.

17 COMMISSIONER DEASON: I should have asked that
18 question a long time ago.

19 Staff. Let me ask Staff, how much do you have for
20 this witness?

21 MS. BANKS: Just a couple of questions,
22 Commissioner Deason.

23 COMMISSIONER DEASON: Very well. Because I'm
24 concerned that if we don't take -- the court reporter has going
25 at it quite a long time, and we either need to take a break or

1 wrap it up very quickly.

2 MS. BANKS: Just very quickly.

3 CROSS EXAMINATION

4 BY MS. BANKS:

5 Q Good afternoon, Mr. Williams.

6 A Good afternoon.

7 Q I'm Felicia Banks, and I have just a few questions to
8 ask you on behalf of Commission Staff. Is it your assertion
9 that FDN's ISP can purchase BellSouth's wholesale DSL?

10 A Yes. Yes, they can, and I understand they do.

11 Q Okay. And can FDN's ISP purchase BellSouth's DSL or
12 a loop that contains a DLC at a remote terminal or in the
13 remote terminal?

14 A Ask that again, please. I'm sorry.

15 Q Can FDN's ISP purchase BellSouth's DSL or a loop that
16 contains a DLC in the remote terminal?

17 A Yes, they are able to buy BellSouth's wholesale ADSL
18 service because they are an ISP. Yes.

19 Q Okay. Regardless of whether there is a DLC in the
20 remote terminal or not, FDN's ISP cannot purchase BellSouth
21 wholesale DSL if FDN is the voice provider; is that correct?

22 A That is correct.

23 MS. BANKS: Okay. That concludes Staff's cross.

24 Thank you, Mr. Williams.

25 THE WITNESS: Thank you.

1 COMMISSIONER DEASON: That was quick. Thank you.

2 COMMISSIONER PALECKI: Commissioner Deason, I have
3 just one or two quick questions --

4 COMMISSIONER DEASON: Sure.

5 COMMISSIONER PALECKI: -- I'd like to ask. I'm
6 fascinated by this 8-port DSLAM as a possible lower cost
7 solution.

8 THE WITNESS: Yes, sir.

9 COMMISSIONER PALECKI: I'd like you to refer to the
10 expenses that we looked at with the previous witness. It's on
11 Item Number 56 on FDN's second set of interrogatories.

12 THE WITNESS: I don't have a copy of that, I don't
13 believe.

14 COMMISSIONER PALECKI: It's the Stipulation Number 5.
15 But there were a list of recurring and nonrecurring costs for
16 DS-3 facilities. And it's my understanding that because there
17 are two terminations, that all of these numbers would be
18 multiplied by two.

19 THE WITNESS: I'm sorry, help me get the right page.

20 COMMISSIONER PALECKI: Page Bates stamped 8.

21 THE WITNESS: Eight. Okay. I'm there.

22 COMMISSIONER PALECKI: And we have DS-3 facility
23 charges towards the middle of the page, both for recurring and
24 nonrecurring.

25 THE WITNESS: Yes, sir, I see that.

1 COMMISSIONER PALECKI: If FDN decided to go to 8-port
2 DSLAMs as a lower cost solution, would they still have, for
3 example, this nonrecurring facility termination charge of
4 \$3,386 times two? Realizing, this is for only eight customers,
5 and it's a much smaller facility --

6 THE WITNESS: Right.

7 COMMISSIONER PALECKI: -- are these costs still the
8 costs they'd be required to pay even for a smaller 8-port
9 DSLAM?

10 THE WITNESS: Well, they wouldn't be required. If
11 they chose to buy that, they could. But if I were their
12 communications consultant, I would recommend that they buy the
13 DS-1 feeder for that 8-port DSLAM.

14 COMMISSIONER PALECKI: And would that be adequate for
15 them to serve the DSL customers?

16 THE WITNESS: Well, it would depend on who the end
17 users were. If you had eight business in there that really had
18 a lot of demand, especially if they all were daytime businesses
19 as opposed to a mix between some day businesses and night, or
20 consumers who would use it mostly at night, it may be that you
21 would have to put in a second DS-1. But you would not need a
22 DS-3 facility for eight ports, I don't believe, under any
23 circumstances.

24 COMMISSIONER PALECKI: What if it was eight
25 residential customers?

1 THE WITNESS: I would recommend the DS-1, and if you
2 didn't get customer complaints, I'd leave it that way forever.

3 COMMISSIONER PALECKI: And it may be if they are
4 nighttime users, you'd have problems; you'd have to install
5 another one?

6 THE WITNESS: Probably not. The DS-1 is the
7 equivalent of 24 voice grade lines. I believe that would
8 probably take care of it unless you had, you know, some really
9 large consumer users. Like I said, I would recommend trying
10 the DS-1 and see, you know, if the service levels seem to be
11 appropriate.

12 COMMISSIONER PALECKI: Thank you.

13 THE WITNESS: Yes, sir.

14 COMMISSIONER JABER: Commissioner Deason, one
15 question. Mr. Williams, in Mr. Gallagher's testimony, if we
16 accept his testimony as being accurate, he says that SBC offers
17 a wholesale UNE price broadband loop product that includes
18 transmission from the customer to the remote terminal, DSLAM
19 functionality at the remote terminal, and transmission to the
20 central office where the ALEC picks up the traffic from the SBC
21 switch. From a technology standpoint, can you think of
22 anything that prevents BellSouth from doing that?

23 THE WITNESS: No.

24 COMMISSIONER JABER: Okay. Thank you.

25 COMMISSIONER DEASON: Redirect.

1 MR. TURNER: I probably have five minutes,
2 Commissioner Deason, if we want to take a break, or I can get
3 through in five minutes. So however you want to --

4 COMMISSIONER DEASON: Please proceed.

5 REDIRECT EXAMINATION

6 BY MR. TURNER:

7 Q I have just a few questions. First of all, Mr. Sloan
8 asked you about NGDLC and the use of cards to perform DSLAM
9 functionality in NGDLC.

10 A Yes.

11 Q In order to perform DSLAM functionality in NGDLC, do
12 you need a voice card or a combo card?

13 A For data service?

14 Q Yes.

15 A You would need a combo card for the voice and the
16 data. The NGDLC that's deployed by BellSouth in only about
17 7 percent of the cases, as I recall, none of those NGDLCs and
18 none of those NGDLC systems are capable of using combo cards
19 that would also support data.

20 Q When you were describing the size of a 48-port DSLAM,
21 you said it was about "this big." For the record, can you kind
22 of give us an idea of what "this big" is, about?

23 A Well, I can tell you this. I don't know of a shelf
24 with 48 ports in it. We use one in our central office that has
25 96, and it is 23-inches wide.

1 Q Okay. Thank you. In an 8-port DSLAM, give us an
2 idea of about what size a piece of equipment were taking about
3 there.

4 A Six or eight inches.

5 Q Commissioner Jaber asked you some questions about,
6 from a central office strategy, there's some limitation when
7 you have an 18,000 foot or longer loop; right?

8 A Yes, that's a real limitation.

9 Q When BellSouth was rolling out its DSL services and
10 it started out with a central office roll out, did BellSouth
11 have that same 18,000-foot limitation?

12 A Yes, we did. It's a technical limitation.

13 Q And when BellSouth has rolling out DSL services
14 starting out with a central office based solution before DSLAMs
15 were put in a given remote terminal, assume with me in that
16 situation, before the DSLAMs in the remote terminal, that we
17 had a copper fed DLC serving a customer, okay?

18 A Okay.

19 Q Could that customer order DSL service on that central
20 office based solution that we started out with if they were
21 served by a copper fed DLC?

22 A No. We would need a dedicated copper loop all the
23 way from the central office to the end user, and DLC -- it
24 could not go through the DLC equipment.

25 Q Has FDN -- let me ask this. FDN has not to date

1 asked to collocate in any remote terminal; right?

2 A Not that I'm aware of.

3 Q Are you aware of FDN having asked BellSouth to give
4 it an idea of what addresses are served by any remote
5 terminals?

6 A No, not that I'm aware of.

7 Q So is it fair to say that BellSouth is willing to
8 look at that and see what we can do to work with FDN if they
9 need that information?

10 A Yes, that is fair to say.

11 Q Do you still have the UNE Remand Order in front of
12 you?

13 A I have a portion of it.

14 Q Do you have the portion that has Paragraph 307, which
15 is on Page 142?

16 A Yes, I do.

17 Q I believe, if I'm not mistaken, that's the paragraph
18 that Mr. Sloan walked you through and talked about the
19 alternative data service providers there; right?

20 A That's correct.

21 Q Would you read into the record the first -- I'm
22 sorry, the second sentence, the one beginning, "Competitive
23 LECs"?

24 A "Competitive LECs and cable companies appear to be
25 leading the incumbent LECs in their deployment of advanced

1 services."

2 Q Are cable companies deploying advanced services in
3 Florida today?

4 A Yes, they are.

5 Q Are they leading the ILEC?

6 A Yes, they are, significantly. There's an exhibit
7 attached to my rebuttal testimony, a report from an independent
8 consultant, and I believe the percentage he uses there is 73
9 percent of the broadband customers are served by cable.

10 Q Mr. Williams, I have handed out to the Commission,
11 co-counsel, and Staff, a copy of the Third Report and Order --

12 COMMISSIONER DEASON: I'm sorry. Can you hold on
13 just a second?

14 MR. TURNER: Sure.

15 (Brief interruption.)

16 COMMISSIONER DEASON: Proceed.

17 MR. TURNER: Thank you.

18 BY MR. TURNER:

19 Q Mr. Williams, I've handed out a copy of the Third
20 Report and Order on reconsideration in Docket Number 98-147
21 released January the 19th, 2001; right?

22 A Yes.

23 Q Now, this is the docket in which the FCC initiated
24 further notice of proposed rulemaking to look at whether or not
25 to unbundle the DSLAM; right?

1 A Yes.

2 Q And this docket, though, was issued -- well, let me
3 ask it this way. Mr. Sloan walked you through a state of
4 affairs today versus back in November of '99 when the UNE
5 Remand Order came out; right?

6 A Yes, that's correct.

7 Q Now, this order dated January 19th, 2001, came out
8 about 14 months after the UNE Remand Order; right?

9 A That's correct.

10 Q Go with me to Paragraph 12, which is on Page 7. Just
11 tell me when you're there.

12 A I'm here.

13 Q There was a question about the UNE elements that we
14 provide to FDN to get them to and from the DSLAM. Would you
15 read the first two sentences of Paragraph 12 into the record,
16 please.

17 A "We clarify that where a competitive LEC has
18 collocated a DSLAM at the remote terminal, an incumbent LEC
19 must enable the competitive LEC to transmit its data traffic
20 from the remote terminal to the central office. The incumbent
21 LEC can do this, at a minimum, by leasing access to the dark
22 fiber element or by leasing access to the subloop element."

23 Q Now, those two paragraphs assume the collocation of a
24 DSLAM in a remote terminal; right?

25 A They did.

1 Q Tell me this, and then I hope to be finished. The
2 UNE elements that you just spoke about most recently with
3 Commissioner Palecki, are those UNE elements that would enable
4 FDN to transmit its data traffic from the remote terminal to
5 the central office?

6 A Yes. We created the subloop feeder UNE elements as a
7 result of the 319 Remand.

8 MR. TURNER: That's all I have.

9 COMMISSIONER DEASON: Exhibits. I believe
10 Exhibit 11, prefiled --

11 MR. TURNER: Yes, sir.

12 COMMISSIONER DEASON: Without objection, show Exhibit
13 11 --

14 (Exhibit 11 admitted into the record.)

15 MR. SLOAN: Commissioner Deason, may I ask two
16 questions on recross?

17 COMMISSIONER DEASON: No. Exhibit 11 -- why?

18 MR. SLOAN: I just want him to point out where the
19 DS-1 rate is in the exhibit that he --

20 COMMISSIONER DEASON: You can do it in your brief.

21 MR. SLOAN: Excuse me?

22 COMMISSIONER DEASON: You can do it in your brief.
23 Anything further?

24 MR. TURNER: Commissioner, just as a matter of
25 housekeeping, that Exhibit 11 encompassed both of Mr. Williams'

1 exhibits on his direct testimony?

2 COMMISSIONER DEASON: Yes, that was TGW-1 and 2.

3 MR. TURNER: Thank you.

4 COMMISSIONER DEASON: And Exhibits 12 and 13 are
5 late-filed.

6 COMMISSIONER JABER: Do you want to establish a time
7 for getting the late-filed --

8 COMMISSIONER DEASON: When can the late-fileds be
9 provided?

10 MR. TURNER: I'll have to ask Mr. Williams. When do
11 you think, Mr. Williams, we can get that late-filed exhibit
12 price for an 8-port?

13 THE WITNESS: At least a week.

14 COMMISSIONER DEASON: One week? One week from today?

15 MR. FEIL: Yes, that's fine.

16 COMMISSIONER DEASON: Late-fileds 12 and 13 will be
17 due one week from today.

18 COMMISSIONER PALECKI: Commissioner Deason, I'd like
19 to see the parties to get together for further negotiations in
20 this docket, either voluntarily or perhaps we need to order
21 that they get together. I think there are -- as long as the
22 parties are negotiating, they control their own destinies.
23 It's very likely that neither of the parties will like the
24 decision that this Commission makes on this docket, and I think
25 it might very well be to their advantage to have further

1 negotiations.

2 COMMISSIONER DEASON: That is a wise observation.

3 What is the briefing schedule for this case?

4 MS. BANKS: Briefs are scheduled to be due

5 September 12th.

6 COMMISSIONER DEASON: September the 12th?

7 MS. BANKS: Yes.

8 COMMISSIONER DEASON: We'll leave it at that. And if
9 the parties feel like the briefing schedule is going to impede
10 your -- any further negotiations, please see the Prehearing
11 Officer. And I'm sure that since that's myself, he will be
12 glad to change the briefing schedule.

13 Anything further?

14 COMMISSIONER PALECKI: No.

15 COMMISSIONER DEASON: All right. Thank you all.

16 This hearing is adjourned.

17 (Hearing concluded at 5:15 p.m.)

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1 STATE OF FLORIDA)

2 : CERTIFICATE OF REPORTER

3 COUNTY OF LEON)

4

I, TRICIA DeMARTE, Official Commission Reporter, do hereby
5 certify that the foregoing proceeding was heard at the time and
6 place herein stated.

6

IT IS FURTHER CERTIFIED that I stenographically
7 reported the said proceedings; that the same has been
8 transcribed under my direct supervision; and that this
9 transcript constitutes a true transcription of my notes of said
10 proceedings.

9

I FURTHER CERTIFY that I am not a relative, employee,
10 attorney or counsel of any of the parties, nor am I a relative
11 or employee of any of the parties' attorneys or counsel
12 connected with the action, nor am I financially interested in
13 the action.

12

DATED THIS 24th DAY OF AUGUST, 2001.

13

14

15

TRICIA DeMARTE
FPSC Official Commission Reporter
(850) 413-6736

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EXHIBIT NO. _____

DOCKET NO.: 010098-TP

WITNESS: Stip-1

PARTY: Staff

DESCRIPTION: Selected responses from FDN's First
set of Interrogatories to BellSouth

- A. Interrogatory Numbers 2-13 inclusive . . . page 1
- B. Interrogatory Numbers 20-25 inclusive . . . page 14

PROFFERING PARTY: STAFF

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 010098-TP EXHIBIT NO. 1
COMPANY/
WITNESS: FPSC Staff
DATE: 8-15-01

A

Interrogatory Numbers 2 - 13 inclusive

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 2
Page 1 of 1

REQUEST: How many DSL customers does BST have in Florida? How many of these customers were added during the first quarter of 2001?

RESPONSE: As of the end of April 2001, BellSouth had 133,015 wholesale and retail high-speed data subscribers in the State of Florida, 43,291 of which were added in the first quarter 2001.

RESPONSE PROVIDED BY: Eric Fogle
675 West Peachtree Street
Atlanta, GA 30375

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 3
Page 1 of 1

REQUEST: How many central offices does BellSouth have in Florida?

RESPONSE: 196.

RESPONSE PROVIDED BY: Wayne Tubaugh
Manager
150 S Monroe
Tallahassee, FL

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 4
Page 1 of 1

REQUEST: How many remote terminals does BellSouth have in Florida?

- (a) Of these, how many are Cabinets?
- (b) Huts?
- (c) Controlled Environmental Vaults?

RESPONSE: As of 5/23/01, BellSouth had 12,037 remote terminals in Florida. This figure includes BellSouth equipment housed on customer premises. These 12,037 remote terminals include: (a) 10,011 are cabinets; (b) 466 are huts (includes CECs); and (c) 429 are CEVs.

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 5
Page 1 of 1

REQUEST: What percentage of BellSouth's access lines in Florida are served by all-fiber loops?

RESPONSE: Less than 100 of BellSouth's access lines in Florida are served by loops consisting entirely of fiber to the NID. Any such access lines remain from "all fiber" trials BellSouth conducted in Florida. BellSouth is no longer deploying any loops consisting entirely of fiber to the NID.

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 6
Page 1 of 1

REQUEST: What percentage of BellSouth's access lines in Florida are served by fiber-fed copper loops?

RESPONSE: Approximately 61%.

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 7
Page 1 of 1

REQUEST: Of these fiber-fed loops, what percentage of these lines pass through Digital Loop Carrier Facilities?

RESPONSE: All of the access lines referenced in BellSouth's response to Item No. 6 pass through Digital Loop Carrier facilities.

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 8
Page 1 of 1

REQUEST: Of these fiber-fed loops, what percentage of these lines could support xDSL transmission?

RESPONSE: All of BellSouth's access lines in Florida that are served by fiber-fed copper loops could support xDSL transmission if the design of the copper loop conforms to standard Carrier Serving Area (CSA) design, if there are no interferences that might inhibit xDSL transmission, and if DSLAM equipment is available at the remote terminal. The exact number of such loops that meet each of these three criteria is unknown.

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 9
Page 1 of 1

REQUEST: On the fiber portions of these loops, state whether voice signals are carried over fiber facilities that are also used to carry voice signals from other end-users, through the use of Time Division Multiplexing or other technology.

RESPONSE: The voice signals from the end-users served by the access lines referenced in BellSouth's response to Item No. 6 are multiplexed, through the use of Time Division Multiplexing, onto the fibers that serve the remote terminal.

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 10
Page 1 of 1

REQUEST: What percentage of BellSouth's xDSL customers in Florida, including the customers of any BellSouth affiliate, are served by fiber-fed loops?

RESPONSE: Approximately 57%.

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 11
Page 1 of 1

REQUEST: Has BellSouth deployed a DSLAM at any remote terminal in Florida?

(a) If so, where and how many?

RESPONSE: Please see BellSouth's response to Request for Production of Documents, Item No. 3 (f) and (g).

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 12
Page 1 of 1

REQUEST: Has BellSouth deployed a NGDLC or any other DSL-related equipment at or adjacent to any remote terminal or other structure in Florida?

- (a) If so, please state the number of remote terminals where such equipment has been deployed.
- (b) What percentage of BellSouth's access lines in Florida are served by these remote terminals?

RESPONSE: Not all NGDLC are DSL capable. The remote terminals referenced in BellSouth's response to Item No. 11 are DSL capable. In addition, as of 5/23/01, 102 remote terminals in Florida with MX or PC-Data technology were DSL capable.

- (b) The remote terminals referenced in response to part (a) above serve approximately 24% of the BellSouth's total access lines in Florida.

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 13
Page 1 of 1

REQUEST: In addition to any remote terminal deployments included in your answer to the preceding question, in how many remote terminals does BellSouth plan to deploy NGDLCs or other DSL-related equipment by the end of 2002? If data for the end of 2002 is not available, please provide any other projections that are available.

RESPONSE: Although BellSouth plans to deploy DSL-related equipment at or adjacent to additional remote terminals in the future, the placement of such equipment is determined on an individual, site-specific basis. Because potential sites can and do change due to site conditions, BellSouth cannot state how many sites it plans to add over the next 18 months. A six month schedule, however, is available at www.bellsouth.com/products/spa/adsl.html

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

B

Interrogatory Numbers 20 - 25 inclusive

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 20
Page 1 of 1

REQUEST: Has BellSouth or any affiliate ever, for any period of time, provided xDSL services to an end-user who concurrently subscribed to local exchange telecommunications service provided by a CLEC that provides service over BellSouth facilities by (1) resale, (2) UNE-P, or (3) unbundled loops? Please answer separately for each of the three options.

RESPONSE: BellSouth provides xDSL services to end users who concurrently subscribe to local exchange telecommunications service that a CLEC is providing over BellSouth facilities by way of resale.

BellSouth does not intend to provide xDSL services to end-users who concurrently subscribe to local exchange telecommunications service that a CLEC provides over BellSouth facilities by way of UNE-P. At one time, BellSouth did not have edits in place to prevent this, and some sales of this type did erroneously occur. BellSouth is in the process of correcting these situations by providing the CLECs with the option of converting the voice service to BellSouth resale service. If the CLEC decides not to accept this option, BellSouth will remove the xDSL service.

BellSouth does not provide xDSL services to end-users who concurrently subscribe to local exchange telecommunications service that a CLEC provides over unbundled loop facilities it purchases from BellSouth.

RESPONSE PROVIDED BY:

Tommy G. Williams
Sr. Product Manager
3535 Colonnade Pkwy
Birmingham, AL

Erick F. Gamble
Product Manager
3535 Colonnade Pkwy
Birmingham, AL

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 21
Page 1 of 1

REQUEST: Has BellSouth or any affiliate ever, for any period of time, provided wholesale xDSL services to a CLEC or ISP, or other wholesale provider that are to be combined with local exchange telecommunications service provided by a CLEC that provides service over BellSouth facilities by (1) resale, (2) UNE-P, or (3) unbundled loops? Please answer separately for each of the options.

RESPONSE: BellSouth provides wholesale xDSL services to CLECs, ISPs, and other wholesale providers that are to be combined with local exchange telecommunications service that a CLEC is providing over BellSouth facilities by way of resale.

BellSouth does not intend to provide wholesale xDSL services to CLECs, ISPs, other wholesale providers that are to be combined with local exchange telecommunications service that a CLEC provides over BellSouth facilities by way of UNE-P. At one time, BellSouth did not have edits in place to prevent this, and some sales of this type did erroneously occur. BellSouth is in the process of correcting these situations by providing the CLECs, the ISPs, and/or the other wholesale providers with the option of converting the voice service to BellSouth resale service. If the provider decides not to accept this option, BellSouth will remove the xDSL service.

BellSouth does not provide wholesale xDSL services to CLECs, ISPs, or other wholesale providers that are to be combined with local exchange telecommunications service that a CLEC provides over unbundled loop facilities it purchases from BellSouth.

RESPONSE PROVIDED BY:

Tommy G. Williams
Sr. Product Manager
3535 Colonnade Pkwy
Birmingham, AL

Erick F. Gamble
Product Manager
3535 Colonnade Pkwy
Birmingham, AL

REQUEST: Has BellSouth given any consideration to the development or offering of a product that would enable a CLEC to purchase wholesale voice and ADSL service to be provided to end-users who are connected to BellSouth central offices via fiber-fed loops? This question would include, but is not limited to, any service that would be similar to SBC's Wholesale Broadband Service and Verizon's draft Packet at Remote Terminal Service "PARTS" service.

(a) A copy of the SBC service offering is attached as Exhibit 1. Would BellSouth be willing to provide CLECs with a product offering similar to the SBC offering? If not, why not?

RESPONSE: BellSouth allows CLECs to purchase BellSouth resold voice service and BellSouth Wholesale ADSL service to be provided to end-users who are connected to BellSouth central offices via fiber-fed loops where the loop serving the end user meets the BellSouth Wholesale ADSL technical requirements.

BellSouth is not familiar with Verizon's draft Packet at Remote Terminal Service "PARTS" service and, therefore cannot respond to this request as it relates to that service. Regarding SBC's service, it is BellSouth's understanding that BellSouth's equipment is not compatible with that architecture. It should be noted that all current BellSouth solutions require a dedicated copper loop from the Remote Terminal to the Network Interface Device (NID).

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
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May 7, 2001
Issue No. 1 Item No. 22
Page 2 of 2

RESPONSE: (Cont.)

BellSouth's architecture currently meets all BellSouth's needs and fully complies with all FCC Line Sharing and Line Splitting mandates. BellSouth, therefore, is not currently considering other alternatives.

RESPONSE PROVIDED BY:

Tommy G. Williams
Sr. Product Manager
3535 Colonnade Pkwy
Birmingham, AL

Erick F. Gamble
Product Manager
3535 Colonnade Pkwy
Birmingham, AL

REQUEST: Explain all permutations used by BellSouth to fulfill orders for unbundled voice-grade loops by CLECs where BellSouth has deployed digital loop carriers. Provide a copy of any guidelines that are provided to BellSouth employees or agents to process and execute such orders.

RESPONSE: BellSouth provides CLECs the following eight options:

Alternative 1: If sufficient physical copper pairs are available, BellSouth will reassign the loop from the IDLC system to a physical copper pair.

Alternative 2: Where the loops are served by Next Generation Digital Loop Carrier (NGDLC) systems, BellSouth will "groom" the integrated loops to form a virtual Remote Terminal (RT) set-up for universal service (that is, a terminal which can accommodate both switched and private line circuits). "Grooming" is the process of arranging certain loops (in the input stage of the NGDLC) in such a way that discrete groups of multiplexed loops may be assigned to transmission facilities (in the output stage of the NGDLC). Both of the NGDLC systems currently approved for use in the BellSouth network have "grooming" capabilities.

Alternative 3: BellSouth will remove the loop distribution pair from the IDLC and re-terminate the pair to either a spare metallic loop feeder pair (copper pair) or to spare universal digital loop carrier equipment in the loop feeder route or Carrier Serving Area (CSA). For two-wire ISDN loops, the universal digital loop carrier facilities will be made available through the use of Conklin BRJTEMux or Fitel-PMX 8uMux equipment.

Alternative 4: BellSouth will remove the loop distribution pair from the IDLC and re-terminate the pair to utilize spare capacity of existing Integrated Network Access (INA) systems or other existing IDLC that terminates on digital cross-connection system (DCS) equipment. BellSouth will thereby route the requested unbundled loop channel to a channel bank where it can be de-multiplexed for delivery to the requesting CLP or for termination in a DLC channel bank that is the central office for concentration and subsequent delivery to the requesting CLP.

RESPONSE: (Cont.)

Alternative 5: When IDLC terminates at a peripheral capable of serving "side-door/hairpin" capabilities, BellSouth will utilize this switch functionality. The loop will remain terminated directly into the switch while the "side-door/hairpin" capabilities allow the loop to be provided individually to the requesting CLP.

Alternative 6: If a given IDLC system is not served by a switch peripheral that is capable of side-door/hairpin functionality, BellSouth will move the IDLC system to switch peripheral equipment that is side-door capable.

Alternative 7: BellSouth will install and activate new UDLC facilities or NGDLC facilities and then move the requested loop from the IDLC to these new facilities. In the case of UDLC, if growth will trigger activation of additional capacity within two years, BellSouth will activate new UDLC capacity to the distribution area. In the case of NGDLC, if channel banks are available for growth in the CSA, BellSouth will activate NGDLC unless the DLC enclosure is a cabinet already wired for older vintage DLC systems.

Alternative 8: When it is expected that growth will not create the need for additional capacity within the next two years, BellSouth will convert some existing IDLC capacity to UDLC.

Because certain circuits cannot be supported through an IDLC system in those instances where NGDLC is installed, BellSouth normally reserves some NGDLC capacity to support those special service circuits (both its own and those of CLPs) through a universal DLC arrangement based on site-specific forecasts. BellSouth does not reserve loops served by NGDLC for its own purposes, and does not restrict CLP access to BellSouth loops. BellSouth will construct the facilities necessary to provide unbundled loops to requesting CLPs in the small number of cases in which none of these methods is viable through the special construction process.

Please see POD # 4 for documents that support this response

RESPONSE PROVIDED BY: Darrell Grimmett
Manager
675 West Peachtree Street
Atlanta, GA 30375

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 24
Page 1 of 1

REQUEST: Among the loops ordered by CLECs for the provision of voice service, are any of these loops provisioned over fiber-fed copper subloops?

RESPONSE: Yes.

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

BellSouth Telecommunications, Inc.
FPSC Dkt No. 010098-TP
Florida Digital's 1st Set of Interrogatories
May 7, 2001
Issue No. 1 Item No. 25
Page 1 of 1

REQUEST: Set forth the number of competitive local exchange carriers that have collocated DSLAMs or other DSL equipment inside or adjacent to BellSouth's remote terminals in Florida.

RESPONSE: There are none. BellSouth has not received any requests from competitive local exchange carriers to collocate DSLAMs or other DSL equipment inside or adjacent to BellSouth's remote terminals in Florida.

RESPONSE PROVIDED BY:

Tommy G. Williams
Sr. Product Manager
(205) 977-0056

Erick F. Gamble
Product Manager
(205) 977-7410

EXHIBIT NO. _____

DOCKET NO.: 010098-TP

WITNESS: Stip-2

PARTY: Staff

DESCRIPTION: Selected Responses from BellSouth's
First set of Interrogatories to FDN

A. Interrogatory Numbers 1-8 inclusive Page 1

PROFFERING PARTY: STAFF

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 010098-TP EXHIBIT NO. 2
COMPANY/
WITNESS: FRAC Staff
DATE: 8-15-01

A

Interrogatory Numbers 1 - 8 inclusive

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition of Florida Digital Network, Inc., for Arbitration of Certain Terms and Resale Agreement with BellSouth Telecommunications, Inc. Under the Telecommunications Act of 1996)	
)	Docket No. 010098-TP
)	
)	
)	Served: June 26, 2001

FLORIDA DIGITAL NETWORK, INC'S NOTICE OF SERVING RESPONSES TO BELL SOUTH TELECOMMUNICATION, INC.'S FIRST SET OF INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS

Florida Digital Network, Inc. ("FDN") hereby provides notice that it has served its answers in response to the first set of interrogatories and requests for production of BellSouth Telecommunications, Inc. ("BellSouth") served in this docket.

Certificate of Service

I hereby certify that a true and complete copy of this Notice and FDN's answers to BellSouth's first set of interrogatories and requests for production were served on the following by overnight delivery this 25th day of June, 2001.

Mr. James Meza, III
 C/o Ms. Nancy H. Sims, Dir., Reg. Relations
 150 South Monroe Street, Suite 400
 Tallahassee, FL 32301-1556

Ms. Felicia Banks
 Florida Public Service Comm'n
 2540 Shumard Oak Blvd.
 Tallahassee, FL 32399-0850



Matthew Feil
 Florida Digital Network
 390 North Orange Avenue
 Suite 2000
 Orlando, FL 32801
 (407) 835-0460

INTERROGATORIES

1. FDN's Petition alleges that "[c]urrently, due to BellSouth operations support system ("OSS") limitations, when a UNE loop and telephone number ports to FDN, the customer's BellSouth-provided asymmetric digital subscriber line ("ADSL") service is disconnected." Petition at ¶8. Please set forth in detail all facts supporting this allegation, identify all persons who have knowledge of such facts, and identify all documents that support this allegation.

BellSouth has explained that it will not provide its ADSL service to FDN customers who do not purchase low-frequency voice service from BellSouth.

In a phone conversation sometime in early 2000 with Mr. Mark Butterworth, a BellSouth executive, Mike Gallagher was referred to a BellSouth technical expert, Mr. Ed Houpert, who he designated to answer questions regarding the referenced subject. Mr. Gallagher, with Ryan Hand of FDN present, spoke with Mr. Houpert by phone. Mr. Houpert indicated that the situation exists because of OSS limitations and BellSouth policy. Mr. Houpert stated BellSouth simply did not offer a service for BellSouth ADSL over a UNE loop used for CLEC voice. FDN was not told that the product it seeks is not technically feasible.

FDN also bases its position on its experience transitioning former BellSouth customers, who received BellSouth ADSL, to FDN's local service.

Given the limited information BellSouth provided FDN regarding this problem and that FDN does not have knowledge of all technical details of BellSouth's network, FDN does not conclude that OSS limitations are the only possible explanation.

Answered by:

Mike Gallagher, CEO, FDN
Ryan Hand, V.P. Eng. & Ops, FDN

2. FDN's Petition alleges that "[t]he current BellSouth ADSL OSS does not recognize a number that has been ported to FDN and does not allow ADSL service to continue." Petition at ¶8. Please set forth in detail all facts supporting this allegation, identify all persons who can support this allegation, and identify all documents that support this allegation.

See answer to Interrogatory No. 1.

3. Please describe in detail all the modifications FDN believes would be required to the "current BellSouth ADSL OSS" that FDN believes would be necessary to enable it to "recognize a number that has been ported to FDN," set forth what FDN believes the cost of each such modification to be, and describe how FDN proposes that BellSouth should recover the costs of any such modifications if BellSouth were ordered to implement them. Please identify all persons who can support your response to this Interrogatory and identify all documents that support your response to this interrogatory.

BellSouth should be required to make any modifications to its OSS that would expedite ordering and provisioning the services that have been requested by FDN in this proceeding. BellSouth could propose to the Commission additional cost recovery mechanisms, if any are necessary, for its OSS. Also, see answer to Interrogatory No. 1.

4. FDN's Petition alleges that "BellSouth is blocking and will continue to block FDN and other competitive local carriers out of the local telecommunications services market." Petition at ¶8. Please set forth in detail all facts supporting this allegation, identify all persons who have knowledge of such facts, and identify all documents that support this allegation.

See Mike Gallagher's direct testimony filed in this proceeding.

Answered by:

Mike Gallagher, CEO, FDN

5. Please state the manufacturer and model number of any and all switches you use to provide voice service to end user customers in the State of Florida.

FDN has four Nortel DMS 500 switches. The switches are located in Orlando, Tampa, Jacksonville, and Ft. Lauderdale.

Answered by:

Mike Gallagher, CEO, FDN

6. Assume that a customer and number port to FDN local service. Under FDN's position with regard to Issue No. 1, please explain in detail the network architecture by which FDN proposes BellSouth would provide xDSL service to the customer over the UNE loop. In your response, please state who FDN contends should own the splitter, where the splitter should be located, and who should be responsible for performing the necessary cross-connections.

FDN proposes BellSouth provide the desired service in the same basic manner as BellSouth does its own customers when a SLC is upgraded for or has ADSL capability. The high frequency ADSL tones would be inserted on the loop at the SLC. BellSouth would provide the splitter/DSLAM functionality on the appropriate UNE loop.

See Mike Gallagher's direct testimony filed in this proceeding.

Answered by:

Mike Gallagher, CEO, FDN

7. Assume that a customer and number port to FDN local service. Under FDN's position with regard to Issue No. 1, does FDN intend to charge BellSouth for use of the spectrum of the UNE loop that is being used to provide voice service to that customer? If so, please state the rate FDN intends to charge and explain in detail how that rate was developed.

Under FDN's proposal, FDN would pay BellSouth to use and occupy the low frequency portion of the UNE loop and pay BellSouth for ADSL functionality and ATM PVC either on a wholesale-resale or a UNE basis.

See Mike Gallagher's direct testimony filed in this proceeding.

Answered by:

Mike Gallagher, CEO, FDN

8. Please identify all persons who can support your response to Interrogatory No. 7 and identify all documents that support your response to Interrogatory No. 7.

See answer to Interrogatory No. 7.

EXHIBIT NO. _____

DOCKET NO.: 010098-TP

WITNESS: Stip-3

PARTY: Staff

DESCRIPTION: Selected responses from Staff's Second
set of Interrogatories to BellSouth

A. Interrogatory Numbers 5-11 inclusive . . . page 1

PROFFERING PARTY: STAFF

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET

NO. 010098-TP EXHIBIT NO. 3

COMPANY/

WITNESS: EPSC Staff

DATE: 8-15-01

A

Interrogatory Numbers 5 - 11 inclusive

REQUEST: Please refer to page 19, lines 15-25, and page 20, lines 1-2 of BellSouth witness Williams' rebuttal testimony.

- a. Where BellSouth has deployed a NGDLC RT, can an ALEC provide DSL service through that RT without the use of special line cards?
- b. If the answer to (a) is affirmative, explain how an ALEC can provide DSL service when BellSouth has deployed a NGDLC RT in question.

RESPONSE:

- a. The specific NGDLCs that BellSouth has deployed are not equipped for DSL, which means that neither BellSouth nor an ALEC can use them for DSL service. An ALEC, therefore, cannot provide DSL service 'through' an NGDLC RT, with or without the use of special line cards. Therefore, in BellSouth territory, the presence of an NGDLC at an RT in no way changes the way BellSouth, or an ALEC, provides DSL service.
- b. N/A

RESPONSE PROVIDED BY: Tommy G. Williams
Sr. Product Manager
3535 Colonnade Pkwy
Birmingham, AL 35243

REQUEST: Please refer to page 22, lines 19-22, and page 23, lines 22-25 of BellSouth witness Williams' rebuttal testimony. Describe the differences between BellSouth's network architecture, technology and equipment, and those utilized by the ILECs referenced in this testimony.

RESPONSE: BellSouth was referring to SBC's Project Pronto. It is BellSouth's understanding that SBC elected to provide DSL service to customers who cannot be served directly from the Central Office DSLAMs, by modifying existing, and deploying new, NGDLC platforms. These platforms, primarily provided by Alcatel Corporation, can be upgraded to handle limited types of DSL. Upgrading of the Alcatel NGDLC requires the addition of ATM aggregation functionality on a channel bank basis, installation of new system software, and equipping lines for which a DSL service is desired with the appropriate line cards.

The NGDLC platform used by BellSouth is not capable of providing DSL service, and accordingly, BellSouth does not use it for its own DSL service. BellSouth provides DSL service to customers served by DLC remotes through dedicated DS1, DS3 or OC3 feeder facilities for transport to DSLAMs placed at the Remote Terminal. The DSL, plus voice service derived from the RT, are routed through splitters and applied to the distribution copper facilities. UNEs are currently available for ALECs to provision DSL services to their customers, in conjunction with an ALEC-provided DSLAM, in the same manner.

RESPONSE PROVIDED BY: Tommy G. Williams
Sr. Product Manager
3535 Colonnade Pkwy
Birmingham, AL 35243

REQUEST: Please refer to page 11, lines 1-2 of BellSouth witness Ruscilli's rebuttal testimony.

- a. Does BellSouth provide virtual collocation at a Remote Terminal when there is insufficient space for an ALEC to collocate a DSLAM?
- b. Explain how BellSouth provides virtual collocation at a Remote Terminal.
- c. Does virtual collocation at a BellSouth Remote Terminal enable an ALEC to provide DSL service in a DLC environment?
- d. Does virtual collocation at a Remote Terminal provide the same functionality as a DSLAM.

RESPONSE:

- a. Yes. BellSouth permits the collocation, whether virtual or physical, of any type of equipment necessary for interconnection to BellSouth's network or for access to unbundled network elements in the provision of telecommunications services. BellSouth's policy regarding collocation at DLC remote sites is that if sufficient space exists within the DLC remote, BellSouth will allow the ALEC to collocate its equipment, including DSLAMs, regardless of whether BellSouth has installed its own equipment or a DSLAM at that remote site.

If sufficient space does not exist within the DLC remote site then BellSouth may file a collocation waiver request with this Commission for that particular site. Alternatively, although BellSouth is not required to build additional space to facilitate collocation in a space exhaust situation, BellSouth, at its option, may elect to make additional space available at a particular DLC remote site. BellSouth will also permit adjacent collocation at a DLC remote site, subject to technical feasibility and space availability.

RESPONSE: (Cont.)

- b. See BellSouth's Response to "a." above. Upon request of an ALEC, BellSouth will negotiate an agreement for virtual or physical collocation at a DLC remote site.
- c. Yes, if the ALEC collocates (virtual or physical) its DSLAM and splitter (or a DSLAM with a built-in splitter) at the remote terminal.
- d. It depends upon the equipment virtually collocated at the remote site. As stated in "c." above, if the ALEC collocates (virtual or physical) its DSLAM and splitter (or a DSLAM with a built-in splitter) at the remote terminal, it would enable an ALEC to provide DSL service in a DLC environment.

RESPONSE PROVIDED BY: Tommy G. Williams
Sr. Product Manager
3535 Colonnade Pkwy
Birmingham, AL 35243

REQUEST: Please refer to page 22, lines 3-4 of BellSouth witness Ruscilli's rebuttal testimony.

- a. Describe BellSouth's Fast Access Internet Service.
- b. Who sells BellSouth's Fast Access Internet Service?
- c. Is BellSouth's fast Access Internet Service a DSL service?
- d. If your response to (c) is affirmative, is this DSL service offered at retail?

RESPONSE:

- a. BellSouth® FastAccess® Internet Service is a high speed DSL-based Internet access service. It is an enhanced service offering that uses BellSouth's federally tariffed DSL service as an underlying telecommunications service input.
- b. BellSouth® FastAccess® Internet Service is sold by BellSouth Telecommunications, Inc. as a non-regulated Internet access service offering.
- c. See Response to Interrogatory No. 8(a), above.
- d. BellSouth Telecommunications, Inc. offers its enhanced service offering, known as BellSouth® FastAccess® Internet Service, as a retail non-regulated Internet access service offering. BellSouth does not offer the underlying tariffed DSL telecommunications component of BellSouth FastAccess Internet Service as a retail service. Rather, the underlying telecommunications DSL service is a wholesale service only.

RESPONSE PROVIDED BY:

John Ruscilli
Senior Director
675 West Peachtree Street
Atlanta, GA 30375

REQUEST:

Please refer to page 23, lines 9-11 of BellSouth witness Ruscilli's rebuttal testimony.

- a. Does BellSouth have a separate affiliate that provides Internet Access?
- b. If the answer to (a) is affirmative, does Bellsouth provide DSL service to this affiliate?
- c. If the answer to (b) is affirmative, does this affiliate sell DSL service in some form to end users?
- d. Does BellSouth Telecommunications Inc. sell DSL service to end users?
- e. What corporate entity owns the DSLAMs located in BellSouth's Remote Terminals?
- f. Is the entity identified in response to (e) a subsidiary of affiliate of BellSouth Telecommunications, Inc.?
- g. If the response to (f) is negative, please explain how this entity fits in BellSouth Corporation's corporate structure.

RESPONSE:

- a. No.
- b. Not applicable.
- c. Not applicable.
- d. See answer to Interrogatory No. 8(d) above.
- e. BellSouth Telecommunications, Inc.
- f. Not Applicable.
- g. Not Applicable.

RESPONSE PROVIDED BY:

John Ruscilli
Senior Director
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: Please refer to page 8, lines 7-20 of BellSouth witness Kephart's rebuttal testimony.

- a. With FDN's approval, could BellSouth ultimately determine which of the eight provisioning options is most appropriate for the loop in question?
- b. With FDN's approval, could BellSouth respond to a generic loop request by provisioning the loop by the most appropriate of the eight options and then bill FDN accordingly?

RESPONSE:

- a. No, only FDN knows which loop is the most appropriate for its needs.
- b. No, BellSouth does not have a generic loop offering. Even if such an offering existed, BellSouth could not respond to a request to provision the most appropriate loop for the reason stated in (a) above.

RESPONSE PROVIDED BY: Jerry Kephart
Senior Director
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: Please refer to page 10, line 10 through page 11, line 19 of witness Kephart's rebuttal testimony.

- a. Please describe the LMU request process.
- b. How long does it take for FND to receive the requested information after FDN submits an LMU request?

RESPONSE:

- a. The Mechanized LMU service is a preordering function that enables CLECs to request loop makeup information utilizing electronic access to the Loop Facility Assignment and Control System (LFACS). The CLEC will provide the information as prompted by the Operational Support System (OSS) interface for the Loop Makeup Service Inquiry (LMUSI). Appropriate OSS interfaces for the mechanized process include LENS, TAG, and RoboTAG. Thereafter, the OSS interface submits the Mechanized LMUSI to LFACS for a response of loop makeup data. Detailed instructions for preparing a Mechanized LMUSI can be obtained from BellSouth's interconnection web site by referring to the BellSouth LMU CLEC Information Package, Version 4 (www.interconnection.bellsouth.com/products/html/unes.html), the D/CLEC Pre-Ordering and Ordering Guide For Electronic Loop Makeup (LMU), Version 2, June 4, 2001 (www.interconnection.bellsouth.com/guides/html/bpobr.html) and BellSouth Pre-Order Business Rules, June 2001 - Version 11A (www.interconnection.bellsouth.com/guides/html/bpobr.html).

RESPONSE: (Cont.)

- b. The standard service interval for a response to a mechanized LMU request is near real time. Shown below are the actual percent mechanized LMU requests returned within 1 minute in Florida:

	APR	MAY	JUN
FL	97.4%	98.9%	99.0%

Respectfully submitted this 30th day of July, 2001.

BELLSOUTH TELECOMMUNICATIONS, INC.

Nancy B. White

NANCY B. WHITE (KA)

JAMES MEZA III

c/o Nancy H. Sims

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402998

EXHIBIT NO. _____

DOCKET NO.: 010098-TP

WITNESS: Stip-4

PARTY: Staff

DESCRIPTION: Selected responses from Staff's Second set of Interrogatories to FDN

A. Interrogatory Numbers 3-8 inclusive . . . page 1

PROFFERING PARTY: STAFF

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 010098-TP EXHIBIT NO. 4
COMPANY/ FPSC Staff
WITNESS: TP
DATE: 8-15-01

A

Interrogatory Numbers 3 - 8 inclusive

INTERROGATORIES

3. **For the purposes of this interrogatory, please refer to FDN witness Gallagher's Rebuttal testimony on issue 3A, page 6, lines 10-16. Please identify the remaining unresolved aspects of this issue.**

BellSouth has proposed through its testimony and additional negotiations an acceptable scheme for trouble ticket closing procedures. The remaining controversy concerns FDN's request that the interconnection agreement address the impropriety of BellSouth's charging FDN for "No Trouble Found" tickets where FDN diagnostic results or line tests at FDN facilities at the CO and the customer premises show the ticket should not have been a "No Trouble Found." FDN and BellSouth have engaged in dialogue on this issue in an attempt to achieve resolution.

Answered by: Mike Gallagher, CEO, FDN

4. **On page 52, lines 20-22 of FDN witness Gallagher's direct testimony, it is Stated that FDN is willing to agree that BellSouth be allowed some additional time to issue an FOC under its proposed third order option.**

- (a) What interval is currently in place within which BellSouth is supposed to Issue an FOC?**

FDN submits most of its LSRs on a mechanized basis through BellSouth's TAG gateway. FDN estimates that on average for all LSRs, including simple disconnects, FDN typically receives FOCs back from BellSouth between 6 and 8 hours from submission of its LSR. From review of its current interconnect agreement with BellSouth, FDN did not identify a stated interval for FOC returns.

- (b) What interval do you propose under the third order option?**

FDN does not object to waiting up to 10 hours for return of an FOC for orders submitted electronically using a third order option if BellSouth requires additional processing time. No concession FDN may be willing

to make on this point, however, should have an impact on the required installation interval (the time from submission of a completed LSR to completed installation).

Answered by: Mike Gallagher, CEO, FDN

5. Please refer to page 3, lines 17-19 of FDN witness Gallagher's Rebuttal testimony.

(a) Which RBOCs have made the database modifications enabling DSL qualifications?

I have been informed by others in the industry that SBC and Verizon have devoted some attention to the development of OSS upgrades in order to accommodate line splitting. In the Opinion and Order of the New York PSC referenced in my direct testimony (Opinion No. 00-12, issued October 31, 2000), the New York PSC states on pp. 11-12 and 17 that Verizon anticipates OSS modifications to accommodate line splitting in 2001.

(b) How did these RBOCs modify their database to enable DSL qualifications?

In a multi-carrier competitive climate, it will make sense for ILEC databases to cross-reference telephone numbers with circuit identification numbers so that loop qualification information is readily available for all ILEC loops.

(c) Are you requesting that the FPSC require BellSouth to make similar Modifications?

I am not proposing any specific modification to BellSouth's OSS. FDN's position is that BellSouth provide electronic loop qualification information for all customer locations served by BellSouth in accordance with federal and state regulations. If, and only if, OSS changes are necessary to implement these obligations, BellSouth should make such modifications in a manner consistent with the Florida Commission's previous decisions relating to OSS.

Answered by: Mike Gallagher, CEO, FDN.

6. Please refer to page 8, lines 9-11, of FDN witness Gallagher's rebuttal testimony.

(a) Do you base your statement that BellSouth's LFACs database and LMU Process are geared toward XDSL ordering and not voice loop ordering, on the premise that XDSL requires prequalifications and voice should not?

In part, yes, but also because the information BellSouth has on the subject of LMU supports the statement referenced.

Most of the information BellSouth allegedly makes available through its LMU processes would be of concern to xDSL ordering, not voice loop ordering: wire gauge and length, bridge taps, load coils, pair-gain devices, presence of DLC, etc. BellSouth's form contract language for LMU recognizes, "The LMUSI may be utilized by CLEC-1 for the purpose of determining whether the loop requested is capable of supporting DSL service or other advanced data services." Further, the information BellSouth has published regarding LMU seems to focus on utilization for xDSL pre-ordering.

(b) If the response to (a) is negative, please identify the basis for your statement.

See (a) above.

Answered by: Mike Gallagher, CEO, FDN.

7. Please refer to page 8, lines 17-20 of FDN witness Gallagher's rebuttal testimony.

(a) Which ILECs do not differentiate voice loop types or require prequalification as described in your testimony?

FDN operates in BellSouth, Sprint, and Verizon territories in Florida.

FDN believes that Verizon distinguishes between a design and a non-design loop for purpose of provisioning and billing, but has not required FDN to specify on the LSR that it is ordering a design loop; rather, Verizon will schedule the due date on the FOC according to the type of loop required. FDN has not been required to make a design or non-design determination for its LSRs.

FDN also believes Sprint distinguishes between a design and a non-design loop for purpose of provisioning and billing. As for ordering, when FDN has submitted LSRs to Sprint to serve customers who it turns out are served through Sprint remote switching facilities and thus require design/facilities work, Sprint will not process or provision the FDN order because FDN has refused to pay what FDN believes are exorbitant charges for such work. Sprint has provided FDN data (called SAG) that FDN has been able to use in an attempt to sell around customers served by remote switching facilities in certain Sprint service areas.

(b) Describe the ordering procedure established by these ILECs, and how it differs from BellSouth's.

See (a) above.

Answered by: Mike Gallagher, CEO, FDN.

8. Please refer to page 10, lines 3-6 FDN witness Gallagher's rebuttal

Testimony. Please identify and explain the coordination options available Since the Commission's may UNE Order that FDN requests be available for the generic voicegrade loop type.

FDN desires the order coordination (OC) and order coordination-time specific (OC-TS) options be made available for its proposed generic voice grade loop type. In the Commission's May UNE Order, on page 594, it set rates for these coordination options without differentiating order types for voice grade loops.

EXHIBIT NO. _____

DOCKET NO.: 010098-TP

WITNESS: Stip-5

PARTY: Staff

DESCRIPTION: Selected responses from FDN's Second
set of Interrogatories to BellSouth

A. Interrogatory Numbers 52-70 inclusive . . . page 1

PROFFERING PARTY: STAFF

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 010098-TP EXHIBIT NO. 5
FILED BY: FPC Staff
DATE: 8-15-01

A

Interrogatory Numbers 52 - 70 inclusive

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Digital Network,)
Inc. for Arbitration of Certain Terms and)
Resale Agreement with BellSouth)
Telecommunications, Inc. Under the)
Telecommunications Act of 1996)
_____)

Docket No. 010098-TP

Filed: August 13, 2001

**BELLSOUTH TELECOMMUNICATIONS, INC.'S RESPONSES AND OBJECTIONS
TO FLORIDA DIGITAL NETWORK'S SECOND SET OF INTERROGATORIES
SECOND REQUEST FOR PRODUCTION OF DOCUMENTS**

BellSouth Telecommunications, Inc., ("BellSouth") hereby makes the following responses to Florida Digital Network's ("FDN") Second Request for Production of Documents and Second Set of Interrogatories:

REQUEST: Provide copies of (or a URL link to) the minutes from, as well as all other documents related to, the following BellSouth DSL-related industry collaboratives: (a) Remote Terminal Collocation Collaborative; (b) Remote Site Line Sharing Collaborative; (c) Central Office – Based line sharing collaborative.

RESPONSE:

- a) There is no Remote Terminal Collocation Collaborative
- b) The URL link for the Remote Site Line Sharing Collaborative is http://www.interconnection.bellsouth.com/markets/lec/line_sharing_collab/
- c) The URL link for the Central Office Based line Sharing Collaborative is http://www.interconnection.bellsouth.com/markets/lec/line_sharing_collab/

RESPONSE PROVIDED BY: Thomas G. Williams
Product Manager
3535 Colonnade Pkwy
Birmingham, AL 35243

REQUEST: State whether BellSouth will provide line sharing to CLECs attempting to serve customers that receive service from fiber-fed remote terminals without requiring the CLEC that provides the data service to collocate a DSLAM at the remote terminal. If not, why not.

RESPONSE: In a line sharing arrangement, BellSouth provides voice service to a BellSouth end user and an ALEC provides data service to the same end user over the same loop by purchasing the high frequency portion of the loop from BellSouth as a UNE. BellSouth does not require the ALEC to collocate a DSLAM at the remote terminal in a line sharing arrangement, but in the situation described in this Request, BellSouth does not know how the ALEC would be able to provide data service to the end user without collocating a DSLAM at the remote terminal that serves that end user.

RESPONSE PROVIDED BY: Thomas G. Williams
Product Manager
3535 Colonnade Pkwy
Birmingham, AL 35243

REQUEST: Identify the number and percentage of end-users in Florida served by copper-fed DLCs?

RESPONSE: As of April 30, 2001, there were approximately 1.2 million copper-fed DLC working lines in Florida.

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: What percentage of Florida end-users in BellSouth's service area are served by, or can be served by, home run copper loops under 18,000 feet for customers served by copper-fed DLCs?

RESPONSE: BellSouth does not have the data available to determine by loop technology the distance customers are located from the Central Office

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: At pages 6-7 of Mr. Williams' Rebuttal Testimony in this proceeding, he states that ALECs collocating DSLAMs at BellSouth remote terminals may purchase sub-loop feeder UNEs from BellSouth. Identify all such UNEs and their respective rates and charges. At what percentage of BellSouth's fiber fed remote terminals is this UNE available today? Please provide all documentation supporting your answer.

RESPONSE: Following are the Unbundled Sub-Loop Feeder (USLF) elements (DS1 and below) with Florida approved rates from Order PSC-01-1181-FOF-TP, Docket # 990649 (exception noted with *):

USLF Element	Recurring	Non- Recurring*	
		1 st	Add'l
USLF, DS0 Set-up per cross box location, CLEC distribution facility set-up	NA	467.08	NA
USLF, DS0 Set-up per 25 pair panel set-up	NA	11.27	11.27
USLF-2 Wire Analog Voice Grade Feeder	7.60 (Z1) 10.53 (Z2) 19.92 (Z3)	83.62	46.2
USLF-4 Wire Analog Voice Grade Feeder	16.05 (Z1) 22.23 (Z2) 42.06 (Z3)	96.40	58.12
USLF-2 Wire ISDN Feeder	16.18 (Z1) 22.41 (Z2) 42.39 (Z3)	98.91	60.12
USLF-2 Wire Universal Digital Channel (IDSL compatible) Feeder	16.18 (Z1) 22.41 (Z2) 42.39 (Z3)	98.91	60.12
USLF-2 Wire Copper Feeder	6.65 (Z1) 9.22 (Z2) 17.44 (Z3)	76.87	38.08

RESPONSE: (Cont.)

USLF Element	Recurring	Non-Recurring*	
		1 st	Add'l
USLF-4 Wire Copper Feeder	12.76 17.67 33.43	89.85	51.57
USLF-4 Wire DS0 (56, 64 Kbps) Feeder	17.52 24.28 45.92	90.72	52.43
USLF, DS1 Set-up at DSX location, per DS1* termination	NA	522.41	11.32
USLF-4 Wire DS1 Feeder	43.64 (Z1) 60.45 (Z2) 114.36 (Z3)	120.61	70.34
USLF- DS3 Facility Termination*	347.59	3386.00	407.15
USLF- DS3 Facility Termination – Disconnect*		166.83	94.58
USFL – DS3 per mile*	15.69		
USLF- STS-1 Facility Termination*	402.09	3386.00	407.15
USLF- STS-1 Facility Termination – Disconnect*		166.83	94.58
USFL – STS-1 per mile*	15.69		
USLF- OC-3 Facility Termination*	547.22	3386.00	407.15
USLF- OC-3 Facility Termination – Disconnect*		166.83	94.58
USFL – OC-3 Facility Termination Protect*	62.98		
USFL – OC-3 per mile*	11.9		
USLF- OC-12 Facility Termination*	1577.00	3386.00	407.15
USLF- OC-12 Facility Termination – Disconnect*		166.83	94.58
USFL – OC-12 Facility Termination Protect*	502.47		
USFL – OC-12 per mile*	14.65		

RESPONSE: (Cont.)

USLF Element	Recurring	Non- Recurring*	
		1 st	Add'l
USLF- OC-48 Facility Termination*	1589.00	3572.00	407.15
USLF- OC-48 Facility Termination – Disconnect*		168.35	95.43
USFL – OC-48 Facility Termination Protect*	251.80		
USFL – OC-48 per mile*	39.20		
USFL – OC12 interface on OC-48 USLF*	331.15	788.39	407.15
USFL – OC12 interface on OC-48 USLF – Disconnect*		956.74	502.58

* This rate is based on preliminary cost study. It was not part of the FL order as it was developed after cost study submission.

Documentation for the rates can be found in the order referenced above.

As of this date, no CLEC has requested RT Collocation, therefore USLF is not currently installed at any RT.

RESPONSE PROVIDED BY: Karen Fields
 Manager
 3535 Colonnade Pkwy
 Birmingham, AL 35243

Michael Hurst
 Product Manager
 3535 Colonnade Pkwy
 Birmingham, AL 35243

Linda Kinsey
 Director
 675 West Peachtree Street
 Atlanta, GA 30375

REQUEST: Provide all documentation relating to BellSouth's plans to deploy NGDLC facilities in remote terminals in Florida. Further, provide any documentation relating to BellSouth's plans to deploy DSL-capable line cards at these NGDLCs.

RESPONSE: Please refer to Loop Technology Deployment Directives (LTDD) RL:01-03-001BT dated March 28, 2001. Section 8.1.1 also refer to Section 1.1 Core Business Strategies. This document is considered proprietary and is being provided subject to the execution of the appropriate non-disclosure agreement.

RESPONSE PROVIDED BY: Linda Kinsey
Director
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: Identify all recurring and non-recurring costs and charges associated with CLEC collocation of DSLAM equipment at remote terminals in BellSouth's Florida territory, including but not limited to the following:

- (a) space construction / augmentation;
- (b) heat dissipation;
- (c) power augmentation;

RESPONSE:

NON-RECURRING COSTS: Application Fee - \$615.61; Security Access System - \$26.20; Space Availability Report - \$231.82; Request for CLLI - \$75.13.

RECURRING COSTS: Cabinet Space - \$233.38 (includes space and power; there is no fee for heat dissipation).

RESPONSE PROVIDED BY: Lynne Brewer
Manager
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: local transport to the central office, including any splicing or other costs associated with obtaining access to the transport facility and the copper sub-loop serving the end-user;

RESPONSE: See the rates documented in item 56 for feeder elements. Additionally, there may be other costs that will apply such as collocation costs, applicable service order charges. Unbundled Dedicated Transport is available from the CLEC POP to the CLEC POP Servicing Wire Center in the following capacities: 2-wire Voice Grade Local Channel, 2-wire Voice Grade Local Channel Rev. Bat., 4-wire Voice Grade Local Channel, DS1 Digital Local Channel, DS3 Local Channel, STS-1 Local Channel. Unbundled Dedicated Transport is available between central offices in the following capacities: 2-wire Voice Grade Interoffice Channel, 2-wire Voice Grade Rev. Bat. Interoffice Channel, 4-wire Voice Grade Interoffice Channel, 56/64 Digital Interoffice Channel, DS1 Digital Interoffice Channel, DS3 Interoffice Channel and STS-1 Interoffice Channel. All rates and in Attachment 2, Exhibit C.

RESPONSE PROVIDED BY: Karen Fields and Michael Hurst
Managers
3535 Colonnade Pkwy
Birmingham, AL 35243

REQUEST: Mr. Williams stated at his August 2, 2001 deposition that CLECs would not be assessed charges for augmenting or modifying remote terminal facilities necessary for CLECs to collocate DSLAMs at remote terminals where (a) BellSouth has already placed its own DSLAM, and (b) where additional space or other facilities necessary for a CLEC to collocate its own DSLAM are not currently available. To the extent that the previous sentence has not fully and fairly characterized Mr. William's testimony, please state BellSouth's policy with respect to this issue.

RESPONSE: Mr. William's statement correctly reflects BellSouth's policy and is further described in the Standard Interconnection Agreement. See attached document, Attachment 4 – Remote Site, Version 2Q01 – 6/15/01. This conforms to FCC Docket CC 99-238, paragraph 313 and Rule 51-319, (3)(Bi) through (B iv).

RESPONSE PROVIDED BY: Lynne Brewer
Manager
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: Please state (a) when and (b) why the policy described in the previous interrogatory (as modified by BellSouth's answer, if applicable) was adopted. Provide any documents explaining why the policy was adopted.

RESPONSE: (a) This decision was made in May of 2000;

(b) to ensure adequate space was available for CLECs to collocate their DSLAM in the same locations where BellSouth deployed it's DSLAM as per FCC Docket CC 99-238.

(c) BellSouth is unaware of documents responsive to this request.

RESPONSE PROVIDED BY: Lynne Brewer
Manager
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: Mr. Williams states in his rebuttal testimony (at page 20, line 24-25) that it would be "very unlikely" that BellSouth would be unable to "accommodate collocation [of a DSLAM] at a particular RT." Please provide copies of any evaluations or studies that provide a basis for Mr. Williams' statement. If no such studies have been conducted, please state the basis for Mr. Williams' statement.

RESPONSE: No studies have been conducted. BellSouth remains committed to complying with the various FCC Orders and will attempt in good faith to accommodate any ALEC requesting collocation access at a BellSouth remote terminal ("RT") that contains a BellSouth DSLAM. Because of BellSouth's commitment to facilitate collocation at that RT, it would be very unlikely that collocation at that RT could not be accommodated.

As stated in Mr. Williams rebuttal testimony cited above:
In the very unlikely event that BellSouth cannot accommodate collocation at a particular RT, where a BellSouth DSLAM is located, BellSouth will unbundled the BellSouth packet switching functionality at that RT in accordance with FCC requirements. BellSouth, therefore, provides ALECs the same opportunity to offer DSL service where DLC is deployed as BellSouth provides itself.

RESPONSE PROVIDED BY: Thomas G. Williams
Product Manager
3535 Colonnade Pkwy
Birmingham, AL 35243

REQUEST: Identify the number of remote terminals in Florida at which BellSouth has placed, or will by the end of calendar year 2001, DSLAM equipment.

RESPONSE: BellSouth currently plans to have deployed DSLAM equipment in a total of 3249 remote terminals in Florida by the end of 2001.

RESPONSE PROVIDED BY: Eric Fogle
Manager
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: Explain the criteria BellSouth considered in determining whether to place a DSLAM at a given remote terminal. Provide copies of any documents addressing the criteria or application of the criteria.

RESPONSE: BellSouth objects to this Request on the grounds that the requested information is highly sensitive competitive information that has no relevance to any issue in this docket.

Subject to, and without waiving said objection, BellSouth states that decisions regarding the placement of a DSLAM at a given remote terminal are made using proprietary customer information, including information from network service provider (NSP) customers. Multiple sources of proprietary information are compiled to determine the deployment footprint that reaches the greatest number of potential end-user subscribers for BellSouth's NSP customers. This information has been provided to BellSouth solely for the purpose of making deployment decisions, and is subject to non-disclosure agreements with the NSP customers.

RESPONSE PROVIDED BY: Eric Fogle
Manager
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: With respect to the answer in the previous interrogatory, identify the following:

- (a) for those remote terminals at which BellSouth has placed DSLAM equipment during the past three years, state (i) the number of remote terminals that required space, transport or other augmentations in order to place DSLAM equipment; and (ii) the time required to accomplish the augmentation; and
- (b) all expenses incurred in placing DSLAMs in BellSouth remote terminals for the years 1998, 1999, and 2000, broken out by (i) equipment; (ii) construction; and (iii) other costs. Identify budgeted amounts for 2001-2004.

RESPONSE: BellSouth object to this Request on the grounds that responding to it would be unduly burdensome in that BellSouth would be required to manually research individual construction jobs. Such research would involve pulling paper records from multiple engineering organizations and offices, reviewing detailed design documents, and compiling and summarizing the information.

RESPONSE PROVIDED BY: Eric Fogle
Manager
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: Provide copies of all BellSouth marketing or other studies, or studies conducted on BellSouth's behalf by third parties, of the DSL market.

RESPONSE: BellSouth objects to this Request on the grounds that the information requested is highly sensitive competitive information that has no relevance to any issue in this docket. Moreover, to the extent that BellSouth has received such information from third parties, such information is subject to confidentiality agreements between BellSouth and such third parties.

RESPONSE PROVIDED BY: Eric Fogle
Manager
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: Provide copies of all documentation relating to BellSouth's decision to provide DSL service only on a wholesale basis to ISPs.

RESPONSE: The decision to provide DSL service only on a wholesale basis to ISP's was made prior to the tariff filing in 1998. BellSouth is unaware of any documents relating to this decision.

RESPONSE PROVIDED BY: Eric Fogle
Manager
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: State whether any negotiations were conducted between BellSouth's ISP affiliate and BellSouth Telecommunications for the provision of high speed DSL service to BellSouth's ISP affiliate and for the advertising, maintenance, billing and customer care functions for Fast Access Service. Provide all documents related to those negotiations

RESPONSE: BellSouth objects to the term "ISP affiliate" on the grounds that it is vague and overly broad.

Subject to, and without waiving this objection, BellSouth responds that BellSouth Telecommunications, Inc. ("BST") is a wholly owned subsidiary of BellSouth Corporation. BellSouth.net Inc. (BellSouth.net) is also a wholly owned subsidiary of BellSouth Corporation. BST has no ownership in BellSouth.net Inc. BellSouth.net Inc. provides equipment and professional services under contract to BST. BellSouth.net also provides Internet-related services for other BellSouth Corporation affiliated companies. BellSouth.net Inc. provides services only to BellSouth Corporation affiliates. It does not provide services to any retail customer.

BellSouth.net provides, under contract, both equipment and professional services to BST. The equipment includes items such as routers and servers that comprise the "information services" equipment required by BST to provide the unregulated Internet service to BST's retail customers. BellSouth.net also provides professional services such as the engineering required to determine the configuration of this equipment, the development of "web" pages, and the workforce that operates the equipment. The easiest way to understand the function of BellSouth.net is to think of it as a vendor that provides BST with the equipment and professional services that enable BST to provide an enhanced information service to retail customers as BellSouth FastAccess ADSL.

RESPONSE: (Cont.)

BST, therefore, is the provider of Fast Access ADSL service, and it simply does not negotiate with itself for advertising, maintenance, billing, and customer care functions. BST uses its tariffed, wholesale DSL service (and accounts for the cost of this service at the tariffed rates in accordance with applicable FCC requirements) to provide its Fast Access ADSL service, and to the extent that any support functions related to that service are provided by a BellSouth affiliate, BST accounts for such functions in accordance with applicable cost allocation rules that have been approved by the FCC and the Florida Public Service Commission.

RESPONSE PROVIDED BY: Tom Lohman
Director
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: State whether BellSouth provides (i) customer service, (ii) billing, (iii) advertising, and (iv) maintenance services to BellSouth's ISP affiliate. If the answer to any of the previous subparts is yes, state whether other similarly situated, unaffiliated ISPs may enter into comparable arrangements with BellSouth and whether any other ISPs have done so. Identify the authority (e.g., tariff, contract, etc.) pursuant to which BellSouth's ISP affiliate obtains any such services and the authority by which unaffiliated ISPs may enter into similar arrangements. Provide copies of, or a URL link to, all relevant documents.

RESPONSE: Please see BellSouth's response to Item No. 68.

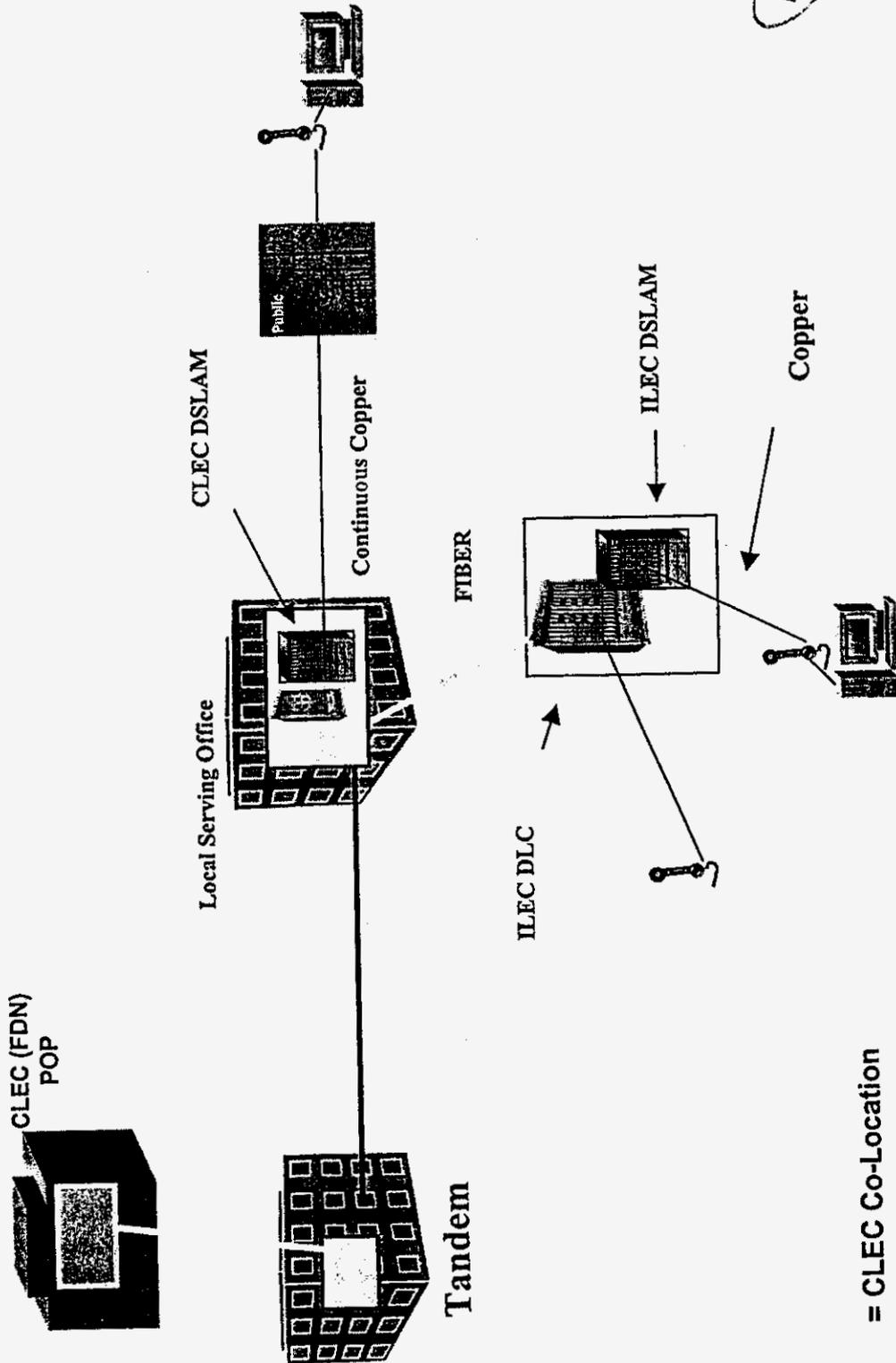
RESPONSE PROVIDED BY: Tom Lohman
Director
675 West Peachtree Street
Atlanta, GA 30375

REQUEST: State whether the Loop Make-Up LFACS database may be queried by circuit ID by a CLEC for loops served by the requesting CLEC. State what would be involved in modifying the database to provide the functionality necessary to permit circuit ID look-ups.

RESPONSE: ALECs may query the LFACS database for Loop Make-Up data by working telephone number or circuit ID. This functionality has been available to ALECs since November 18, 2000.

RESPONSE PROVIDED BY: Jerry Kephart
Director
675 West Peachtree Street
Atlanta, GA 30375

(F)

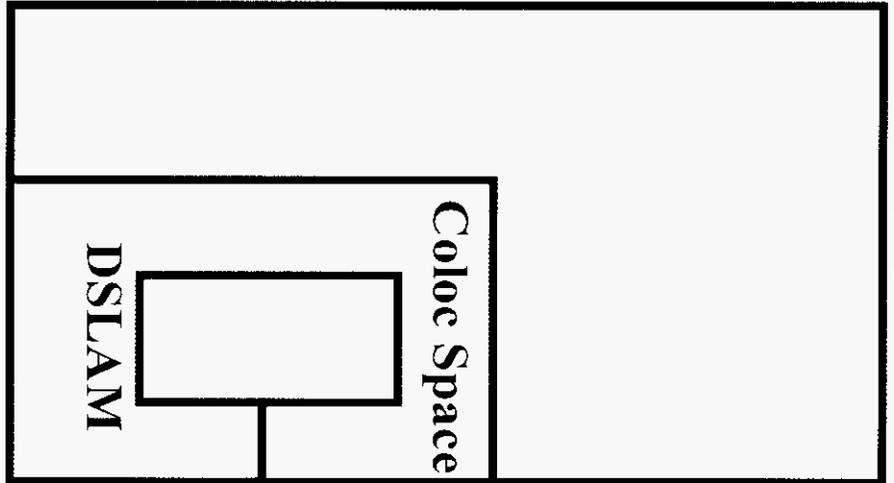


FLORIDA PUBLIC SERVICE COMMISSION
 DOCKET
 NO. 010098-TP EXHIBIT NO. 6
 COMPANY/ Gallagher
 WITNESS: Gallagher
 DATE: 8-15-01

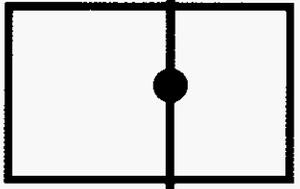


= CLEC Co-Location

CO



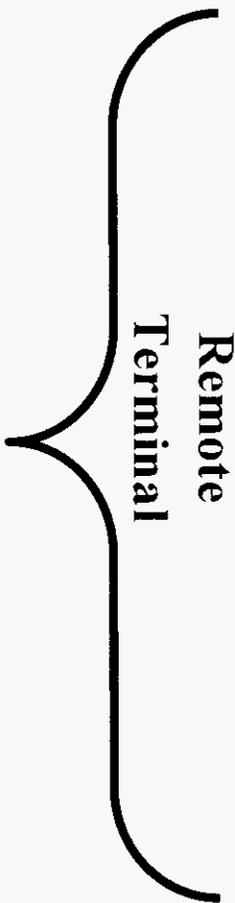
Copper



Copper



End User

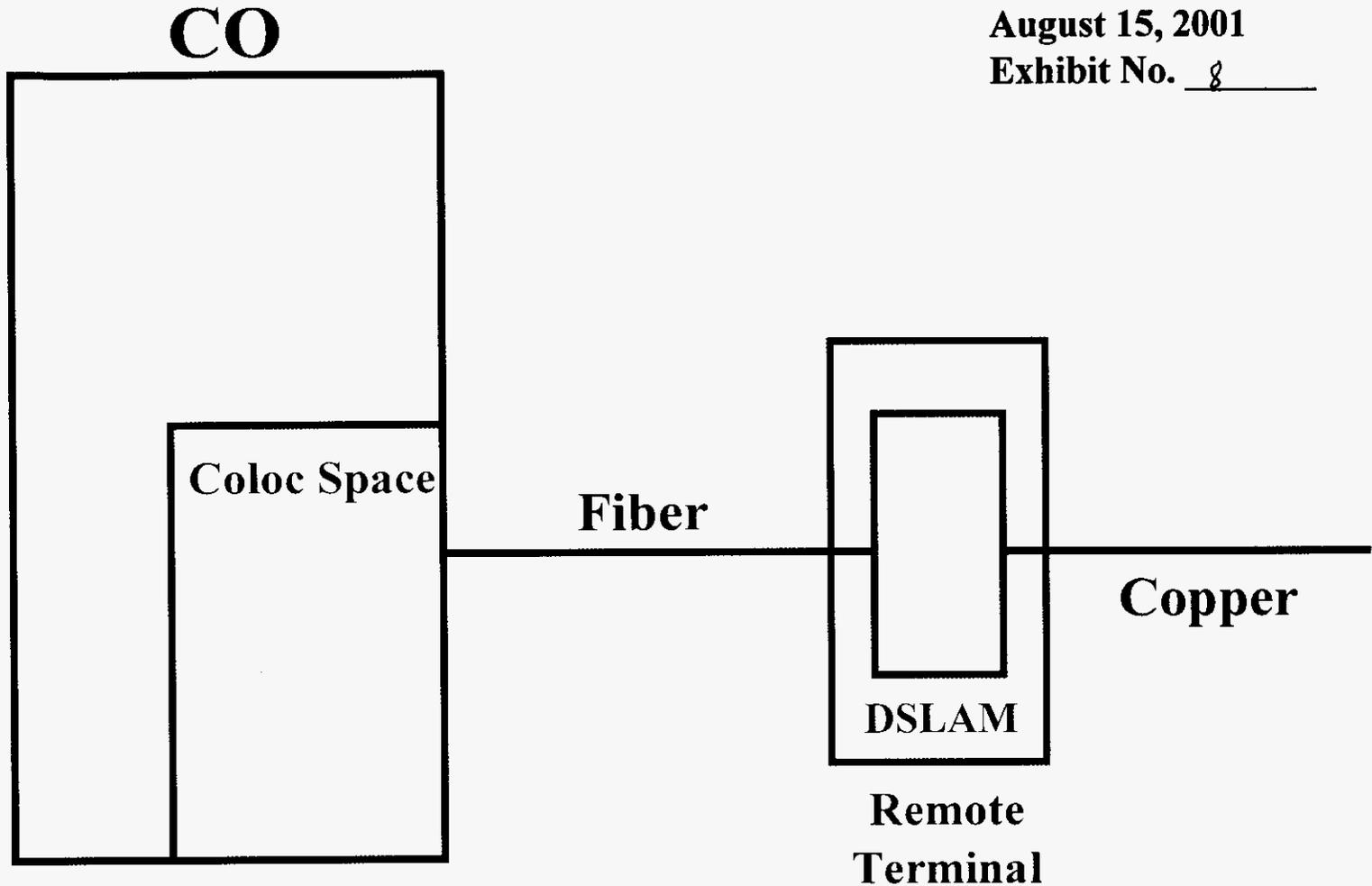


10,000 FEET

BellSouth Telecommunications
FPSC Docket No. 010098-TP
August 15, 2001
Exhibit No. 7

FLORIDA PUBLIC SERVICE COMMISSION
 DOCKET
 NO. 010098-TP EXHIBIT NO. 7
 COMPANY/ Gallagher
 WITNESS. Gallagher
 DATE: 8-15-01

BellSouth Telecommunications
FPSC Docket No. 010098-TP
August 15, 2001
Exhibit No. 8



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 010098-TP EXHIBIT NO. 8
COMPANY: BellSouth
WITNESS: [Signature]
DATE: 8-15-01

BellSouth® FastAccess® Internet Service

With FastAccess service, you'll see and do things online faster and easier. Downloads are virtually instantaneous. Animated web pages, MP3's, movie trailers, streaming video, and news feeds are all working at their peak speeds with DSL. Immerse yourself in its raw power. Enhance the things you do now—and start doing things you've never dreamed of.

Get high-speed DSL and enjoy these benefits

- SPEED:** Downloads up to 50 times faster than standard modems*
- SAVINGS:** DSL eliminates need for dial-up ISP and 2nd phone line
- CONVENIENCE:** Talk and surf on the same line, at the same time
- ACCESSIBILITY:** Rapid access to the Internet—no more dial-up modems or busy signals
- PERSONAL CONNECTION:** A direct connection from your computer to our DSL network for enhanced security

VALUE: save more than \$7.50 each month.

If you currently have:		You could have:	
Service	Representative Monthly Cost	Service	Monthly Cost
Unlimited Internet Access	\$19.95	BellSouth FastAccess Internet Service	\$40.00
Second Phone Line	\$27.72 ^{††}	No Second Phone Line	\$0.00
Total Monthly Cost	\$47.67	Total Monthly Cost	\$40.00^{**}



plus

Get a special bonus just for ordering at fastaccess.com



\$25
Webcertificate™

to spend on the Web wherever
Visa® and MasterCard® are accepted.^{†††}



or call **1 877 829-6117** today.

*Modem is free as long as customer activates service within 60 days and maintains service for 12 months from date modem is shipped or when service is professionally installed; otherwise modem cost is \$200. If service is discontinued within first six months (unless returned within 60 days) or \$100 if discontinued after six months. First full month and prorated partial month (if any) will be billed initially; the second full month is free (additional charges for optional features or premium services, if any, will still apply during the free month).

**This is for BellSouth Solutions™ plan customers. BellSouth Complete Choice™ plan or BellSouth Area Plus™ service (each sold separately) is required to qualify for BellSouth Solutions™ plan. Monthly price without BellSouth Solutions™ plan: \$49.95. Activation and standard installation fees are waived for customers who meet wiring and PC requirements and install the modem themselves (otherwise professional install fees may apply). BellSouth FastAccess Internet Service is not available in all areas, and pre-qualification does not guarantee service availability at installation location. Pricing plans include BellSouth's charges and the Global Service Provider's charges for connection to the global Internet. ISP service is provided to users by providers unaffiliated with BellSouth and subject to the ISP's terms and conditions. Offer good for residential customers only, and expires 4/1/01. Service agreement terms and conditions and other restrictions apply; see www.fastaccess.com for details.

†Downloads up to 50 times faster than 28.8k modems. Download speeds may vary.

††Average cost of an additional line across the nine state BellSouth region including fees as of 8/31/00.

†††Available for online purchases only. Customers must order BellSouth FastAccess Internet service between 1/2/01 and 4/1/01 to qualify for the \$25 Webcertificate™. After installation, customer will receive an e-mail that provides a link to a Website and an ID number to claim the certificate. Customer must claim the Webcertificate™ within thirty days of the date the e-mail was sent.

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> faster downloads >>> connect >> and create something © **BELLSOUTH®**

FLORIDA PUBLIC SERVICE COMMISSION

BOOKET

NO. 010098-7F EXHIBIT NO. 9

COMPANY/ Russell

WITNESS.

DATE 8-16-01

BellSouth® FastAccess® Internet Service

With FastAccess service, you'll see and do things online faster and easier. Downloads are virtually instantaneous. Animated web pages, MP3s, movie trailers, streaming video, and news feeds are all working at their peak speeds with DSL. Immerse yourself in its raw power. Enhance the things you do now—and start doing things you've never dreamed of.

Get high-speed DSL and enjoy these benefits

SPEED: Downloads up to 50 times faster than standard modems*

SAVINGS: DSL eliminates need for dial-up ISP and 2nd phone line

CONVENIENCE: Talk and surf on the same line, at the same time

ACCESSIBILITY: Rapid access to the Internet—no more dial-up modems or busy signals

PERSONAL CONNECTION: A direct connection from your computer to our DSL network for enhanced security

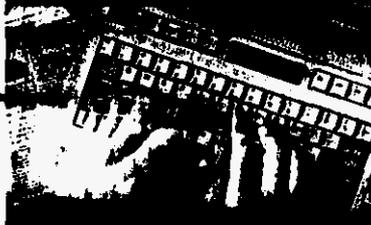
VALUE: save more than \$7.50 each month.

If you currently have:		You could have:	
Service	Representative Monthly Cost	Service	Monthly Cost
Unlimited Internet Access	\$19.95	BellSouth FastAccess Internet Service	\$40.00
Second Phone Line	\$27.72††	No Second Phone Line	\$0.00
Total Monthly Cost	\$47.67	Total Monthly Cost	\$40.00**



plus

Get a special bonus just for ordering at fastaccess.com



\$25
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to spend on the Web wherever
Visa® and MasterCard® are accepted.†††



or call **1 877 829-6117** today.

*Modem is free as long as customer activates service within 60 days and maintains service for 12 months from date modem is shipped or when service is professionally installed; otherwise modem cost is \$200 if service is discontinued within first six months (unless returned within 60 days) or \$100 if discontinued after six months. First full month and prorated partial month (if any) will be billed initially; the second full month is free (additional charges for optional features or premium services, if any, will still apply during the free month).

**Price for BellSouth Solutions™ plan customers; BellSouth® Complete Choice™ plan or BellSouth® Area Plus™ service (sold separately) is required to qualify for BellSouth Solutions™ plan. Monthly price without BellSouth Solutions™ plan: \$49.95. Activation and standard installation fees are waived for customers who meet wiring and PC requirements and install the modem themselves (otherwise professional install fees may apply). BellSouth® FastAccess® Internet Service is not available in all areas, and pre-qualification does not guarantee service availability at installation location. Pricing plans include BellSouth charges and the Global Service Provider's charges for connection to the global Internet. ISP service is provided to users by providers established with BellSouth and subject to the ISP's terms and conditions. Offer good for residential customers only, and expires 4/1/01. Service agreement terms and conditions apply; see www.bellsouth.com for details.

†Downloads up to 50 times faster than 28.8k modems. Download speeds may vary.

††Average cost of an additional line across the nine state BellSouth region including fees as of 6/31/00.

†††Available for online purchases only. Customers must order BellSouth FastAccess Internet service between 1/2/01 and 4/1/01 to qualify for the \$25 Webcertificate™. After installation, customer will receive an e-mail that provides a link to a Website and an ID number to claim the certificate. Customer must claim the Webcertificate™ within thirty days of the date the e-mail was sent. All trademarks and service marks herein are the property of BellSouth Intellectual Property Corporation. ©2001 BellSouth Corporation. All rights reserved.

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K MART STORE 3818

01792603004	CHLORINIZER	1.59	T
01792603004	CHLORINIZER	1.59	T
07036000000	MILK 1 GL	2.99	F
*** TAX	.20 BAL	6.37	



AMOUNT DEBIT FK	ARC	16.37
AMOUNT OF CASH B.		6.00

VF	DEBIT	37
	CHANGE	00

TOTAL NUMBER OF ITEMS SOLD = 3

RECEIPT# 03818 072501 030 87821

07/25/01 6:12 PM 3818 30 8782 0123

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01792603004	CHLORINIZER	1.59 T
017926 3004	CHLORINIZER	1.59 T
070360 200	MILK 1 GL	2.99 F
*** TAX	.20 BAL	6.37



AMOUNT DEBIT FR. ARC 16.37
TOTAL OF CASH B. 1.00

VF DEBIT 37
CHANGE 00
TOTAL NUMBER OF ITEMS SOLD = 3

RECEIPT# 03818 072501 030 87821

07/25/01 6:12 PM 3818 30 8782 0128

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NANCY B. WHITE
General Counsel - Florida

BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(305) 347-5558

April 13, 2001

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

Re: Docket No. 001332-TL (xDSL Tariff)

Dear Ms. Bayó:

It has come to my attention that I misspoke during the February 6, 2001 agenda. During the argument on the above captioned matter, I made certain statements concerning the relationship between BellSouth Telecommunications, Inc. and BellSouth.net Inc., and the role of BellSouth.net Inc. in the deployment of ADSL service that were incorrect. In order to ensure a complete and accurate understanding, I submit the following:

BellSouth.net Inc. provides services only to companies that are affiliates of BellSouth Corporation, including BellSouth Telecommunications, Inc. BellSouth.net Inc. does not provide services to end users. BellSouth.net Inc. facilitates and supports BellSouth Telecommunications, Inc.'s provision of FastAccess® ADSL Internet service. BellSouth Telecommunications, Inc. provides its Internet services (including FastAccess® service) to its retail customers pursuant to the Federal Communication Commission's definition of enhanced or information services. BellSouth Telecommunications, Inc. generally markets its low speed, dial-up Internet services to its customers under the name BellSouth Internet Service, and its high-speed, ADSL-based Internet services to customers under the name BellSouth FastAccess service. Some of the confusion may be attributable to the fact that BellSouth Internet Service was formerly marketed under the brand name "BellSouth.net® Internet Service." At the time, BellSouth.net was thus the name of both the

FLORIDA PUBLIC SERVICE COMMISSION		DOCUMENT NUMBER-DATE
DOCKET		
NO. 010098-11	EXHIBIT NO. 10	04582 APR 13 2001
COMPANY/		FPSC-RECORDS/REPORTING
WITNESS: Russell		
DATE: 8-15-01		

Internet service and the name of the separate affiliate that assisted BellSouth Telecommunications, Inc. in providing that Internet service. BellSouth.net Inc. is not, and never has been, an Internet Service Provider. Rather, BellSouth Telecommunications, Inc. is the Internet service provider that provides the service now known as BellSouth Internet Service and formerly known as BellSouth.net® Internet Service.

I regret any inconvenience and confusion this may have caused.

Sincerely,

Nancy B. White
Nancy B. White (KA)

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

Docket No. 001332-TL

I HEREBY CERTIFY THAT A COPY OF THE FOREGOING HAS BEEN SERVED BY U. S. MAIL THIS 13th DAY OF APRIL, 2001 TO THE FOLLOWING PARTIES OF RECORD:

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Division of Legal Services
Florida Public Service Commission
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Tallahassee, FL 32399-0850

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Mgross@fcta.com

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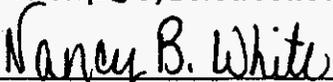
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Nancy B. White (KA)

EXHIBIT TGW-1

**PRECURSOR GROUP NEWSLETTER
FEBRUARY 22, 2001
Consisting of Two (2) Pages**

FLORIDA PUBLIC DEFENDER
DUCKET
NO. 010098-TP EXHIBIT NO. 11
DATE: 8-15-01
BY: Williams



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Scott C. Cleland
February 22, 2001

How Broadband Deployment Skews Economic/Business Growth

Summary: Precursor believes many do not appreciate the broad investment and economic implications of the highly skewed nature of current broadband deployment. While nearly all large businesses in the U.S. already have broadband service, only around 6.5 million or roughly 6% of residential households have broadband—73% cable modem and 26% DSL (see attached chart). More importantly, investors are missing entirely the broad implications of meager broadband deployment to small and medium enterprises (SMEs) that employ less than 100 employees. Investors should care because SMEs comprise roughly 85% of U.S. business firms, 40% of employment, and one-third of the nation's economic output. The broadband deployment contrast between large businesses and SMEs is stark. Only about 6% of SMEs have broadband and this segment is almost exclusively DSL (~90% see attached chart). Precursor has discovered that the SMEs, which need broadband most, are also the least likely to get broadband deployment. That's because distance from network hubs increases the business need for broadband at the same time distance increases cost of deployment. Precursor believes this broadband skew has broad under appreciated implications for productivity and earnings growth. If large companies, which enjoy broadband productivity gains, are experiencing slower growth, this signals relatively greater trouble for SMEs, which are not enjoying broadband productivity gains. This could be a hidden negative precursor for economic growth because SMEs are the primary driver of national job and economic growth and productivity is a key driver of earnings growth.

Implications of Skewed Broadband Deployment: (1) **Distance Matters Much More for Broadband Than Dial-up:** (A) **Cost:** Unlike narrowband dial-up which requires minor modification of the telecom network, DSL and cable modems require an expensive re-engineering of their respective networks. Thus the key broadband cost variable is density/distance: how far away and how far apart the customers are, because density/distance drives average cost. Customer density matters to DSL specifically because speed directly correlates to the distance from the central office. Customer density matters to both DSL and cable because it creates breakeven efficiencies in marketing, engineering, installation, and service. (B) **Revenues:** Customer ability to pay drives average revenues. Relative customer ability to pay is also important because it drives the priority sequence of deployment and also whether deployment can ever reach breakeven in a given area. These cost and revenue realities heavily skew broadband deployment to the biggest cities with the most concentrated business districts and the most affluent, concentrated neighborhoods. Moreover,

because cable's entertainment-driven infrastructure almost exclusively serves the residential market, cable modem deployment is unlikely to be a factor for SMEs. Given the financial difficulties that CLECs are experiencing, it looks like the SME market will increasingly become the exclusive domain of DSL. (2) **Broadband Deployment Paradox:** Ironically, the geographic areas that make the least business sense to deploy to are precisely the businesses that most need broadband to grow. A substantial portion of U.S. employment is generated by SMEs, and most employment tends not to be located in the densest, highest rent areas where it makes most business sense to deploy broadband. Precursor suggests a surprising correlation: those SMEs that require lots of physical space and low rent also tend to have the most mission critical need for broadband. For example: engineering, manufacturing and construction firms that regularly use computer-aided design (CAD) need broadband to transmit schematics/blueprints efficiently; yet only about 10% have broadband. Farmers and construction companies that need equipment parts have a mission critical need for broadband to efficiently scan schematics and participate in auctions for spare parts; yet only about 10% have broadband. Some other small businesses, which need broadband, but tend to be dispersed from where broadband is being deployed include: residential rural doctors (which need bandwidth to view x-rays and CAT scans from hospitals and specialists), travel agents, and printing companies – to name some of the more obvious industries with largely unmet broadband needs. This suggests a broadband investment cleave that could advantage: large/mid cap over small/micro cap companies; concentrated/geographically-clustered industries over fragmented and dispersed industries; and high-rent industries over low rent industries. (3) **Home-to-Office Telecommuting Hindered:** To remain a proprietary network, cable broadband networks have been designed to prevent cable customers from being able to link at high speed with DSL—unless it is cable-provided DSL (a de minimis share of SMEs). This effectively prevents a cable modem telecommuter working from home from linking at high speed into their office's DSL network. On a broader scale, it also prevents the creation of integrated suburban-urban metro-wide high-speed networks. This is another hidden drag on future productivity growth. (4) **Broadband Job Flight:** Increasingly states and localities are realizing that broadband is a mission critical utility for business and a core factor in attracting or keeping businesses in a locality or state. Broadband increasingly is a prerequisite for growth. This has positive implications for relatively broadband rich REITs and negative implications for relatively broadband poor REITs. *Geo-economic data source: www.imapdata.com * * * * **

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Precursor Watch®: Broadband Deployment Outlook

Residential Provider	SMALL BUSINESS ¹				Total Res.		RESIDENTIAL			Approximate Retail Pricing	Download Speed	Upload Speed	Spectrum (Mhz)			
	SME Subs. (000s)	SME Market Share	Estimated Residential Subscribers (000s)				Subs.	Market Share	Est. "Footprint" 2001				Growth 2002	Growth 2003	Available	% allocated for data
Wireline			1H99	2H99	1H00	2H00			<input checked="" type="checkbox"/> Deployed <input type="checkbox"/> Potentially deployed <input type="checkbox"/> Deployment unlikely	<input type="checkbox"/> Start-up <input type="checkbox"/> Monthly						
✓ Cable Modem Cable and AT&T	0*	~0%	950	750	1,200	1,825	4,725	73%				\$75 (\$0-\$150) \$40	~2 mbps	128-500 kbps	750	
✓ xDSL ILEC, CLEC, IXC	720	90%	100	200	555	855	1,710	26%				\$100 (\$0-\$200) \$40-\$50	~768 kbps	90-256 kbps	1	
✓ Overbuilders RCN (cable modem)	0	0%	13	9	18	27	67	1%				\$0 (\$0-\$100) \$40	~1.5 mbps	~768 kbps	860	
Terrestrial Wireless²																
Digital TV Geocast/iBlas/WaveExpress (54-746 MHz)	0	0%	0	0	0	0	0	0%	Supplemental service; 1-way			n/a	~2 mbps	28-56 kbps	6+	
✓ Wireless Local Loop AT&T Digital Broadband (1.8-2.1, 2.3 GHz)	0	0%	0	0	3	7	10	~0%				\$0 (\$215 waived) \$35	512 kbps- 2 mbps	~150	10	
✓ MMDS ("wireless cable") ³ Sprint/Worldcom/Nucentrix (2.1, 2.5-2.7 GHz)	11	1%	1	0*	0*	0*	1	~0%				\$150 \$40	~1 mbps	~256	~198	
✓ LMDS Winstar/Teligent/XO/etc. (24, 28/31, & 39 GHz)	70	9%	0*	0*	0*	0*	0*	0%	Not targeting residential			n/a	n/a	n/a	n/a	n/a
3G Mobile Wireless Mobile Providers, et. al. (spectrum not yet allocated)	0	0%	0	0	0	0	0	0%	Not a direct competitor			n/a	56-192 kbps	56-192 kbps	n/a	
Satellite⁴																
✓ Starband (Gilat) (Ku band: 10-18 GHz)	0*	0%	n/a	n/a	n/a	0*	0*	~0%				\$575 \$60-\$70	150-500 kbps	50-150 kbps	n/a	n/a
Hughes DirecPC ⁵ (Ku band: 10-18 GHz)	23	0% ⁵	35	0*	0*	0*	35	0% ⁵	Satellite targets unserved rural areas; DirecPC still 1-way			\$215 \$50	~400 kbps	28-56 kbps	n/a	n/a
Totals	824	100%	1,099	959	1,776	2,714	6,548	100%								

KEY: (✓) Depicts broadband service, defined by the FCC as 200 kbps both ways (@Home & SBC upload speed is 128 kbps and Verizon upload speed is 90 kbps upload speed at prices listed above; a few cable modems and MMDS systems still use dial-up return.) Footprint: Assuming ~100m U.S. households, circles depict estimated growth over time. Pricing/Speed: We show price/speed packages for broadband plus Internet service likely to have mass market appeal; circles depict speed/size of "pipe." (1) SME market shown here excludes businesses using certain high-speed access lines such as ISDN, T-1, T-3, etc. (2) Some spectrum (e.g., 700MHz and unlicensed spectrum) is either not yet available, niche use, or both. (3) Many MMDS 2-way licenses awaiting FCC approval ~1H01. (4) Planned systems include: Skybridge (Ku-band) and WildBlue, Hughes' Spaceway & Teledesic (Ka 18-30 GHz). (5) DirecPC's subscriber totals not included in market share calculation because service uses dial-up return path; 2-way service and new pricing information due out ~1Q01, upload speed will be ~128 kbps. (*) Amount is negligible.

EXHIBIT TGW-2

LINE SHARING RT PROJECT CHARTER

Consisting of Two (2) Pages

Collaborative Charter

Project Name	BST-RT-LS Line Sharing Collaborative	Project Number:	Line Share
Project Manager	Brenda Slonneger	Priority Level	8
		(1-10)	
		Date:	7/19/000

(1=lowest, 10=highest)

Stakeholder(s)	BellSouth - Tommy Williams NorthPoint - Chuck Polizzotti Rhythms - Jim Cuckler Duro - Richard McDaniel Sprint - Chris Monticue
-----------------------	--

Mission
The mission of the collaborative is to support the development of, with the mutual agreement to, the processes and procedures required to jointly implement line sharing utilizing splitters located in the remote terminal as one of the options to meet the requirements of the FCC line sharing order.

Scope
The collaborative will support the implementation of the line sharing initiative within the existing collocation guidelines in the remote terminal by mutually establishing the business processes and inter-company interface procedures required to *implement and support this phase of line sharing within the BellSouth area.*

- Objectives**
1. Identify line sharing system requirements for the RT located splitter option
 2. Identify, test, approve, and secure a line sharing splitter product for the RT located splitter option
 3. Implement a line sharing pilot test for the RT located splitter option
 4. Establish ordering, provisioning, maintenance, and billing processes for the RT located splitter option

- Assumptions**
1. There will be regular participation by all stakeholder members of the collaborative
 2. All the members of the collaborative will be objective and work in good faith
 3. All the members of the collaborative will maintain a mutual respect for their counterparts
 4. Any member of the CLEC/DLEC community may monitor this collaborative
 5. This is a working team and does not include legal representation from the participating companies.
 6. Wavers of existing collocation rules will be obtained in order to implement a pilot test and achieve the target implementation date

- Constraints**
1. RT collocation agreements
 2. Requirement to amend existing interconnection agreements
 3. Pilot agreements will be required in the event the collaborative agrees to implement a pilot
 4. Resource availability for participation in the collaborative meetings
 5. Product target implementation date of 3/31/2001
 6. Achieving desired target date will require wavers of existing collocation rules to implement a pilot test

- Time/Major Milestones**
1. Collaborative start date: 7/19/2000
 2. Project schedule development complete 10/16/2000

3. Product target implementation date: 3/31/2001

Cost/Budget/Financial Assumptions

The collaborative is a non-funded process. Each participating member will be responsible for their own respective expenses.

Quality/Specification

Deploy this phase of line sharing by 3/31/2001.

Major Risks

- Product target implementation date of 3/31/2001
- Obtaining waivers of existing collocation rules to implement a pilot test prior to implementation date

Project Core Team:	Company	Phone	Email Address
Members:			
Chuck Polizzotti	NorthPoint	203-256-9317	cpolizzotti@northpointcom.com
Jim Cuckler	Rhythms	770-271-3904	jcucker@rhythms.com
Richard McDaniel	Duro	770-326-9335	rmcdaniel@durocom.com
Chris Monticue	Sprint	913-906-7682	christine.monticue@mail.sprint.com
Steve Murray	Rhythms	404-281-1826	smurray@rhythms.com
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Brenda Slonneger	BellSouth	205-977-1276	Brenda.B.Slonneger@bridge.bellsouth.com
Project Monitoring			
Members:			
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Frank Kowalski	DSL.NET		fkowalski@dsl.net
Mary Nelson	New Edge		mnelson@newedgenetworks.com

Project Manager Approval:	Signature	Date
Brenda Slonneger		

Stakeholder Approval:	Signature	Date
BellSouth - Tommy Williams		
NorthPoint - Chuck Polizzotti		
Rhythms - Jim Cukler		
Duro - Richard McDaniel		
Sprint - Chris Monticue		

BELLSOUTH TELECOMMUNICATIONS, INC.
FLORIDA DIGITAL NETWORKS (FDN) ARBITRATION
DOCKET NO. 010098-TP
Tommy Williams' Late Filed Exhibit No. 12

Regarding the Deployment of Remote Site DSLAMs

At the hearing of this matter, the Florida Public Service Commission ("Commission") requested information concerning the expense of deploying DSLAM equipment in remote sites. This information is intended to provide the Commission additional information concerning remote terminal (RT) DSLAM deployment. It is not BellSouth's intent in providing this information to tell Florida Digital Network, Inc. ("FDN") or any other ALEC how to employ equipment for its data network.

To be fiscally prudent in deploying xDSL services, one must first fully understand the technologies as well as the environment. High-speed data service using xDSL technology requires unloaded, dedicated copper loops. Generally, acceptable copper loops are shorter than 18,000 feet (which often are already unloaded).

In the BellSouth network a large number of BellSouth's analog voice-grade loops are served over digital loop carrier (DLC), which has either fiber or multiplexed copper feeder to the Central Office ("CO"). Accordingly, to accommodate xDSL service in this environment and "overcome" the presence of fiber or multiplexed copper feeder, two (2) DSLAMs are recommended: one at the RT and one at the CO.

Acknowledging the specifics of the BellSouth environment, and to minimize the initial capital outlay to establish service at RTs, BellSouth made the decision to begin offering its Wholesale ADSL with a CO based solution in targeted areas. BellSouth and its Internet Service Provider (ISP) partners initially sold **BellSouth ADSL Service** to end users served by dedicated, unloaded copper loops from the CO to the end user.

As BellSouth successfully deployed CO-based DSLAM solutions, it was simultaneously establishing half of a future RT solution by having the DSLAMs already in place in the CO. After operating in a pure CO DSLAM environment for a period of time, a determination was made to place RT based DSLAMs at locations that served neighborhoods with a higher propensity to buy ADSL Service. Thus, BellSouth targeted remote terminals with the most potential for ADSL service.

The first remote solutions deployed by BellSouth were 8-port Mini-Rams manufactured by Alcatel. These remote solutions were designed to be compatible with the existing CO based DSLAMs also manufactured by Alcatel. These CO DSLAMs had "triple duty". In addition to serving end users with ADSL over unloaded copper loops, the arrangement allowed the Mini-Rams to "hub" off the CO DSLAM, which eliminated the need for an ATM switch in

1

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 010098-TP EXHIBIT NO. 12
COMPANY/
WITNESSED: Williams
DATE: 8-15-01

each CO. Finally, the CO DSLAM also serves as a hub for the feeder DS1s from the remote Mini-Rams to a DS3 interoffice channel, which transports the data to the ATM switch at a central location. After the Mini-Ram was deployed at the RT, the ADSL end users served by the RT were converted to the remote solution. By moving the DSLAM closer to the end users and further into the network, additional end users could be served with unloaded distribution sub-loops.

BellSouth and its ISPs that purchase BellSouth's tariffed DSL service use BellSouth's loop qualification system (LQS) to determine if loops are qualified for BellSouth's ADSL service. LQS is intended to qualify loops for BellSouth ADSL Service. ALECs may also use LQS to determine if loops are qualified for ADSL; however, the presence of a BellSouth remote solution will indicate that the loop will support DSL, while the loop may or may not support DSL with a CO based DSLAM. Therefore, LQS is not adequate for an ALEC to determine if a loop will support its data service. A better source of information for ALECs to determine a loop's characteristics is BellSouth's loop makeup (LMU) service. LMU is a pre-ordering tool and is available in a manual (FAX) or electronic version. LMU allows ALECs to obtain information about its end user's loops, including the medium (i.e., copper, fiber), gauge, length of gauge, presence of load coils, location of load coils, address of the RT, RT CLLI code, etc. Because different equipment may have different loop requirements, the decision of the 'suitability' of a loop is left up to the ALEC. Additional information concerning LMU is available on the BellSouth Interconnection web site at:

<http://www.interconnection.bellsouth.com/guides/unedocs/bstlmua.pdf>

FDN and other ALECs could take an approach similar to the one BellSouth has taken and begin "collecting" DSL customers with CO based DSLAMs.

The following example shows what an ALEC's estimated cost would be if the ALEC were to collocate a DSLAM at one of BellSouth's RT sites located in the state of Florida. This example should not be interpreted as an endorsement or recommendation of any particular supplier but rather, an example of the available technology and its associated costs. The current BellSouth supplier for remote solutions is Inovia Telecom, a subsidiary of ECI Telecom. Inovia supplies a line of compact DSLAMs. The MicroRam 1100 is an 8-port DSLAM with a list price of \$6,095. The MicroRam 1100 fits into a 19" or 23" rack in an RT cabinet. The product is 1 $\frac{3}{4}$ " X 17" X 12". The MicroRam 1400 is a 16-port DSLAM with a list price of \$12,200 and also fits into a 19" or 23" rack. An ALEC may be able to obtain a discount based upon volume and perhaps other criteria. Estimates of the cost to establish RT collocation, equip the collocation space with a MicroRam 1100 and a UNE DS1 feeder sub-loop are as follows:

<u>Item</u>	<u>Recurring</u>	<u>Non-recurring 1st</u>	<u>Non-recurring Add'l</u>
Remote Terminal			
Collocation Application Fee		\$ 874.14	
Security Access System		\$ 26.20	
DS1 Feeder Termination*		\$ 522.41	\$ 11.32
Cabinet Space and Power	\$ 232.50		
4-Wire DS1 Feeder*	\$ 43.64	\$ 120.61	\$ 70.34
MicroRam 1100**		\$ 6,095.00	
	<u>\$ 276.14</u>	<u>\$ 7,638.36</u>	<u>\$ 81.66</u>

* This rate is based on a preliminary cost study. It was not part of the Florida Generic UNE Order (Docket No. 990649-TP), because it was developed after the cost study was submitted.

** Manufacturer's List Price for a quantity of one (1) MicroRam 1100.

LATE-FILED HEARING EXHIBIT NO. 13

As a late-filed hearing exhibit, the Commission requested the parties submit cost and other relevant data for installing 8-port DSLAMs at BellSouth remote terminals.

Summary

The spreadsheets that follow reflect FDN's one-time cost estimates and analysis of earnings before interest, taxes, depreciation and amortization (EBITDA) for collocating 8-port DSLAMs at BellSouth remotes. FDN maintains that even with optimistic assumptions, the cash flow generated per 8-port DSLAM unit is negative and will not support the costs FDN would incur to provide the DSL service notwithstanding considerations for a rate of return on capital and depreciation.

Assumptions

The assumptions embedded in the spreadsheets include, but are not limited to, the following: 1) BellSouth would promptly provide FDN remote terminal location and remote-by-remote serving address information, 2) BellSouth would waive non-recurring charges for site and power augment facilities in every case, 3) BellSouth would timely complete (within 90 days or less of collocation application) every FDN remote collocation request, including those which necessitated construction of adjacent space/facilities changes. FDN maintains that the testimony in this proceeding does not support these enumerated assumptions; however, FDN has for purposes of formulating a less complicated business case assumed each to be true, though doing so paints a less realistic picture.

As indicated in the spreadsheets, FDN also assumes: 1) FDN would price its DSL/Internet Access service at the same rate as BellSouth, 2) a 75% per unit "fill" factor, 3) Sales, General & Administrative (SG&A) costs of 30% of revenue generated, and 4) maintenance costs and Internet access costs. FDN believes these assumptions are reasonable and conservative. FDN and other CLECs would likely have to price DSL/Internet Access services below BellSouth's comparable services in order to compete for customers, just as FDN and CLECs do when pricing voice services. The "fill" factor, or the percentage of facilities utilized by customers, would be driven down on average over time as additional ports were added and facilities augmented to serve prospective new customers. SG&A costs, which includes costs for sales, sales support, billing, customer care, and the like, were estimated at 30% of revenue generated because that figure is in line with FDN's experience for voice services. Since collocated DSLAM equipment will require FDN technicians' repair, maintenance and monitoring, FDN included an estimate for maintenance costs consistent with deployment over an MSA as discussed below. The Internet access cost represents the approximate cost paid or incurred by FDN for ISP service and is included to insure consistency in the comparison of service rates.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 010098-R EXHIBIT NO. 13
COMPANY/
WITNESS: Ballaghen
DATE: 8-15-01

Discussion:

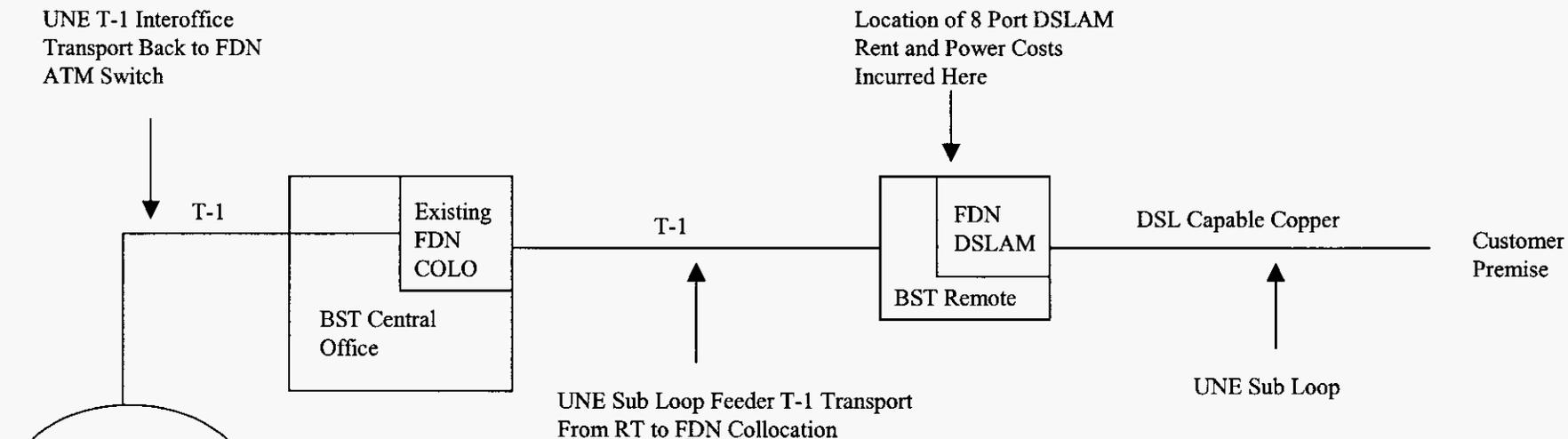
FDN received price quotes for two different 8-port DSLAMs through Phillips Electronics, a long-time distributor of telecommunications equipment to FDN and many other carriers. The first quote was for about \$6,900 for an 8-port Occam Networks DSLAM. The product quoted was new and not widely distributed. The second quote was for \$9,008 for an 8-port AdTran DSLAM. The two products have different features and capabilities. FDN's spreadsheets incorporate the \$6,900 quote. The product vendor estimated a \$2,000 installation charge. As indicated on the spreadsheet, collocation and UNE costs are taken from BellSouth discovery responses in this docket and the new UNE rates the Commission approved in Docket No. 990649-TP.

As a practical business matter, it would not make sense for FDN or any other CLEC to collocate 8-port DSLAMs in thousands of BellSouth remotes for the reasons Mr. Gallagher explained in his testimony. Therefore, in evaluating the discussion below, the Commission must put the hypothetical 8-port DSLAM business case into a somewhat real-world perspective. This is a business case. This is not the experiment BellSouth engaged in when it first began locating 8-port DSLAMs in remote terminals to test the DSL product and technology and to assess customer interest. Having established that consumers are, in fact, interested in DSL, BellSouth no longer deploys 8-port facilities.

For FDN to rollout a DSL product, FDN would have to blanket a target market, such as one MSA. Jacksonville, for example, has roughly 650,000 business and residential access lines. Assuming 90% of these lines, or 585,000 lines, are served by either fiber-fed or copper-fed remotes, and making a further assumption of 500 lines served by the average remote, FDN estimates that there may be up to 1,170 remotes in the Jacksonville MSA in which FDN would have to collocate a DSLAM. According to the spreadsheet, a conservative non-recurring cost for collocating an 8-port DSLAM is \$10,000 per remote, or roughly \$11.7 million for collocating DSLAMs in all Jacksonville remotes. An \$11.7 million capital outlay is insignificant for BellSouth, but sizeable for FDN. Capital for an 8-port plan could not realistically be obtained unless the business case supported it, which it does not. Moreover, the exercise of making simplifying assumptions to isolate the cost of just one initial installation veils the magnitude of collocating at so many remotes. In contrast, BellSouth did not leave its 8-port DSLAMs in its remotes, constantly expanding their capability. Rather, to provide service on a relatively ubiquitous basis, BellSouth undoubtedly installed new facilities when product experimentation was over.

As the spreadsheets reveal, even before any consideration for return on and return of capital invested, the cash flow generated per 8-port DSLAM unit is negative and will not support the costs FDN would incur to provide the DSL service. Indeed, EBITDA is significantly negative on a per unit basis: expected revenue of \$270 per unit, but recurring cost of \$542 per unit.

Diagram and Costs of CLEC Co-Location of DSLAM at BST Remote



<u>Item</u>	<u>USOC / Source</u>	<u>Monthly Recurring Costs</u>	<u>Non recurring Costs</u>
CLII Request (to find address of RT)	BST Discovery	\$0	\$75
Space Availability Report (to see if space is available in RT)	BST Discovery	\$0	\$232
Application Fee	BST Discovery	\$0	\$616
8 Port DSLAM	Phillips Electronics	\$0	\$6,900
Installation & Engineering for DSLAM	FDN or Vendor	\$0	\$2,000
Rent & Power for DSLAM at Remote	BST Discovery	\$233	\$0
Sub Loop Feeder DS-1 Transport back to FDN CO Collocation	BST USOC = USBFG	\$43	\$120
DS-1 Interoffice Transport from FDN Collocation to FDN Packet Switch	BST USOC = U1TF1	\$90	\$90
Security Access	BST Discovery	\$0	\$26
Totals		\$366	\$10,058

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Totals		\$366	\$10,058

Business Case Assumptions For Co-Location of 8 Port CLEC DSLAM at BST Remote Terminal (Note: figures are rounded)

Assumption		Comments
FDN Retail Price For DSL	\$45	FDN Retail Price = BST Retail Price for ADSL
Potential Customers per Unit	8	8 Port DSLAM Yields 8 Potential Subscribers
Fill Factor per Unit	75%	Industry Factor for Average Usage of Network Assets
Implied Number of Customers per Unit	6	75% of 8 Ports
Potential Revenue per Unit	\$270	\$45 x Number of customers
Cost of Sub Loop Distribution UNE per Customer	6	Cost of Copper from BST From RT to Customer
Total Cost Sub Loop Distribution UNE per Unit	36	No. of Customers x \$6
Cost to Provide ISP Service per Customer	7	Estimate of Cost to Provide Web Bandwidth , E-Mail, & Other ISP services
Cost to Provide ISP Service per Unit	42	\$7 x No. of Customers per Unit
FDN Operating Cost Per Customer per Month	3	3 Technicians per market at \$225,000 per year fully loaded spread over 6600 customers per market per month
Total FDN Operating Costs per Unit	17	\$3 per Customer x No. of Customers
SGA Costs at 30% of Revenue	\$81	Industry Metric for Customer Acquisition as well as for Providing Customer Care and Billing

Profit and Loss Statement per Unit

Revenue	\$270
Cost of Sub Loop Distribution UNE	\$36
Cost of ISP Service per Unit	\$42
Gross Margin	\$192
FDN Charges from BST per Unit	\$366
FDN Operating Costs Per Unit	\$17
SG&A at 30% of Revenue	<u>\$81</u>
EBITDA Per Unit	-\$272

CAPEX per Unit

Sum of Total One Time Costs to Collocate DSLAM At BST Remote Terminal	\$10,058
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