BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030851-TP

In the Matter of

IMPLEMENTATION OF REQUIREMENTS ARISING FROM FEDERAL COMMUNICATIONS COMMISSION'S TRIENNIAL UNE REVIEW: LOCAL CIRCUIT SWITCHING FOR MASS MARKET CUSTOMERS.

_____/

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VOLUME 5

Pages 806 through 978

PROCEEDINGS:	HEARING
BEFORE:	CHAIRMAN BRAULIO L. BAEZ COMMISSIONER J. TERRY DEASON COMMISSIONER LILA A. JABER COMMISSIONER RUDOLPH "RUDY" BRADLEY COMMISSIONER CHARLES M. DAVIDSON
DATE:	Tuesday, February 24, 2004
TIME:	Commenced at 9:35 a.m.
PLACE:	Betty Easley Conference Center Room 148

FLORIDA PUBLIC SERVICE COMMISSION

REPORTED BY: LINDA BOLES, RPR
Official FPSC Reporter
(850) 413-6734

APPEARANCES: (As heretofore noted.)

I N D E X

WITNESSES

EXHIBITS

NUMBER:		ID.	ADMTD.
69	Exhibits to Prefiled Testimony of Witness Tipton as Indicated in the Prehearing Order	810	
70	Exhibits to Prefiled Testimony of Witness Varner as Indicated in the Prehearing Order	852	

P R O C E E D I N G S

(Transcript follows in sequence from Volume 4.)

MS. MAYS: The next witness will be Pamela A. Tipton. She has direct and surrebuttal testimony and an errata. We would ask that those items be moved into the record as though read, and that her exhibits be identified as Composite Exhibit 69.

CHAIRMAN BAEZ: Without objection, show the direct and supplemental(sic.) testimony of Witness Tipton, including errata, entered into the record as though read. Show her accompanying exhibits marked as Composite 69.

(Exhibit 69 marked for identification.)

BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF PAMELA A. TIPTON

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030851-TP

DECEMBER 4, 2003

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH"), AND YOUR BUSINESS ADDRESS.

A. My name is Pamela A. Tipton. I am employed by BellSouth Telecommunications, Inc., as a Director in the Interconnection Services Department. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES.

A. I am responsible for implementation of state and federal regulatory mandates for the Local and Access markets, the development of regulatory strategies and the management of the switched services product portfolio.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I received a Bachelor of Arts in Economics from Agnes Scott College in 1986, and a Masters Certification in Project Management from George Washington University in 1996. I have over 15 years experience in telecommunications, with my primary focus in the areas of process development, services implementation, product management, marketing strategy and regulatory policy implementation. I joined Southern Bell in 1987, as a manager in Interconnection Operations, holding several roles over a 5-year period including process development and execution, quality controls and services implementation. In 1994, I became a Sr. Manager with responsibility for End User Access Services and implementation of Virtual and (later) Physical Collocation. In 2000, I became Director, Interconnection Services, responsible for development and implementation of UNE products, and later development of marketing and business strategies. I assumed my current responsibilities in June 2003.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. The purpose of my testimony is to address issue numbers 4(a), 4(b), 5(a), 5(b) and 5(e). I identify the geographic markets in BellSouth's territory in Florida where the local switching self-provisioning trigger established by the FCC in its Triennial Order and new rules has been satisfied and where CLECs, therefore, are not impaired without access to unbundled switching. The switching "triggers" are set forth at 47 C.F.R.

§51.319(d)(2)(iii)(A), which states that "a state commission shall find that a requesting telecommunications carrier is not impaired without access to local circuit switching on an unbundled basis in a particular market where either the self-provisioning trigger ... or the competitive wholesale facilities trigger ...is satisfied." My testimony focuses on the self-provisioning trigger. BellSouth is not at this time attempting to make a showing of no impairment based on switching being wholesaled by other providers.

I also provide data identifying the actual deployment that exists in some of those geographic markets where the FCC's triggers are not met. This data supports the conclusion of other BellSouth witnesses that, pursuant to the FCC's "potential deployment" analysis. CLECs are not impaired without access to BellSouth's unbundled local switching in certain markets where the self-provisioning trigger is not met.

ISSUE 4(a): In which markets are there three or more CLECs not affiliated with each other or the ILEC, including intermodal providers of service comparable in quality to that of the ILEC, serving mass market customers with their own switches?

Q. ARE CLECS USING THEIR OWN SWITCHES TO SERVE CUSTOMERS IN FLORIDA?

A. Yes. CLECs have deployed more than 100 switches in Florida, at least 77 of which are serving over 100,000 "mass market" customers. The

definition of "mass market" customers is discussed further below and in more detail in the testimony of BellSouth witness John Ruscilli. Exhibit PAT-1 is a list of CLEC switches deployed in Florida. As described in BellSouth witness Keith Milner's testimony, each switch is capable of serving CLEC customers throughout the entire market (or larger) area.

Q. UNDER WHAT CIRCUMSTANCES IS THE LOCAL SWITCHING SELF-PROVISIONING TRIGGER SATISFIED?

A. 47 C.F.R. § 51.319(d)(2)(iii)(A)(1) states that the local switching self-provisioning trigger is satisfied when "three or more competing providers not affiliated with each other or the incumbent LEC, including intermodal providers of service comparable in quality to that of the incumbent LEC, each are serving mass market customers in the particular market with the use of their own local circuit switches."

Q. WHEN APPLYING THE FCC'S SELF-PROVISIONING SWITCHING TRIGGER, IS IT AS SIMPLE AS COUNTING WHETHER THERE ARE THREE OR MORE ENTITIES SELF-PROVISIONING SWITCHING TO MASS MARKET CUSTOMERS?

A. Yes, as a practical matter, it is that simple. The only qualifications under the FCC's rule are: that the entities used to meet the trigger cannot be affiliated with each other, or with the incumbent local exchange carrier, and that if the self-provisioning entity is an "intermodal" provider, its

service must be comparable in quality to that of the incumbent local exchange carrier. Beyond these two qualifications, satisfaction of the trigger is just dependent upon counting the number of entities self-provisioning switching—if there three or more, the commission must make a finding of "no impairment."

Q. MAY THE COMMISSION LOOK AT SUBJECTIVE EVIDENCE OF IMPAIRMENT IN APPLYING THE SELF-PROVISIONING TRIGGER?

A. No. The FCC's rule makes clear that the self-provisioning trigger is purely objective. The Order also explicitly states that other than the objective count of CLECs, "states shall not evaluate any other factors, such as the financial stability or well-being of the competitive switch providers." Order ¶ 500 (emphasis added).The self-provisioning trigger is straightforward: the Commission must find "no impairment" for unbundled switching when three or more unaffiliated competing carriers are serving mass market customers in a particular market. Order ¶ 501 (emphasis added). This objectivity allows trigger determinations to be made quickly and accurately, and avoids the need for "protracted proceedings." Order ¶ 498.

Q. ARE THERE ANY EXCEPTIONS TO THE RULE?

A. Yes, there is one, but it is not applicable in Florida. In ¶ 503 of the TRO, the FCC said: "In exceptional circumstances, states may identify specific

markets that facially satisfy the self-provisioning trigger, but in which some significant barrier to entry exists such that service to mass market customers is foreclosed even to carriers that self-provision switches." The FCC then gave an example of where this exception would apply, identifying the situation where there was no collocation space available. As Mr. Ruscilli testifies, collocation space is not an issue in Florida. Importantly, even in circumstances where the state commission finds what it believes to be an exceptional source of impairment, it must petition the FCC for a waiver of the application of the trigger.

Q. IN DETERMINING WHERE CLECS MIGHT BE IMPAIRED WITHOUT ACCESS TO BELLSOUTH'S UNBUNDLED SWITCHING, WHAT DETERMINATIONS, OTHER THAN THE TRIGGER ANALYSIS, MUST THE COMMISISON MAKE?

A. The Commission must determine the appropriate geographic markets that will be used to conduct the impairment analysis, and it must determine the appropriate definition of "mass market" customers. BellSouth witness Dr. Chris Pleatsikas testifies that geographic markets should be defined by the UNE rate zones previously identified by this Commission, subdivided by Component Economic Areas (CEA) established by the Bureau of Economic Analysis of the Department of Commerce. BellSouth witness John Ruscilli testifies that, for this proceeding, BellSouth has adopted the FCC's default demarcation cross over point between "mass market" and "enterprise" customers. If a customer location has three or fewer voice

grade equivalent lines served by a particular CLEC, the customer is a "mass market" customer. If the customer location has four or more voice grade equivalent lines served by a particular CLEC, the customer is an "enterprise" customer.

Q. APPLYING THE DEFINITION OF THE GEOGRAPHIC MARKET THAT BELLSOUTH ADVOCATES, HOW MANY DIFFERENT MARKETS ARE THERE IN BELLSOUTH'S FLORIDA SERVICE TERRITORY?

A. There are 31 markets in BellSouth's Florida service area. Attached as Exhibit PAT-2 is a map that shows the 31 separate markets in Florida.

Q. IN HOW MANY OF THESE 31 MARKETS, BECAUSE THE FCC'S SELF-PROVISIONING TRIGGER MET, MUST THIS COMMISSION MAKE A FINDING OF "NO IMPAIRMENT?"

A. The FCC's self-provisioning trigger is met in 13 of the 31 market areas.

Q. PLEASE IDENTIFY THE 13 MARKETS WHERE THE FCC'S SELF-PROVISIONING TRIGGER HAS BEEN MET.

Attached as Exhibit PAT-3 is a list of the 13 markets in Florida where the self-provisioning trigger is met. Attached as Exhibit PAT-4 is a highlighted

map of Florida showing the markets where the self-provisioning trigger is met.

Q. CAN YOU IDENTIFY THE CLECS THAT ARE SELF-PROVISIONING SWITCHING TO SERVE MASS MARKET CUSTOMERS IN THE MARKETS THAT YOU HAVE IDENTIFIED AS MEETING THE TRIGGER?

A. Yes. Attached as Exhibit PAT-5 is a list of the CLECs that are using their own switching to serve mass-market customers in the market areas that I have identified as meeting the trigger. BellSouth requests that Exhibit PAT-5 be treated as confidential because while this Commission needs to know where CLECs have self-provisioned switching serving mass-market customers, these locations and the identity of the CLECs' customers are proprietary and it is very important to these CLECs that this information not be made available to their competitors. I know that this Commission has issued a protective order related to this material, but BellSouth also has been required to sign separate confidentiality agreements with a number of CLECs, promising that this material would not be used by, or given to, BellSouth's marketing organization, for obvious reasons.

Q. WHERE DID BELLSOUTH OBTAIN THE INFORMATION UPON WHICH YOU BASE YOUR CONCLUSIONS ABOUT WHETHER THE FCC's

SELF-PROVISIONING TRIGGER IS MET IN A PARTICULAR GEOGRAPHIC MARKET?

A. We have relied both on information obtained from the CLECs and on data that is available from BellSouth's records. We asked CLECs to identify the market areas where they serve mass-market customers using their own switching. Unfortunately, although a few were cooperative and provided that information, most of the CLECs objected to providing the information, claiming that BellSouth had such information in its possession already. BellSouth thus relied on the information it had for those CLECs.

Q. WHAT DID YOU ASK THE CLECS TO PROVIDE TO BELLSOUTH?

A. We asked the CLECs to identify the switches that they owned, and to tell us where they were providing service to customers using those switches. We asked the CLECs to identify customer locations by BellSouth wire center serving area and by the number of CLEC lines provided to each location, ranging from 1 line up to more than 10 lines. Some CLECs, including FDN and AllTel, provided us with useful information and we have used that information to determine the areas where the self-provisioning trigger is satisfied.

Q. CAN YOU TELL US WHAT YOU DID ABOUT THE CLECS WHO OWN THEIR OWN SWITCHES, BUT WHO DID NOT PROVIDE YOU WITH

THE INFORMATION YOU REQUESTED?

A. Yes. For CLECs that objected to providing the information, claiming that we had such information in our possession, we used the data that we had available to us to determine the total number and the location of the mass market customers. We used one method to identify residential customers and another method to identify business customers.

With regard to residential customers, we identified all telephone numbers that had been "ported" from BellSouth to another carrier. The fact that the number was "ported" meant that the customer is being served by another telecommunications provider who had access to a switch that it either self-provided or obtained from another carrier. Our database reflects the carrier to whom the number was ported. We compared these ported residential numbers against BellSouth's directory listing database. The purpose of doing this was to confirm that we were including only residential numbers and to obtain an address for the ported number. We identified "residential" customers by looking at their service classifications in the Directory Listings database. We then sorted the ported "residential" numbers by address, so that we could determine how many CLEC lines were provided at that particular address to ensure that we excluded customer locations with more than three lines, such as nursing homes (because BellSouth is using 3 or fewer lines as the demarcation point to designate "mass market" customers). I would note that this method has the clear tendency to understate the number of customers served by

CLECs because it does not capture the customers to whom BellSouth has never provided local service or those who abandoned their BellSouth number and obtained a new number provided by a CLEC.

Q. WHAT METHOD DID YOU USE TO IDENTIFY THE BUSINESS CUSTOMERS THAT ARE SERVED BY A SELF-PROVISIONED CLEC SWITCH?

A. Except for those customers who went to a carrier that is using solely its own facilities, like the cable companies, most customers who are served by a CLEC that is self-provisioning switching are served via a UNE loop that the CLEC leases from BellSouth. Our loop inventory database contains a class of service indicator. Therefore, we extracted a list of all business class loops from BellSouth's database. From this database, we learned the identity of the CLECs who lease UNE loops and the service address where each loop terminates. We grouped the business class service addresses, and identified those service addresses where there were three or fewer loops terminated. By matching those locations to the geographic markets we had identified, we could determine how many CLECs were providing local service to mass-market customers in each of the geographic markets.

Q. WOULD THE LOOP RECORDS HAVE ALLOWED YOU TO IDENTIFY BOTH "RESIDENTIAL" AND "BUSINESS" MASS MARKET CUSTOMERS

THAT ARE BEING SERVED BY A SELF-PROVISIONED CLEC SWITCH?

A. No. The loop records would not have allowed us to identify carriers who provide service using solely their own facilities, such as cable companies, who generally only provide service to residential subscribers. In cases where facilities-based providers would not provide the information we requested to determine if it is self-provisioning switching, using ported numbers was the only way to identify customers being served by those carriers.

Q. WHAT IS AN "INTERMODAL" PROVIDER OF TELECOMMUNICATIONS SERVICE?

A. As defined by the FCC, "[t]he term intermodal refers to facilities or technologies other than those found in traditional telephone networks, but that are utilized to provide competing services. Intermodal facilities or technologies include, but are not limited to, traditional or new cable plant, wireless technologies, and power line technologies." 47 C.F.R. § 51.5.

Q. HAVE YOU RELIED UPON INTERMODAL PROVIDERS OF TELEPHONE SERVICE IN ORDER TO MEET THE TRIGGERS IN THE 13 MARKETS YOU HAVE IDENTIFIED?

A. We only relied upon an intermodal provider (cable company) to meet the trigger in one of the 13 markets where the trigger is satisfied (UNE zone 3 in the Jacksonville CEA). While a cable company is providing service in 7 of the 13 geographic markets where the trigger is met, in all but one of them, there are at least 3 other providers.

Q. IS THE LOCAL TELECOMMUNICATIONS SERVICE BEING PROVIDED BY THE CABLE COMPANY THAT YOU ARE COUNTING TO SATISFY THE SELF-PROVISIONING TRIGGER IN THAT ONE MARKET COMPARABLE IN QUALITY TO BELLSOUTH'S LOCAL SERVICE?

A. Yes. In fact, the cable company touts its service as providing a "cleaner" signal with "less noise and distortion" than traditional analog telephone service. The fact that this company has captured a significant number of customers in the Florida markets where it provides service demonstrates that consumers view its service as at least comparable in quality to BellSouth's service.

Q. HAVE YOU PROVIDED THE PRECISE CUSTOMER LOCATION FOR EACH OF THE CUSTOMERS OF THE CLECS WHO ARE SELF-

PROVISIONING SERVICE?

A. No, because that is not necessary. We have identified the UNE Zones further subdivided by Component Economic Areas in which these customers are located. As BellSouth witness Keith Milner discusses in greater detail in his testimony, the CLECs have made it clear that their networks are not configured like BellSouth's, and that they are relying on fewer switches and more transport to serve their customers. AT&T and MCI have stated in proceedings before this Commission that they can serve any customer in BellSouth's geographic service area with their existing switches. Given that, the actual physical location of the individual end users in each market area is not relevant. If the CLECs have chosen to serve certain customers in BellSouth's market areas, according to the CLECs, they can serve any customers in those market areas.

ISSUE 4(b): In which markets are there two or more CLECs not affiliated with each other or the ILEC, including intermodal providers of service comparable in quality to that of the ILEC, who have their own switches and are offering wholesale local switching to customers serving DS0 capacity loops in that market?

Q. HAS BELLSOUTH IDENTIFIED TWO OR MORE CARRIERS IN A MARKET WHO HAVE THEIR OWN SWITCHES AND ARE OFFERING

WHOLESALE LOCAL SWITCHING TO CUSTOMERS SERVING DS0 CAPACITY LOOPS IN THAT MARKET?

A. No.

ISSUE 5(a): In which markets are there either two wholesale providers or three self-provisioners of local switching not affiliated with each other or the ILEC, serving end users using DS1 or higher capacity loops? Where there are, can these switches be used to serve DS0 capacity loops in an economic fashion?

ISSUE 5(b): In which markets are there any carriers with a self-provisioned switch, including an intermodal provider of service comparable in quality to that of the ILEC, serving end users using DS0 capacity loops? and

ISSUE 5(e): Taking into consideration the factors in 5(a) through (d), in what markets is it economic for CLECs to self-provision local switching and CLECs are thus not impaired without access to unbundled local switching?

Q. IN DR. ARON'S TESTIMONY, SHE IDENTIFIES AN ADDITIONAL 10 GEOGRAPHIC MARKETS IN FLORIDA WHERE THE FCC'S TRIGGERS ARE NOT MET, BUT WHERE BELLSOUTH HAS CONCLUDED THAT CLECS ARE NOT IMPAIRED WITHOUT ACCESS TO UNBUNDLED SWITCHING BASED ON THE FCC'S "POTENTIAL DEPLOYMENT"

METHODOLOGY. DO YOU HAVE INFORMATION REGARDING ACTUAL CLEC DEPLOYMENT IN THOSE MARKETS?

A. Yes, I do. In addition to the FCC's triggers tests, the FCC provided that there could be other circumstances in which a CLEC would not be impaired without access to an incumbent's unbundled switching. The FCC instructed the state commissions to look at those geographic markets that did not meet either of the triggers tests, and to evaluate those markets based on the actual competition that exists, also considering any operational or economic barriers that might exist.

Specifically, the FCC states that competitive switching serving customers in the *enterprise* market is a "significant indicator of the possibility of serving the mass market because of the demonstrated scale and scope economies of serving numerous customers in a wire center using a single switch." ¶ 508. The FCC further states that "to the extent there is a switch in an area serving the local exchange mass market, this fact must be given particularly substantial weight." ¶ 510.

With respect to the 10 markets where the trigger is not met, but where BellSouth has concluded that CLECs are not impaired, I have information related to the actual deployment that exists in 7 of those 10 markets. Specifically, either one or two CLECs are serving mass-market customers using their own switches in seven of those 10 geographic markets where BellSouth's impairment model analysis shows that CLECs are not

impaired without access to BellSouth's unbundled switching. Those markets are listed in Exhibit PAT-6. In Exhibit PAT-7, I identify, for the seven areas, the CLECs that are providing service using their own switches. Exhibit PAT-7 contains proprietary confidential business information (just as did my earlier exhibit that identified CLECs serving specific geographic areas).

Q. CAN YOU SUMMARIZE YOUR TESTIMONY?

A. Yes. The FCC has created a "bright line" test for impairment with regard to unbundled switching. Where there are three or more unaffiliated CLECs providing switching in the relevant geographic areas using their own switch, the Commission must conclude that CLECs are not impaired without access to the incumbent local exchange carrier's switch, end of inquiry. In Florida, a number of CLECs are providing service to mass market customers using their own switches and I have identified 13 areas where the self provisioning switching trigger is met. Indeed, for most of the market areas I identified where the trigger is met, there are more than three such CLECs. There are often five or six different providers. CLECs are not impaired in those market areas without access to BellSouth's unbundled switching and the Commission must, therefore, make a finding of "no impairment" for those areas. Moreover, there are seven other areas where, although there is not enough actual competition to meet the FCC's switching triggers, we have found CLECs providing service to mass market customers using their own switches. The fact of actual

deployment in these markets must be given substantial weight in determining lack of impairment. Finally, it is likely that with cooperation from a greater number of CLECs in providing data, the facts will show that CLECs are serving a greater number of customers, in more markets, than those set forth in my testimony.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

PUBLIC DISCLOSURE DOCUMENT

BELLSOUTH TELECOMMUNICATIONS, INC.

SURREBUTTAL TESTIMONY OF PAMELA A. TIPTON

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 030851-TP

January 28, 2003

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH"), AND YOUR BUSINESS ADDRESS.

A. My name is Pamela A. Tipton. I am employed by BellSouth Telecommunications, Inc., as a Director in the Interconnection Services Department. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. ARE YOU THE SAME PAMELA A. TIPTON WHO FILED DIRECT TESIMONY IN THIS DOCKET ON DECEMBER 4, 2003?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?

A. I respond to rebuttal testimony filed by AT&T witness Jay Bradbury, FCCA witness Joe Gillan, Sprint witness Brian Staihr, Supra witness David Nilson, MCI witness Dr. Mark Bryant, and OPC's witness Dr. Ben Johnson. All of these

witnesses try to place conditions and limitations on the FCC's self-provisioning trigger rule that simply do not exist.

Section 1: Discussion of Trigger Candidate Criteria

Q. WITNESSES GILLAN, BRADBURY, JOHNSON AND BRYANT SUGGEST THE COMMISSION MUST CONSIDER A PLETHORA OF CRITERIA TO "QUALIFY" CLECS AS TRIGGER CANDIDATES BEFORE THEY CAN BE COUNTED. WHAT DO THE FCC RULES STATE?

A. The criteria for a CLEC to be counted with regard to the self-provisioning switching trigger are clearly set forth in the FCC's Rules. 47 C.F.R. § 51.319(d)(2)(iii)(A)(1), Local switching self-provisioning trigger, states:

> "To satisfy this trigger, a state commission must find that three or more competing providers not affiliated with each other or the incumbent LEC, including intermodal providers of service comparable in quality to that of the incumbent LEC, each are serving mass market customers in the particular market with the use of their own local circuit switches."

The other parties attempt to include as many as seven or eight unique criteria that a trigger "candidate" must meet. They are simply wrong. Had the FCC intended for state commissions to check off a laundry list of criteria before considering a CLEC as a "trigger candidate," the rules would have said so. They do not. The rule contains the only criteria that address the self-provisioning trigger, it is straightforward, and it contains two, and only two, requirements. Competing providers must: 1) not be affiliated with each other or the incumbent

LEC, and may include intermodal providers of service comparable in quality to that of the incumbent LEC, and 2) be serving mass market customers in the particular market with the use of their own circuit switch. Exhibit PAT-8 is a decision flow chart that accurately represents the trigger analysis as reflected in 47 C.F.R. § 51.319(d)(2)(iii)(A)(1). This is the only decision-making analysis that needs to be conducted in this proceeding, despite CLEC claims suggesting otherwise.

Q. HAVE THE CLECS MISSED THE FOCUS OF THE SWITCHING TRIGGER?

A. Yes. As the FCC explained in its appellate brief (filed January 16, 2004 in the appeal of the TRO currently pending in the federal courts), the switching trigger has to do "with determining when market conditions are such that new entrants are not *impaired* in *entering* the market." (Respondent's Brief, p. 46, n. 22). By seeking to impose unnecessary criteria to the trigger analysis, the CLEC witnesses are once again advocating conditions that focus more on protecting their access to unbundled switching than focusing on conditions that relate to market entry.

Q. MCI WITNESS MR. BRYANT ATTACHES A FLOW CHART TO HIS TESTIMONY SHOWING A "TRIGGER ANALYSIS" HE HAS DEVISED. SIMILARLY, MR. GILLAN HAS PROVIDED A TABLE SUMMARIZING HIS IMAGINED TRIGGERS CRITERIA. IS EITHER THE FLOW CHART OR TABLE SUPPORTED BY THE FCC RULE?

A. No, both analyses exceed the straightforward criteria set forth in the FCC's rule.

Q. DOES THE FCC's RULE CONTAIN LANGUAGE THAT PRECLUDES CONSIDERATION OF SO-CALLED "ENTERPRISE" SWITCHES AS SEVERAL WITNESSES, INCLUDING MR. GILLAN (CRITERIA #1), SUGGEST?

A. No.

Q. IS THERE ANY REQUIREMENT IN THE APPLICABLE RULE THAT THE SELF-PROVISIONING TRIGGER CANDIDATE MUST BE PROVIDING VOICE SERVICE TO "RESIDENTIAL CUSTOMERS" AS MR. GILLAN (CRITERIA #2), MR. BRADBURY AND OTHERS SUGGEST?

A. No.

Q. DOES THE RULE REQUIRE THAT THE SELF-PROVISIONING TRIGGER COMPANY RELY ON ILEC ANALOG LOOPS TO CONNECT TO THE CUSTOMER TO ITS SWITCH AS WITNESSE MR. GILLAN (CRITERIA #3), MR. BRADBURY, AND OTHERS CONTEND?

A. No. The rule explicitly says that intermodal providers of service may be included as trigger companies. In footnote 325 of its TRO, the FCC defined intermodal as follows:

> "By 'intermodal' we refer generally to facilities or technologies other than those found in traditional telephone networks. These include, for

example, traditional or new cable plant, wireless technologies (satellite, mobile and fixed), power line (electric grid) technologies, or other technologies not rooted in traditional telephone networks. "

Q. ARE THERE SPECIFIC REQUIREMENTS THAT APPLY FOR AN INTERMODAL PROVIDER OF SERVICE TO QUALIFY FOR THE SWITCHING TRIGGER (MR. GILLAN, CRITERIA #4)?

A. Only one, which is that the service provided by the intermodal provider must be comparable in quality to the service provided by the ILEC. The intermodal provider BellSouth relies upon in its trigger analysis, meets the requirement of the rule and provides service comparable in quality to BellSouth's service. Further, even if the Commission evaluated whether Comcast's service is comparable "in cost, quality and maturity" (which it is not required to do), there is no question that Comcast could satisfy these criteria as well. To illustrate this I have attached as Exhibit PAT-9 information that is publicly available from Comcast's website relating to its service. This information demonstrates unequivocally that Comcast is an appropriate trigger candidate.

Q. DOES THE FCC'S SELF-PROVISIONING TRIGGER RULE REQUIRE THAT "THE EXISTENCE OF THE CANDIDATE SHOULD BE EVIDENCE OF SUSTAINABLE AND BROAD-SCALE MASS MARKET COMPETITIVE ALTERNATIVES IN THE DESIGNATED MARKET" AS MR. GILLAN (CRITERIA #6) AND MR. BRADBURY CLAIM?

A. No. It bears repeating that there is only one rule for implementing the self-provisioning trigger and that rule contains only two criteria, neither of which is that broad-scale mass market alternatives exist. Remarkably, these witnesses appear to have missed that the FCC issued an errata, in which it corrected paragraph 499, and removed the requirement that the self-provisioning switching trigger candidates must be ready and willing to serve *all* retail customers in the market. To the extent these witnesses are advocating for additional requirements, this Commission should reject such arguments.

Q. MR. GILLAN AND MR. BRADBURY ASSERT THAT TRIGGER CANDIDATES MUST SATISFY EVERY ONE OF GILLAN'S SIX CRITERIA BEFORE QUALIFYING AS A TRIGGER CANDIDATE. PLEASE RESPOND.

A. Beyond the fact that these criteria are not contained in the rule itself, two of these items -- criteria three, requiring the use of ILEC analog loops and criteria four, regarding intermodal providers -- are mutually exclusive, which only highlights how inappropriate and overreaching Mr. Gillan's criteria really are. An intermodal carrier, by definition, does not use the traditional telephone company network. Cable companies use their own facilities to reach subscribers. Satellite companies use the airwaves. They do not use the incumbent company's local loops, which means, under Mr. Gillan's and Mr. Bradbury's criteria, these intermodal carriers can never qualify as trigger candidates. This conclusion, of course, is diametrically opposed to what the FCC said, and what the CLECs have acknowledged in their briefs to the appellate courts in the TRO appeals.

Section 2: Discussion of Trigger Analysis

Q. ON PAGES 13 AND 25, RESPECTIVELY, MR. BRADBURY AND MR. GILLAN CLAIM BELLSOUTH'S TRIGGER ANALYSIS IS FLAWED BECAUSE BELLSOUTH DID NOT ASK THE RIGHT DISCOVERY QUESTIONS. HOW DO YOU RESPOND?

A. These claims are wrong. BellSouth asked in its First Interrogatories the following: the list of (BellSouth) wire centers served by the switches owned by the CLEC (Interrogatory 5); the total number of voice grade equivalent lines provided to end users from the identified CLEC switches by wire center (interrogatory 6); and a separation of the lines by end user and end user location by line count (e.g., the number of locations with 1 line, the number of locations with 2 lines, and so on). BellSouth could thus determine how many end user locations were mass market, based upon BellSouth's proposed crossover point. AT&T and other CLECs raised a plethora of objections to these questions, claiming that it did not have the information in the format requested and thus did not initially respond to BellSouth's request. AT&T later revealed that the data BellSouth requested "magically became available the night before rebuttal testimony was due" and that AT&T would "supplement its discovery responses." That AT&T criticizes BellSouth's analysis at the same time its actions were an impediment to the process is particularly galling.

Q. MR. BRADBURY CLAIMS (REBUTTAL P. 12) THAT AT&T PROVIDES SERVICE TO A RELATIVELY FEW NUMBER OF VERY SMALL BUSINESS

CUSTOMERS THAT ARE AN ARTIFACT OF A "FAILED" BUSINESS PLAN. HOW DO YOU RESPOND?

A. According to Mr. Bradbury, the "small embedded base" of very small business customers totals approximately ***----------***. This hardly constitutes a "small" number of customers. Further, AT&T's "failed business plan" is more appropriately classified as a change in business plan upon the implementation of the FCC's UNE Remand Order and the widely available UNE-platform. It is not coincidence that the decline in AT&T's purchase of UNE loops began during 2001; UNE-P became available as a result of the FCC's UNE Remand Order issued in February 2001. AT&T had only to revise its interconnection agreement to avail itself of this artificial means of competition; in March 2001, AT&T adopted a stand alone agreement that provided rates, terms and conditions for UNE combinations, including UNE-P. It follows that despite its sunk capital investment in its local switches, AT&T would be quick to implement a business strategy based on UNE-P given the artificially low, practically all-inclusive cost to serve of UNE-P and abandon the use stand loops served from AT&T switches.

Mr. Bradbury also claims that "active provisioning of service to very small business using DS0 UNE-loops ended in late 2001." (Rebuttal, p. 9). Evidently, in AT&T's view, if it is not "actively" advertising that it is providing service using its own switches, or adding new customers every day, it somehow fails to qualify as a trigger candidate. That is nonsensical. The FCC made it clear that the purpose of the triggers is to demonstrate that CLECs are not impaired without unbundled switching. Failing to advertise or failing to add new customers using

its own switching, particularly when UNE-P is available, proves nothing. The point is, each day, every day, AT&T provides service to thousands of customers in Florida, using its own switches. That is what the FCC requires of a trigger candidate.

Finally, on a statewide basis, Mr. Bradbury's testimony includes a chart that reflects 88% of AT&T's switches serve enterprise customers. Logic dictates that the remaining 12% of customers served by AT&T's switches constitute mass market customers, which means that AT&T is unquestionably a switching trigger company in some markets. No other explanation, notwithstanding AT&T's protests, is plausible.

Q. MR. BRADUBURY AND MS. LICHTENBERG DISPUTE THE NUMBER OF SWITCHES "COUNTED" IN THE TRIGGER ANALYSIS. PLEASE COMMENT.

A. Apparently, neither Mr. Bradbury nor Ms. Lichtenberg understand that the exhibit they take issue with – PAT-1 – was not intended to reflect the switches used in the triggers analysis. PAT-1 demonstrates that a significant number of CLEC switches are providing service in Florida and those same switches serve a number of markets. PAT-1 is entirely consistent with this Commission's 2003 Report on Competition which states that "[a]s of June 30, 2003, 31 switch-based CLECs were operating in Florida with a combined total of 126 switches."

Concerning the alleged "double counting," PAT-1 did in fact contain a formatting error. PAT-1 did not include a column titled "Switch Node CLLI," which provides the actual Point of Interconnection ("POI"), or switching presence, within a

particular LATA associated with a particular switch that may be physically situated in a separate geographic location from the market(s) it serves. Each repetition of a Switch CLLI actually represents a separate POI served from that Switch CLLI, according to the CLEC-reported data contained in the LERG. Although Mr. Bradbury and Ms. Lichtenberg (Supplemental Rebuttal, pp. 3-4) suggest that BellSouth has not accurately portrayed the number of AT&T and MCI switches in Florida, this minor formatting error has no bearing on the markets in BellSouth's serving territory in Florida that satisfy the FCC's triggers analysis.

Q. MR. BRADBURY CLAIMS BELLSOUTH COUNTED IN ITS TRIGGER ANALYSIS ALL OF AT&T'S SWITCHES. IS THIS CORRECT?

A. No. Indeed this is yet another fundamental error on Mr. Bradbury's part. BellSouth did not "count switches" as a part of its trigger analysis, because that is not what the FCC requires, or even allows. BellSouth counted the number of CLECs providing mass market service to customers in each geographic market. What Mr. Bradbury is referring to is the list of CLEC switches derived from the LERG. In no way does my testimony report or allude to Exhibit PAT-1 as a list of mass market switches. Instead, my testimony explicitly describes the list as "deployed in Florida." Further, BellSouth did not consider AT&T's toll switches or AT&T's ADL switches, nor the services provided from these switches in its trigger analysis, as Mr. Bradbury claims on pages 15-18 of his rebuttal testimony. Particularly ironic is that while Mr. Bradbury takes issue with BellSouth's

counting, another AT&T witness, Mr. Wood, can't count at all as his testimony contains the heading "CLECs are not self-providing switching."

Q. MS. LICHTENBERG SUGGESTS THAT BELLSOUTH SHOULD HAVE QUANFITIED "THE UNE-L ACTIVITY ON EACH SWITCH" USED IN THE TRIGGER ANALSIS. (SUPPLEMENTAL REBUTTAL, P. 4) IS THIS AN ACCURATE INTERPRETATION OF THE RULE?

A. No. It is unclear what the purpose of doing this would have been and Ms. Lichtenberg doesn't explain her position. In fact, it wouldn't make any difference if MCI served every one of its mass market customers in Florida from a single switch in Michigan or Maine. The point is that MCI is serving mass market customers with its own switches. Ms. Lichtenberg attempts to disqualify MCI's switches by seeking to impose criteria or considerations that are conspicuously absent from the applicable rules and that make no sense in light of what the FCC has required.

Q. SEVERAL WITNESSES, SUCH AS BRADBURY, GILLAN AND OTHERS, ARGUE THAT "ENTERPRISE SWITCHES" SHOULD BE EXCLUDED FROM THE SELF-PROVISIONING TRIGGER ANALYSIS. PLEASE COMMENT.

A. These witnesses are wrong. First, there is no such qualifier in the FCC's rule. The rule requires no count of switches, other than presumably that each trigger candidate must have its own circuit switch; the rule has no discussion regarding how switches are used to provide mass market service. The only mention of this

issue in the TRO is in the "potential deployment" section of the TRO, and not in the portion of the order addressing the triggers. If the FCC had intended this requirement to be included as part of the trigger "analysis," it would have set forth the requirement in its rule. It did not. The relevant inquiry is whether the competing providers counted towards the trigger are providing mass market service.

Q. SHOULD EVIDENCE OF SELF-DEPLOYED SWITCHES SERVING ENTERPRISE CUSTOMERS BE CONSIDERED IN EVALUATING MASS MARKET SWITCHING IMPAIRMENT?

A. Absolutely -- in the "potential deployment" phase of any case looking at unimpairment. Both the FCC and this Commission recognize the significance of such evidence. In its discussion of the "potential deployment" analysis at paragraph 508 of its TRO, the FCC states:

> "We find the existence of switching servicing customers in the *enterprise* market to be a significant indicator of the possibility of serving the mass market because of the demonstrated scale and scope economies of serving numerous customers in a wire center using a single switch...The evidence in the record shows that the cost of providing mass market service is significantly reduced if the necessary facilities are already in place and used to provide other higher revenue services..."

This Commission agrees, establishing as a separate issue in this proceeding consideration for the markets in which CLECs are self-providing switching to

customers using DS1 or higher loops. That, however, has nothing at all to do with the triggers analysis.

Q. IN HOW MANY MARKETS IN BELLSOUTH'S SERVING AREAS ARE THERE THREE OR MORE SELF-PROVIDERS OF ENTERPRISE SWITCHING USING DS1 LOOPS?

A. Based on the discovery responses of CLECs, there are 13 geographic markets where CLECs are serving the enterprise market with their own switches using DS1 loops, which are shown on the attached Exhibit PAT-10.

Q. MR. BRADBURY ALSO SUGGESTS THAT IT IS "APPROPRIATE TO DIVIDE CUSTOMERS SERVED FROM CLEC SWITCHES INTO MASS MARKET OR ENTERPRISE BY CLASSIFYING ALL CUSTOMERS SERVED BY ANALOG DSO UNE LOOPS AS MASS MARKET CUSTOMERS AND ALL OTHERS AS ENTERPRISE." (REBUTTAL, PP. 2-3). PLEASE COMMENT.

A. Although the trigger analysis set forth in the TRO does not include this criteria, if BellSouth followed Mr. Bradbury's suggestion, more markets would meet the triggers test. I have attached as Exhibit PAT-11 the outcome of the trigger analysis using this criteria.

Section 3: Discussion of Trigger Candidates

Q. SEVERAL WITNESSES, INCLUDING MR. BRYANT, MR. STAIHR AND MR. GILLAN, ATTEMPT TO DISQUALIFY CLECS AS TRIGGER CANDIDATES ON THE BASIS THAT THEY ARE PROVIDING SERVICE TO BUSINESS CUSTOMERS ONLY. WHAT IS YOUR REACTION?

A. The FCC's rule does not require a competitive LEC to provide service to residential customers in order to qualify as a trigger candidate. The Commission must determine if three or more competing providers are serving mass market customers in a particular geographic market. The FCC defines mass market customers as consisting of "residential customers and very small business customers. Mass market customers typically purchase ordinary switched voice service and a few vertical features. Some customers also purchase additional lines and/or high speed data services." (¶127, TRO) (emphasis added). Any suggestion that a particular triggers candidate must serve residential customers is incorrect. Moreover, despite Mr. Staihr's assertion that there is no residential competition in Florida, by their own admission, several CLECs are providing service to residential customers using their own switches. *** ----------*** for example, is providing service to over ***----------*** residential customers.

Q. SEVERAL WITNESSES, INCLUDING BRYANT, GILLAN, STAIHR AND BRADBURY, ATTEMPT TO "DISQUALIFY" PARTICULAR (AND IN SOME CASES ALL) CLECS FROM BELLSOUTH'S TRIGGER ANALYSIS COMPLETELY. HOW DO YOU RESPOND?

A. I disagree with their assertions. All of the CLECs listed on the exhibit to my direct testimony qualify as trigger companies based on BellSouth's analysis. Unlike the claims of the witnesses, BellSouth screened out locations served by DS1 loops so that it did not inadvertently include an enterprise location in its mass market analysis. CLECs self-reported their provision of one to three line service to end users in their discovery responses. For CLECs who refused to respond to discovery, or who otherwise did not provide adequate responses, BellSouth used its own data. BellSouth's internal data was based on DS0 loops and residential ported numbers. I will address specific assertions below.

Q. REGARDING MR. GILLAN'S TESTIMONY ON BEHALF OF FCCA, SHOULD ANY WEIGHT BE GIVEN TO HIS TESTIMONY CONCERING QUALIFYING TRIGGER CANDIDATES?

A. Absolutely not. Beginning on page 26 of his rebuttal testimony, Mr. Gillan makes certain assertions about specific CLEC trigger candidates and their alleged failed attempts at serving the mass market segment. Remarkably, when asked about the basis for his conclusions, Mr. Gillan explained in discovery that he had "not conducted a survey to determine which CLECs tried to serve the mass market in Florida using their own switching. The statement concerning CLEC efforts was a general observation concerning the financial performance of the CLEC industry nationally." (FCCA Amended and Supplemental Response to BellSouth Interrogatory No. 4). This response is simply one example of how Mr. Gillan's testimony has no credible foundation.

Q. AT&T WITNESS BRADBURY AND FCCA WITNESS GILLAN CLAIM COMCAST SHOULD NOT BE COUNTED AS A TRIGGER CANDIDATE BECAUSE COMCAST DOES NOT "SELF-PROVIDE" SWITCHING. IS THIS A VALID CLAIM?

A. No. Due to the nature of AT&T's long term agreement to provide to Comcast circuit switched network capability aggregated with other network services, witnesses Bradbury and Gillan make a misplaced claim that such an arrangement is at best large-scale enterprise arrangement, or alternatively is simply not "self-provisioning" of switching.

Q. WHAT DOES THE TRIENNIAL REVIEW ORDER SAY ABOUT SUCH AN ARRANGEMENT?

A. Contrary to Mr. Bradbury's and Mr. Gillan's claim, the FCC's order specifically addresses such a scenario in footnote 1551, where it states:

> "...if a carrier were to acquire the long term right to use of a non-incumbent LEC switch sufficient to serve a substantial portion of the mass market, that carrier should be counted as a separate, unaffiliated self-provider of switching."

Regardless of how Comcast obtains switching from AT&T, whether as a result of a merger and/or acquisition or via a lease arrangement, Comcast qualifies as a self-provider.

Q. IS THERE ANY INDICATION THAT COMCAST INTENDS TO EXIT THE MASS MARKET?

A. No. Comcast has a valid tariff on file with the Florida Public Service Commission and its website advertises the availability of phone service, touting the superiority of its service as compared to POTS.

Q. MR. GILLAN CLAIMS THAT SBC SHOULD NOT BE COUNTED BECAUSE ITS PRESENCE IN FLORIDA MARKETS IS ONLY A RESULT OF BINDING TERMS IN ITS MERGER WITH AMERITECH. DO THE FACTS SUPPORT HIS CLAIM?

A. No, they do not. Mr. Gillan claims SBC took the minimal steps necessary to comply with the merger agreement to avoid millions in fines. Among the requirements referenced by Mr. Gillan is that SBC provide service in 30 markets outside SBC's 13-state region, including collocation in 10 wire centers. SBC has entered 9 markets in BellSouth's Florida serving area alone and has collocated in ***----------***. Furthermore, Mr. Gillan attempts to substantiate his claims that SBC is not actively serving the mass market based on analyst claims and statements made in the media. The facts tell a different story. In response to discovery, SBC stated that it is serving mass market and enterprise customers using its own switches.

Section 4: Discussion of Market Definition

Q. BEGINNING ON PAGE 1 OF HIS TESTIMONY, SPRINT WITNESS BRIAN STAIHR DISCUSSES THE APPROPRIATENESS OF MARKET SERVING AREA ("MSA") AS A MARKET DEFINITION. WHAT IS THE OUTCOME OF BELLSOUTH'S SELF-PROVISIONING TRIGGER ANALYSIS IF MSA WERE THE MARKET DEFINITION?

A. Using this definition would result in more markets satisfying the triggers test. BellSouth's preliminary results of using MSAs as the market is attached as Exhibit PAT-11.

Q. ON PAGE 15 FCCA WITNESS JOE GILLAN RECOMMENDS USING LOCAL ACCESS TRANSPORT AREA ("LATA") AS THE APPROPRIATE MARKET DEFINITION. WHAT IS THE OUTCOME OF BELLSOUTH'S SELF-PROVISIONING TRIGGER ANALYSIS IF LATA WERE THE MARKET DEFINITION?

A. Using this definition would also result in additional markets satisfying the triggers test. BellSouth's preliminary results of using LATAs as the market is attached as Exhibit PAT-12.

Section 5: Specific Response to Supplemental Rebuttal Testimony

Q. HAVE ANY WITNESSES PROVIDED ADDITIONAL TESTIMONY CONCERNING THE SWITCHING TRIGGERS ANALSIS?

A. On January 22, 2004, both MCI witness Lichtenberg and FCCA's witness Gillan filed supplemental rebuttal testimony addressing certain aspects of the triggers analysis.

Q. DO YOU HAVE ANY OVERALL COMMENTS CONCERNING THIS SUPPLEMENTAL REBUTTAL TESTIMONY?

A. Yes. Both witnesses attempt to complicate the FCC's straightforward triggers analysis.

Q. PLEASE COMMENT ON MS. LICHTENBERG'S SUPPLEMENTAL REBUTTAL TESTIMONY.

A. Ms. Lichtenberg's testimony is little more than an attempt to explain away the simple reality that MCI provides service to mass market customers in Florida using MCI's switches. There is no requirement that a switching triggers candidate serve a certain amount of customers. There is no requirement that a switching triggers company must tie its advertising to its network facilities. MCI actively touts its "Neighborhood" plan to customers in Florida and elsewhere, and

has the means available to serve UNE-P customers using its own switches if provided the proper incentive to do so.

Q: PLEASE COMMENT ON MR. GILLAN'S SUPPLEMENTAL REBUTTAL TESTIMONY.

A. Unlike Mr. Gillan's rebuttal testimony, which had no factual basis (by his own admissions in response to discovery), Mr. Gillan's supplemental rebuttal testimony appears to be a deliberate factual misrepresentation. It is obvious that Mr. Gillan's mission impossible is to attempt to "disqualify" each and every switching trigger without regard to actual facts.

Q. PLEASE DESCRIBE HOW MR. GILLAN'S TESTIMONY IS INCOMPLETE.

A. Mr. Gillan is drawing conclusions based upon a subset of data that relates to a CLEC's presence in the marketplace and does not relate directly to BellSouth's actual trigger analysis. As I explained in my direct testimony, BellSouth's trigger analysis considered CLEC provided data regarding its actual deployment, loop data for business class customers from its loop inventory database, and numbers ported to CLECs (which thus includes lines CLECs serve using their own facilities). This contrasts with the narrow approach Mr. Gillan has apparently taken, which is to disregard completely SL1 loop information, the data relating to ported numbers as well as CLEC reported data.

Q. CAN YOU EXPLAIN WHAT DATA MR. GILLAN HAS APPARENTLY IGNORED?

A. Yes. In its response to AT&T's subpoena, BellSouth provided separate files for different loop types. Mr. Gillan has apparently included only those loop types for which BellSouth was able to provide information by wire center and by CLEC, and has presented that data as reflective of total in-service analog loops of the CLECs that meet the FCC's switch trigger. By doing so, Mr. Gillan has not captured SL1 loop activity, which activity cannot be segregated by wire center and by CLEC within the same report format. BellSouth provided data in response to AT&T's subpoena, which included SL1 loop activity by wire center, but not by wire center and by CLEC, and thus Mr. Gillan's Confidential Supplemental Exhibit JPG-10 is misleading at best. Moreover, Mr. Gillan is once again trying to impose requirements of his own making rather than simply applying the trigger analysis contained in the FCC's rule.

Q. DO YOU HAVE ANY OTHER COMMENTS RELATING TO MR. GILLAN'S SUPPLEMENTAL TESTIMONY AND EXHIBITS?

A. Yes. I do not understand why Mr. Gillan has chosen to use a selected portion of data provided by BellSouth to analyze certain CLECs that are FCCA member companies instead of seeking data directly from these companies. I understand that AT&T, ITC^DeltaCom, Network Telephone, and MCI are all members of the FCCA. It appears that Mr. Gillan has elected to obtain data from BellSouth, rather than from these member companies. BellSouth has diligently attempted to obtain data directly from CLECs to present this Commission with the most

accurate information. BellSouth has sought, as much as possible, to rely upon data provided by the CLECs concerning the types of customers served and where such customers are located in analyzing the switching trigger. It appears, however, that Mr. Gillan has not even attempted to obtain data directly from the FCCA member companies included in BellSouth's trigger analysis.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

Errata Sheet
Direct and Surrebuttal Testimony of Pamela A. Tipton

Direct Testimony

1. Page 4, line 15, delete "circuit"

Surrebuttal

1. Page 2, line 18, delete "circuit"
2. Page 8, line 11, change "issued" to "became effective on"
3. Page 8, line 11, change "2001" to "2000"
4. Page 11, line 5, change "quanfitied" to "quantified"

Errata for Pamela A. Tipton Direct Testimony filed 12/4/2003
Docket No. 030851-TP

1. On page 3, line 24, insert "that provide service" before the word "in."
2. On page 3, line 25, change "customers" to "lines"
3. On page 4, line 3 change "deployed" to "that provide service in"
4. On page 7, line 17, change "13" to "12"
5. On page 7, line 19, change "13" to "12"
6. On page 7, line 22, change "13" to "12"
7. On page 10, line 15, strike "residential"
8. On page 13 line 3, change "13" to "12"
9. On page 13, lines 5 through 7, strike the entire sentence and replace with "No."
10. On page 13, line 7, change "7" to "6"
11. On page 13, line 8, change "13' to "12"
12. On page 13, line 8, strike "but one"
13. One page 13, lines 12-13, strike "that you are counting to satisfy the self-provisioning trigger in that one market"
14. On page 15, line 21, change "10" to "9"
15. On page 16, line 20, change "10" to "9"
16. On page 16, line 22, change "10" to "9"
17. On page 16, line 24, change "10" to "9"
18. On page 17, line 16, change "13" to "12"
19. Replace Exhibit PAT-1 with Revised Exhibit PAT-1
20. Replace Exhibit PAT-2 with Revised Exhibit PAT-2
21. Replace Exhibit PAT-3 with Revised Exhibit PAT-3
22. Replace Exhibit PAT-4 with Revised Exhibit PAT-4
23. Replace Revised Exhibit PAT-5 with Second Revised Exhibit PAT-5
24. Replace Exhibit PAT-6 with Revised Exhibit PAT-6
25. Replace Exhibit PAT-7 with Revised Exhibit PAT-7

MS. MAYS: The next BellSouth witness will be Mr. Varner. He has direct, rebuttal and surrebuttal testimony, and he has an errata. We would ask that it be admitted into the record as though read. We would ask that his exhibits be collectively identified as Number 70.

CHAIRMAN BAEZ: Show the direct, rebuttal and surrebuttal testimony of Alphonso Varner, including errata, entered into the record as though read without objection. And accompanying exhibits will be marked as Composite 70.

(Exhibit 70 marked for identification.)

BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF ALPHONSO J. VARNER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FILED DECEMBER 4, 2003

DOCKET NO. 030851-TP

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR BUSINESS ADDRESS.

A. My name is Alphonso J. Varner. I am employed by BellSouth as Assistant Vice President in Interconnection Services. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from Florida State University in 1972 with a Bachelor of Engineering Science degree in systems design engineering. I immediately joined Southern Bell in the division of revenues organization with the responsibility for preparation of all Florida investment separations studies for division of revenues and for reviewing interstate settlements.

Subsequently, I accepted an assignment in the rates and tariffs organization with responsibilities for administering selected rates and tariffs including preparation of tariff filings. In January 1994, I was

appointed Senior Director of Pricing for the nine-state region. I was named Senior Director for Regulatory Policy and Planning in August 1994. In April 1997, I was named Senior Director of Regulatory for the nine-state BellSouth region. I accepted my current position in March 2001.

Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to:

- Demonstrate to the Florida Public Service Commission ("the Commission") that, based on performance data for the last twelve months (September 2002 through August 2003), BellSouth's Loop Provisioning performance, including Hot Cuts, does not pose a barrier to market entry for CLECs seeking to serve customer locations with voice-grade loops;
- Propose changes to the existing performance measurements plan to produce even more performance data to enable further monitoring of BellSouth's performance. These changes increase performance monitoring of the batch hot cut process, coordinated and non-coordinated hot cuts.
- Propose changes to the Self Effectuating Enforcement Mechanism (SEEM) related to hot cuts.

Q. WHAT ISSUES ON THE FLORIDA ISSUES LIST DOES YOUR TESTIMONY ADDRESS?

A. My testimony primarily addresses issue 5(c) with respect to: "The ILEC's performance in provisioning loops". In particular, the loop performance data provided in this filing will demonstrate that CLECs do not face an operational barrier to market entry absent unbundled local switching. This issue is included in Appendix A of the Commission's Order No. PSC-03-1265-PCO-TP ("Second Order on Procedure") issued November 7, 2003, regarding Docket Nos. 030851-TP and 030852-TP. However, while only specifically addressing issue 5(c), the performance data contained in this testimony may also be used to support, by inference, that BellSouth is able to meet anticipated loop migration demand with its existing processes in a timely and efficient manner, *i.e.*, issue numbers. 3(d), (e) and (g).

Q. HOW IS YOUR TESTIMONY ORGANIZED?

A. My testimony is organized into three major sections. Section I primarily contains overall loop performance data for a comprehensive set of Ordering, Provisioning, and Maintenance & Repair measures. In that section, I also briefly address cross-connect and collocation performance. In Section II, I concentrate on loop performance specifically related to hot cuts, including batch hot cuts, to demonstrate BellSouth's ability to perform these conversions in an effective and timely manner. Finally, in Section III, I will discuss BellSouth's proposed additions to performance measures and SEEM, if it receives unbundled switching relief.

I. BELLSOUTH'S CURRENT LOOP PROVISIONING PERFORMANCE

A. BellSouth's Performance Measures

Q. WHAT EMPIRICAL EVIDENCE DOES BELLSOUTH PRESENT TO SHOW THAT BELLSOUTH'S LOOP PROVISIONING PERFORMANCE IS NOT AN OPERATIONAL BARRIER TO CLECS ENTERING THE MARKET WITHOUT UNBUNDLED CIRCUIT SWITCHING?

A. My testimony presents performance data generated by measurements approved by this Commission to demonstrate that loop provisioning is not an operational barrier to UNE-Loop (UNE-L) market entry. Data is provided for the period September 2002 through August 2003. Because this Commission revised the Service Quality Measurement ("SQM") plan in July 2003, 10 months of the data are based on the previous SQM. A detailed discussion of the data and the detailed performance results are provided in Exhibit AJV-1.

Q. DO THE CLECS HAVE EMPIRICAL EVIDENCE TO DEMONSTRATE BELLSOUTH'S ABILITY TO PROVIDE UNBUNDLED LOOPS?

A. The CLECs have access to most of the CLEC aggregate data that I present here, and can collect data on their own transactions with BellSouth. While I obviously have not seen the CLEC's testimony in this proceeding, past proceedings indicate that the CLECs do not produce data of their own or utilize the CLEC aggregate data produced by

BellSouth to comment on BellSouth's performance. Instead, they typically rely on unsupported anecdotal evidence to allege poor performance by BellSouth. If that pattern continues in this proceeding, the Commission should disregard the CLECs' testimony and focus solely on the objective evidence of performance that I present here.

Q. WHAT PROCESSES DO YOU INCLUDE IN LOOP PROVISIONING DATA?

A. In order to demonstrate that BellSouth provides CLECs with access to unbundled loops in a manner such that CLECs are not impaired, the loop provisioning data provided in this filing includes the processes involved in providing CLECs unbundled loops from beginning to end. Therefore, BellSouth provides data herein not only for measurements associated with installation of voice grade loops as defined in the "Provisioning" category of the SQM, but for measurements in the Ordering and Maintenance & Repair categories as well. These measurement results show that BellSouth responds to CLEC loop orders accurately and timely and performs maintenance and repair activities in a nondiscriminatory manner. Also, because UNE loops are terminated in collocation spaces, data for collocation performance are included.

Q. PLEASE DESCRIBE THE SOURCE OF THE DATA USED IN YOUR TESTIMONY.

A. The data provided in this filing are produced by the Performance Measurement Analysis Platform (PMAP), which is the same system utilizing the same SQM that produces these data for this Commission, the Commission staff, the FCC and the CLECs each month. The data results are produced by the same process that yielded the data relied upon by this Commission and the FCC to conclude that BellSouth met its section 271 obligations. As you may recall from the interLATA proceeding, PMAP underwent an extremely thorough third party audit conducted by Bearing Point over multiple years. The metrics audit was concluded in Florida on July 30, 2002 and in Georgia on June 6, 2003 with no significant adverse findings in either state.

Q. WHAT VALUE DOES THE DATA PROVIDED HAVE IN DEMONSTRATING THAT UNBUNDLED LOOP PROVISIONING, INCLUDING HOT CUTS, WILL NOT BE AN OPERATIONAL BARRIER FOR CLECS IF SWITCHING IS NO LONGER A UNE?

A. As discussed in the testimony of BellSouth witness Mr. Ken Ainsworth, the loop provisioning processes used by BellSouth in the past will continue to be used in the future. From BellSouth's proven performance track record, the Commission can and should infer that BellSouth's performance will continue at a high level in the future. After all, it has been almost a year since BellSouth entered the interLATA market in Florida, and BellSouth's performance has remained consistently high. Moreover, BellSouth has introduced new measures and revised others to enable this Commission

to evaluate even more data on BellSouth's loop provisioning processes.

Q. WHAT LOOP PROVISIONING MEASUREMENTS HAS BELLSOUTH INCLUDED?

A. In addition to the measurements specifically related to hot cuts, which are discussed in the next section of my testimony, BellSouth has included the following SQM measures that cover the major processes associated with Ordering, Provisioning and Maintenance & Repair of UNE Loops in Florida. In some cases the same process is reflected, either partially or wholly in multiple measures. In these cases, the multiple measures are included.

- Ordering
  - i. Reject Interval - Fully Mechanized, Partial Mechanized and Non Mechanized
  - ii. FOC Timeliness - Fully Mechanized, Partial Mechanized and Non Mechanized
  - iii. FOC and Reject Response Completeness - Fully Mechanized, Partial Mechanized and Non Mechanized
  - iv. Flow Through – UNE products
  - v. Service Inquiry with Firm Order
- Provisioning
  - i. Mean Held Order Interval
  - ii. Average Jeopardy Notice Interval (Mechanized)
  - iii. % Jeopardy Notice >= 48 Hours (Mechanized)

iv. Order Completion Interval
v. Missed Installation Appointments
vi. Provisioning Troubles within 30 Days
vii. Average Completion Notice Interval (Mechanized)
viii. Cooperative Test Attempts for DSL
ix. Service Order Accuracy (Design & Non Design)

- Maintenance & Repair
  i. Missed Repair Appointments
  ii. Customer Trouble Report Rate
  iii. Maintenance Average Duration
  iv. Repeat Troubles within 30 Days
- Collocation
  i. Collocation Average Response Time
  ii. Collocation Average Arrangement Time
  iii. Collocation Percent of Due Dates Missed

Q. WHICH PRODUCTS ARE INCLUDED WITHIN THE UNE LOOP PERFORMANCE DATA?

A. Of the products for which this Commission previously ordered separate data, BellSouth has included the most popular products within the UNE Loop data with this filing:

- xDSL – this includes ADSL, HDSL and Unbundled Copper Loop (UCL), except UCL-Non Design (ND)
- Unbundled Cooper Loop – Non-Design (UCL-ND)

- UNE ISDN Loops – this includes Basic Rate Interface (BRI), Primary Rate Interface (PRI) and UDC
- UNE 2W Analog Loops Design with and without LNP
- UNE 2W Analog Loops Non Design with and without LNP
- Enhanced Extended Links (EELs)

These products encompass virtually all of the UNE loops that CLECs have ordered and would be expected to order to provide voice grade service to mass-market customers. Of course, the Commission has data on any other loop products in which it may be interested.

Q. WHY DID BELLSOUTH INCLUDE A YEAR OF DATA WITH THIS FILING?

A. BellSouth wanted to demonstrate clearly and unequivocally that its performance has met, and will continue to meet, it obligations under the Act. As the Commission will see, BellSouth's performance today is substantially the same (and in many cases better) than when this Commission and the FCC approved BellSouth's application to provide interLATA relief. Consequently, there is no doubt that BellSouth provides today, as it provided at the time of its 271 application, non-discriminatory, timely and efficient access to UNE loops. To reach a different conclusion today would directly conflict with the Commission's order in the 271 docket.

Q. ARE THERE ANY NEW PRODUCTS THAT CLECS WILL BE ABLE TO ORDER FOR WHICH DATA ARE NOT CURRENTLY AVAILABLE?

A. Yes. Although Bellsouth currently allows CLECs to provision their own "co-carrier cross-connects" that allow two or more CLECs to interconnect their collocation spaces in a BellSouth central office, BellSouth plans to offer a new product to help facilitate this interconnection if the CLECs want BellSouth to perform this work, called "Co-Carrier Cross- Connect." This product is discussed in Mr. John Ruscilli's testimony and will be a federal tariff offering, which will provide for the installation of jumper patch cords between the two tie pairs connecting the Physical Collocation arrangements of two CLECs in BellSouth's Central Offices. The Co-Carrier Cross-Connect service provides a one-to-one dedicated transmission path between two CLECs' collocation arrangements located in the same Central Office at two-wire, four-wire, DS1, DS3, and fiber optic levels.

Given that this will be a new service offering, obviously BellSouth does not currently provide for this product in its reported data. However, once the product becomes available and CLEC requests for the service generate activity, these data will be included in a current product category called "UNE Other." Moreover, the cross-connect process is a simple procedure that is already very much a part of current loop provisioning activities. Loop provisioning requires installation of cross connects between BellSouth equipment and CLEC collocation space, and performance of

this activity is already reflected in the in the measurement data. There is nothing peculiar to cross-connects that involve CLEC to CLEC requests that would impact the process adversely. Consequently, with the understanding that this type of activity is already reflected in the loop provisioning data provided in this filing, the Commission has everything that it needs to evaluate the ability of CLECs to effectively serve their targeted customers in the absence of UNE-P.

B. BellSouth's Performance Results

Q. WHAT WAS BELLSOUTH'S ORDERING TIMELINESS AND COMPLETENESS PERFORMANCE FOR UNE LOOPS FOR THE PAST 12 MONTHS IN FLORIDA?

A. Ordering timeliness and completeness performance is reflected in the Reject Interval, FOC Timeliness, and FOC and Reject Completeness measures. The Reject Interval measure shows the extent to which an LSR that contained an error by the CLEC was returned by BellSouth in a timely manner to the CLEC for correction. FOC Timeliness results show whether BellSouth converted an LSR submitted by a CLEC into the service order necessary to perform the requested action within the timeframes established by this Commission. FOC and Reject Response Completeness performance indicates the extent to which a CLEC received a response to each valid LSR that it submitted.

Total Rejected LSRs

The following tables provide a summary by month of BellSouth's performance on these three metrics (including fully mechanized, partial mechanized and non-mechanized LSRs) for UNE Loop LSRs that were submitted by CLECs during the latest 12 months. As previously stated, Exhibit AJV-1 contains a detailed breakdown of the ordering sub-metrics included in the following tables.

% OF REJECTED LSRs MEETING REJECT INTERVAL BENCHMARKS			
Month	**# LSRs Rejected**	**# Rejected LSRs Meeting Benchmark**	**Percentage Meeting Benchmark**
Sep '02	1,507	1,361	90%
Oct '02	1,699	1,516	89%
Nov '02	1,498	1,350	90%
Dec '02	1,373	1,216	89%
Jan '03	1,183	1,057	89%
Feb '03	1,077	977	91%
Mar '03	1,151	1,053	91%
Apr '03	1,074	991	92%
May '03	1,064	997	94%
Jun '03	1,232	1,156	94%
Jul '03	1,326	1,223	92%
Aug '03	1,112	1,010	91%
TOTAL	**15,296**	**13,907**	**91%**

During this 12-month period (September 2002 to August 2003), the average reject interval for all rejected LSRs was within the benchmark interval for Fully Mechanized LSRs with errors rejected in 42 minutes on average against a benchmark of 1 hour. Likewise, the average reject interval was 7 hours 53 minutes for Partially Mechanized LSRs, and 6 hours 34 minutes for Non-Mechanized LSRs – the benchmark for Partially

Mechanized LSRs is 10 hours and the benchmark for Non-Mechanized LSRs is 24 hours.

Fully Mechanized

For those Fully Mechanized Rejected LSRs for which BellSouth did not meet the one-hour benchmark, BellSouth has conducted a detailed root cause analysis of the process. The root cause analysis has identified three issues that account for a significant portion of the LSRs that are rejected back to the CLEC and missed the 1-hour benchmark. These three issues and their corresponding status are as follows:

ISSUE	STATUS
1. Errors are being detected with Listing LSRs. When a CLEC sends in an LSR for a Listing on a new account and completes the LSR properly, a FOC will be returned. However, if that account is found to be already active, then the order cannot be provisioned. The LSR is manually rejected and returned to the CLEC. If the LSR was submitted as a record only change to the directory listing, this would not be an issue. A Feature was implemented that will autoclarify the error prior to issuance of an FOC for this condition.	1. Feature implemented with Release 12.0 on 3/30/03.
2. Errors are being detected for LSRs that are Planned for Manual Fallout, but are being counted as Fully Mechanized. Such LSRs are designed to be worked by a service representative. If a CLEC calls regarding an LSR and the service representative retrieves the record outside of their normal process for retrieving orders, the LSR is not properly counted as Partially Mechanized because the proper service representative information is not populated and PMAP counts the LSR as Fully Mechanized. The LSR does not reflect that it was handled by the service representative and therefore is counted as fully mechanized.	2. Feature implemented with Release 13.0 on 6/22//03 to properly count this LSR as partially mechanized.
3. Errors are being detected for LSRs with errors that require manual intervention, but are being counted as Fully Mechanized. LSRs are submitted, but then encounter an error that cannot be handled by the system. The LSR is manually rejected and returned to the CLEC.	3. Feature implemented with Release 13.0 on 6/22//03 to properly count this LSR as partially mechanized.

The previous chart reported BellSouth's performance in timely returning of Rejects was based on Total Rejects (*i.e.*, Fully Mechanized, Partially Mechanized and Non-Mechanized). If we only look at Fully Mechanized Rejected LSRs, with the implementation of Release 13.0 effective with May 2003 data, BellSouth has met the 1-hour benchmark for 96% of the fully mechanized rejected LSRs for May through August 2003. BellSouth continues to review the small number of fully mechanized rejected LSRs that did not meet the 1-hour benchmark for potential system issues.

Partially Mechanized Rejected LSRs

The Florida SQM requires that BellSouth meet a benchmark for partially mechanized reject notices of 95% returned within 10 hours or less. The current Florida standard is much more demanding than that used for approval of BellSouth's interLATA application, which required 85% of reject notices returned in 10 hours or less. Nonetheless, BellSouth made an average of 88% over this period.

To address the remaining LSRs that were not returned within the 10-hour benchmark, BellSouth conducted a detailed raw data analysis that has revealed three areas associated with the mechanized portion of the partially mechanized LSRs:

- BellSouth experienced delays in processing LSRs submitted via the EDI system. During September and October 2003, this problem was corrected. The EDI CPUs and hard drives were replaced as well as additional CPU capacity installed. Also, additional pathways between

the EDI translator and down stream Legacy systems were added. Finally, the electronic processing of certain administrative and archival activities was removed from the EDI translator to reduce overall processing time of the LSRs.

- Some LSRs experience delays in resolving incorrect connecting facility assignments (CFA) by the CLECs. BellSouth has determined that when an incorrect CFA is provided, it is being assigned an error status for further correction. Additional analysis is being performed to determine if the resolution is being delayed by a system problem or if the service representatives are not handling the corrections in a timely manner.
- LSRs are dropping out for manual handling because of an error discovered after a FOC was returned to the CLEC. There are instances where an error is discovered as the Service Order begins to process through the provisioning systems. Due to the way the ordering and provisioning systems interact, it is not feasible for the order processing systems to query the provisioning system to detect these errors, prior to sending the FOC. Thus, when the error is detected as the Service Order begins to process, the reject is returned to the CLEC, but the time interval is measured from when the LSR was first received, resulting in an unusually long reject interval. It may be appropriate to exclude these types of rejects from the reject interval measurement and this exclusion can be addressed in the next periodic review of measurements. There are only small quantities of cases where the types of conditions that cause BellSouth to miss the

standard occur, averaging about 65 per month. These volumes make it extremely difficult to duplicate the event that caused the problem, so that the problem can be corrected. Importantly, the small volume of misses indicates that performance is not having a significant adverse impact on CLECs.

Q. HOW IS BELLSOUTH'S FOC TIMELINESS PERFORMAMCE?

A. As set forth in the chart below, BellSouth has met the benchmark established by the Commission, for 92% or more of the LSRs submitted for the past year.

% OF FOCs MEETING FOC TIMELINESS BENCHMARKS			
Month	**# Total FOCs Returned to CLEC**	**# FOCs Meeting Benchmark**	**Percentage Meeting Benchmark**
Sep '02	5894	5524	94%
Oct '02	7294	6893	95%
Nov '02	5699	5257	92%
Dec '02	6106	5632	92%
Jan '03	5374	5039	94%
Feb '03	5211	4907	94%
Mar '03	5102	4813	94%
Apr '03	4825	4544	94%
May '03	5029	4732	94%
Jun '03	5298	4881	92%
Jul '03	6025	5645	94%
Aug '03	4922	4527	92%
TOTAL	**66779**	**62394**	**93%**

10 minutes for Fully Mechanized LSRs; 8 hours 11 minutes for Partially Mechanized LSRs; and, 9 hours 33 minutes for Non-Mechanized LSRs. The benchmark standard for Fully Mechanized LSRs is 3 hours, the benchmark for Partially Mechanized LSRs is 10 hours and the benchmark for Non-Mechanized LSRs is 24 hours.

The principal area where BS is missing the standard is in Partially Mechanized FOCs. To address the remaining LSRs that were not returned within the 10-hour benchmark, BellSouth conducted a detailed raw data analysis that has revealed three areas associated with the mechanized portion of the partially mechanized LSRs:

- A number of FOCs were entered into the system within the benchmark but were not counted correctly due to repeated attempts to respond to the CLEC. BellSouth met its requirement of initially returning the FOC within the 10-hour benchmark. However, because of a system error the performance was stated incorrectly. The issue does not affect BellSouth's performance for returning the FOC to the CLEC; it is just understating BellSouth's performance.
- BellSouth experienced delays in processing LSRs submitted via the EDI system. See detailed explanation included with Reject Interval B.1.12 for this issue.
- Some CLECs are requesting that certain auto clarified (rejected)LSRs be corrected and processed without the CLEC resubmitting a new version of the existing LSR. In specific cases, some LSRs are being corrected and put into the ordering systems without receiving a new

LSR from the CLEC. This causes the FOC to exceed the 10-hour benchmark. This is due to the fact that the beginning timestamp is not changed from the time the LSR was initially submitted by the CLEC, and as a result the entire time is included in the interval. This interval will almost always exceed the 10-hour FOC benchmark. In an effort to provide good customer service, BellSouth is meeting the request of the CLECs but this causes the FOC benchmark to be exceeded.

Q. HOW IS BELLSOUTH'S PERFORMANCE ON FOC AND REJECT RESPONSE COMPLETENESS?

A. BellSouth has returned FOCs and/or rejects for 94% or better of the LSRs each month over the past year as depicted in the following chart.

% OF FOC & REJECT RESPONSES RETURNED TO CLECs (95% BENCHMARK)			
Month	**# Total LSRs Submitted**	**# Responses Returned**	**Percentage of Total Returned**
Sep '02	7332	7135	97%
Oct '02	8841	8633	98%
Nov '02	7015	6800	97%
Dec '02	7392	7203	97%
Jan '03	6600	6324	96%
Feb '03	6288	6056	96%
Mar '03	6233	6081	98%
Apr '03	5927	5733	97%
May '03	6143	5949	97%
Jun '03	6773	6372	94%
Jul '03	7386	7107	96%
Aug '03	6259	5861	94%
TOTAL	**82189**	**79254**	**96%**

Q. WHAT PERCENTAGE OF THE UNE LOOP LSRS SUBMITTED BY THE CLECS IN THE LAST 12 MONTHS IN FLORIDA FLOWED THROUGH BELLSOUTH'S OPERATION SUPPORT SYSTEMS?

A. BellSouth does not measure the UNE Loops as a separate disaggregation within the Flow Through measurement. However, the Flow Through report does include a separate category for the UNE LSRs and they are set forth in the following table for the September 2002 through August 2003 time period. Flow Through is a regional measurement and not disaggregated at the state level. BellSouth exceeded the 85% benchmark for Flow Through of the UNE LSRs for each month of the 12-month period from September 2002 through August 2003. In fact, over 3.6 million of the 3.8 million UNE LSRs (95%) submitted met the flow through standard. Beginning in March 2003, BellSouth added UNE-P and UNE Other disaggregations to Flow-Through. (UNE Other is defined as the total UNE LSRs minus the UNE-P LSRs.) BellSouth met 86.42% (62,439 of 72,254) of the submitted UNE Other LSRs during this period.

Q. WHAT DOES THE SERVICE INQUIRY WITH FIRM ORDER MEASURE ADDRESS AND HOW DID BELLSOUTH PERFORM?

A. This measure addresses a small group of services (*i.e.*, xDSL and Unbundled Interoffice Transport) that require BellSouth to check equipment availability before the CLEC can submit an LSR. BellSouth returned 325 of the 355 service inquiries (92%) within the 5-day interval

specified by the Commission during the period of September 2002 through August 2003. See Exhibit AJV-1 for the details concerning this measure.

Q. WHAT WAS BELLSOUTH'S PERFORMANCE FOR UNE LOOPS ON THE MEASURES IN THE PROVISIONING CATEGORY OF THE SQM?

A. Excellent. The various provisioning measures address certain aspects of provisioning an individual order. For this reason summary results based on the number of orders processed cannot be presented for provisioning measures like they are for the ordering measures. However a cursory review of the data by simply comparing the number of submetrics met indicates the high level of performance as shown below.

% OF PROVISIONING SUB-METRICS MEETING PARITY			
Month	**Total # Submetrics with CLEC Activity**	**# Submetrics Meeting Benchmarks**	**Percentage Meeting Benchmarks**
Sep '02	101	85	84%
Oct '02	101	93	92%
Nov '02	101	93	92%
Dec '02	103	95	92%
Jan '03	101	94	93%
Feb '03	101	94	93%
Mar '03	100	87	87%
Apr '03	100	91	91%
May '03	124	107	86%
Jun '03	140	127	91%
Jul '03	132	117	89%
Aug '03	129	114	88%
TOTAL	**1333**	**1197**	**90%**

BellSouth met an average of 90% of all the UNE Loop provisioning sub-metrics over the last 12 months in Florida. These results were fairly

constant from month to month, ranging from 84% to 93%. As shown above, BellSouth met 1197 of the 1333 sub-metrics with CLEC activity during the period.

The following table provides a detail breakdown, by provisioning measure, of the measurements included in the overall summary above.

12-MONTH TOTAL FOR PROVISIONING MEASURES MEETING PARITY			
Measure	**Total # Submetrics with CLEC Activity**	**Total # Submetrics Meeting Parity**	**% Meeting Parity**
Mean Held Order Interval	148	131	89%
Average Jeopardy Notice Interval	112	112	100%
% Jeopardy Notice >= 48 Hours	112	92	82%
Coordinated Customer Conversions	12	12	100%
Order Completion Interval	182	149	82%
Hot Cut Timeliness	46	43	93%
% Provisioning Troubles within 7 Days of Hot Cut	41	40	98%
% Missed Installation Appointments	194	170	88%
% Provisioning Troubles within 30 Days of Completions	190	167	88%
Average Completion Notice Interval	188	185	98%
% Cooperative Test	12	12	100%
SOA	96	84	88%

Q. BRIEFLY DESCRIBE THE NATURE OF THE ISSUES THAT CAUSED MOST OF THE MISSES REFLECTED IN THE ABOVE CHARTS.

A. Each of these provisioning results is discussed in more detail in Exhibit AJV-1. The analyses in that exhibit show that the misses for the most part are not indicative of problems in BellSouth's performance. A brief summary of the principal causes of the performance misses follows.

Mean Held Order Interval

All but 2 of the missed submetrics occurred in cases where the volume of held orders was too low to indicate a problem with performance. The maximum number of held orders missed in each of these submetrics was only 6.

% Jeopardy Notice >=48 Hrs.

First, this measure is simply another way to measure Jeopardy Notice Interval and BellSouth's performance was perfect on that measure for the period. The misses that occurred in this submetric were all low volume cases with a maximum of 8 notices that missed the standard in any of these submetrics. The volume was so low that in many cases perfect performance was required in order to meet the standard.

Order Completion Interval

In 29 of the cases where the standard was missed, the CLEC performance for dispatched orders was being compared to retail performance for non-dispatched orders.

% Missed Installation Appointments

For the sub-metrics missed in this area, BellSouth typically only missed a small number of appointments. For example, for 10 of the sub-metrics missed, 99% of the appointments were met and in two other cases 97% of

the appointments were met. In another 6 submetrics, fewer than five appointments were missed.

% Provisioning Troubles<=30 Days

Fourteen (14) of the missed submetrics occurred in cases where the volume was too low to indicate a problem with performance and another two (2) misses occurred where an abnormally high % of the reports resulted in no trouble being found.

Service Order Accuracy

The sub-metric results are very misleading. To illustrate, while counting the number of sub-metrics meeting the benchmark over the 12-month period yields only an 88% (84 out of 96 sub-metrics) accuracy rate, counting the number of actual orders that were accurate yields a 98% (12,723 out of 12,944 orders) accuracy rate.

As you can see from these summaries, most of the misses are not indicative of systemic problems and in some cases indicate no problem at all with performance. When this fact is considered along with the already high level performance indicated by the raw measurement data, BellSouth's performance is exceptional.

Q. HOW WAS BELLSOUTH'S UNE LOOP MAINTENANCE & REPAIR PERFORMANCE?

A. Excellent. BellSouth met 87% of the UNE Loop sub-metrics associated with the Maintenance & Repair measures included with this filing, and the

overwhelming majority of the misses do not indicate performance problems. As shown in the following table, BellSouth met 334 of the 384 sub-metrics with CLEC activity during the period from September 2002 through August 2003. (See Exhibit AJV-1 for a detailed breakdown of the maintenance & repair sub-metrics for the UNE loops included in this table.) The number of M&R sub-metrics is about one-third that of provisioning. Thus, there is more variability from month to month for maintenance and repair when compared to provisioning.

% OF M&R SUB-METRICS MEETING PARITY			
Month	**Total # Submetrics with CLEC Activity**	**# Submetrics Meeting Parity**	**Percentage of Submetrics Meeting Parity**
Sep '02	32	27	84%
Oct '02	32	30	94%
Nov '02	32	28	88%
Dec '02	32	29	91%
Jan '03	32	29	91%
Feb '03	32	29	91%
Mar '03	32	28	88%
Apr '03	32	26	81%
May '03	32	27	84%
Jun '03	32	27	84%
Jul '03	32	29	91%
Aug '03	32	25	78%
TOTAL	**384**	**334**	**87%**

The following table provides a detailed breakdown by maintenance & repair measure of the measurements included in the overall summary above.

12-MONTH TOTAL FOR MAINTENANCE & REPAIR MEASURES MEETING PARITY			
Measure	**Total # Submetrics with CLEC Activity**	**Total # Submetrics Meeting Parity**	**% Meeting Parity**
% Missed Repair Appointments	96	78	81%
% Customer Trouble Report Rate	96	79	82%
Maintenance Average Duration	96	84	88%
% Repeat Troubles within 30 Days	96	93	97%

Q. BRIEFLY DESCRIBE THE ISSUES THAT CONTRIBUTED TO MANY OF THE MISSED SUBMETRICS IN THE ABOVE CHART.

A. Like the provisioning measurements, these measurement results are also analyzed in Exhibit AJV-1. Following is a brief summary of the principal causes of these performance metric misses.

% Missed Repair Appointments and % Repeat Troubles

In both of these cases, all of the misses occurred where there was a very low volume of activity. Such low volumes do not indicate a problem with performance.

%Customer Trouble Report Rate

In all 18 cases were a miss was recorded, high quality service was provided. In all cases the level of trouble report free service was at least 97%. When service levels are this high, the statistical test used to evaluate performance is overly sensitive to service differences and records a miss even though service levels are high.

Maintenance Average Duration

For five of these misses the volume was too low to draw a conclusion, and for 9 of the misses the average difference between wholesale and retail performance was 2 hours.

C. Cross-Connect Performance

Q. THE FCC SPECIFICALLY MENTIONED CLEC-TO-CLEC CROSS-CONNECT PROVISIONING PERFORMANCE AS AN AREA FOR REVIEW. SINCE BELLSOUTH CURRENTLY DOES NOT PROVIDE A CO-CARRIER CROSS-CONNECT PRODUCT, HOW CAN THE COMMISSION BE CONFIDENT THAT BELLSOUTH'S PERFORMANCE IN THIS AREA WILL NOT CAUSE CLECS TO BE IMPAIRED IF UNE-P IS NOT AVAILABLE?

A. The Commission may infer from BellSouth's current performance in providing cross-connects for existing applications such as UNE Loops what its performance would likely be for co-carrier cross-connects. Notably, the loop provisioning data previously discussed includes performance in provisioning all cross connects necessary to make the UNE loop available. The cross connects required to provide a UNE loop are not ordered separately from the loop itself, instead they are a part of the UNE loop product. Consequently, the performance data for such cross-connects is not separated from the data for the other parts that make up the UNE loop products. In the case where a CLEC orders a new loop from BellSouth, the cross-connect activity associated with completing

the order is a part of the reported results as provided in this filing. If a CLEC order requires this loop to provided via a hot cut, the cross-connect activity is included in the performance results for hot cuts, as reported today and as proposed in this filing.

As previously stated in this testimony, the cross-connect process is a very basic procedure that BellSouth performs on an ongoing basis with a great deal of frequency. There is no appreciably greater difficulty involved in providing co-carrier cross-connect as compared to a cross-connect between BellSouth and a CLEC. A cross-connect is a cross-connect. Therefore, based on current performance, as provided in this filing, the Commission should be confident that it has everything necessary to assess whether CLECs would be impaired in the absence of UNE-P.

D. Collocation Performance

Q. HOW WELL HAS BELLSOUTH PERFORMED IN PROVIDING COLLOCATION SPACES?

A. The following table shows that BellSouth met 100% of all collocation measures during the 12-month period. (See Exhibit AJV-1 for further details concerning the data included in this table.)

% OF COLLOCATION SUB-METRICS MEETING BENCHMARK			
Month	**Total # Submetrics with CLEC Activity**	**# Submetrics Meeting Parity**	**Percentage Meeting Parity**
Sep '02	7	7	100%
Oct '02	10	10	100%
Nov '02	7	7	100%
Dec '02	8	8	100%
Jan '03	10	10	100%
Feb '03	9	9	100%
Mar '03	11	11	100%
Apr '03	10	10	100%
May '03	9	9	100%
Jun '03	11	11	100%
Jul '03	7	7	100%
Aug '03	7	7	100%
TOTAL	**106**	**106**	**100%**

From the foregoing results, it is clear that CLECs do not face operational barriers based on BellSouth's performance in providing timely collocation. BellSouth's provision of collocation is discussed further in the testimony of BellSouth witness John Ruscilli.

II. BELLSOUTH'S CURRENT HOT CUT PERFORMANCE DATA

Q. PLEASE IDENTIFY THE PERFORMANCE MEASUREMENTS THAT BELLSOUTH CURRENTLY REPORTS RELATIVE TO HOT CUT ORDERS.

A. BellSouth currently captures its performance results relative to Hot Cuts and Coordinated Customer Conversions (CCC) via four measures listed in the Florida SQM:

- P-7: Coordinated Customer Conversion Interval

- P-7A: Coordinated Customer Conversions – Hot Cut Timeliness % within Interval and Average Interval
- P-7B: Coordinated Customer Conversions – Average Recovery Time
- P-7C: Hot Cut Conversions - % Provisioning Troubles Received within 7 days of Completed Service Order

Q. WHAT TYPES OF HOT CUTS ARE INCLUDED IN THE PERFORMANCE DATA?

A. Currently, BellSouth's performance results for measures P-7, P-7A and P-7B only include data for coordinated hot cuts as reflected by the title of the measurement. As originally designed, these Commission-approved hot cut measurements only capture coordinated conversions, which account for the vast majority of conversions requested by CLECs. Further, the data necessary to calculate these measures are only available on coordinated hot cuts. The P-7C measurement should include coordinated and non-coordinated hot cuts; however, only data for coordinated hot cuts has been included. The measure will be corrected to include non-coordinated cuts beginning in January 2004, as reflected in the Preliminary January 2004 Notification Report filed on November 3, 2003. Analysis indicates that correcting this error will have a 0.005% positive impact on results (based on May 2003 data).

Q. YOU INDICATED THAT COORDINATED CONVERSIONS ACCOUNT FOR THE VAST MAJORITY OF CONVERSIONS THAT CLECS

REQUEST. PLEASE ILLUSTRATE THE COMPARATIVE VOLUMES OF COORDINATED VERSUS NON-COORDINATED CONVERSIONS.

A. Over the 12-month period from September 2002 to August 2003, the average volume for non-coordinated hot cuts was less than 3% of the total volume for all conversions. In contrast, coordinated hot cuts represented more than 97% of total conversions on average over this same period. Moreover, for the one measure, P-7C, that should include non-coordinated hot cuts, not only is the volume small, but based on the measurement impact assessment included in the January 2004 Preliminary Notice, the percent of non-coordinated hot cuts with troubles within 7 days was only 0.005%, based on May 2003 data.

Q. WHAT OPERATIONS ACTIVITIES ARE COVERED BY THESE MEASUREMENTS?

A. These measurements capture four discrete operational aspects of the cutover process. The hot cut process is discussed at length in the testimony of BellSouth witness Ken Ainsworth including the activities briefly described here. The first measure P-7, *Coordinated Customer Conversions Interval*, is used to report the time interval from the point at which BellSouth disconnects an unbundled loop from the BellSouth switch until the loop is cross connected to the CLEC collocation space. The maximum interval allowed to complete the cutover of a given loop is 15 minutes and in order to meet the requirements of this metric BellSouth

must complete the cutover of 95% of the unbundled loops within this 15 minute standard. The 15-minute standard does not include the time to notify the CLEC, however, BellSouth has an objective to notify the CLEC within 5 minutes of completion of coordinated hot cuts because the Customer Wholesale Interconnect Network Services (CWINS) center monitors each coordinated hot cut and knows when it is completed so that the CLEC can be notified. BellSouth's performance related to this notification interval is addressed in the testimony of BellSouth witness Mr. Ken Ainsworth.

While measure P-7 captures the time required to complete the cutover, measure P-7A, *Coordinated Customer Conversions – Hot Cut Timeliness % Within Interval and Average Interval*, provides an indication of whether or not BellSouth began the cutover in a timely matter. Specifically, for cutovers that do not involve Integrated Digital Loop Carrier (IDLC), BellSouth must begin the cut within 15 minutes of the scheduled start time. Therefore, for non-IDLC applications, if BellSouth begins the cutover more than 15 minutes before the scheduled start time or more than 15 minutes after the scheduled start time, the metric is considered missed. When IDLC is involved BellSouth is required to begin the cut within a 4-hour window centered on the scheduled start time. In this case, if BellSouth begins the cutover more than 2 hours before the scheduled start time or more than 2 hours after the scheduled start time, the metric is considered missed. As recognized by this Commission, the 4-hour window on hot cuts involving IDLC is necessary because of the additional

work activities required to begin this type of hot cut.

Measure P-7B, *Coordinated Customer Conversions – Average Recovery Time*, addresses those situations where a service outage due to the cutover is isolated to BellSouth's side of network, prior to completion of the service order. The time that it takes BellSouth to resolve the service outage after notification by the CLEC is reported via this measure. Beginning in July 2003, the Commission determined that the average recovery time should be 5 hours or less.

Finally, measure P-7C, *Hot Cut Conversions - % Provisioning Troubles Received 7 Days of a Completed Service Order*, is designed to assess the quality of the work performed for coordinated cutovers by capturing the number of troubles that occur within 7 days of the cutover. This measure is calculated as the percentage of circuits associated with coordinated conversions that incur troubles within 7 days of the service order completion. The standard established by the Commission, effective July 2003, requires that CLECs should experience troubles on only 3% or less of the circuits involved in the coordinated cutover.

In summary, BellSouth's current set of measurements is comprehensive, with respect to customer conversions/hot cuts, in that the data reflects performance on the important aspects of the process for the overwhelming majority of hot cuts. Particularly, BellSouth measures and reports: whether the cutover started on time (P-7A: *Coordinated Customer*

Conversions – Hot Cut Timeliness % Within Interval and Average Interval); (2) How long it takes to complete the cutover (P-7: *Coordinated Customer Conversions Interval*); (3) if service outage problems are encountered after the cutover, but before service order completion, the time it takes to resolve the problem is measured (P-7B: *Coordinated Customer Conversions – Average Recovery Time*); and (4) after the service order is completed, any problems identified within a short time after the cutover associated with circuits involved in the cutover are tracked (P-7C: *Hot Cut Conversions - % Provisioning Troubles Received 7 Days of a Completed Service Order*).

Q. WOULD YOU DESCRIBE BELLSOUTH'S OVERALL PERFORMANCE FOR HOT CUTS FOR THE PAST 12 MONTHS IN FLORIDA?

A. Certainly. BellSouth's hot cut performance is exemplary. Exhibit AJV-1 contains detailed information regarding hot cut performance. However, reviewing the three SQM Hot Cutover measures that capture the timeliness and accuracy of the conversion (Coordinated Customer Conversions, Hot Cut Timeliness and Provisioning Troubles within 7 days of Cutover), BellSouth met the standard for 94 of the 98 sub-metrics with CLEC activity from September 2002 through August 2003. BellSouth met the standard for 96% of all sub-metrics with CLEC activity for Hot Cuts for the past 12 months in Florida. The following table lists the number of sub-metrics with CLEC activity that met the ordered benchmark, the total number of sub-metrics with CLEC activity and the corresponding

percentage of sub-metrics meeting the ordered benchmark for the past 12 months.

% OF HOT CUT SUB-METRICS MEETING BENCHMARK			
Month	**Total # Submetrics with CLEC Activity**	**# Submetrics Meeting Benchmark**	**Percentage of Submetrics Meeting Benchmark**
Sep '02	8	8	100%
Oct '02	8	8	100%
Nov '02	8	8	100%
Dec '02	9	8	89%
Jan '03	8	8	100%
Feb '03	8	8	100%
Mar '03	8	8	100%
Apr '03	7	7	100%
May '03	8	8	100%
Jun '03	8	7	88%
Jul '03	9	7	78%
Aug '03	9	9	100%
TOTAL	**98**	**94**	**96%**

Q. HOW DID BELLSOUTH PERFORM IN MEETING THE 15-MINUTE BENCHMARK FOR THE CUSTOMER COORDINATED CONVERSIONS OVER THE PAST 12 MONTHS IN FLORIDA?

A. The following table provides a month-by-month breakdown of the coordinated customer conversions for Florida from September 2002 through August 2003. BellSouth met over 99.9% of all coordinated conversions during this period and averaged 2 minutes and 39 seconds per cutover for the over 23,000 coordinated conversions. As already noted, the Coordinated Customer Conversion Interval does not include the time to notify the CLEC. However, as will be discussed later in this

testimony, because the CLECs have requested that the interval include the time to notify, BellSouth proposes to modify measure P-7, Coordinated Customer Conversion Interval, to include the time to notify the CLEC that the conversion has been completed. This modification to the measurement should only impact the performance results slightly because the CWINS center notifies the CLEC within 5 minutes of the cutover.

% OF COORDINATED CUSTOMER CONVERSIONS MEETING BENCHMARK				
Month	Total # Hot Cuts	# Hot Cuts Meeting Benchmark	Percentage Meeting Benchmark	Average Cutover Interval
Sep '02	1,911	1,910	99.9%	2:31
Oct '02	2929	2,929	100.0%	2:41
Nov '02	2,669	2,668	100.0%	2:33
Dec '02	2,330	2,327	99.9%	2:50
Jan '03	1,782	1,782	100.0%	2:29
Feb '03	1,573	1,571	99.9%	2:49
Mar '03	1,567	1,566	99.9%	2:38
Apr '03	1,623	1,623	100.0%	2:36
May '03	1,720	1,720	100.0%	2:50
Jun '03	1,609	1,609	100.0%	2:41
Jul '03	1,704	1,696	99.5%	2:39
Aug '03	1,597 1,595	1,595	99.9%	2:33
TOTAL	**23,014**	**22,996**	**99.9%**	**2:39**

III. BELLSOUTH'S PROPOSED ENHANCEMENTS TO THE PERFORMANCE MEASURES AND SEEM PLAN

Q. DOES BELLSOUTH PLAN TO MAKE CHANGES TO ITS PERFORMANCE MEASUREMENTS TO ADDRESS BATCH HOT CUTS SPECIFICALLY IF IT RECEIVES RELIEF FROM UNBUNDLED CIRCUIT SWITCHING?

A. Yes. There are a few hot cut processes that are either not covered by the existing measurements or, given the anticipated volume of hot cuts when switching is no longer required, that this Commission may want to monitor more closely. First, BellSouth does not currently measure pre-ordering and ordering functions for Batch Hot Cuts, in part because they are project managed. Therefore, BellSouth proposes to add a new Pre-Ordering measure to capture its performance in the initial stage of processing a CLEC request for a batch conversion. BellSouth also plans to modify four of the Ordering measurements to include project managed batch hot cuts that were previously excluded. BellSouth's Exhibit AJV-2 contains the proposed changes to the current Florida performance measurements to incorporate Batch hot cuts. Additions to the existing performance measures are shown in the Exhibit AJV-2 as red underlined text and deletions are as blue strike-through. For the new measures that BellSouth proposes to add to the Florida SQM the entire SQM page is reflected as red underlined text in the exhibit.

As previously discussed, the existing hot cut timeliness measures P-7 and P-7A only record data for coordinated hot cuts. In fact, the data necessary to produce these measurements are only available for coordinated hot cuts. It is not clear whether CLECs will elect to use coordinated or non-coordinated hot cuts to convert customers from UNE-P to UNE-L when switching is no longer a UNE. Therefore, BellSouth proposes to add one new provisioning measure to capture BellSouth's performance on non-coordinated cutovers. Finally, there is one change in the existing

coordinated customer conversion interval measure to include the time to notify the CLEC that the cutover has been completed.

Q. PLEASE DESCRIBE A BATCH HOT CUT, FROM THE PERSPECTIVE OF WHAT BELLSOUTH PROPOSES TO MEASURE.

A. Mr. Ainsworth describes batch hot cuts in detail, so I will only briefly describe them focusing on the aspects that would be measured. Also, it should be noted that throughout this testimony the terms "batch" hot cut and "bulk" hot cut will be used interchangeably. A batch hot cut is like any other hot cut except for the preordering and ordering processes. For batch hot cuts the process is designed to facilitate ordering large volumes of loop hot cuts simultaneously. The batch hot cut process begins with submission of a Bulk Migration Notification Form by the CLEC wherein due dates for many different accounts can be requested at one time. Submission of this form initiates the preordering process and a unique project number is assigned ending in the characters "BULK".

For batch hot cuts, a project manager is assigned at the time of the CLEC's initial request, and follows the project until completion. BellSouth forwards the information provided by the CLEC to each of the groups required to analyze the data and establish due dates, which are returned to the CLEC. BellSouth then provides this information to the CLEC.

After the CLEC receives the preordering information from BellSouth, the CLEC begins placing orders. The CLEC can consolidate UNE-P hot cuts for up to 99 accounts, each containing up to 25 lines on a single batch LSR. BellSouth's systems convert this batch LSRs into single LSRs for processing and service order issuance. Each individual LSR spawned by the batch LSR contains the unique project number assigned during the preordering process. The individual LSRs resulting from the batch LSR are treated similarly to any other hot cut LSR for operational purposes.

Q. TO WHAT EXTENT ARE BATCH HOT CUT RESULTS INCLUDED IN THE EXISTING PERFORMANCE MEASURES AND THE SEEM PLAN?

A. While batch hot cuts are not currently included in ordering measurement results, they are reflected in other measurements where applicable. Specifically, coordinated batch hot cuts are reflected in the four hot cuts measures that were discussed previously (*i.e.*, P-7, P-7A, P-7B and P-7C). For designed loops, CLECs are required to request order coordination on batch hot cuts. In cases where the loops ordered are not designed, CLECs can order batch hot cuts with or without order coordination. Therefore, the measures P-7, P-7A and P-7B, would currently include batch hot cuts except in those case where CLECs choose not to request order coordination for non-design loops. Both coordinated and non-coordinated batch hot cuts also show up in measures such as: P-3, *Percent Missed Installation Appointments*; P-4, *Average Completion Notice Interval (OCI) & Order Completion Interval*

Distribution; P-9, *Percent Provisioning Troubles with 30 Days of Service Order Completion*; M&R-1, *Missed Repair Appointments*; M&R-2: *Customer Trouble Report Rate*; and M&R-3, *Maintenance Average Duration.*

Further, for situations where the hot cut is associated with a number port (this permits the telephone number to be ported so that the end user can keep the same telephone number with the new carrier), LNP measures also apply. Specifically, hot cuts are already included in LNP measurements such as: P-13B, *LNP - Percent Out of Service < 60 Minutes*; P-13C, *Percentage of Time BellSouth Applies the 10-Digit Trigger Prior to the LNP Order Due Date*; P-13D, *LNP- Average Disconnect Timeliness Interval (Non-Trigger).*

Q. PLEASE DISCUSS THE NEW PRE-ORDERING MEASUREMENT THAT BELLSOUTH PLANS TO ADD TO ITS SQM, IF IT RECEIVES UNBUNDLED SWITCHING RELIEF.

A. BellSouth proposes to add a Pre-Ordering measure, PO-3, *UNE Bulk Migration – Response Time*, if it receives unbundled switching relief. This proposed measurement is designed to capture the time that it takes for BellSouth to provide the requesting CLEC with a response to its UNE Bulk Migration Notification Form, which begins prior to the creation of a Local Service Request (LSR). The submittal of this form by the CLEC triggers the assignment of a project manager to this request who handles

providing a timely response back to the CLEC. The interval being measured begins upon receipt of the UNE Bulk Migration Notification Form by BellSouth and ends when a response is transmitted back to the CLEC. To meet the performance standard, BellSouth must provide a response to the CLEC within 7 business days for bulk migration requests of less than 99 individual LSRs, within 10 business days for 100 to 199 individual LSRs. Because the intervals for 200 or more LSRs are negotiated, no benchmark applies. The details of this measure are included in Exhibit AJV-2. Since processing of the Bulk Migration Notification Form is the only Ordering or Pre ordering process that is not covered by existing measurements, no additional measurements of ordering or pre-ordering are proposed.

This new measurement is not proposed for inclusion in SEEM. Timely processing of the Bulk Migration Notification Form benefits BellSouth directly. This form is the initial stage of transferring lines from UNE-P to UNE-L. Because of this fact, it is CLECs, not Bellsouth, who have an incentive to delay processing of these forms. BellSouth will suffer a penalty in lower revenues if the form is not processed promptly. Consequently, no additional penalty should apply.

Q. WHAT REVISIONS ARE BEING MADE TO ORDERING MEASURES?

A. As previously discussed, batch hot cuts are currently excluded from measures of the Ordering processes because they are project managed.

Project managed orders are those orders which require more detailed and specific information from the CLEC in order to manage the cycle from service request to service completion. Specifically, these orders are of a level of complexity that requires the assignment of a project manager to oversee the order from beginning to end. The Ordering measures carry an exclusion for orders that are project managed because project managed orders are not considered in the normal flow of order types that can be responded to by BellSouth according to standard and well-established time frames. Typically, the timeframes for responding to such orders are non-standard so they do no lend themselves to evaluation via an objective standard. Consequently, ordering data produced for the typical project managed order does not provide any insight on the quality of BellSouth's performance.

However, hot cuts can be included in the ordering measures even though they are project managed because project management of Batch migrations does not affect the timeframes for processing the underlying LSRs after they are generated. Thus, the variability and uniqueness normally associated with project managed LSRs generally do not apply to Batch migrations once the individual LSRs are generated. These LSRs also have a unique project identifier that facilitates inclusion in the ordering measures by permitting them to be separately identified from other projects. BellSouth proposes to modify the exclusion for projects in the ordering measures to include batch migration LSRs. This Ordering measurement change is reflected in the Florida SQM for the following

measures, attached as Exhibit AJV-2:

- O-7: Percent Rejected Service Requests
- O-8: Reject Interval
- O-9: Firm Order Confirmation Timeliness
- O-11: Firm Order Confirmation and Reject Response Completeness

An additional change is required to account for the unique type of LSR that a CLEC can submit in this case. Instead of submitting separate LSRs for each account that the CLEC wants to transfer, up to 99 accounts can be submitted on a single "Global" LSR. BellSouth's systems process this Global LSR into multiple separate LSRs needed to create service orders to provision the services. This process is unique to batch migrations. For these batch migration LSRs, the start time will be receipt of the Global LSR, so the same incoming timestamp will apply to each LSR spawned by the Global LSR. The Global LSR, however, will not be included in the count of LSRs because the individual LSRs resulting from the Global LSR are the items that receive the reject or FOC responses that are tracked in reported results. The ordering measurements O-8 and O-9 have been modified to reflect this fact.

Q. DOES BELLSOUTH PROPOSE ANY NEW MEASUREMENTS FOR THE PROVISIONING PROCESS?

A. Yes. To display whether BellSouth meets its provisioning obligations for noncoordinated hot cuts, a new provisioning measure, P-7E, *Non-*

Coordinated Customer Conversions - % Completed and Notified on Due Date, is proposed.

Specifically, this new measure provides results indicating whether BellSouth completes a non-coordinated customer conversion on the due date and provides notification of completion to the CLEC on the same date. This is the obligation that BellSouth makes to CLECs on non-coordinated hot cuts. This measure is also proposed to be included in both Tier 1and Tier 2 of SEEM.

Q. WHAT DOES BELLSOUTH PROPOSE TO CHANGE FOR EXISTING PROVISIONING MEASURES?

A. Provisioning measures currently include projects and, consequently, also include batch hot cuts. Thus, there is no need to change the existing provisioning measures to capture batch hot cuts. BellSouth is, however, proposing the modification of measure P-7, Coordinated Customer Conversions Interval, to include the time to notify the CLEC that BellSouth has completed the conversion (see Exhibit AJV-2). This is an issue raised by the CLECs that BellSouth's hot cut interval does not include the time to notify the CLEC that the transfer is complete.

The current established standard for the conversion interval is 15 minutes per line. The objective time to notify the CLEC that the cutover has been completed is 5 minutes. Therefore, in adjusting this measure to include

the time to notify the CLEC, the proposed standard conversions interval is changed from 15 minutes per line to 20 minutes per line. The proposed changes to this measure are included in Exhibit AJV-2.

Q. YOU HAVE PROPOSED CHANGES TO CERTAIN MEASURES OR THE ADDITION OF MEASURES IN THE PRE-ORDERING, ORDERING AND PROVISIONING CATEGORIES, BUT NO CHANGES TO MAINTENANCE AND REPAIR. WHY IS THIS?

A. While there are certain activities particular to batch hot cuts in some of the Pre-Ordering, Ordering and Provisioning processes, there is nothing in the Maintenance & Repair process that would distinguish a line associated with a batch hot cut from any other line. Once the lines associated with the batch hot cut have been converted, the process necessary to report a line trouble and the process necessary to resolve a line trouble are exactly the same as for any other lines.

Q. HOW WILL BELLSOUTH'S PROPOSED CHANGES TO THE PERFORMANCE MEASUREMENTS IMPACT SEEM?

A. Any existing measurements that BellSouth has proposed to change that are currently in SEEM will remain in SEEM. Any new data that will be reflected in those measurements will be added to one of the existing SEEM disaggregations. The new measurement, P-7E, that BellSouth proposes to add to the Florida SQM is also proposed as a new

measurement in the SEEM plan in both Tier 1 and Tier 2. Exhibit AJV-3 includes the proposed changes to the SEEM plan and are reflected as red underlined text.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

PUBLIC DISCLOSURE DOCUMENT

BELLSOUTH TELECOMMUNICATIONS, INC.
REBUTTAL TESTIMONY OF ALPHONSO J. VARNER
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
FILED JANUARY 7, 2004
DOCKET NO. 030851-TP

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR BUSINESS ADDRESS.

A. My name is Alphonso J. Varner. I am employed by BellSouth as Assistant Vice President in Interconnection Services. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. ARE YOU THE SAME ALPHONSO J. VARNER WHO FILED DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes I am.

Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My Rebuttal Testimony addresses various performance related issues raised by the MCI witnesses James Webber and Sherri Lichtenberg and AT&T witness Mark David Van De Water.

Q. MR. WEBBER, ON PAGE 29 OF HIS TESTIMONY, STATES THAT BATCH HOT CUTS, BECAUSE THEY ARE PROJECT-MANAGED, "ARE NOT USUALLY TRACKED FOR PERFORMANCE MEASUREMENT PURPOSES." IS HE RIGHT?

A. No. Mr. Webber is overly broad in his statement. As I pointed out in my Direct Testimony, page 40 lines 24 – 25, the exclusion for project-managed requests applies to certain Pre-Ordering and Ordering measures and, because projects have non-standard installation intervals, the average completion interval measure (P-4). Batch hot cuts are not excluded, however, from Provisioning, Maintenance & Repair or other measurement domains. Moreover, as already discussed in my Direct as well, BellSouth has a comprehensive set of provisioning measures dedicated to hot cuts, which includes batch conversions. These measures are: (1) P-7: *Coordinated Customer Conversions Interval*; (2) P-7A: *Coordinated Customer Conversions – Hot Cut Timeliness % Within Interval and Average Interval;* (3) P-7B: *Coordinated Customer Conversions – Average Recovery Time*; and (4) P-7C: *Hot Cut Conversions - % Provisioning Troubles Received 7 Days of a Completed Service Order.*

The only instance where batch hot cuts would not show up in these measures is for those cases where CLECs choose to order non-coordinated batch hot cuts. For measures P-7, P-7A and P-7B, non-coordinated conversion should not be included because these metrics are

specified as measures of coordinated customer conversions. However, non-coordinated cutovers averaged less than 3% of total customer conversions (hot cuts) over the 12-month period from September 2002 to August 2003. This point notwithstanding, BellSouth proposed, in its Direct Filing, to add a new Provisioning measure P-7E, *Non-Coordinated Customer Conversions - % Completed and Notified on Due Date*, to capture whether BellSouth completes the non-coordinated customer conversions on the due date and provides notification of completion to the CLEC on the same date.

Further, with respect to the Pre-Ordering process, BellSouth proposed, in its Direct filing, adding a new measure, PO-3, *UNE Bulk Migration – Response Time*, if it receives unbundled switching relief. This measure would address the activities related to batch hot cuts prior to the creation of a Local Service Request (LSR). With respect to the process involved once an LSR has been issued but before the provisioning process begins, BellSouth proposed changes to the Ordering measures that previously did not include batch hot cuts. This change involves removing the exclusion for those project-managed requests that involve batch hot cuts. Specifically, BellSouth proposed including batch hot cuts in the four Ordering measures, which do not currently capture project-managed orders. These Ordering measures are: O-7, Percent Rejected Service Requests; O-8, Reject Interval; O-9, Firm Order Confirmation Timeliness; and, O-11, Firm Order Confirmation and Reject Response Completeness.

Therefore, Mr. Webber's comments are incorrect as applied to many relevant existing performance measures and, with respect to the limited cases where his comments are correct BellSouth has already recommended changes to make sure these aspects of the batch hot cut process are captured in the data.

Q. MR. WEBBER SPECULATES ON PAGE 55 THAT EVEN IF CLECS WERE TO OBTAIN COLLOCATION, "IT IS NOT UNCOMMON TO EXPERIENCE SIGNIFICANT DELAYS" IN GAINING ACCESS TO IT. IS HE RIGHT?

A. No, and the lack of evidence corroborating his allegation should highlight its frivolous nature. The aggregate CLEC collocation performance results provided in my Direct Testimony demonstrate an excellent track record by BellSouth over the entire twelve-month period reported. Specifically, BellSouth met 100% of collocation due dates from September 2002 through August 2003, which includes MCI. If we look at MCI's results specifically, for the last four months (July – October 2003), the data show that MCI had [***Proprietary***] requests for collocation space, all of which BellSouth completed on schedule.

Q. MR. WEBBER, ON PAGE 60 OF HIS TESTIMONY, CONTENDS THAT THE INDUSTRY "DOES NOT HAVE MUCH EXPERIENCE WITH EELS USED TO SUPPORT DS0-BASED SERVICES." HOW DO YOU RESPOND?

A. BellSouth provides services and measures its associated performance levels with respect to EELs according to what the CLECs order - whether DS-0, DS-1 or DS-3 loops. Over the last six months, from May 2003 through October 2003, over 96% of the CLECs orders for EELs were at the DS1 level (from 171 to 221 circuits). BellSouth has plenty of experience with EELs and even more experience with DS0 services. There is nothing so complex about combining the two that would cause CLECs to become impaired. Indeed, if they prefer to order DS0 EELs rather than DS1 Or DS3 the process is in place to accommodate the orders and to monitor BellSouth performance in meeting established Commission established standards.

Q. ON PAGE 25, MS. LICHTENTBERG ALLEGES, WITHOUT SUPPORT, THAT BECAUSE BELLSOUTH'S HOT CUT PROCESS IS MANUAL, IT "OFTEN RESULT[S] IN ERRORS AND DELAYS." DOES THE DATA SUPPORT HER POSITION?

A. No. Ms. Lichtenberg's uncorroborated position is directly contrary to the actual data. As discussed in my Direct Testimony (page 33, line 15 – Page 34, line 3), if we look at the three primary hot cut measurements in

Florida (Coordinated Customer Conversions, Hot Cut Timeliness, and Provisioning Troubles within 7 days of Cutover), BellSouth achieved the established standard on 96% of the sub-metrics over the twelve-month period provided (September 2002 to August 2003). Also, as reported in my Direct Testimony (page 35 line 7), if performance is based on the actual number of coordinated customer conversions meeting the benchmark, BellSouth met the benchmark for 99.9% of the conversions. Ms. Lichtenberg's unsubstantiated anecdotal comments should not be considered in light of this data.

Q. IS MS. LICHTENBERG'S CHARACTERIZATION (ON PAGES 35-36) OF INCREASED OUT OF SERVICE TIMES AND CUSTOMER HARM FOR TROUBLES IN A UNE-L ENVIRONMENT ACCURATE?

A. No, again the data refutes Ms. Lichtenberg's claim. Ms. Lichtenberg is only accurate in stating that the major difference between UNE-L and UNE-P is the owner of the switch. However, she greatly exaggerates the expected impact on the handling of trouble reports in the UNE-L environment. Ms. Lichtenberg stresses the fact that in the UNE-P environment, "the ILEC is fully responsible for making repairs to the switch and network" (page 35, lines 13 – 15), and that under the UNE-P arrangement "the CLEC is responsible for its switch, collocation space and transport" (page 35, lines 11 – 12). Most of the discussion includes complaints about the work that the CLEC would have to do in the UNE-L environment. Apparently, Ms. Lichtenberg would rather make BellSouth

"fully responsible" for handling trouble reports, and relieve the CLEC of any meaningful responsibility to its own customers.

When a trouble is reported for UNE-P lines, the CLEC must first determine whether the trouble should be referred to BellSouth. Of course, since the CLEC is simply reselling BellSouth's network with UNE-P the CLEC simply passes on the physical troubles to BellSouth. Of course, BellSouth has to 'sectionalize' the trouble just as the CLEC would under UNE-L, determine whether the problem is in the switch, frame, loop etc., and also whether a dispatch is necessary. By contrast, if the CLEC's customer is served on UNE-L, the CLEC can isolate and fix any troubles that are in its switch collocation space or transport, and BellSouth can concentrate on determining if there are any problems in the loop. Therefore, if the CLEC does a good job upfront eliminating the switch as the cause of the trouble, BellSouth can concentrate on the loop. In these cases, the time that it takes BellSouth to find and correct the problem would decrease instead of increase. The issue of the time interval would be more under the control of the CLEC in how long it takes to eliminate the switch as the source of the problem. Given the uneasiness and constant complaining that CLECs express concerning the level of service that BellSouth provides, it is baffling that CLECs would not want to avail themselves of this opportunity to give their customers a better level of service than they claim BellSouth provides.

Ms. Lichtenberg's argument that if the CLEC is responsible for part of the trouble identification and resolution process the interval would be increased because of 'finger pointing' exercises is merely a supposition. I should add that this supposition is only valid if the CLEC does a poor job of isolation. Surely the mere possibility of certain administrative issues or predictions of poor performance by CLECs are no bases for labeling the process as a source of impairment for CLECs.

Q. HOW IS BELLSOUTH'S PERFORMANCE FOR MAINTENANCE AND REPAIR FOR UNE-L LOOPS COMPARED TO UNE-P?

A. The following tables compare the Customer Trouble Report Rate (CTRR) and Maintenance Average Duration (MAD) interval for UNE-P and 2W Analog Non-Design Loop -SL1 (representative of UNE-L) sub-metrics in Florida for January through August 2003. CTRR and MAD are used because they are considered two of the major indicators of performance in the M & R environment.

Comparison of CLEC Customer Trouble Report Rates for UNE-P and SL1		
Month	**CLEC UNE-P**	**CLEC SL1**
January 2003	1.51%	1.08%
February 2003	1.43%	0.95%
March 2003	1.72%	1.10%
April 2003	1.64%	1.07%
May 2003	1.84%	1.17%
June 2003	2.00%	1.43%
July 2003	1.98%	1.18%
August 2003	2.15%	1.41%

Comparison of CLEC Maintenance Average Duration Intervals for UNE-P and SL1		
Month	**CLEC UNE-P**	**CLEC SL1**
January 2003	11.22 hours	11.43 hours
February 2003	10.96 hours	10.85 hours
March 2003	14.33 hours	12.51 hours
April 2003	13.02 hours	12.80 hours
May 2003	14.58 hours	13.06 hours
June 2003	16.88 hours	15.92 hours
July 2003	17.29 hours	14.74 hours
August 2003	18.45 hours	14.91 hours

Based on these results, the current environment shows that UNE-L maintenance and repair results are actually better than UNE-P. Granted, the UNE-L volumes are not as significant as they will be if UNE-P is no longer available; however, there is no reason to believe that the increase in volume would suddenly make UNE-L performance decline substantially. In fact, the increased volume may actually improve the level of performance due to more repetition. But, the important point derived from the current data is that any claims that maintenance and repair performance will deteriorate to an unsatisfactory level based on conversions from UNE-P to UNE-L is pure speculation.

Q. ON PAGES 8 AND 9, MR. VAN DE WATER ALLEGES "SUBSTANDARD PERFORMANCE IN RETURNING TIMELY FIRM ORDER CONFIRMATIONS", AND OTHER FAILURES RELATED TO THE SCHEDULING OF HOT CUTS AND "ERRONEOUS DISCONNECTION OF END USERS' LINES", AND "UNDUE DELAY IN RECONNECTION." DO THESE ALLEGATIONS HAVE ANY MERIT?

A. No. Much of Mr. Van De Water's assertions are conjecture, mischaracterizations or distortions of facts. Mr. Van De Water provides little or no specifics with his rhetoric. Nevertheless, I will attempt to respond to these issues in order. Where Mr. Van De Water alleges that there are delays in returning Firm Order Confirmations, the facts tell a completely different story. As noted on page 16 of my Direct Testimony, for the 12-month period September 2002 to August 2003, over 92% of the LSRs for UNE Loop Orders (which include hot cuts orders) received a Firm Order Confirmation (FOC) within the intervals established by this Commission. For AT&T alone, for the period June through August 2003, the same percentage (92%) of AT&T's LSRs received a FOC within the intervals established by this Commission. Furthermore, the average FOC interval for AT&T's LSRs was slightly more than 3 hours for June through August 2003. This average was for all LSRs including those processed electronically (where the Commission standard is 3 hours) and those processed manually, where the Commission standard ranges from 10 to 24 hours.

In response to Mr. Van De Water's belief that BellSouth has not provided a 'reliable schedule for performing hot cuts' this belief is, once again, not supported by the facts. Referring to paragraph 16, Exhibit AJV-1, of my Direct Testimony, for the 12 month period September 2002 through August 2003, 99.8% of the scheduled Hot Cuts were started within 15 minutes of the requested time on the order. In stark contrast to Mr. Van De Water's unsupported and unsubstantiated allegation, this is conclusive

evidence of near perfection in reliable scheduling.

Mr. Van De Water opines in unsupported rhetoric about BellSouth's failure to notify "consistently and timely that customer loops had been transferred to AT&T." Once again, the facts clearly illustrate that Mr. Van De Water's opinion is flawed. Referring to my direct testimony, page 21, BellSouth achieved the performance standard for the Average Completion Notice Interval for 98% of the sub-metrics (which include hot cut orders) over a 12-month period, ending August 2003. Furthermore, a separate analysis of the Completion Notice Interval indicates that the average completion notice interval was less than 8 minutes for UNE Loop Orders (including hot cuts) completed during the most recent 12-month period, November 2002 to October 2003. That would indicate that BellSouth's completion notices are, in fact, consistent and timely. For AT&T, the average completion notice interval was less than 2 minutes for the period June through August 2003.

Lastly on page 9, Mr. Van De Water theorizes that BellSouth creates "customer service outages by erroneous disconnection of end users' lines and, when erroneous disconnections occur, there is undue delay in reconnection." While BellSouth's data does not readily provide the number of customer outages caused specifically by erroneous disconnection of end user's lines, outages caused by erroneous disconnection of end user's lines, should this actually occur, are reflected in several measurements. As an example, the Customer Trouble Report

Rate captures all troubles and it includes service outages as well as troubles that do not put a customer out of service. As noted on page 25 of my Direct Testimony, for the 12-month period September 2002 to August 2003, UNE Loops experienced more than 97% trouble free service. (Troubles related to Hot Cuts would be in this category) compared to 98% for UNE-P. In the event Mr. Van De Water is alleging that the 'erroneous disconnects' occur as the customer's line is being cut over from BellSouth retail to the CLEC, those troubles would be captured in Trouble Report Rate for BellSouth Retail, mostly in Residence or Business. For the most recent 12-month period, November 2002 through October 2003, the trouble free rate for these retail lines is also in excess of 97%. For AT&T, BellSouth's performance is even more exemplary of excellent service. For the period June through August 2003, AT&T's lines were in excess of 99% trouble free. In summary, the facts do not support Mr. Van De Water's implication that there are significant "erroneous disconnections."

As to Mr. Van De Water's opinion that there is "undue delay in reconnection," once again, the facts portray a completely different picture. The time required to clear a trouble report is reflected in the Maintenance Average Duration metric for all services, and, where a trouble is encountered during a hot cut, the time required to clear the trouble is also reported in the measurement Coordinated Customer Conversions – Average Recovery Time. It is important to note that these two measurements reflect the time to clear troubles, many of which are not service outages but simply problems that do not put the end user

completely out of service. For the first measurement, Maintenance Average Duration, BellSouth achieved the Commission's performance standard of parity for 88% of the time during the 12-month period September 2002 through August 2003. Moreover, the average time to clear the trouble was 9.7 hours for the most recent 12-month period. As noted above, the trouble free rate for AT&T exceeded 99% for the period June through August 2003. This meant that less than 1% of AT&T's loops experienced a trouble report. The average time to clear these few troubles was 4 hours.

For the second measurement, Coordinated Customer Conversions – Average Recovery Time, the average time to clear a trouble was 4.2 hours for the three-month period June 2003 to August 2003. This is well below the Commission's objective of 5 hours.

Q. WHAT HAS BELLSOUTH'S PERFORMANCE FOR THE THREE LNP DISCONNECT TIMELINESS MEASURES FOR THE PAST SIX MONTHS IN FLORIDA?

A. The following table provides the results for P-13B, the percentage of time BellSouth applies the trigger order before the due date; P-13C, the percentage of time the LNP service is out of service less than 60 minutes; and P-13D, the percentage of time BellSouth disconnects the LNP service within 4 hours for non-trigger orders for the months of May through October 2003 in Florida. The non-trigger orders have been adjusted to

exclude orders that did not have a completion time stamp within the gateway. (The data shows the number of orders meeting the requirement divided by the total orders due and the corresponding percentage calculated.)

Month	% Trigger Orders Applied Before Due Date (P13B)	% Orders OoS < 60 Minutes (P13C)	% Non Trigger Orders Applies < 4 Hours (P13D)
May 2003	(3829/4379) 87.44%	(5866/5897) 99.47%	(418/445) 93.93%
June 2003	(3719/3988) 93.25%	(6915/6923) 99.88%	(385/463) 83.15%
July 2003	(3953/4187) 94.41%	(6317/6319) 99.97%	(589/634) 92.90%
August 2003	(3634/3838) 94.68%	(4274/4309) 99.21%	(377/411) 91.73%
September 2003	(3921/4098) 95.68%	(6918/6988) 99.00%	(124/147) 84.35%
October 2003	(4614/4786) 96.42%	(6858/6859) 99.99%	(299/332) 90.06%

Q. ON PAGES 15 AND 16 OF HIS TESTIMONY, MR. VAN DE WATER CITES SEVERAL FIGURES THAT PURPORT TO ILLUSTRATE THE DIFFERENCES IN THE ORDER INTERVAL FOR UNE-P ORDERS VERSUS UNE-L ORDERS. WHAT IS THE RELEVANCE OF THIS DIFFERENCE IN THIS PROCEEDING?

A. It has no relevance. Mr. Van De Water is simply noting that the average time interval required to complete UNE-P orders, which are predominantly orders requiring a records change only, and no physical work, is less than the average time interval required to complete UNE-L orders where some form of physical work is required. This revelation will come as no new news to anyone. The important point is to examine how BellSouth performs relative to the standards established by this Commission for

these two different functions. As the data show in my Direct Testimony, BellSouth performs quite well.

Q. ARE MR. VAN DE WATER'S COMPARISONS AND CONCLUSIONS VALID?

A. No. First, his claimed impact on the CLEC is minimal at best. The interval that Mr. Van De Water refers to simply reflects how far in advance the CLEC must place the order. The customer still has service during this interval. So, the only impact is apparently on the CLECs need to plan and sequence the orders. I should also point out that this same interval would apply to any customers that BellSouth wins back from the CLEC, and, of course, all CLECs face the same interval from BellSouth.

Next, the most basic flaw of his analysis is that it attempts to equate two different products and processes. An order for UNE-P has typically involved little more than changing the billing of an existing end-user from BellSouth retail (or from another CLEC) to the acquiring CLEC. In this instance, no physical work is required, an outside dispatch is not needed and the order is not subject to facility shortages. In contrast a UNE-L order will always require some form of physical work, in the central office, at the customer's premise, or both. A dispatch may be needed and the order interval can be affected by facility shortages. As a result of these two different processes, the applicable ordering intervals will usually differ.

Further, Mr. Van De Water includes in the chart on page 15 of his testimony the provisioning Interval for Switch based Completions, the shortest interval reflected. This is apparently to show a large difference is the time for UNE-P and UNE-L completion intervals. However, the Switch based Completions are nothing more than a request for a feature change. Moreover, once the hot cut is complete, CLECs don't even need to send in these orders because they can make the changes themselves. Mr. Van De Water does not acknowledge this, or any other benefits that accrue to the CLEC from moving to UNE-L. Surely, these benefits offset the nebulous impact that he claims the provisioning interval for UNE-L causes.

Q. YOU MENTION THAT THE ORDER INTERVALS WILL "USUALLY DIFFER." ARE THERE INSTANCES WHEN THE INTERVALS WOULD NOT DIFFER?

A. Yes. Depending on the marketing and business plans of the CLECs, the order intervals for UNE-P could be the same as UNE-L. If a CLEC acquires a customer and intends to serve that customer with a newly provisioned UNE-P (rather than migrating existing services), the processes, physical work, potential for a dispatch, possibility of a facility shortage and the resulting order interval would be the same as with UNE-L. Similarly, if a CLEC's customer served by UNE-P wishes to add a second line, the work process and the resulting interval would resemble a UNE-L. For instance, for the most recent 12-month period, the Order Completion Interval for UNE-P requiring a Dispatch was 3.9 days. In

comparison, the Order Completion Interval for 2W Analog Loop Non Design, with and without LNP was essentially the same at 4.0 days.

Mr. Van De Water's analysis is predicated on the ordering patterns of the CLECs today. And today, most UNE-P orders are simply migrations of existing service, which, again, requires a records change rather than physical work and a dispatch.

Q. ON PAGE 16, LINES 12-14, MR. VAN DE WATER CITES SERVICE OUTAGES DURING A HOT CUT RANGING FROM 2.8 HOURS TO 13.6 HOURS. PLEASE COMMENT.

A. While Mr. Van De Water's figures are accurate, he conveniently ignores the key fact that these outages occurred on less than 1% of the coordinated conversions, which is well within the Commission's benchmark of 3% for Provisioning Troubles. Between November 2002 and September 2003, the period cited by Mr. Van De Water, there were 20,129 Coordinated Customer Conversions. During this period, there were 187 troubles reported and the average recovery time for these trouble reports was in the range cited by Mr. Van De Water. Thus 0.9% (187 / 20129) of the hot cuts had a trouble report. Mr. Van De Water's generalizations overstate the customer impact from a number of perspectives. First, as noted above, less than 1% of the coordinated conversions experienced a trouble report. Secondly, the actual impact on the customer could have been even less, mainly because some of the 187

trouble reports may have been subsequently determined to not have an actual trouble caused by BellSouth.

Q. ON PAGE 17, MR. VAN DE WATER HAS A TABLE THAT HE CONTENDS ILLUSTRATES 'INFERIOR PERFORMANCE' FOR ANALOG LOOPS COMPARED TO UNE-P. SIMILARLY, MS. LICHTENBERG ALLEGES THAT A UNE-L MIGRATION "TAKES AT LEAST FIVE DAYS." DO THESE DATA RESULTS TRULY REPRESENT INFERIOR PERFORMANCE AS ALLEGED BY MR. VAN DE WATER AND MS. LICHTENBERG?

A. Certainly not. Once again, this is an invalid comparison. As I mentioned above, these data simply represent that the two services are ordered and provisioned differently. For the most part UNE-L data reflects data for new service while UNE-P data is largely migration of existing service. Consequently, these differences are more a reflection of the ordering patterns and business practices of the CLECs, rather than an indicator of inferior performance as Mr. Van De Water erroneously represents, and Ms. Lichtenberg implies. As an example, because most UNE-P orders are migrations of existing working service, there should be fewer orders placed in jeopardy, less orders requiring a field visit and a shorter order completion interval than an order for a new UNE Loop. As more existing in-service loops are used for UNE-L the same conditions that apply to such loops today when used as UNE-P would also apply tomorrow for loops used as UNE-L.

Q. ARE MR. VAN DE WATER'S COMPARISONS OF UNE-P AND UNE LOOP PERFORMANCE CONSISTENT WITH THIS COMMISSION'S RULINGS IN THE PERFORMANCE MEASURMENENTS PROCEEDINGS?

A. No. Throughout his testimony, Mr. Van De Water is implying that UNE Loop performance is inferior or flawed, based on a theory that it should somehow be compared to UNE-P. This Commission (and every other Commission in BellSouth's region as well as the FCC in BellSouth's 271 applications) has determined that the performance for UNE-P and UNE Loop should be compared to a retail analog, where one is appropriate, or a benchmark if one does not exist. These performance standards take into account differences in the products and the processes, and, to a large degree remove the influence of the CLEC's ordering patterns and business plans on BellSouth's performance results. As an example, for a typical ordering measurement, *e.g.*, the Firm Order Confirmation Timeliness, all orders placed and processed electronically should be evaluated against a standard for Fully Mechanized FOCs. The Commission determined that this standard should be 95% of FOCs returned within 3 hours. However, the first line on Mr. Van De Water's table on Page 17 attempts to compare FOCs for UNE-P against FOCs for UNE-L. The Commission has determined that the proper comparison is against the performance standard, which for Fully Mechanized FOCs is 95% within 3 hours. For the most recent 12-month period, more than 95% of the Fully Mechanized UNE-P orders and more than 95% of the Fully

Mechanized Analog Loop Orders (with and without LNP) were processed within the 3-hour Commission standard.

Turning to flow through results on the Table no page 17, Mr. Van De Water has misinterpreted some data and misrepresented it as % flow through. The rebuttal testimony of Mr. Pate addresses this issue in more detail.

Finally, Mr. Van De Water attempts to compare the percent of Orders Placed in Jeopardy, percent of Orders Requiring a Field Dispatch and Non Dispatch Order Completion Intervals. As has been stated several times before, these comparisons are not appropriate. Furthermore, they are in conflict with the Commission's findings that established a retail analogue for each product of these 3 metrics.

Q. MR. VAN DE WATER, ON PAGE 19 LINES 19 – 22, OF HIS TESTIMONY, SUGGESTS THAT THERE ARE CURRENTLY FAILURE AND RESTORATION PROBLEMS AT LOW VOLUMES THAT WILL "ONLY BE EXACERBATED" BASED ON POTENTIAL INCREASED DEMAND FOR UNE-L IF UNE-P IS NO LONGER AVAILABLE. PLEASE ADDRESS HIS COMMENT.

A. First, Mr. Van De Water begins, incorrectly, with the premise that there are currently "failure and service restoration problems that occur at low volumes." However, I provided a significant amount of data with my Direct

Testimony in this case demonstrating that BellSouth's performance in the ordering, provisioning and maintenance & repair of UNE Loops is more than sufficient to allow CLECs the ability to pursue viable competitive plan in the local market. Consequently, Mr. Van De Water's starting premise is not valid. He then uses a faulty characterization of current performance to suggest that an increase in UNE-L orders, based on the elimination of local circuit switching as a UNE, exacerbate a current problem, which really is not a problem based on the data. Of course, he provides no basis for his speculation that performance may decline as volume increases, which is contrary to the historical pattern where BellSouth's performance for CLECs has improved as the level of competition has increased over the years.

Q. MR. VAN DE WATER, ON PAGE 44 OF HIS TESTIMONY, STATES, "BELLSOUTH PROVIDES NO PERFORMANCE DATA ON THE FREQUENCY AND DURATION OF FALL-OUT FROM ITS PROVISIONING SYSTEMS." HOW DO YOU RESPOND?

A. It is not clear what Mr. Van De Water means by 'fall-out from provisioning systems.' If he means order processing that requires manual handling, we actually do provide information on the frequency and duration in a number of Ordering measurements reports – namely flow-through service requests, Partially Mechanized Rejected Service Requests and Partially Mechanized Firm Order Confirmations (FOCs). If, on the other hand, he is referring to what happens after a FOC is issued and service order

processing begins, that is a combination of manual and automated processes and both can occur for UNE-P and UNE-L. The proportion of each is not relevant. What is relevant is whether BellSouth is providing CLECs with a level of service that allows the CLEC a meaningful opportunity to compete. Both this Commission and the FCC reached that conclusion and the performance data show that there is no basis for concluding otherwise today.

Q. ON PAGE 66, MR. VAN DE WATER STATES THAT "BATCH CUT AND OTHER ASSOCIATED LOOP PERFORMANCE STANDARDS SHOULD BE EQUIVALENT TO PERFORMANCE TO MIGRATING A CUSTOMER FROM RETAIL TO UNE-P." IS THIS A LOGICAL BASIS FOR THE PERFORMANCE STANDARD FOR BATCH HOT CUTS?

A. No. Batch cutovers require some amount of work, over and above that required to migrate an existing customer from retail to UNE-P. Thus it is not reasonable to base the performance standards on UNE-P migrations. If Mr. Van De Water's company were to actually invest in facilities and serve customers over assets owned by AT&T, I seriously doubt Mr. Van De Water would support a standard for batch cuts of its' customers to another CLEC (or to BellSouth) predicated on the performance for retail to UNE-P migration.

Mr. Ainsworth will address this in more detail.

Q. ON PAGE 66, MR. VAN DE WATER LISTS SEVERAL KEY PERFORMANCE MEASUREMENT FACTORS FOR BATCH CUTS THAT MUST BE IN PLACE. DO YOU AGREE?

A. Yes. In Section III of my Direct Testimony I proposed additional metrics, revisions in business rules and standards associated with batch hot cuts. These revisions address the issues noted by Mr. Van De Water.

Q. MR. VAN DE WATER SUGGESTS THAT: 1) SELF EXECUTING FINANCIAL CONSEQUENCES SHOULD BE IN PLACE FOR ILEC FAILURES TO MEET PERFORMANCE STANDARDS; 2) THAT FOR ALL CONVERSION SERVICE OUTAGES, THE CONSEQUENCES SHOULD BE COMMENSURATE WITH THE AVERAGE NET REVENUE TIME OVER THE AVERAGE LIFE OF THE CUSTOMER. DO YOU AGREE WITH THESE TWO STATEMENTS?

A. The first statement is moot because the SEEM plan in effect in Florida meets this requirement, and I disagree with the second statement.

BellSouth's existing measurements associated with cutovers have self-executing financial consequences for the key ordering, provisioning and maintenance and repair metrics. These measurements include:

-Percent Flow Through Service Requests

-Reject Interval

-Firm Order Confirmation Timeliness

-Firm Order Confirmation and Reject Response Completeness

-Percent Missed Installation Appointments

-Order Completion Interval, Percent Provisioning Troubles within 30 days of a Service Order

-Coordinated Customer Conversions Interval

-Coordinated Customer Conversions – Hot Cut Timeliness

-Hot Cut Conversions - % Provisioning Troubles with 7 days

-Service Order Accuracy

-Missed Repair Appointments

-Maintenance Average Duration

-Customer Trouble Report Rate

-Percent Repeat Troubles within 30 days

-Out Of Service > 24 hours.

In addition to these existing measurements in SEEM, BellSouth is proposing a new measurement P-7E: Non- Coordinated Customer Conversions - % Completed and Notified on Due Date that will be included with the enforcement plan pending approval by the Commission.

Turning to the second statement, Mr. Van De Water suggests: "For all conversion service outages, the consequences should be commensurate with the average net revenue time the average life of the customer." This is an absurd suggestion – but, nevertheless, I will respond. Earlier in my rebuttal testimony, I noted that less than 1% of the hot cuts experienced a trouble report or service outage. When these outages occur during a hot cut conversion, they are usually resolved in a matter of hours. As

mentioned above, the average outage for a recent three-month period was 4.2 hours – and this is below the Commission's standard of less than 5 hours. Now, for Mr. Van De Water to suggest that an outage of 1/5th of one day should somehow be compensated by average revenue for the life of the customer goes beyond the realm of reason. An average customer is likely to remain with the average telecommunication provider for several years. I don't know that an exact figure could be determined but for the sake of discussion, assume the average life is 5 years. How can an outage of 1/5th of a day require payment equivalent to 5 years (9000 times the 1/5 day) in revenue? Furthermore, such a payment in compensatory damages must assume that the customer is lost to the CLEC forever due solely to being out of service for 5 hours or less. If the customer decides to leave AT&T forever following a outage related to a hot cut, the root cause is most likely something other than a 5 hour outage. Turning the issue raised by Mr. Van De Water around, if he assumes that outages are the sole reason for a customer leaving AT&T, would he further assume that customer retention after a trouble free hot cut is the sole reason for a customer staying? And would he suggest that BellSouth should be rewarded with the average net revenue for the life of that customer? Probably not.

Q. ON PAGE 58 OF HIS TESTIMONY, MR. VAN DE WATER INDICATES THAT TRUNKING IS ONE OF THE OPERATIONAL CONSTRAINTS THAT WILL RESULT FROM THE CONVERSION OF UNE-P TO UNE-L. IS THIS ACCURATE?

A. No. BellSouth provides CLECs with a very high level of performance in the area of local trunking. This performance level would not be significantly impacted by the conversion from UNE-P to UNE-L because in many cases the increase would simply mean that an existing trunk group would need to be augmented. As long as the CLEC provides a timely forecast to BellSouth of its trunking requirements, these increases can be accommodated within the same performance levels as provided currently.

Q. WOULD YOU PROVIDE BELLSOUTH'S PERFORMANCE FOR LOCAL INTERCONNECTION TRUNKS (LIT) IN THE ORDERING CATEGORY IN FLORIDA DURING THE PERIOD OF SEPTEMBER 2002 THROUGH AUGUST 2003?

A. Yes. The following table provides BellSouth's ordering performance for the Local Interconnection Trunks during the period of September 2002 through August 2003 in Florida.

Measure	Total ASRs	ASRs Meeting Benchmark	% ASRs Meeting Benchmark
Reject Interval (C.1.2)	758	735	96.97%
FOC Timeliness (C.1.3)	1,570	1,463	93.18%

Measure	Total ASRs	ASRs Meeting Benchmark	% ASRs Meeting Benchmark
FOC & Reject Completeness (C.1.4)	1,496	1,491	99.67%

Q. WOULD YOU PROVIDE BELLSOUTH'S PERFORMANCE FOR LOCAL INTERCONNECTION TRUNKS (LIT) IN THE PROVISIONING CATEGORY IN FLORIDA DURING THE PERIOD OF SEPTEMBER 2002 THROUGH AUGUST 2003?

A. Yes. BellSouth met 87.5% of the provisioning sub-metrics with CLEC activity during the 12-month period included with this filing. The following table provides BellSouth's provisioning performance for the Local Interconnection Trunks during the period of September 2002 through August 2003 in Florida.

Measure	Total Sub-metrics	Sub-metric Meeting Parity	% Sub-metrics Meeting Parity
OCI (C.2.1)	12	9	75%
Missed Installation Appointments (C.2.7)	12	10	83%
Provisioning Troubles within 30 days (C.2.9)	12	12	100%
ACNI (C.2.10)	12	11	92%
TOTAL Sub-metrics	**48**	**42**	**87.5%**

The three missed OCI sub-metrics included orders with extended intervals, which should have been excluded from the measurement as required by the SQM. These orders have requested intervals longer than

the standard offered intervals and should have been "L-coded" which would have excluded them from the measurement calculations. These extended intervals were either requested originally by the CLEC or extended due to a customer not ready condition at the time of the due date.

The two missed installation sub-metrics were for 2 missed appointments out of the 61 scheduled in May and 1 missed appointment of the 58 scheduled in July. There were no systemic issues identified for any of the three missed appointments.

Finally, the one missed ACNI sub-metric in June did not reveal any systemic issues when reviewed.

Q. WOULD YOU PROVIDE BELLSOUTH'S PERFORMANCE FOR LOCAL INTERCONNECTION TRUNKS (LIT) IN THE MAINTENANCE & REPAIR (M&R) CATEGORY IN FLORIDA DURING THE PERIOD OF SEPTEMBER 2002 THROUGH AUGUST 2003?

A. Yes. BellSouth met 98% of the M&R sub-metrics with CLEC activity during the 12-month period included with this filing. The following table provides BellSouth's M&R performance for the Local Interconnection Trunks during the period of September 2002 through August 2003 in Florida.

Measure	Total Sub-metrics	Sub-metric meeting parity	% Sub-metrics meeting parity
Missed Repair Appointments (C.3.1)	24	24	100%
Customer Trouble Report Rate (C.3.2)	24	22	92%
Maintenance Average Duration (C.3.3)	16	16	100%
Repeat Reports within 30 Days (C.3.4)	24	24	100%
TOTAL Sub-metrics	88	86	98%

The two missed CTRR sub-metrics were based on 1 report for 183,030 in-service trunks (0.01%) in March and 95 reports for 190,745 in-service trunks (0.05%) in August. Both missed sub-metrics show that BellSouth provided over 99.9% trouble free service for the CLEC in March and August.

Q. WOULD YOU PROVIDE BELLSOUTH'S PERFORMANCE FOR LOCAL INTERCONNECTION TRUNKS (LIT) IN THE TRUNK BLOCKING CATEGORY IN FLORIDA DURING THE PERIOD OF SEPTEMBER 2002 THROUGH AUGUST 2003?

A. Yes. BellSouth met the trunk blocking criteria of less than 0.5% difference for two consecutive hours for 9 of the 12 months during the period of September 2002 through August 2003 in Florida. In December and May, the blocking was due to extreme traffic volumes for Christmas and Mother's Day that were higher than expected. Subsequent months were back within the normal criteria. In August, the criterion was exceeded for the ten and eleven pm hours. As stated above in the CTRR explanation

for August, there were a total of 95 trouble reports. There were three facility outages in August that caused 94 of these reports. These outages caused the trunks to be unavailable, thus producing the overflow condition during these two peak hours.

Q. NOW THAT YOU HAVE ADDRESSED ISSUES RAISED BY THE CLECS IN THEIR DIRECT FILINGS, IS THERE ANY OTHER ISSUE THAT SHOULD BE ADDRESSED?

A. Yes, there is one minor issue that BellSouth wishes to clarify. In my Direct Testimony, page 10, lines 18 – 22, I indicated that once BellSouth offered the "Co-Carrier Cross-Connect" product to CLECs, the activity associated with this product would be included in the "UNE Other" category of the SQM. This was in error. Since the co-carrier cross-connect product is not a UNE, but rather will be offered through a tariff, BellSouth does not propose including this product in the SQM reported data.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

PUBLIC DISCLOSURE DOCUMENT

BELLSOUTH TELECOMMUNICATIONS, INC.
SURREBUTTAL TESTIMONY OF ALPHONSO J. VARNER
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
FILED JANUARY 28, 2004
DOCKET NO. 030851-TP

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR BUSINESS ADDRESS.

A. My name is Alphonso J. Varner. I am employed by BellSouth as Assistant Vice President in Interconnection Services. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. ARE YOU THE SAME ALPHONSO J. VARNER WHO FILED DIRECT AND REBUTTAL TESTIMONY IN THIS PROCEEDING?

A. Yes I am.

Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. My Surrebuttal Testimony is filed in response to several issues raised by CLEC witnesses Sherri Lichtenberg of MCI, Cheryl Bursh and Mark Van De Water of AT&T, Michael Gallagher of Florida Digital Network, Inc., ("FDN") and Mark Neptune of Supra.

Q. HOW WOULD YOU GENERALLY CHARACTERIZE THE NATURE OF THE ARGUMENTS MADE BY THESE PARTIES?

A. There are four (4) themes repeatedly asserted by the CLECs in an attempt to frustrate a finding by this Commission that they are not operationally impaired without access to local circuit switching offered as a UNE. The first assertion, and the most blatantly erroneous, is that the performance data provided in my Direct Testimony are not relevant to the issues to be addressed in this proceeding. In order to support this faulty conclusion, the CLECs engage in a narrow and clumsy interpretation of the FCC's Triennial Review Order ("TRO") and ignore other parts of the order that directly contradict their conclusion.

Second, while claiming that the performance results are not relevant on the one hand, on the other hand the CLECs use these same data to argue that because UNE-P and UNE-L intervals are different, CLECs are automatically impaired without UNE-P. First, their conclusion does not comport with either the TRO or a practical assessment of whether impairment exists. Further, the CLECs did not fulfill the fundamental need to offer tangible evidence that the differences about which they comment constitute operational impairment.

Next, most of the CLEC witnesses replay the contention that disaster looms in the future. Once again, they argue that unless BellSouth's systems and processes used in ordering, provisioning and maintaining

UNE-Loops are substantially more mechanized, the potential for errors in manual operations and the increased demand for UNE-L would cause BellSouth's performance to plummet. As a result, they claim that CLECs would be unable to compete if UNE-P was not required. In the past, CLECs claimed that this scenario was inevitable if BellSouth was allowed into the long distance business. Now, they imply that the sky will fall once again if UNE-P is eliminated and CLECs must rely on UNE-L.

Finally, the CLECs falsely contend that unless the performance standards for UNE-P and UNE-L are exactly the same, CLECs will face operational barriers that would prohibit CLECs from competing effectively in the local mass market. In this instance, the CLECs rely on an unsound interpretation of the FCC statement in the TRO that it "is necessary to ensure that customer loops can be transferred from the [ILEC]...to a [CLEC] ...as promptly and efficiently as [ILECs] can transfer customers using local circuit switching." [fn. 1574] The CLECs raising this issue use an impractical inference as a basis to assert that any variation between UNE-P and UNE-L performance is enough to establish impairment.

I. BELLSOUTH'S CURRENT PERFORMANCE RESULTS ARE NOT ONLY RELEVANT TO THIS PROCEEDING, BUT WITHOUT SUCH DATA THERE IS NO OBJECTIVE BASIS TO DETERMINE IF THE CLECS FACE OPERATIONAL IMPAIRMENT.

Q. DO YOU HAVE ANY RESPONSE TO THE COMMENTS ON PAGE 3 OF MS. BURSH'S, PAGE 8 OF MR VAN DE WATER'S AND PAGE 2 OF MS. LICHTENBERG'S REBUTTAL TESTIMONY, WHERE EACH CITE PARAGRAPH 469 FROM THE FCC'S TRIENNIAL REVIEW ORDER AS A REASON TO CONCLUDE THAT BELLSOUTH'S CURRENT PERFORMANCE RESULTS ARE NOT RELEVANT IN THIS PROCEEDING?

A. Yes. These witnesses cite the FCC's statement in paragraph 469 of the Triennial Review Order that "the number of hot cuts performed by BOCs in connection with the 271 process is not comparable to the number that incumbent LECs would need to perform if unbundled switching were not available for all customer locations served with voice-grade loops." This fragment is construed as the basis to declare that the current performance data are irrelevant. This conclusion is neither required by the TRO, nor is it a reasonable way for the Commission to proceed.

Paragraph 469 merely indicates that ILECs, like BellSouth, cannot rely only on the findings in the 271 proceedings to conclude that there is no impairment for CLECs if unbundled switching is not available. The point that the FCC was making is that the question the state commissions must answer is how the ILEC will handle increased volumes. They did not dismiss current performance data as relevant evidence to be considered by state commissions. Moreover, in paragraph 512 of its Triennial Review

Order, the FCC encouraged the use of such data in these proceedings with respect to loop provisioning in general when it explains:

> Evidence relevant to this inquiry might include, for example, commercial performance data demonstrating the timeliness and accuracy with which the incumbent LEC performs loop provisioning tasks and the existence of a penalty plan with respect to the applicable metrics. For the incumbent LECs that are BOCs subject to the requirements of section 271 of the Act, states may choose to rely on any performance data reports and penalty plans that might have been developed in the context of the past, pending, or planned application for long-distance authority.

Clearly, the FCC intended for states to use the facts of current performance instead of proceeding solely on the basis of unsupported assumptions as these witnesses propose.

The intent of the FCC's statement in paragraph 469 is to indicate why it could not find on a national basis that CLECs are not impaired without access to unbundled local switching, or hold unequivocally that they are impaired. If the FCC had made such a clear finding, there would be no need for the state proceedings. In footnote 1435 of the same paragraph 469 that these witnesses cite, the FCC states: "our decision does not overlook the possibility that if in some markets the incumbents' ability to perform batch hot cuts does not pose impairment, the states may simply make the findings to this effect." In essence, these witnesses are proposing to unnecessarily restrict this Commission in its deliberations by ignoring factual data.

BellSouth's performance data evidence BellSouth's ability to perform loop provisioning in a timely and reliable manner. Hot cuts are simply a

specific type of loop provisioning activity. Thus, BellSouth's current exemplary performance data are relevant and important.

The performance data should be used in conjunction with the testimony of BellSouth witnesses such as Mr. McElroy and Mr. Ainsworth to determine whether operational impairment exists. The performance data calculated as prescribed by this Commission is an important part of this inquiry because it demonstrates the extent of BellSouth's commitment and action on that commitment to provide nondiscriminatory loop provisioning. BellSouth has shown a commitment to provisioning loops, including hot cuts in a timely and accurate manner for CLECs in Florida. These measurement results clearly show that performance does not pose an operational barrier to market entry for the CLECs. Performance data provided in my Direct Testimony offers a factual basis for the Commission's decisions instead of the unsupported assumptions offered by these witnesses.

Q. MS. BURSH, ON PAGE 2 OF HER REBUTTAL TESTIMONY ALLEGES THAT BELLSOUTH HAS TWISTED CURRENT PERFORMANCE DATA TO SUPPORT THE CLAIM THAT BELLSOUTH'S EXISTING PROCESSES WILL ADEQUATELY SUPPORT ANTICIPATED LOOP MIGRATION. DO YOU AGREE?

A. No, I disagree. As demonstrated in Exhibit AJV-1 to my Direct Testimony, BellSouth has shown a commitment to performing hot cuts in a timely and

accurate manner for CLECs in Florida. If Ms. Bursh considers the hot cut volumes to be low, they simply reflect the CLECs' choices, which according to Ms Bursh is rationale to penalize BellSouth. That aside, hot cuts are not a new process to BellSouth. The fact is BellSouth has been doing what we now call 'hot cuts' for many years. BellSouth has extensive experience in performing large numbers of hot cuts by completing the work steps required to transfer a geographic area from one wire center to another. These transfers are called 'Area Transfers.' Another example of the BellSouth's experience with 'hot cuts' is the T&F process, wherein a customer moves from one location to another within the same wire center. Both of these examples have been subject to Commission oversight for many years, even predating the Telecom Act of 1996. They have also been included in such retail measurements as Customer Trouble Report Rate.

Further, when the Commission set performance standards for CLEC hot cuts, these standards did not have any volume limitations or constraints. BellSouth was required to meet these standards regardless of the volume offered. The data show that BellSouth has met the performance standards established by the Commission, which of course required dedication of the resources necessary to do so. Having met this challenge in the past certainly lends credence to the proposition that BellSouth will do so in the future. These are the facts and these facts cannot be disputed.

Rather than try to refute the facts, Ms. Bursh resorts to the supposition that the facts will change. The allegation that the existing processes will be inadequate to support anticipated loop migration is merely an unsupported conjecture that BellSouth will not continue to meet the standards that it has met in the past. Both current and historical data contradict her claim. Also, in the unlikely event that BellSouth does not meet the standards, there are indicators, such as measurements, and consequences such as SEEM payments, complaints and other remedies that this Commission and the FCC established that can be used to address her concerns.

If Ms. Bursh, like Ms. Lichtenberg, is implying that the processes are not scalable with increased volumes, the FCC has at least partially addressed this issue where the agency has found in 49 decisions under section 271 that incumbents could scale their hot-cut processes as necessary (*e.g.*, *New York Order* ¶ 308). While I agree that this finding was made in an environment where UNE-P was required, nonetheless, it is a recognition that a significant degree of scalability exists. Mr. McElroy (p. 22 of his Rebuttal Testimony) explains how BellSouth's batch migration process of unbundled network element platform (UNE-P) to unbundled loop (UNE-L) service will sufficiently support the batch conversion of a CLEC's embedded UNE-P customer base to UNE-L services. Furthermore, Mr. Ainsworth and Mr. Heartley describe how BellSouth's processes are also scalable and will be able to meet the standards in the future. BellSouth's performance record shows that it has, and is, meeting the challenge of

providing nondiscriminatory loop provisioning including hot cuts. Consequently, the CLEC witnesses can only attempt to trivialize the facts because they can't refute them. These facts coupled with the implementation of proven provisioning plans, as attested to by other BellSouth witnesses, provide a clear path to determine that anticipated performance will be commendable.

Q. ON PAGE 3 OF HER REBUTTAL TESTIMONY, MS. LICHTENBERG CLAIMS THAT YOUR DIRECT TESTIMONY: (1) AT BEST, "ADDRESSES BELLSOUTH'S PERFORMANCE WITH RESPECT TO THE CURRENT LOW LEVEL OF UNE-L ORDERS; AND (2) "DOES NOT GIVE A CLEAR PICTURE OF BELLSOUTH'S ACTUAL PERFORMANCE ON UNE-L ORDERS." PLEASE COMMENT.

A. With respect to her first comment, that my Direct Testimony only addresses performance with respect to the "current low level of UNE-L orders", Ms. Lichtenberg misses the obvious purpose of performance data. The only options for performance reporting are past or present results, based on whatever level of activity the CLECs generate. The only meaningful way to assess BellSouth's ability to effectively process potential increases in future demand is to consider current performance results, the commonality and capacity of systems used in processes that handle significant volumes for similar activities today, the practical options available to BellSouth (or any business for that matter) of shifting resources to meet demand, and planned improvements in processes to

accommodate anticipated requirements. Thus, the intent of my Direct Testimony, which provided BellSouth's performance with respect to Loop Provisioning in general and hot cuts in particular, was not for the data to be considered in isolation. Rather, as previously stated, the performance results provided in my Direct Testimony should be considered in conjunction with the testimony of other BellSouth witnesses addressing other relevant aspects of the impairment issue.

The current volumes reflect what the CLECs are ordering and BellSouth can only report what is being ordered. Ms. Lichtenberg does not adequately address why the Commission should believe that BellSouth would not be able to handle an increase in UNE-L volumes. It should be remembered that when the CLECs opposed BellSouth's long distance, the CLECs erroneously predicted a similar inability regarding BellSouth's capacity to meet future volume demands for UNE-P and ordering in general. This erroneous prediction was contradicted by the data available at the time. Of course, they were proved wrong then, and they are wrong now. Rather than rely upon the facts, she feebly postulates the vaporous notion that if it has not happened in the past, it can't happen in the future while completely ignoring the fact that both current and historical data contradict this forecast.

In addition, Ms Lichtenberg goes on to reiterate the point that some processes are manual. The thrust of her whole argument in this case is the faulty assumption that the presence of a manual procedure anywhere

in the stream of processes equals impairment. Indeed, there is an obvious and significant gap between quoting the percentage of UNE-L orders that were Fully Mechanized during a specific period and concluding that these percentages establish CLEC impairment. The flow-through of LSRs is only one aspect of providing UNE-Loops to CLECs and, as the FCC has clearly explained, a secondary one at that.

As a practical matter, BellSouth will obviously assign its resources to the areas that generate the most volume. Certainly, as CLECs begin to submit more UNE-L orders, and less of other order types, BellSouth would, of course, make adjustments to address the change in CLEC order types. Significantly, BellSouth's current and past performance record, in conjunction with the process and procedure plans provided by other BellSouth witnesses, is a reasonable basis to infer that its future performance will be similar. Surely, the performance results provided in my Direct Testimony provide a more rationale basis for this Commission's determinations than the pure conjecture of CLEC witnesses such as Ms. Lichtenberg. If the Commission ignores the data completely, as Ms. Lichtenberg suggests, the door is open for a wide variety of conjectures about potential problems for which there is no factual basis.

In contending that my Direct Testimony does not "give a clear picture of BellSouth's actual performance", Ms. Lichtenberg focuses on two aspects of performance, flow through and order completion interval. Of course, this approach ignores the substantial amount of data that I provided

demonstrating that BellSouth's UNE loop provisioning performance has been and continues at a high level. I will address her flow through testimony now and her order completion interval testimony later because it has some common elements with other witnesses.

Any discussion of flow-through must first be placed into context with respect to it usefulness, which Ms Lichtenberg did not address. In addition, she ignored the value of the measurement results as prescribed by this Commission. First, the performance results provided in my Direct Testimony are based on the performance measures and standards established for the Flow-Through metric by this Commission and approved by the FCC. Moreover, the FCC has repeatedly stated that Flow-Through is a secondary measure and that other measures are more important indicators of performance. In particular, the FCC stated in its Texas Order:

> We have not considered flow-though rates as the sole indicia of parity, however, and thus have not limited our analysis of a BOC's ordering processes to a review of its flow-through performance data. Instead, we have held that factors such as a BOC's overall ability to return timely order confirmation and rejection notices, accurately process manually handled orders, and scale its systems are relevant and probative for analyzing a BOC's ability to provide access to its ordering functions in a nondiscriminatory manner. *See* Texas Order, ¶ 179.

While the FCC has repeatedly expressed the secondary nature and importance of the flow-through metric, the CLECs have repeatedly raised this same issue. The FCC's statement doesn't mean that flow through is irrelevant; it simply means that its significance is dictated by performance on other measures. In this proceeding, Ms. Lichtenberg attempts to

overstate its importance apparently because it is being reviewed in connection with batch hot cuts. In fact, she apparently recognizes its secondary role, because she refers to service order accuracy as an important consequence of flow-through. Service Order Accuracy is one of the measures that bears upon the significance of flow-through, and is a measure that BellSouth currently reports and will continue to report in its monthly data.

Q. MS. LICHTENBERG, ON PAGE 4 OF HER TESTIMONY, STATES THAT "LOW FLOW THROUGH MEANS THAT MOST UNE-L ORDERS MUST BE PROCESSED MANUALLY...INCREASING STILL MORE THE CHANCES FOR HUMAN ERROR AND CUSTOMER SERVICE OUTAGES AND OTHER PROBLEMS." PLEASE COMMENT.

A. Ms. Lichtenberg, again, makes predictions about BellSouth's ability to process orders accurately by referring to "chances" for human error and customer service outages without indicating any factual or other rationale or basis for her predictions. Rather, than using the performance data to support her analysis, she simply opines that the prospect of excessive human errors by BellSouth or customer service outages, and the "potential" for problems is enough for this Commission to find that CLECs are impaired without access UNE-P at TELRIC rates.

If BellSouth's performance results are reviewed, however, it is reasonable to infer that Ms. Lichtenberg's repeated contention that unless BellSouth's

ordering and provisioning processes are significantly more mechanized, CLECs will become impaired without UNE-P is without merit. For example, with respect to Ms. Lichtenberg's concern about the possibility of human errors in the ordering process, BellSouth reports its monthly performance relative to errors in the ordering process via measure P-11A (P-11 prior to September 2003), Service Order Accuracy. The following chart compares BellSouth's performance for the Service Order Accuracy measure for UNE-P versus UNE-L for the most recent three months: October, November and December 2003 (the results show the percent of orders that are accurate).

MONTH	UNE-P	UNE-L
October 2003	95.84%	97.41%
November 2003	96.41	97.94
December 2003	96.80	98.53

Based on the performance data above, the Service Order Accuracy rate was quite high. Even if the argument is made that the current UNE-L levels are much less than anticipated volumes, for December 2003, the volume for UNE-L orders was approximately 11,000 orders in Florida, which is clearly sufficient to demonstrate the level of BellSouth's performance. Moreover, the anticipated future increase in UNE-L orders would be accompanied by an anticipated significant decrease in UNE-P as well, which must be considered when predicting future performance levels.

Similarly, with respect to Ms. Lichtenberg's issue concerning potential customer service outages with UNE-L, in my Rebuttal Testimony (page 8, line 5 through page 9, line 11), I provided data for two Maintenance and Repair measures, Customer Trouble Report Rate and Maintenance Average Duration, showing UNE-P results and UNE-L results (shown as CLEC SL1). Although I do not agree that comparing UNE-L and UNE-P performance is a reasonable approach for reasons discussed in my rebuttal, as well as later in this testimony, even those comparisons do not support her claim. The data showed that for maintenance and repair, BellSouth performed comparably for UNE-P and UNE-L. In fact, the UNE-L results were better than UNE-P. Again, an argument that these are smaller UNE-L volumes than anticipated in the future, does not establish that performance levels will deteriorate to a point that CLECs are operationally impaired without UNE-P.

Q. DO YOU HAVE OTHER EVIDENCE OF BELLSOUTH'S EFFECTIVENESS IN HOT CUT PERFORMANCE?

A. Yes. The rebuttal testimony of Mr. Gallagher of Florida Digital Network, Inc. (FDN) contains clear and objective evidence that BellSouth's hot cut process is effective. On page 3 of his rebuttal testimony, Mr. Gallagher states "FDN believes that the hot cut process of the ILECs works well for the most part." On page 8, Mr. Gallagher states "As a UNE-L based CLEC that performs over two hundred hot cuts for DS-0 Loops daily and has performed more hot cuts than any other single CLEC in the state,

FDN would be hard pressed to say that the hot cut process does not work well." Then on page 11, Mr. Gallagher notes "On a daily basis FDN and BellSouth work cooperatively together to install loops through IDLC for mass market customers."

Q. WHY ARE THESE COMMENTS PARTICULARLY SIGNIFICANT?

A. Mr. Gallagher represents a facility-based CLEC that has first-hand knowledge and daily experience at a significant volume with hot cuts. This is in stark contrast to the testimony of other CLECs in this docket who primarily use UNE-P. Additionally, FDN has approximately 6 years of experience with UNE-L, as noted in Mr. Gallagher's testimony on page 2, and, FDN is of the opinion that it uses a significant amount of the UNE Loops provided by BellSouth. Referring to page 9 of his rebuttal testimony, Mr. Gallagher states, "there were 156,746 lines in Florida served by a combination of a BellSouth unbundled loop and a CLEC switch. " "FDN believes it constitutes about two-thirds of that total."

This testimony from a CLEC who actually has experience with the hot cut process is consistent with the data. This corroboration from someone with factual experience stands in stark contrast to the predictions of several other witnesses who have offered no basis for their claims that BellSouth will fail to perform in the future.

II. THE CLAIM THAT UNLESS THE PERFORMANCE STANDARDS FOR UNE-L ARE EQUIVALENT TO UNE-P, CLECS ARE IMPAIRED DUE TO OPERATIONAL BARRIERS WITHOUT ACCESS TO LOCAL SWITCHING IS CONTRARY TO BOTH LOGIC AND THE TRO.

Q. ON PAGES 3 AND 4 OF HER REBUTTAL TESTIMONY, MS. BURSH STATES THAT "BELLSOUTH USES THE WRONG STANDARD IN ATTEMPTING TO DEMONSTRATE THAT CLECS DO NOT FACE OPERATIONAL BARRIERS TO MARKET ENTRY ABSENT UNBUNDLED LOCAL SWITCHING." DOES MS. BURSH PROPOSE AN APPROPRIATE STANDARD TO COMPARE DELIVERY METHODS?

A. No, her proposal is inappropriate. First, I would like to note a bit of inconsistency in Ms Bursh's position. After claiming that BellSouth's data is irrelevant and instructing this Commission to discard the evidence, Ms. Bursh then concedes that the FCC suggested a review of performance data could be appropriate as part of the inquiry into the ILEC's "ability to transfer loops in a timely and reliable manner." (TRO at ¶ 512.) Having now agreed that the data are relevant, she disagrees with the manner in which this Commission chose to develop the data. The discussion of performance measurements data for hot cuts and UNE local loops in Exhibit AJV-1 provides the relevant information addressed by the FCC. These performance measurements were approved in this Commission's docket to establish permanent performance metrics (Docket No. 000121-TP) and further refined during the review of metrics standards during the

six-month review of the Performance Assessment Plan (Order No. PSC-01-1819-FOF-TP). This Commission has now completed a six-month review cycle and issued an order on April 22, 2003, which updated the Performance Assessment Plan. Instead of assessing Bellsouth's performance relative to those standards as I did in my direct testimony, Ms. Bursh claims that my "discussion provides little insight into the issue of whether BellSouth's loop provisioning is as prompt and efficient as UNE-P", Instead, Ms Bursh along with Ms. Lichtenberg and Mr. Van de Water create their own standard. None of them, however, explains how they derived their standard. As to Ms Bursh's self-proclaimed "FCC-prescribed standard of UNE-P performance", there is neither a directive that establishes this standard, nor would it be a reasonable standard by which to measure performance.

The key point is that it is not appropriate to compare UNE-P and UNE-L processes in the instances where they are not analogous. They are not the same products and do not offer the same functionality to the CLEC. Consequently, Congress, the FCC, nor this Commission required them to be the same. The question before the Commission is NOT whether UNE-L can be made the same as UNE-P. The question before the Commission, rather, is whether an efficient CLEC can compete in a particular market using UNE-L. Because the answer to this question is unequivocally "yes," the CLECs are attempting to change the question.

Q. ON PAGES 4 – 5 OF HER REBUTTAL TESTIMONY, FOLLOWING THE

SAME GENERAL APPROACH AS MS. BURSH, MS. LICHTENBURG COMPARES UNE-L INSTALLATION INTERVALS TO UNE-P INSTALLATION INTERVALS AND CONCLUDES THAT UNE-L MIGRATIONS TAKE SUBSTANTIALLY LONGER THAN UNE-P MIGRATIONS. IS THIS A FAIR COMPARISON?

A. No, this is a comparison that identifies the obvious fact that the products are different, but fails to identify the relevance or usefulness of that fact for determining operational impairment comparison. As I stated in my Rebuttal Testimony, responding to the same issue raised by AT&T witness Mark David Van De Water, there is an inherent flaw in attempting to equate two different products and processes – expecting the results to be the same. Where UNE-P orders require little more than a billing change of the existing end-user, UNE-L will always require some type of physical work whether at the central office or the customer premise. What Ms. Lichtenberg and other CLEC witnesses raising this issue fail to do is demonstrate how they are impaired because of the difference.

As already mentioned, BellSouth, the CLECs and the Commission have all spent an enormous amount of time establishing performance measurements, disaggregating products and processes, and creating performance standards based on the differences in these products and processes. In most cases, the retail analog standards are reasonable and relevant, and where they are not, the reason is that CLEC products are compared to dissimilar retail products. When this incongruity occurs, the

situation is considered an error, and more analysis of the data is necessary to determine whether a performance problem exists. Later, the erroneous standard can be revised in the next periodic review. However, these witnesses would have the Commission believe the far-fetched idea that a retail analog is only appropriate in this case if the retail process bears no resemblance to the CLEC process. In the absence of something more tangible, the fact that the standards adopted by all nine state commissions in BellSouth's region, and accepted by the FCC, reflect differences based on the different products and processes renders moot this point stressed by Ms. Lichtenberg, and other CLEC witnesses. I should also point out that failure to meet this Commission's prescribed standards for order completion interval, as set forth in the Performance Assessment Plan is met with immediate penalty plan consequences. This occurs in some cases even where the performance standard is clearly improper.

Q. TURNING AGAIN TO MS. BURSH, ON PAGES 3 AND 4 OF HER REBUTTAL TESTIMONY, MS. BURSH, NOTING AS MS. LICHTENBERG DID THAT UNE-P AND UNE-L HAVE DIFFERENT INTERVALS, GOES FURTHER AND MAKES THE ASSERTION THAT IF "UNE-P IS NO LONGER AVAILABLE, THE ILEC MUST FOLLOW THE SAME STANDARD IN PERFORMING ITS REPLACEMENT." DOES THIS CONCLUSION HAVE MERIT?

A. Not entirely. It is a reasonable conclusion when the processes required to provide the two products are analogous. Ms. Bursh, however, is narrowly asserting that the only relevant standard is the Order Completion Interval (OCI) where the processes are not analogous. She then mistakenly asserts that the OCI for UNE-P and its' replacement, presumably UNE-L, must be the same.

The only determination that the Commission need make is: 'Will BellSouth's performance for UNE-L provide the CLECs with a meaningful opportunity to compete?' Which is another way of asking: does UNE-L performance impair the CLEC's ability to compete? In making this determination, the Commission should consider not only the order completion interval but also the other measurements of maintenance, billing, provisioning, and ordering processes. The Commission should also consider the fact that UNE-L provides the CLEC with a number of competitive advantages that they do not have with UNE-P. For instance, once an end-user is served by UNE-L terminated on the CLEC's switching equipment, the CLEC can change switch dependant features and offer promotional packaging without involving BellSouth.

Q. YOU STATED THAT MS. BURSH, MS. LICHTENBERG AND MR. VAN DE WATER ALL CLAIM THAT PERFORMANCE FOR UNE-P AND ITS' REPLACEMENT, PRESUMABLY UNE-L, MUST BE THE SAME. DO YOU AGREE WITH THEIR BASIS FOR THIS CLAIM?

A. No, in coming to the conclusion that the OCI for UNE-P and UNE-L should be the same, these witnesses cite a partial reference to footnote 1574 in the TRO, which states:

> In determining whether granular evidence contradicts our finding that the hot cut process imposes an operational barrier, the state commission should review evidence of consistently reliable performance in three areas: (1) Timeliness: percentage of missed installation appointments and order completion interval; (2) Quality: outages and percent of provisioning troubles; and (3) Maintenance and Repair: customer trouble report rate, percentage of missed repair appointments, and percentage of repeat troubles. This review is necessary to ensure that customer loops can be transferred from the incumbent LEC main distribution frame to a competitive LEC collocation as promptly and efficiently as incumbent LECs can transfer customers using unbundled local circuit switching. This evidence will permit states to evaluate whether competitive carriers are impaired because the quality of their services is below that offered by the incumbent.

While the State Commission is encouraged to review performance, there is nothing in this footnote that requires an identical standard for UNE-P and UNE-L. Ms. Bursh and Mr. Van de Water cite the portion of the footnote that discusses "transferring customer loops from the incumbent LEC main distribution frame to a competitive LEC collocation." This function has a performance standard that the activity must be completed within 15 minutes, 95% of the time. They erroneously conclude that the Order Completion Interval, which is not even a measure of the process that they address, for UNE-L must therefore be the same as UNE-P. These products are different, which means they have inherent advantages and disadvantages. For example, some forms of UNE-P will have a shorter order completion interval than some forms of UNE-L, but UNE-L as previously stated provides the CLEC with more direct control of some

of the services provided to their customer. There are significant parallel processes for ordering and provisioning unbundled network element platform (UNE-P) and unbundled loop (UNE-L) services but they are not analogous with respect to order completion interval. Therefore, it would be illogical to interpret this footnote as meaning that these two performance standards should be equivalent.

Further, they fail to cite the portion of the footnote that directs "states to evaluate whether competitive carriers are impaired because the quality of their services is below that offered by the incumbent." In other words, the FCC directed the states to use the same tests used to establish the retail analogues and benchmarks in the performance plan – substantially the same time and manner and meaningful opportunity to compete. Given that the Commission has already established analogues and benchmarks setting those standards, it should rely on that data to meet the FCC's directive.

Significantly, AT&T made this same argument before the FCC that the standard must be the same for UNE-P and UNE-L, contending that until ILECs offer an electronic loop provisioning (ELP) method of transferring large volumes of local customers unbundled switching for voice grade loops is essential. The FCC, in paragraph 491 of its TRO, rejected this contention stating: "the evidence in the record suggests that an ELP process, to be effective, would require significant and costly upgrades to the existing local network at both the remote terminal and the central

office...we, decline to require ELP at this time, although we may reexamine AT&T's proposal if hot cut processes are not, in fact, sufficient to handle necessary volumes." Clearly, the FCC did not support the idea that UNE-P and UNE-L installation intervals must be the same. Consequently, it is impractical for this Commission to superimpose such a blatantly self-serving standard simply because CLECs want to do so.

A more rational interpretation of the TRO is that BellSouth's performance relative to the applicable standards for UNE-L should be equivalent to BellSouth's performance relative to applicable standards for UNE-P. Said another way, it means that BellSouth must provide nondiscriminatory UNE-L performance just like it must provide nondiscriminatory UNE-P performance. Of course, because the data show that BellSouth meets this rational test, the CLECs witnesses ignore it.

Q. MS. BURSH ON PAGES 4 AND 5 PRESENTS A TABLE THAT SHE CLAIMS DEMONSTRATES THAT BELLSOUTH'S LOOP PERFORMANCE FALLS "WOEFULLY SHORT" WHEN COMPARED AGAINST UNE-P PERFORMANCE. WHAT IS THE RELEVANCE OF THIS COMPARISON IN THIS PROCEEDING?

A. It provides no useful information to this Commission. Ms. Bursh is reiterating the same point raised by Mr. Van De Water on pages 15 and 16 of his direct testimony and that I addressed in my rebuttal of Mr. Van De Water's testimony and just addressed again in this testimony. Table 1

(page 5) simply points out that the Order Completion Interval (OCI) is the average time interval to complete UNE-P orders, which are mostly orders requiring a records change only, and require no physical work, is less than the average time to complete 2W Analog Loop w/LNP Non-Design < 10 / Dispatch In, where some form of physical work is required. In other words, UNE-P orders are primarily "switch as is" and 2W Analog Loop w/LNP Non-Design < 10 / Dispatch In are not. Here Ms. Bursh twists her analysis as she attempts to draw conclusions by equating the installation interval for two different products and processes. As pointed out in my rebuttal testimony on page 15, an order for UNE-P has typically involved little more than changing the billing of an existing end-user from BellSouth retail, or from another CLEC, to the acquiring CLEC. It is important to note that for most UNE-P orders the following three factors apply: 1) no physical work is required, 2) no outside dispatch is needed, and 3) the order is not subject to facility shortages. The other order type listed, 2W Analog Loop w/LNP Non-Design < 10 / Dispatch In, will always require some form of physical work.

To reiterate, the relevant question is not whether UNE-L and UNE-P are the same, but whether an efficient CLEC can compete using UNE-L. BellSouth's UNE-L performance, coupled with the advantages of UNE-L, provides CLECs a meaningful opportunity to compete. For instance, any alleged timeliness advantage that BellSouth has with respect to loops connected to its switch, becomes an advantage to the CLEC after the CLEC has acquired the customer using UNE-L. In that case, because the

loop is already connected to the CLEC's switch and only requires minimal work, BellSouth must perform a hot cut to win-back the customer. Other advantages include the business opportunities to perform their own work, on their own switches, and the marketing opportunities to offer their own features and functionalities that are not offered by BellSouth. I only make these points to illustrate the lack of logic surrounding the CLECs claim that Order Completion Interval results should be viewed in a vacuum and are required to be the same for UNE-P and UNE-L.

Q. ON PAGES 11-12 OF HIS TESTIMONY, MR. VAN DE WATER ARGUES THAT BELLSOUTH'S HOT CUT MEASURE BENCHMARK SHOULD BE 5 MINUTES AS OPPOSED TO 15 MINUTES. DO YOU AGREE?

A. No, I do not agree. Mr. Van De Water's allegation that BellSouth insisted in performance measure proceedings to be able to keep the customer out of service for 15 minutes "should it so choose" is quite untrue. First, BellSouth does not have an average interval benchmark like the one that Mr. Van de Water describes. Instead, the standard is to complete 95% of all hot cuts within 15 minutes.

Second, the benchmark is reasonable, as the Commission already has determined. The benchmark provides for the conversion work described in BellSouth witness Mr. Ainsworth's testimony. By performing the pre-conversion work before the actual transfer from switch to switch, BellSouth

increases its efficiencies and minimizes the actual impact of the physical transfer to the end-user.

Third, although AT&T was one of the primary participants in the FPSC's six-month review of the Florida Performance Assessment Plan (PAP), neither they nor other members of the ALEC Coalition proposed to modify this benchmark. In fact, in the most recent Florida PAP six-month review in Docket No. 000121A-TP, the ALEC Coalition, including AT&T, in its August 30th, 2002 filing included as Exhibit 3, an ALEC Modified Service Quality Measurement (SQM) plan that proposed absolutely no changes to this hot cut measure. The fact is, that during the six-month review workshops, this measure and the interval of 15 minutes was not even one of the topics of discussion. So, Mr. Van de Water's belated portrayal of what occurred in the measurement development process, where he was not a participant, is without merit.

III. BELLSOUTH HAS PROVIDED ALL OF THE UNE LOOP DATA NECESSARY TO ASSESS ITS PERFORMANCE AND, CONTRARY TO IMPLICATIONS BY THE CLECS, DID NOT "HIDE" ANY RELEVANT LOOP OR HOT CUT PERFORMANCE RESULTS.

Q. MS. BURSH, ON PAGES 5 AND 6 CLAIMS THAT CONSOLIDATING RESULTS FOR "ALL LOOPS" HIDES PERFORMANCE RESULTS RELEVANT TO THE ISSUE OF OPERATIONAL BARRIERS TO

MARKET ENTRY ABSENT UNBUNDLED LOCAL SWITCHING. HOW DO YOU RESPOND?

A. BellSouth did not aggregate or offset the performance assessments in a manner that masks the more relevant performance as Ms. Bursh claims on page 6. On the contrary, Exhibit AJV-1 provided overall hot cut performance in detail as well as, in Attachment 1 to the Exhibit AJV-1, the other performance data for UNE Local Loops in Florida. The data show that BellSouth met the Coordinated Customer Conversion 15-minute benchmark for over 99.9% of all cutovers in the past 12 months in Florida. This measurement reflects the average time it takes to disconnect an unbundled loop from the BellSouth switch and cross connect it to the CLEC equipment. For UNE Local Loops, BellSouth processed 95% of all LSRs by the required benchmark interval during the 12-month period (September 2002 – August 2003). For the same period, BellSouth met the performance standard for 90% of the provisioning sub-metrics and 87% of the maintenance & repair sub-metrics.

Further, the detailed data for each individual sub-metric was provided. This was clearly the case, because Ms. Bursh refers to some of that data in her testimony. The problem with analyzing performance at the sub-metric level is that many of the sub-metrics have such small volumes, that they don't provide a useful basis for analysis. To help remedy that problem, I refer to aggregate statistics in the body of the testimony; however, the detail is plainly visible for anyone who wants to see it.

Q. ON PAGE 7, BEGINNING ON LINE 9 MS. BURSH APPEARS TO BELIEVE THAT BELLSOUTH'S AGGREGATED ASSESSMENT MAY MASK PERFORMANCE. HOW DO YOU RESPOND?

A. As I indicated above, BellSouth did not aggregate the performance assessments to mask anything. On pages 8 and 9 of my Direct Testimony, I explain which products are included within the UNE Loop performance data. Also, as previously stated, Exhibit AJV-1 provides a detailed discussion of the data and the detailed performance results at the sub-metric level. That exhibit beginning on page 16 provided overall hot cut performance and the charts in Attachment 1 to the Exhibit AJV-1, provided the data individually. It is this detailed comparative performance data for UNE Local loops that actually facilitates evaluation of the extent to which nondiscriminatory performance is provided. But regardless of the individual or aggregated presentation of he data, the fact remains that BellSouth performance is high.

Q. SHOULD THE COMMISSION GIVE ANY WEIGHT TO MS. BURSH'S STATEMENT ON PAGE 7 THAT "EVEN IF BELLSOUTH'S CLAIM OF COMPLIANCE FOR 90% OF THE PROVISIONING SUB-METRICS WERE TRUE, THIS IS SOMEWHAT MEANINGLESS GIVEN THAT A NUMBER OF THE MISSED SUB-METRICS WERE FOR PROVISIONING OF PRODUCT AREAS THAT WILL BE DOMINANT IF UNBUNDLED LOCAL SWITCHING IS ELIMINATED" AND CRITICISM OF THE HIGH LEVEL DATA REVIEW IN YOUR TESTIMONY?

A. No. Ms. Bursh on page 8, focuses on the 10% of the provisioning sub-metrics that were missed and ignores the fact that BellSouth met an average of 90% of all the UNE Loop provisioning sub-metrics over the last 12 months in Florida. Ms. Bursh then implies that BellSouth may not have met 90% of the sub-metrics, but offers no basis for this derogatory remark. Her criticism of the value of a cursory review of the data is misguided. The reason for using this high level review is to demonstrate that results are good even at that level. More detailed analysis shows that the results are actually better than a cursory review indicates, not worse as Ms. Bursh insinuates. CLECs and this Commission can certainly review the detailed data to confirm this conclusion.

For example, let's look at the details surrounding 2 of the provisioning sub-metrics that concerned Ms. Bursh. One of these sub-metrics was Order Completion Interval (OCI) for 2-W Analog Loop w/LNP Non-Design/ >10 Circuits/Dispatch In. For this sub-metric, the volumes for each of the three months out of twelve that were not in parity (September 2002, December 2002, and January 2003) were 30, 38, and 50 orders respectively for all of Florida, which is not a large enough volume in this case to perform a root cause analysis. Nonetheless, detailed analysis of the results for this and the other missed sub-metrics in the non-dispatch category shows that there is no significant performance problem.

First, BellSouth data reveals that the OCI for Retail Residence and Business Orders that do not require a dispatch is typically about 2 days.

In contrast, the OCI for UNE Loops w/ LNP is a minimum of 3 days. The origin of this 3-day minimum is actually an industry agreement, which allows for the new service provider (either CLEC or BellSouth) to accomplish the work and coordination necessary to perform a number port. In short, in July 2003, the Local Number Portability Administration Working Group (LNPAWG), which includes CLEC and ILEC representatives, approved a set of number porting procedures that place a lower limit on the Order Completion Interval for number ports in an NPA-NXX exchange. These procedures, in part, state: "Any subsequent port in that NPA NXX will have a due date no earlier than three (3) business days after FOC receipt." The LNPAWG is a sanctioned committee of the North American Numbering Council (NANC). AT&T is a member of the LNPAWG who approved these procedures.

With a 3-day industry standard minimum it is unlikely that 2W Analog Loop orders that do not require an outside dispatch will be completed as quickly as retail Residence and Business Orders that do not have that requirement. Perhaps a better comparison for parity determination purposes is the interval on BellSouth retail win-backs where the process is essentially the same for both BellSouth and the CLECs. Of course, little winback activity existed when these standards were established, but that is probably no longer the case, so a more analogous standard can be set.

Also, for all 2-W Analog Loops, including 2-W Analog Loops w/ LNP Non-Design/ <10 Circuits Dispatch In, as I explained in Exhibit 1 of my Direct

Testimony, at the time of scheduling, BellSouth is unable to determine whether or not a "dispatch out" is required and, therefore, must schedule all of these orders with the longer interval. When these orders are then compared with the shorter non-dispatched retail analogue results, an out of parity condition is reported. As a result, there are differences in the OCI comparisons of UNE Loop to Retail Residence and Business because the products are not as analogous as they were once believed to be. These differences between the CLEC orders and the retail analogue indicate that an out of parity condition is, in part, a result of inequality in the measurements instead of actual poor performance, as Ms. Bursh claims. While the Commission and the parties in the 6-month review established these standards of comparing UNE Loops w/LNP to Residence and Business, these standards are, in retrospect, inappropriate, particularly with regard to the Non-Dispatch comparisons raised by Ms. Bursh.

Despite the aforementioned 3-day minimum, BellSouth is investigating ways to shorten the OCI time, particularly for UNE Loop orders not requiring a dispatch. Of course any such change must still adhere to industry standards and may be delayed by CLECs through the change control process.

Finally, while there may be a difference in OCI time, there is limited impact to the customer experience for two obvious reasons: 1) the customer is already in service, either with retail or with UNE-P, and 2) the only difference is in planning time – the time between when the order is

received and when it is completed. And once the slight difference in OCI time is encountered and the CLEC has the customer in its own switch, the Commission should also consider that UNE-L provides the CLEC with a number of competitive advantages. As I mentioned earlier, this arrangement, once an end-user is served by UNE-L terminated on the CLEC's switching equipment, affords the CLEC the opportunity to change switch dependant features and offer promotional packaging and service intervals without involving BellSouth.

All of the information stated above was available to Ms. Bursh, and she was certainly free to analyze the circumstances surrounding the data. Somehow she apparently overlooked these relevant facts, an oversight which resulted in unfair criticism of BellSouth's performance.

Q. MS. BURSH AGAIN PRESENTS PERFORMANCE RESULTS (PAGE 9) FOR SUB-METRICS TO BOLSTER THE CLAIM "THAT THE PERFORMANCE FOR LOOPS COLLECTIVELY DOES NOT NECESSARILY REPRESENT THE PERFORMANCE FOR INDIVIDUAL LOOP CATEGORIES. HOW DO YOU RESPOND?

A. Ms. Bursh continues her course of identifying examples of sub-metrics where BellSouth has not obtained the benchmark and ignoring the overall performance of the measurement. In the case of FOC and Reject Response Completeness, performance actually averaged 96% over the period from September 2002 through August 2003. First, additional

background information is necessary to understand the measurement O-11, FOC and Reject Response Completeness - Mechanized. This measurement calculates the number of Firm Order Confirmations or Auto Clarifications sent to the CLEC from EDI, or TAG in response to electronically submitted LSRs. That is, the numerator is the total number of service requests for which a FOC or Reject is sent, and the denominator is the total number of service requests received in the report period, as the metric is designed to capture the data for the current data month. CLECs do, however, submit LSRs on the last day of the month. Fully mechanized LSRs, which are captured in the 2W Analog Loop w/LNP Design and 2W Analog Loop w/LNP Non-Design sub-metrics referenced by Ms. Bursh, that are submitted on the last day of the month have a FOC benchmark of 95% within 3 hours. This means the FOC may or may not be due in the month submitted, depending upon the actual receipt time of the LSR and as a result may not be included in the numerator, although they would be in the denominator.

Lastly, for this measurement, FOC and Reject Response Completeness – Mechanized, in the case of the remaining 3 out of the 4 sub-metrics Ms. Bursh references, Ms. Bursh fails to account for the fact that for the period in question (September 2002 through August 2003) for many of these months the transaction volume was so low that BellSouth could not miss even a single transaction. That is, in a month where the volume of transactions for the sub-metric was less than 20, even 1 failure results in missing the 95% benchmark for this sub-metric. For example, the sub-

metric for 2W Analog Loop w/LNP Design/TAG did miss the benchmark of 95% for 11 out of 12 months, but only one of the months in this 12-month period had a volume of greater than 11 LSRs. That month was December 2002, which had a volume of 21 LSRs. Again, Ms. Bursh's interpretation of the data does not consider these pertinent facts.

Q. STARTING ON PAGE 9, LINE 16 OF HER REBUTTAL TESTIMONY, MS. BURSH APPEARS TO ALLEGE THAT BELLSOUTH IS MISREPRESENTING THE PERFORMANCE RESULTS BY INCLUDING LOOPS THAT ARE NOT MIGRATABLE FROM UNE-P? HOW DO YOU RESPOND?

A. Actually, it appears that Ms. Bursh seems to be creating confusion with the Commission by making an argument that appears to have little, if any, relevance. BellSouth is presenting performance data for all products that a CLEC might use in significant volume to provide service using UNE-L. This inquiry should not be limited simply to those loops that can be migrated from UNE-P. Also, her testimony and that of other witnesses indicate that they are certainly interested in ensuring that no operational impairment exists on loops regardless of whether they can be migrated from UNE-P. The data represents all loops including those that are newly provisioned, migrated from Retail, switched from other CLECs, as well those that are migrated from UNE-P and is not limited to hot cuts. This is the appropriate scope of the inquiry, and allows the Commission to assess

BellSouth's performance in provisioning UNE Loops for all relevant products.

IV. THE EXISTING FLORIDA PERFORMANCE ASSESSMENT PLAN METRICS TOGETHER WITH THE PROPOSED CHANGES INCLUDED IN MY DIRECT TESTIMONY ARE MORE THAN SUFFICIENT TO ADDRESS CURRENT AND ANTICIPATED HOT CUT PERFORMANCE CONCERNS.

Q. ON PAGE 10, LINES 14 - 20, MS. BURSH ASSERTS THAT BELLSOUTH'S PROPOSED ENHANCEMENTS TO THE PERFORMANCE MEASURES AND SEEM PLAN ARE INADEQUATE. HOW DO YOU RESPOND?

A. I disagree. For example, contrary to Ms. Bursh's assertion, Bellsouth indeed suffers negative consequences if elongated response intervals to the Bulk Migration Notification forms are reflected in the results for PO-3, UNE Bulk Migration – Response Time. As stated in my Direct Testimony, any extensive response intervals to the Bulk Migration Notification forms would penalize BellSouth since BellSouth's incentive is to migrate the customer to UNE-L and not to delay any response and lengthen response time of the Bulk Migration. BellSouth does not believe it should offer to write the CLECs a check for the privilege of providing them today's UNE-P after it is no longer required. Ms. Bursh's statement that "If BellSouth has no incentive to delay the response, as suggested by Mr. Varner then

BellSouth should have no concerns with including PO-3 in SEEM" makes absolutely no sense. The SEEM plan should be designed to penalize poor performance, not simply generate an unwarranted windfall to CLECs. Ms. Bursh's view, that CLECs should receive payments whether they are harmed or not, is consistent with her past positions, so it comes as no surprise.

Q. ON PAGE 10, MS. BURSH CONTENDS THAT BELLSOUTH SHOULD ESTABLISH ADDITIONAL METRICS FOR MONITORING THE BATCH HOT CUT PROCESS. HOW DO YOU RESPOND?

A. The new measurements and modification to existing measurements proposed in my Direct Testimony provide sufficient additional data to monitor BellSouth's performance during hot cuts. Although Ms. Bursh asserts that even more measurements are essential, she does not provide any specifications for the additional measurements that she claims are so desperately needed. Ms. Bursh proposes titles for new measures, such as "Percent of Batches Started on Time", "Percent of Batches Completed On Time", and "Percent Conversion Service Outages" but falls short of providing specific measurements. In any event, it appears that her concerns have already been addressed.

Regarding the requested "Percent Batches Started on Time" measure, this Commission has already established and BellSouth already produces a measurement, P-7A, for Hot-Cut Timeliness that measures whether or not

a coordinated hot cut begins within 15 minutes of the requested start time. For non-coordinated hot cuts, they simply need to start on the due date, so the missed installation appointment metric and the new measure P-7E described in my Direct Testimony and again below capture that performance.

Likewise, it appears that "Percent of Batches Completed on Time" data is already being addressed. For coordinated hot cuts, measure P-7 captures whether the cut was completed on time. To address the "Percent of Batches Completed On Time" for non-coordinated hot cuts, BellSouth has already proposed P-7E, Non-Coordinated Customer Conversions - % Completed and Notified on Due Date as referenced in my direct testimony on pages 42-43. The proposed new measure, complete with a definition, exclusions, business rules, calculation, report structure and benchmark is included in Exhibit AJV-2. To summarize, this report measures the percentage of non-coordinated conversions that BellSouth completed on the due date and provided notification to the CLEC on the same date. This measure is also proposed to be included in both Tier 1 and Tier 2 of SEEM.

Lastly, Ms. Bursh proposes the establishment of a "Percent Conversion Service Outages" measurement. It appears, however, that this performance is already covered by measures P-7B and P-7C, which are the Average Recovery Time, and Percent Provisioning Troubles in 7 Days measures.

As for the SEEM consequence, my disagreement with Ms. Bursh's proposal, *i.e.*, equal to the average net revenue time the average life of the customer, has already been addressed in my rebuttal to Mr. Van De Water's testimony.

Q. MS. LICHTENBERG, ON PAGES 11 AND 12 OF HER REBUTTAL TESTIMONY, ALSO CRITICIZES THE EXISTING HOT CUT PROCESS AND CLAIMS THAT THERE IS A NEED FOR A NUMBER OF CHANGES TO BELLSOUTH'S PERFORMANCE MEASURES. MS. LICHTENBERG ALSO CITES A NEED FOR A METRIC FOR TIMELY UNLOCKING OF THE E911 DATABASE. PLEASE COMMENT.

A. Ms. Lichtenberg begins this discussion by stating: "metrics need to be developed that address the process and its possible flaws." I underline the word "possible" here because Ms. Lichtenberg's approach is to consider any possible problem that might occur and use that contrived possibility to advocate the creation of yet another measure to address a problem that does not exist. Again, she makes general and rhetorical proposals for measurements without providing any evidence that BellSouth's existing or proposed measurements are not sufficient. Notwithstanding Ms. Lichtenberg's generalities, I will attempt to address her suggestions for measures.

Ms. Lichtenberg's first suggestion is for some measure of "errors created by BellSouth in the multiple LSRs generated by the batch LSR." There is

no need for a unique measure to address this issue. The Global LSR (or "batch LSR" using Ms. Lichtenburg's term) creates the individual LSRs and the CLEC must still enter the information for the customers included in the batch to populate the individual LSRs. Because the individual LSRs associated with the batch are entered into the systems in the same way as any other LSR, any errors in processing the multiple LSRs would be captured by the Service Order Accuracy measure, P-11A.

The next issue raised by Ms. Lichtenberg is the alleged need for "a metric for timely unlocking of the E911 database." This issue involves cases where the customer changes from BellSouth to a CLEC, or for that matter from a CLEC to BellSouth, and the order including the request for the change must have reached completion status before an "unlock" message will be sent to Intrado. Intrado is the vendor currently maintaining the databases that are utilized by the Public Safety Answering Points (PSAPs) in handling E911 calls.

Any problems associated with unlocking the E911 database would apply whether it involves a customer changing from BellSouth to a CLEC, or from a CLEC to BellSouth. Therefore, both BellSouth and CLEC customers would be impacted in the same way by this third party. Situations where retail and CLEC customers are affected in the same way means that the process is in parity by design, so no performance measurements in the SQM or penalties under the SEEM plan are needed. If the CLECs believe that there is a problem associated with the unlocking

of the E911 database significant enough to establish a finding that they are operationally impaired due to the problems encountered, they should present this evidence. Simply declaring that there is a need for a metric is no basis for establishing one, particularly when there is no basis to claim discriminatory treatment.

Ms. Lichtenberg further states: "[a] metric also is needed to track the due dates that CLECs are assigned." It is unclear how a new metric would "track" due dates, and it is even less clear how this information is meaningful. As an example, if a new metric were to be created that 'tracked due dates' and the measurement showed there were 3 orders due on February 1 and 4 orders due on February 10, there is little information to be gleaned or conclusions drawn from such a report. All the report conveys is that a combination of the CLEC's requested due date and BellSouth's committed date resulted in 3 orders due on February 1 and 4 orders due February 10. I believe the more relevant information is how well BellSouth meets due date commitments. That information is available in the existing Percent Missed Installation Appointments measurement. As an alternative, each CLEC is capable of tracking due dates that they receive from BellSouth through its own internal systems. If CLECs believe that there is a problem with the due dates that they are receiving from BellSouth, they can very easily collect and provide these data to have BellSouth solve any problem that it caused and ultimately involve this Commission, if appropriate.

Further, in order for performance metrics to be useful, there should be some objective basis for determining whether reported results are consistent with standards for relatively uniform activities. The due dates are negotiated between the CLECs and BellSouth according to many factors. This is because of the case-by-case nature of batch hot cuts. Moreover, the Ordering, Provisioning and Maintenance & Repairs domains each either already has a timeliness measure or will include a timeliness measure, based on changes proposed in my Direct Testimony, that addresses batch hot cuts. Therefore, creating a metric to track due dates that CLECs receive for batch hot cuts, which is recommended by Ms. Lichtenberg without any meaningful detail, is a suggestion that should be rejected by the Commission.

Ms. Lichtenberg also suggests that "the number of 'batch' orders that are rejected needs to be tracked." As discussed in my Direct Testimony, BellSouth has proposed modifying the measures O-7 (Percent Rejected Service Requests) and O-8 (Reject Interval) to include batch hot cuts. Since, as recognized by Ms. Lichtenberg in her Rebuttal Testimony, a batch LSR generates multiple LSRs, measure O-7 will track rejected LSRs, including batch LSRs. Also, measure O-8 will track how long it takes to reject these LSRs.

Finally, Ms. Lichtenberg contends: "[a] separate disaggregation for batch orders is needed to ensure that the batch orders move smoothly from ordering to provisioning." This is unnecessary. As already explained,

when a CLEC issues a request for a batch order, the batch order results in individual LSRs that proceed through the Ordering systems, as would any other LSR. All of the measurements that capture BellSouth's performance related to the processing of LSRs would include batch hot cuts, based on BellSouth's proposal as outlined in my Direct Testimony. Once the orders reach the provisioning process, there are five (5) measures (the existing measures P-7, P-7A, P-7B, P-7C and the proposed measure P-7E) that would monitor BellSouth's performance related to all hot cuts, including batch hot cut provisioning measures that apply. Clearly, there is no need to establish a separate disaggregation for batch hot cuts.

Q. ON PAGE 9 OF HIS TESTIMONY, MR. GALLAGHER SUGGESTS THAT "ILECs WOULD BE INCENTED TO CURE PERCEIVED FLAWS IN THE HOT CUT PROCESS IF THE COMMISSION TILTED KEY PERFORMANCE METRICS AND COMPENSATION PAYMENTS TO FOCUS MORE ON THE REALITIES OF A UNE-L WORLD RATHER THAN A UNE-P WORLD." DO YOU AGREE?

A. It is unclear what action Mr. Gallagher is proposing for the Commission to take. The current Performance Assessment Plan (PAP) approved by this Commission addresses UNE-P as well as UNE Loops. In fact, in the provisioning measurements, there are 25 product categories of UNE Loops including analog loops, ISDN loops and digital loops. Additionally, in my Direct Testimony, I proposed modifications to measurements in both the Ordering and Provisioning domains and the SEEM plan to more

closely focus on the batch hot cut processes. The Ordering measurements include PO-3: UNE Bulk Migration – Response Time, O-7: Percent Rejected Service Requests, O-8: Reject Interval, O-9: Firm Order Confirmation Timeliness, and O-11: Firm Order Confirmation and Reject Response Completeness. The Provisioning measurements include P-7: Coordinated Customer Conversions Interval and P-7E: Non-Coordinated Customer Conversions - % Completed and Notified on Due Date.

The existing PAP, coupled with these modifications is more than sufficient to address real flaws (rather than "perceived flaws") in the hot cut process. Given the comprehensive coverage that UNE-L receives in the PAP, it does not appear that any "tilting" to favor UNE-L is necessary.

Q. IN DESCRIBING SUPRA'S EXPERIENCE WITH RESPECT TO THE ORDER COMPLETION STEP ON PAGE 6 OF HIS TESTIMONY, MR. NEPTUNE STATES "BELLSOUTH HAS NO METRIC NOR HAVE THEY OFFERED ONE SIMILAR TO VERIZON'S TO ASSURE THAT THE CENTRAL OFFICE TECHNICIAN WILL ENTER COMPLETIONS INTO THEIR SYSTEMS IN A TIMELY MANNER." PLEASE COMMENT.

A. As discussed in my Direct Testimony pages 30 and 31, BellSouth reports the time it takes for the coordinated cutover of customer loops to CLECs (with a benchmark of 15-minutes) as part the measure P-7 (Coordinated Customer Conversions Interval), and has an objective to notify the CLEC within 5 minutes of the loop being cutover. Moreover, in my Direct

Testimony (pages 43 – 44) I proposed modifying this measure to include, in addition to the 15-minute requirement for cutover of the loop, a 5-minute requirement to notify the CLEC that the cutover has completed (see also Exhibit AJV-2 of my direct filing). So when, with respect to a measure of timely notice of loop completions, Mr. Neptune remarks: "BellSouth has no metric nor have they offered one", this is inaccurate. BellSouth's measure may differ from similar measures that Verizon may report, however, the activity of which Mr. Neptune voices a concern is captured by the BellSouth metric.

It should also be noted that while Mr. Neptune contends that BellSouth's coordinated conversion process does not work well, based in part on "Supra's experience in the last 60 days with over 3,500 conversions," he fails to point out that none of the conversions during this period (presumably November and December 2003) were ordered as "coordinated." Mr. Neptune does admit (on page 5, lines 4 –5 of his Rebuttal Testimony) that "Supra has not used the level entitled 'Coordinated/Time Specific' option as yet," but what he neglects to clarify is that neither has Supra ordered Coordinated/Non-Time Specific. In fact, for November and December 2003, all of Supra hot cut conversions were ordered as "non-coordinated." Moreover, if we consider BellSouth's performance in performing customer conversions for Supra for the months November and December 2003, out of ***--------*** conversions, only ***---*** due dates were missed for BellSouth reasons. This means that BellSouth performed according to Supra's due date requirements for over

99.8% of these conversions. The Commission should promptly dismiss these baseless and inaccurate claims, and consider instead the more objective and verifiable performance data filed with my testimony (Direct, Rebuttal and Surrebuttal.

V. OTHER ISSUES RAISED

Q. MR. VAN DE WATER, ON PAGE 12 OF HIS TESTIMONY, DESCRIBES A SITUATION IN FLORIDA WHERE CUSTOMERS WERE OUT OF SERVICE FOR 17 AND 18 AND ONE HALF HOURS. PLEASE ADDRESS THIS SITUATION.

A. Although Mr. Van De Water once again presents an incomplete story, the average recovery times he describes are correct for the customers who experienced a service outage during a hot cut during October and November. However, as I noted in my rebuttal testimony to Mr. Van De Water, several key facts need to be pointed out and restated here. First, these 44 outages in the two months of October and November represent only 1.04% of the 4226 coordinated customer conversions for those same two months. Second, this 1.04% of the coordinated conversions is below the Commission's benchmark of 3% for provisioning troubles within seven days of the hot cut. And third, for the 2418 coordinated hot cuts in October 2003 there were 23 service outages, 4 of which, due to an extended outage, caused the average for these 23 to be 17 hours; for the 1808 coordinated hot cuts in November 2003 there were 21 service outages, 6

of which, due to an extended outage, caused the average for these 23 to be 18 and one half hours. Only a very few customers, then, in this case, actually experienced the severe outage situation that Mr. Van De Water claims is not only average but pending for all customers experiencing a conversion.

Mr. Van De Water's conjecture about translating this effect evenly for all customers in the future is contrary to BellSouth's past performance and continuing commitment to service. The normal or "average" experience is the performance BellSouth demonstrated in the preceding months of June 2003 through September 2003 where the average recovery time was 4.25 hours, which is below the Commission's objective of 5 hours. More importantly, as stated on page 17 of my Rebuttal Testimony, less than 1% of hot cuts experienced the condition when this measure would apply.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

BELLSOUTH TELECOMMUNICATIONS, INC.

WITNESS - ALPHONSO J. VARNER

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

FEBRUARY 24, 2004

DOCKET NO. 030851-TP

ERRATA

Direct Testimony

Page 4, line 11: CHANGE "Data is provided" to "Data are provided"

Page 8, line 21: INSERT the word "Confirmation" as in "Service Inquiry with Firm Order Confirmation."

Page 10, lines 18 – 22: DELETE "Given that this will be a new service offering, obviously BellSouth does not currently provide for this product in its reported data. However, once the product becomes available and CLEC requests for the service generate activity, these data will be included in a current product category called 'UNE Other'."

Page 35, line 7: In the table, column entitled "Total # Hot Cuts" for August 03, CHANGE "1,597 1,595" to "1,597".

Page 38, line 24 – Page 39, line 1: DELETE "P-4, Average Completion Notice Interval (OCI) & Order Completion Interval Distribution;".

Exhibit AJV-1

Page 47: In the first heading INSERT the word "Notice" as in "Average Completion Notice Interval."

Page 47: In the second heading to INSERT the word "Notice" as in "Average Completion Notice Interval."

Page 47: In the second heading to INSERT the word "Non" as in Average Completion Notice Interval / UNE 2W Analog Loops Non Design with and without LNP.

Exhibit AJV-2

Page 1, under the section of the SQM page entitled "Business Rules" for measure PO-3, CHANGE "LSRs" to "telephone numbers" as in:

1...99 individual telephone numbers

2...100 up to 199 individual telephone numbers

3...200 or more individual telephone numbers

Page 2, under the section of the SQM page entitled "SQM Level of Disaggregation" for the measure PO-3, CHANGE:

"95% <=7 Business Days" to " 95% <= 4 Business Days"
"95% <=10 Business Days" to " 95% <= 6 Business Days"

Rebuttal Testimony

Page 1, line 23: CHANGE "Sherri" to "Sherry"

Page 16, line 21: INSERT "(November 2002 – October 2003)" as in "for the most recent 12-month period (November 2002 – October 2003)"

Page 25, line 1: INSERT "(June – August 2003)" as in "a recent three-month period (June – August 2003)"

Surrebuttal Testimony

Page 1, line 23: CHANGE "Sherri" to "Sherry"

Page 7, line 2: INSERT the word "a" as in "a rationale to penalize BellSouth."

Page 7, line 9: DELETE the word "the" as in "the BellSouth's experience"

(Transcript continues in sequence with Volume 6.)

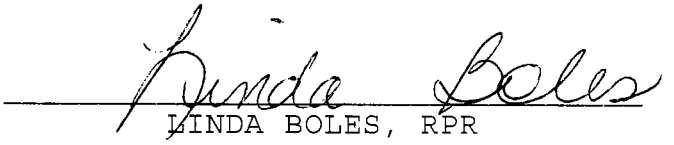
STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, LINDA BOLES, RPR, Official Commission Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

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

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

DATED THIS 26TH DAY OF FEBRUARY, 2004.



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