

October 6, 1998  
6:00-6:30 PM  
WNBC-TV (NBC) Channel Four  
New York City  
News Channel 4 At 6:00

Michele Marsh, co-anchor:

When it comes to options with your phone service, the choices can be overwhelming.

Chuck Scarborough, co-anchor:

For New York companies, one of the newest options involves local service. And Asa is here now with the story of two businessmen who say, that they now wish they had not opted for a change.

Asa Aarons reporting:

And for the owners, their phone lines are kind of like a life line and they do indeed run a very busy business.

Kaizad Bhabha (Business Owner): I'm in the recording business, not in the telecommunications business.

Aarons: Kaizad Bhabha and Joe Beck say they've learned more about the telecommunications business in the last two months, than they ever cared to know. It was a crash course of sorts. It started when an AT&T operator called in mid August, to offer their company local phone service.

Bhabha: He said, would you like to consolidate your billing, get one invoice? We'll even give you competitive rates.

Aarons: Kaizad says he was assured by the AT&T operator that his company 2B Productions, would get the same service as it was presently receiving from Bell Atlantic, with no interruptions. Kaizad signed up. But there were interruptions. The first came the end of August, when the recording company lost its phones for a day. Joe found out when he called in.

Joe Beck (Business Owner): I get a message on the phone, these lines have been disconnected. No further, nothing.

Just they are disconnected, as if we didn't pay the bill or we were out of business, or never existed.

Aarons: Bell Atlantic tells us the mistake was at its end. The phone lines were cut prematurely due to a paperwork snafu.

Then came September 22<sup>nd</sup>. The day Bell Atlantic says local service was switched over to AT&T. Kaizad says he lost service again. This time for nearly two days.

Bhabha: We were just paralyzed. We had no phone service. Nobody was willing to give us a straight answer.

Aaron: Bell Atlantic tells us, again the mistake was on its end. The technician had made a connection error.

When we spoke with AT&T, it told us it must lease Bell Atlantic facilities, in order to provide local service to business customers, because right now Bell Atlantic has the only viable path to a customer's door. Something AT&T says, it is working hard to change.

Kaizad says he just felt caught in the middle.

Bhabha: AT&T was saying sorry, you're not in our system as yet. You're still a Bell Atlantic customer. Bell Atlantic was saying, we're sorry. You're not in our system, you're an AT&T customer.

Aarons: Now the phone companies both say, they can understand the 2B Productions frustration. AT&T says it did everything it could to restore Kaizad's service. But again stated AT&T is reliant on Bell Atlantic, for the last leg of the hookup. Bell Atlantic says when a business switches to a new local service provider, strict guidelines require it to refer the customer to the new company. Bell Atlantic also emphasized it makes hundreds of switched a day and the vast majority go off without a hitch.

A footnote from 2B Productions, Kaizad says he has decided to go back with Bell Atlantic, because Bell Atlantic now offers a remote call forwarding feature, that he cannot get with AT&T. And that's a feature that Kaizad considers essential for his business. So switching back and forth.

Marsh: Okay, thanks a lot.

Scarborough: I'm just guessing, going back will be smoother. Just a wild guess.

Aarons: I sure hope so.

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**ATTACHMENT 10**

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## Businesses left incommunicado after trying to switch local phone service

By LESLIE HILLMAN Business Writer  
Web-posted: 7:01 p.m. May 11, 1999

Don't ask Enrico Roselli about the benefits of phone competition.

Roselli tried to switch his local phone service to AT&T. But a technical glitch meant he lost his phone service for 10 days at the Fort Lauderdale auto repair shop he runs with his father. It took another nine days before he could make any calls out.

"Competition? They're just interested in getting a signature on the contract," said Roselli, who eventually switched back to BellSouth.

Roselli is not alone. According to complaints filed with the Public Service Commission, at least a half dozen South Florida businesses have lost their phone service this year while trying to switch to another provider. The new providers blame BellSouth for the loss of service; BellSouth blames the competitors for not switching customers properly.

Phone companies say the problem is a clear sign of the battle they're waging over customers. And while it may be too early to call a victor in these local phone wars, consumers such as Roselli could become the casualties if the problems don't get fixed quickly.

"We're never going to get competition until the (switchover) systems work," said Public Service Commission Chairman Joe Garcia. "Everyone realizes this is crucial."

Crucial enough that the commission held two days of workshops in Tallahassee last week to hear companies' arguments. Commissioners will study the issue further.

Most switchover problems involve a lack of technical coordination, but the phone companies say it all boils down to politics. AT&T and other competitors say BellSouth is trying to keep competitors out of the local phone market it dominates. The glitches, they say, are souring potential customers on trying a new phone provider.

"Until customers have that ease in switching local

service, there are going to be real impediments to competition," said Kenneth McNeely, AT&T's vice president for law and government affairs in Florida.

BellSouth acknowledges that its systems still have flaws. However, it says competitors' complaints are exaggerations meant to keep BellSouth from competing with them. Regulators will consider how easily competitors can carry out a switch before allowing BellSouth to provide long-distance service in the next few years.

"We'll admit we have problems," said William Stacy, BellSouth's assistant vice president for interconnection customer service, who spoke at last week's workshop. "But if you bore a little past that, you'll find they are putting thousands of customers in service."

Not John Orsi. The 35-year-old, who owns a busy outdoor power equipment shop in Fort Lauderdale, lost his phone service one Friday this January when he tried to switch his local phone provider to AT&T.

"I was totally frantic. I had no phone, no fax machine, no computer line, nothing," Orsi said. "Nobody could explain whose problem it was. It went back and forth and back and forth."

By switching back to BellSouth, Orsi had his phone in service again that Monday, but it took another three weeks before he could receive any long distance calls.

The difficulties the phone companies have had in switching local customers surprises those trying to change, because people are used to the ease and frequency with which they can change their long-distance provider.

But switching a local phone provider is a more complex change and involves more forms and procedures, phone companies say.

Getting BellSouth's computers to talk to competitors' computers to carry out a switch is also complicated. To make sure competitors have equal access to BellSouth's systems as required by law, both sides have amassed millions of dollars in software and computers. BellSouth says it spent \$288 million to overhaul its systems in 1997 and 1998, and the company expects to spend another \$150 million on its systems for the next three to four years.

Improvements have made ordering smoother, phone companies say, although not smooth enough.

MGC Communications, a Las Vegas company that started offering local service in South Florida this year, is processing several thousand new lines a month through BellSouth systems across several states. Still, because of automation problems, MGC has to go through the painstaking process of sending each new order to BellSouth via a fax of seven pages or more.

"Sometimes it gets very difficult," said Chip Meacham, the MGC city manager for the Fort Lauderdale area. "If they're investing these hundreds of millions of dollars and gobs of money into automation, we're not seeing it."

Even once an order is accepted, coordinating the actual switchover is also often difficult. That's where AT&T says Orsi and Roselli lost their phone service; BellSouth disconnected both customers before AT&T had been able to make sure they had a dial tone.

"We recognized the problem, and we asked BellSouth to work with us, and for some reason we were not able to," said Noel Perkins, an AT&T spokeswoman for Florida. BellSouth said it disconnected both customers at the time requested.

Because of the politics, regulators are being dragged into the fray as well.

In New York, the squabbling got so heated that Bell Atlantic agreed to have an accounting firm, KPMG Peat Marwick LLP, carry out an exhaustive independent test of the Bell company's ordering systems.

At last week's workshop, MCI and other competitors urged the commission to require BellSouth carry out the same kind of test in Florida.

To be sure, some customers say they didn't have any difficulty switching their service over at all.

"The transition was pretty smooth," said Ava Longworth, principal broker at Prime Star Mortgage in Hollywood, which recently switched to MGC Communications' phone service. "I was really surprised. I was anticipating problems."

But for those customers who do get caught in the companies' scramble to dominate the industry, the thought of competition can be bittersweet indeed.

"I'm afraid to try another company," Enrico Roselli said. "I don't especially like BellSouth. But at least it's the phone company and my phones work now."

Leslie Hillman can be reached at [lhillman@sun-sentinel.com](mailto:lhillman@sun-sentinel.com) or (954) 356-4664.

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**ATTACHMENT 11**

BellSouth Telecommunications, Inc.  
TRA Docket 97-00309  
AT&T's Second Data Requests  
Dated March 6, 1998  
Item No. 11  
Page 1 of 1

**REQUEST:** In the majority of cases in which a residential POTS customer with analog service discontinues service because he or she has moved, does BellSouth physically remove any facilities (e.g., cross-connections) in order to disconnect the service? If so, the physical work done solely to accomplish disconnection, or is it performed to accomplish some other task?

**RESPONSE:** No.

**ATTACHMENT 12**

**In The Matter Of:**

*DPU 96-73/74, 96-75, 96-80/81, 96-83, 96-94  
Bell Atlantic - Arbitrations*

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*Hearing Volume Number 22  
December 4, 1997*

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*\* FRITZ & SHEEHAN ASSOCIATES, INC. \**

*295 Devonshire Street*

*Boston, MA 02110*

*(617) 423-0500*

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 DPU 96-83  
 DPU 96-94

CONTINUED PUBLIC HEARING held at the Leverett  
 Saltonstall Building, 100 Cambridge Street, Boston,  
 Massachusetts, on December 4, 1997, commencing at  
 9:35 a.m., concerning:  
**BELL ATLANTIC - ARBITRATIONS**  
 SITTING: Paul Levy, Arbitrator  
 Jaime D'Almeida, Telecommunications  
 Specialist

**APPEARANCES:**  
 Bruce P. Beausejour, Esq.  
 New England Telephone & Telegraph Company  
 185 Franklin Street, Room 1403  
 Boston, Massachusetts 02110-1585  
 for New England Telephone & Telegraph Company  
 d/b/a Bell Atlantic - Massachusetts  
 Robert N. Werlin, Esq.  
 Keegan, Werlin & Pabian  
 21 Custom House Street  
 Boston, Massachusetts 02110  
 for New England Telephone & Telegraph Company  
 d/b/a Bell Atlantic - Massachusetts  
 Jeffrey F. Jones, Esq.  
 Palmer & Dodge  
 One Beacon Street  
 Boston, Massachusetts 02108  
 for AT&T Communications of New England  
 FRITZ & SHEEHAN ASSOCIATES, INC.  
 295 Devonshire Street, Boston, MA 02110  
 (617)423-0500

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Alan D. Mandl, Esq.  
 Ottenberg, Dunkleas, Mandl & Mandl  
 260 Franklin Street  
 Boston, Massachusetts 02110  
 for MCI Telecommunications Corporation

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(1) December 4, 1997 9:35 a.m.  
 (2) **PROCEEDINGS**  
 (3) **MR. LEVY:** Good morning. This is the  
 (4) consolidated arbitrations, Bell Atlantic  
 v. AT&T, (5) MCI, Sprint, Teleport, and  
 Brooks Fiber, continuing (6) with the  
 cross-examination of Mr. Aulisio by Mr. (7)  
 Jones.  
 (8) **MR. JONES:** Thank you. (9) **THOMAS**  
**M. AULISIO,** Previously Sworn (10) **DIRE-**  
**CT EXAMINATION** (11) **BY MR. JONES:**  
 (12) **Q:** Good morning, Mr. Aulisio.  
 (13) **A:** Good morning, Mr. Jones.  
 (14) **Q:** Did you have a chance last even-  
 ing to (15) look over the New York  
 schedule that we spent some (16) time on  
 yesterday?  
 (17) **A:** Yes, some of it.  
 (18) **Q:** Could we pick up, I think, with the  
 (19) switch costs, which is Page 2 of  
 Exhibit AT&T-NRC (20) No. 1. I think we  
 were trying to compare it to (21) either

Exhibit 2 or Workpaper II of your cost (22)  
 study, where we sort of interrupted  
 yesterday. (23) Rather than my asking a  
 series of questions, if (24) you've had a  
 chance to look at it, could you just

(1) go down the chart, so to speak, starting  
 with the (2) New York schedule of costs  
 for end-office line (3) port, and tell us  
 what the comparable numbers are (4)  
 from the Massachusetts study.

(5) **A:** Okay. On the end-office line port —  
 (6) just to make sure I'm not confusing  
 anybody, I'm (7) reading from the New  
 York Tel. exhibit, I guess (8) it's AT&T  
 Exhibit 1 now, Part G, Page 2 of 9, Line (9)  
 8, end-office line port, 13.81. In Mas-  
 sachusetts (10) the cost we have for that is  
 14.36. The reason for (11) the difference,  
 if you want me to get into that —

(12) **Q:** Tell me where the 14.36 appears,  
 please, (13) or how we construct it if it  
 doesn't appear in that (14) specific  
 amount on the Massachusetts study.

(15) **MR. LEVY:** I think it's on Workpaper  
 (16) II, isn't it, Page 1?

(17) **THE WITNESS:** Yes.

(18) **A:** It's on Workpaper II, Page 1, Line  
 5. It (19) consists of .25 hours of work and  
 a labor rate of (20) \$57.45, in Massa-  
 chusetts.

(21) **Q:** And just so we're clear, that \$14.36  
 (22) which appears on the workpaper is a  
 component of (23) the amount \$15.40  
 which appears on Page 1 of (24) Exhibit 2  
 on Line 5, with the label Service

(1) Connection Charge - Other. Is that  
 correct?

(2) **A:** The 15.40 that you referred to is on  
 Line (3) 7, on Page 1 of Workpaper II.

(4) **Q:** And I'm trying to tie it back to the  
 (5) exhibit now, Page 1 of the exhibit. I  
 think on (6) that exhibit it appears at Line  
 5.

(7) **A:** That's correct. I'm sorry.

(8) **Q:** So the second component of that  
 \$15.40 we (9) can get from the work-  
 paper, which is the RCMAC (10) charge, or  
 cost, of \$1.04.

(11) **A:** Yes.

(12) **Q:** And so what appears on the ex-  
 hibit at (13) Line 5 of 15.40 is made up of  
 the coordination- (14) bureau cost and the  
 RCMAC cost on Page 1 of the (15)  
 workpapers. Is that correct?

(16) **A:** Yes.

(17) **Q:** What's next?

(18) **A:** Do you want me to go to the trunk  
 port (19) now?

(20) **Q:** Yes, please. Oh, well, no, I'm sorry.  
 (21) On the New York schedule, going  
 down, there's a CO (22) frame charge.

(23) **A:** I have \$26.31 for the New York  
 cost for (24) the CO frame for an end-  
 office line port. That

(1) same cost is \$11.94 in Massachusetts.

(2) **Q:** And are those in fact the apples-to-  
 (3) apples numbers for comparison pur-  
 poses?

(4) **A:** Yes, I believe they are.

(5) **Q:** Let's do end-office trunk port.

(6) **A:** On the end-office trunk port, in this  
 (7) particular instance we have a charge  
 in (8) Massachusetts for the carrier  
 account team center (9) of \$23.40. That  
 can be found — do you want me to (10)  
 refer to the exhibit or the workpaper? In  
 the (11) exhibit, Exhibit 2, Page 1 of 2,  
 that's found on (12) Line 8. The same  
 charge in New York is twenty

(13) (Pause.) 23.40 is the manual sur-  
 charge. There (14) would be no charge on  
 a standard if it was (15) submitted elec-  
 tronically.

(16) **Q:** So looking at the charge for ser-  
 vice (17) establishment in New York for  
 end-office trunk (18) port, per port,  
 \$13.81. Do you see that number on (19)  
 the New York schedule?

(20) **A:** Yes. That's for the coordination (21)  
 bureau.

(22) **Q:** Well, is there a corresponding cost  
 in (23) the Massachusetts study —

(24) **A:** To the coordination bureau? Yes,  
 there

(1) is.

(2) **Q:** — that corresponds to what you (3)  
 understand that \$13.81 to be?

(4) **A:** Yes.

(5) **Q:** And what is that?

(6) **A:** \$14.36.

(7) **Q:** And that's Workpaper II, Page 2 of  
 7, (8) under Service Connection Charge -  
 Other, Line 4?

(9) **A:** Yes.

(10) **MR. BEAUSEJOUR:** May we have a  
 (11) moment, please?

(12) (Pause.)

(13) **A:** Can I add to something I said  
 before, (14) going back to the carrier  
 account team center?

(15) **Q:** Going back to the carrier account  
 team (16) center — let's be clear, going  
 back to it on what, (17) on what charge?

(18) **A:** End-office trunk port.

(19) **Q:** Yes.

(20) **A:** The per-order charge if you use  
 the (21) electronic system is zero. The  
 manual charge is (22) \$23.40 if you do not  
 use the electronic system.

(23) **Q:** Let's just stop there for a minute. Is

[18] Q: Well, I do get confused in terminology. [19] There's basic-rate and primary ISDN.

[20] A: Primary is really DS1 level.

[21] Q: Primary ISDN, if a customer had that [22] service, the link would go via the DS1 route.

[23] A: That's correct.

[24] Q: And basic-rate ISDN, you've got to take

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[1] it through the DS0 route.

[2] A: Right. We use that universal technology [3] that you mentioned. We take it down to the DS0 [4] level and cross-wire it just like a pair of copper [5] wires. In most instances we try to provide ISDN [6] over copper, because this is an expensive solution [7] for ISDN.

[8] Q: But for the forward-looking link- [9] provisioning purposes, putting aside the needs of [10] basic-rate ISDN, the preferred solution is a DS1 [11] solution in the central office; is that correct?

[12] A: I'm going to answer the question this [13] way, because this is what I know: It would be — [14] when we build this kind of network for ourselves, [15] we will integrate it into our switch at the DS1 [16] level.

[17] Q: And that is — on this diagram, that is [18] the route that bypasses the main distribution [19] frame.

[20] A: Yes.

[21] Q: Now, back to my scenario. Mr. Beausejour [22] moves out, terminates his service, and it is the [23] practice of Bell Atlantic today, as I understand [24] it, to terminate his service electronically, but

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[1] none of these facilities would actually be [2] disconnected or removed simply as a result of a [3] customer canceling service. Is that correct?

[4] A: That's correct.

[5] Q: A week later I move in and I call up in [6] an obvious period of temporary insanity Bell [7] Atlantic and order Bell Atlantic services. That [8] wasn't an insult to Bell Atlantic, just given who I [9] represent.

[10] MR. BEAUSEJOUR: It confirms my [11] judgment of your good sense.

[12] (Laughter.)

[13] Q: When I order service from Bell Atlantic, [14] I would be a new retail customer? Is that the [15] category? I'd be a new customer; correct?

[16] A: Right.

[17] Q: Bell Atlantic would provision my new [18] service electronically, would it not?

[19] A: Yes. I just want to be clear that Mr. [20] Beausejour would have been served — if he was one [21] of the few people on this kind of facility — not [22] many people are. But if he was one of the few [23] people on this kind of facility, he would have been [24] served via the second route, coming through —

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[1] integrating into the switch via DS1.

[2] Q: And to provide service to me, as the new [3] customer moving into his house at No. 1 [4] Configuration Street, you would do that [5] electronically.

[6] A: If you chose service from Bell Atlantic, [7] yes.

[8] Q: No physical connections whatsoever would [9] be required in order to provide me service in this [10] scenario.

[11] A: No, because you as a new customer, using [12] the exact same network that Mr. Beausejour was [13] using before, we would be able to flow this order [14] through, provided you moved in soon enough.

[15] Q: Is that true even if Mr. Beausejour's [16] service was, for whatever reason, provided via a [17] link that did pass through the main distribution [18] frame and was reduced, cut back, scaled back, to [19] the DS0 level? Those facilities would also [20] ordinarily be left in place at the time of the [21] termination, would they not?

[22] A: For example, if Mr. Beausejour were, like [23] 92 percent of the customers, served on a copper [24] facility right back to the central office, yes, we

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[1] would leave that in place and it would be at the [2] DS0 level.

[3] Q: And to provision service to me as the new [4] customer moving into that premise, that [5] provisioning would be done entirely electronically, [6] would it not?

[7] A: Since you would be using the exact same [8] network that was being used before, we would be [9] able to do that electronically, yes, provided you [10] moved in in a reasonable period of time.

[11] Q: Just so we're clear, Mr. Aulisio, you [12] understand, do you not, that this is Bell Atlantic- [13] slash-NYNEX's presentation of the forward-looking [14] link-configuration model. I wasn't representing [15] this to you as representing what's currently being [16] done in 50 percent or 70 percent, but this is what [17] Bell Atlantic or NYNEX says is their forward- [18] looking model. Correct?

[19] A: Yes, that's what you told me, and I [20] accept it.

[21] Q: Now, the issue of the order flow-

ing [22] through, which you mentioned in one of your answers [23] a moment ago: In the scenario that I've just [24] described, not only would there be no physical

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[1] activity required by any NYNEX or Bell Atlantic [2] technician at any point along the link connection [3] all the way out to the switch, the only physical [4] activity required by any Bell Atlantic employee to [5] accomplish this service provisioning for me as the [6] new customer would be an order-entry clerk entering [7] in a computer the necessary data to sign me up as a [8] new customer. Is that a generally accurate [9] statement?

[10] A: I believe that's generally accurate. I'm [11] not 100 percent sure, but I believe that's true.

[12] Q: If your retail ordering and provisioning [13] system is working correctly, if I understand OSS's [14] at all, my understanding is as the new customer I [15] call your service office and I get an order-entry [16] person; correct?

[17] A: Yes.

[18] Q: And that order-entry person is at a [19] computer terminal; correct?

[20] A: Yes.

[21] Q: That order-entry person takes whatever [22] information from me is necessary to create a new- [23] customer service record and whatever else is needed [24] and enters that data directly into an order-entry

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[1] system.

[2] A: Yes.

[3] Q: And if the system is working the way it's [4] designed to work, from that point forward every [5] aspect of the process to result in my having full [6] service is done electronically through the OSS's. [7] Is that correct?

[8] A: Well, I think if you're just ordering [9] basic service —

[10] You're just ordering basic service, [11] no other services?

[12] Q: Yes.

[13] A: If you're just ordering basic service, [14] I'll agree with that.

[15] Q: And the order entry, the computerized [16] order that is entered by the order-entry clerk, [17] goes first to a service-order-processing computer- [18] database system? It's an OSS; right?

[19] A: I believe that is the first level.

[20] Q: And that's done electronically?

[21] A: Yes.

[22] Q: And that queries other databases for [23] things like availability of the facility out to [24] this premise at this address, queries another

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database to get information about the necessary switch connection; is that correct?

A: Yes.

Q: And those are both done electronically?

A: We also test the circuit.

Q: You test the circuit electronically.

A: Yes.

Q: And once it's gathered this information and ground it around and does whatever it does with it, it then sends directions back to the switch and says, "Plug in Jones," and that's done electronically — or "Fire them up."

A: In this particular example, I can roughly agree, although I don't know how all those OSS's work, either.

Q: But if it's working right, no human being does a thing after the data-entry person puts in my order into the computer.

A: In this example, yes.

Q: And that's exactly what you mean when you talk about an order flowing through.

A: Yes.

Q: What would Bell Atlantic charge as a nonrecurring-cost charge to initiate basic service

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as a new customer?

A: On the retail level?

Q: Yes.

A: You're a retail customer of Bell Atlantic?

Q: Residential retail customer, basic service?

A: I believe, subject to check, just an Element 1 charge, which is the work required by the service rep.

Q: And since I don't go anywhere without a few pages from the NYNEX Tariff 10, would an Element 1 service-ordering charge for residence be \$13.88 in Massachusetts currently?

A: I could look at that.

I'll agree subject to check.

MR. JONES: I have copies of this and could mark this as an exhibit, if it would be useful. It is a document that's here in force in the Department.

MR. LEVY: Do you plan to use it a lot right here?

MR. JONES: No.

MR. LEVY: Then I think we'll leave

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it as it stands.

Q: What costs am I reimbursing Bell Atlantic for with my \$13.88 Element 1 service-provisioning charge?

A: I'm not really sure, but I believe it's for the service rep's effort, negotiating the order, and doing the electronic work. It might have been the service rep or a clerk doing the electronic work to make it go.

Q: Now back to the typical-link configuration diagram, Mr. Aulisio.

A: Yes.

Q: We're not going to repeat what we did yesterday in terms of all of the differences if I recover from my temporary insanity and order AT&T local service. We did go through that. But on this diagram how does the collocation work if we're talking about a link provisioned via the DS1 facility directly to the central-office switch around the main distribution frame? How is Bell Atlantic going to configure or require configuration of the collocation arrangement that we did discuss in detail yesterday in this link configuration using DS1?

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A: It depends how AT&T orders the service from us.

Q: AT&T orders a link and a switch element, port element, to serve Jones.

A: And you're going to be served over this —

Q: Well, let me make the scenario clear. It's the same scenario, except the only thing that's changed — I've moved into the house at No. 1 Configuration here. All of the facilities have been left in place after Mr. Beausejour departed. Those facilities included the DS1 link facility; that's the serving arrangement. And now I've ordered my local service from AT&T. AT&T has contacted Bell Atlantic and said, "Sell us the link and the port so we can serve Jones."

A: What Bell Atlantic is going to do is go back to that cross box, put you on —

Q: We're at the cross box which has the letters DSX and it's labeled H, inside the central office?

A: No, I'm in the field where the feeder and distribution plant meet.

Q: We're at the cross box in the field.

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A: Right. We're going to go back and put you on a copper facility back to the central office.

Q: So the fact that —

MR. LEVY: I'm sorry. May I?

MR. JONES: Sure.

MR. LEVY: I was previously on fiber

even to the central-office terminal, and you're suggesting you're going to switch me to copper for that portion of the link, too?

THE WITNESS: I'm explaining exactly what we do today. The reason for doing that is because it's less expensive than trying to take this customer back down to the DSO level —

To spend the money on the electronics to take this customer back down to the DSO level to bring him down to cage would cost us more money than what we now do, which is to put the customer on a copper facility all the way back and just charge him for the CO cross-connection work between the vertical and the horizontal at the main distribution frame.

MR. LEVY: Just to clarify for me: This was a customer whose routing was through the

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DS1.

THE WITNESS: Yes.

MR. LEVY: And you're saying that that's no longer possible because the routing will now have to go to a collocation cage and use of the DS1 is not feasible for making the connection to the collocation cage?

THE WITNESS: In this particular scenario — now, it's going to be different when we get to Configuration B.

MR. LEVY: But on this one.

THE WITNESS: Or 2. But in this particular configuration, I'm just explaining what the operating process is right now under the scenario that Mr. Jones has given me. It's my understanding what we would do is go back and put that customer on a copper facility, so he wouldn't be going through that fiber distribution frame any more.

MR. LEVY: I'm trying to understand why it's necessary to do that. Is it necessary to do that because if the customer was served via fiber and then through the DS1 there's no physical way of making the connection to the collocation

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cage from that DS1?

THE WITNESS: AT&T has come to us and tried to buy a link now; okay?

MR. LEVY: Right.

THE WITNESS: Now, if I may —

MR. LEVY: I'm really asking a physical engineering question, which is simply put: Is it possible to take a customer who is served through a DS1 and connect that link to the collocation cage from the DS1?

at some future point in (3) time?

[4] A: Yes.

[5] Q: So in collecting a service-connection (6) charge, Bell Atlantic in its retail-service (7) provisioning charges is attempting to recover (8) service-provisioning and service-disconnection (9) costs for that particular service.

[10] A: Yes.

[11] Q: And in some sense, you have the dollars (12) in your pocket today to recover the costs whenever (13) in the future that customer terminates that (14) service.

[15] A: In some sense, yes.

[16] Q: And you have followed that practice in (17) your calculation of non-recurring costs for purposes (18) of this study as well, have you not?

[19] A: Yes.

[20] Q: So all of the costs that are based on (21) a — Strike that. All of the costs that are (22) calculated to recover the provisioning of service (23) also include calculation of the costs for (24) disconnecting the service.

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[1] A: Yes.

[2] Q: So in my hypothetical of Mr. Beausejour (3) handing off his premises to Mr. Jones, when he (4) signed up for Bell Atlantic service he paid a (5) service-connection charge which paid for the cost (6) of terminating his service.

[7] A: Yes.

[8] Q: And when I sign up for service, I do the (9) same.

[10] A: You sign up with Bell Atlantic.

[11] Q: Yes.

[12] A: Yes.

[13] Q: In the world displayed on the typical (14) link-configuration schematic diagram that we've (15) been looking at, what costs are incurred by Bell (16) Atlantic to terminate Mr. Beausejour's service?

[17] A: He's terminating from Bell Atlantic?

[18] Q: Yes, sir.

[19] A: And we're leaving all the facilities in (20) place, of course. I guess it's —

[21] Q: Well, that's your practice.

[22] A: Yes. I guess it's the electronic (23) requirement of saying that he's not a customer of (24) ours any more at this location.

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[1] Q: And that process works the same way (2) electronically as the service-ordering process (3) works, does it not?

[4] A: Yes.

[5] Q: He calls up and gets a human being who (6) makes some computer-terminal entries; correct?

[7] A: Sends out a final bill.

[8] Q: Well, that human being doesn't send out a (9) final bill.

[10] A: No, but —

[11] Q: Your automatic billing system sends out a (12) final bill; right?

[13] A: Yes. That human being tells the billing (14) system that it's necessary.

[15] Q: The human being does things at a (16) keyboard, and then that keyboard entry (17) electronically gets transmitted through various (18) OSS's, which do things like send out a final bill, (19) terminate the —

[20] Is it a hard dial tone? What's the (21) opposite of a soft dial tone? A real dial tone?

[22] A: I guess so.

[23] Q: Converts a real dial tone to a soft dial (24) tone. That's done electronically.

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[1] A: Yes.

[2] Q: Sends signals to the appropriate database (3) that you've now got a link facility available, you (4) now have a port facility available. That's all (5) done electronically; correct?

[6] A: Yes.

[7] Q: And if all goes well, the only human (8) activity is the data-entry or order-termination- (9) entry person filling out the computer entries at (10) the beginning of the process.

[11] A: Yes.

[12] Q: Now, part of the OSS charges proposed in (13) this case are, there are some recurring OSS charges (14) which have been proposed by Bell Atlantic which are (15) designed to recover the recurring costs of (16) providing access to the OSS system; is that right?

[17] A: That's about the extent of my knowledge.

[18] Q: We'll have an opportunity with another (19) witness on that topic. The terminating portion of (20) the charges that you've included in your cost (21) calculation, or the terminating functions, I (22) guess, we could go to Exhibit 13, could we not, and (23) if we went, for example, to Page 13 of 14 —

[24] A: Yes.

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[1] Q: Study 14311 —

[2] Did we agree yesterday that the right (3) label for these things is "study," or something (4) else?

[5] A: I can't remember, but we call it that.

[6] Q: So Study 14311 is a description of the (7) central-office technician's function in (8) disconnecting service, disconnecting a link.

[9] A: Yes.

[10] Q: And presumably that is the turning the (11) screwdriver in the opposite direction from the (12) function of connecting the link in the central (13) office.

[14] A: Well, it's all the things that it says (15) here it is.

[16] Q: And if we went back from Exhibit 13 to (17) Workpaper XII — I'm not going to be able to do (18) this very quickly. But we would find a study, and (19) where in the study we would find the hours (20) estimated for —

[21] A: Study —

[22] Q: It's Study E, Page 2 of 3?

[23] A: Yes.

[24] Q: In No. 14311. And this boils down to

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(1) roughly .18, a third of an hour? No, I'm sorry, a (2) fifth of an hour.

[3] A: Between a sixth and a fifth of an hour.

[4] Q: Whenever service termination occurs (5) electronically, no actual central-office-frame work (6) is required; is that correct?

[7] A: No, if we're going to retain the (8) dedicated inside plant, which is our current (9) practice, we would not do this, no.

[10] Q: And in fact, in every instance of service (11) termination, if you leave the dedicated plant in (12) place, there would be no physical disconnection (13) activity of any sort required anywhere along the (14) link; isn't that right?

[15] A: That's right. You know, the goal is to (16) maintain dedicated outside and inside plant.

[17] Q: On this page we end up with a work-time (18) estimate for the central-office-wiring labor (19) component of provisioning of a two-wire link, (20) either analog or digital. And for a new link it's (21) a .42 time requirement or estimate; right?

[22] A: Yes.

[23] Q: And of that .42, what we see here is .24 (24) of an hour is the connection time and .18 is the

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(1) disconnection time.

[2] A: Yes.

[3] Q: Is it correct, Mr. Aulisio, that the (4) disconnect times, wherever they are factored into (5) the study, are explicitly identified as such in (6) these work-time

**ATTACHMENT 13**

**In The Matter Of:**

*DPU 96-73/74, 96-75, 96-80/81, 96-83, 96-94*

*Bell Atlantic - Arbitrations*

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*Hearing Volume Number 33*

*May 1, 1998*

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**\* FRITZ & SHEEHAN ASSOCIATES, INC. \***

*295 Devonshire Street*

*Boston, MA 02110*

*(617) 423-0500*

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DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY  
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DPU 96-75  
DPU 96-80/81  
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CONTINUED PUBLIC HEARING held at the Leverett  
Saltonstall Building, 100 Cambridge Street, Boston,  
Massachusetts, on May 1, 1998, commencing at 10:11  
a.m., concerning:

BELL ATLANTIC - ARBITRATIONS  
SITTING: Paul Levy, Arbitrator  
Paul Vasington, Commissioner  
Joan Foster Evans, Hearing Officer  
Douglas Denny-Brown, Legal Division

APPEARANCES:

Bruce P. Beausejour, Esq.  
New England Telephone & Telegraph Company  
185 Franklin Street, Room 1403  
Boston, Massachusetts 02110-1585  
for New England Telephone & Telegraph Company  
d/b/a Bell Atlantic - Massachusetts  
Robert N. Werlin, Esq.  
Keegan, Werlin & Pabian  
21 Custom House Street  
Boston, Massachusetts 02110  
for New England Telephone & Telegraph Company  
d/b/a Bell Atlantic - Massachusetts  
Jeffrey F. Jones, Esq.  
Kenneth W. Salinger, Esq.  
Palmer & Dodge  
One Beacon Street  
Boston, Massachusetts 02108  
for AT&T Communications of New England  
FRITZ & SHEEHAN ASSOCIATES, INC.  
295 Devonshire Street, Boston, MA 02110  
(617)423-0500

Hope Barbulescu, Esq.  
MCI Telecommunications Corporation  
One International Drive  
Rye Brook, New York 10573  
Alan D. Mandl, Esq.  
Ottenberg, Dunkless, Mandl & Mandl  
260 Franklin Street  
Boston, Massachusetts 02110  
for MCI Telecommunications Corporation  
Cathy Thurston, Esq.  
Sprint Communications Company  
1850 M Street, N.W., Suite 1110  
Washington, D.C. 20036  
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[1] May 1, 1998 10:11 a.m.

[2] PROCEEDINGS

[3] MR. LEVY: Good morning. This is the  
[4] consolidated arbitrations, Bell Atlantic  
and [5] Sprint, MCI, AT&T, Brooks Fiber,  
and Teleport. The [6] main topic for  
today's hearing is the issue of [7] un-  
bundled-network-element provisioning,  
which comes [8] out of an order issued by  
the Department on March [9] 13th, 1998,  
in which the Department requested [10]  
parties to resume negotiations to see  
whether [11] resolution of the issue of  
UNE combinations could [12] be agreed  
upon and report back regarding the  
status [13] of those discussions. Based  
on the reports back, [14] it was determined  
that it would be appropriate to [15] enter  
an evidentiary phase of this proceeding.  
[16] Sitting with me today are [17] Com-  
missioner Paul Vasington and Joan Fos-  
ter Evans, [18] from the legal division of  
the Department.

[19] First on a scheduling issue regarding  
[20] OSS/NRC rebuttal testimony sub-  
mitted by Bell [21] Atlantic: The parties  
have met informally and have [22] revised  
the schedule for that testimony. [23]  
Information requests will be due from  
the CLECs to [24] Bell Atlantic on May  
19th, responses from Bell

[1] Atlantic by May 29th, and hearings  
scheduled at [2] which the Bell Atlantic  
witnesses will be examined [3] on June  
9th and June 10th.

[4] Let's start with today's proceeding. [5]  
We've had a number of submissions by  
the parties. [6] We'll mark them as we go  
along. Let's start first [7] with Bell Atlan-  
tic. Mr. Beausejour?

[8] MR. BEAUSEJOUR: Good morning,  
Mr. [9] Levy. On April 17th Bell Atlantic  
filed its [10] position statement pursuant  
to the Department's [11] directives in this  
matter. Today we have four [12] witnesses  
who are available to answer questions  
[13] concerning the position statement.  
They are Paula [14] Brown, Amy Stern,  
Donald Albert, and Bryan [15] Kennedy.

[16] I would like to have them appear as a  
[17] panel. I think that would be the most  
efficient [18] way to go about that. Three  
of the witnesses have [19] brief opening  
statements they would like to make.

[20] So at this point I'd mark the Bell [21]  
Atlantic position statement as Bell Atlan-  
tic Combo [22] Exhibit No. 2. We had  
previously marked an exhibit [23] at the  
hearing on December 16th

[24] MR. LEVY: Fine. We'll call that

[1] Bell Atlantic Combinations 2, and this  
is the April [2] 17th submission by the  
company.

[3] MR. BEAUSEJOUR: That's correct.

[4] (Exhibit Bell Atlantic Combinations 2  
[5] marked for identification.)

[6] MR. BEAUSEJOUR: I now ask that the  
[7] witnesses go to the conference table  
at the front [8] of the hearing room.

[9] PAULA L. BROWN, AMY STERN, [10]  
BRYAN KENNEDY, and DON ALBERT,  
Sworn [11] MR. LEVY: Could we have  
everyone's [12] name in order.

[13] WITNESS BROWN: Paula Brown.

[14] WITNESS STERN: Amy Stern.

[15] WITNESS KENNEDY: Bryan  
Kennedy.

[16] WITNESS ALBERT: I'm Don Albert.

[17] MR. LEVY: And perhaps just for the  
[18] record you could each state what  
your position is [19] with the company. I  
know these things change over [20] time.  
We want to stay up to date.

[21] WITNESS BROWN: My name is Paula  
L. [22] Brown. I'm vice-president, reg-  
ulatory, for Bell [23] Atlantic.

[24] WITNESS STERN: My name is Amy

[1] Stern. I'm director of product man-  
agement for [2] unbundled wholesale  
elements.

[3] WITNESS KENNEDY: Bryan Kennedy,  
[4] CON-X Corporation, vice-president,  
client [5] services.

[6] WITNESS ALBERT: And my name is  
Don [7] Albert. I'm network services  
director of cocarrier [8] implementation.

[9] MR. LEVY: Thank you.

[10] MR. BEAUSEJOUR: Thank you, Mr.  
[11] Levy. Ms. Brown will be the first  
witness to have [12] an opening statem-  
ent.

[13] WITNESS BROWN: Good morning.  
As I [14] stated, I'm Paula L. Brown, and I'm  
vice-president [15] for regulatory for Bell  
Atlantic - Massachusetts. [16] I've testified  
before the Department in numerous [17]  
proceedings and in this arbitration. I'm  
here [18] today to respond to the ques-  
tions about the [19] company's position  
statement regarding UNE access [20] that  
was filed with the Department on April  
17th.

[21] The company's position statement  
[22] contains a comprehensive proposal  
that has two [23] principal parts. First,  
although the company is [24] not re-  
quired by the Act to combine UNEs for  
CLECs

servicing arrangement that we [14] also would use to provide that.

[15] Q: This is not a trick question. I'm really [16] just trying to understand. In the case of normal [17] exchange service, the loop would be switched at the [18] local central office; correct?

[19] A: [ALBERT] That's right.

[20] Q: It would not be transported to another [21] central office to be switched there.

[22] A: [ALBERT] That's correct. This is for [23] services where we are configuring them by putting [24] together the combination loop and transport, as

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[1] opposed to loop and local serving switch that you [2] mentioned.

[3] Q: Also earlier, Mr. Albert, we were talking [4] about the third-party access concept that you [5] suggested has security problems, labor problems, [6] and accountability problems, and I understand your [7] point on that. I also understand what you're [8] proposing as an assembly type of collocation [9] arrangement. Have you considered a cageless [10] collocation arrangement in which the CLEC's [11] terminating equipment is on the same rack as Bell [12] Atlantic's terminating equipment?

[13] A: [ALBERT] Like on Bell Atlantic's main [14] distributing frame?

[15] Q: Yes.

[16] A: [ALBERT] Yes, that was one that we [17] looked at. You're still going to have some of the [18] security problems that you'd have for the third- [19] party access. You're also going to have a greater [20] number of blocks on Bell Atlantic's frame, which is [21] going to clog up, potentially, a number of our [22] frames and use those up faster.

[23] The assembly room I think provides a [24] better arrangement, in that it's a standardized

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[1] setup that we would use for all CLECs, and it would [2] accommodate additional CLECs over time wanting to [3] combine in that fashion. One of the fears I have [4] with the put-it-right-on-our-frame, besides the [5] fact that it will crap out our frames, is the fact [6] that not every CLEC is going to be there at day [7] one, and as you have them coming in over an amount [8] of time, the places throughout the frame that you [9] locate the blocks are going to get things, you [10] know, more messed up.

[11] Q: Can I understand a little bit what you [12] mean by the vernacular "crap out our frames"?

[13] A: [ALBERT] Exhaust, run out of

capacity, [14] run out of space.

[15] Q: That was not a security issue.

[16] A: [ALBERT] Not that piece. In that case [17] "crap out" was the technical term. But it's we [18] run out.

[19] Q: I just wanted to be clear on that.

[20] (Laughter.)

[21] MR. LEVY: Let's take a ten-minute [22] break.

[23] (Recess taken.)

[24] MR. LEVY: Let's go back on the

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[1] record.

[2] Q: I have a few more questions, Ms. Brown. [3] In the New York agreement, I believe there were [4] some glue charges as part of that agreement. Am I [5] correct?

[6] A: [BROWN] Yes, there are.

[7] Q: Would you be able to tell us how those [8] were derived?

[9] A: [BROWN] I honestly don't know exactly [10] what the calculations were behind those.

[11] Q: I guess I'm asking: Was there a [12] calculation, or was this basically a negotiated [13] number, or don't you know?

[14] A: [BROWN] I don't know.

[15] Q: Could we have that as Record Request [16] Combinations 2, please, the derivation of those [17] glue charges.

[18] (RECORD REQUEST.)

[19] Q: Just so I understand the company's [20] position in Massachusetts more clearly: If there [21] could be glue charges for UNE combinations in [22] Massachusetts that would eliminate the arbitrage [23] possibility BA - Massachusetts, would that change [24] your position on providing such combinations?

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[1] A: [BROWN] It probably would change our [2] position. It would depend obviously on the glue [3] charge and the length and the time period involved.

[4] Q: In your judgment, how would we go about [5] calculating the relevant glue charge in [6] Massachusetts?

[7] A: [BROWN] I think there are a number of [8] different factors you'd need to look at. You'd [9] need to look at time periods. You'd need to look [10] at exclusions. The combinations in New York, the [11] UNE platforms — we shouldn't call them [12] combinations, because there are lots of [13] combinations. The UNE platforms are limited to [14] specific classes of service and customers and [15] locations. So there are time limitations, [16] geographic limitations, and zone differences, as I [17]

understand it.

[18] Q: Would it be possible for you to provide [19] us, say, three or four or five examples of Bell [20] Atlantic's view of the arbitrage potential for [21] services in Massachusetts?

[22] A: [BROWN] Sure. I'd be glad to do that.

[23] Q: Let's make that Record Request 3. I [24] guess what I'd look for there, and really rely on

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[1] your judgment to provide us, not necessarily a [2] representative sample, but, let's put it this way, [3] an interesting sample.

[4] A: [BROWN] How about a range, cases where [5] one might be encouraged to use UNE platforms and [6] cases where one might not, give you a full range, [7] with different classes of customers in it.

[8] Q: That would be good. And I think mainly [9] we'd be interested in the urban and metro zones in [10] particular. I think for purposes of today's [11] hearing, we can put aside rural. But if you want [12] to do a suburban one or two, that would be fine, [13] also.

[14] A: [BROWN] Okay.

[15] (RECORD REQUEST.)

[16] Q: Mr. Kennedy, you've been patiently [17] sitting there. I have a couple of questions for [18] you, which are as follows.

[19] Tell us a little bit more about your [20] equipment. Is this equipment currently [21] commercially available?

[22] A: [KENNEDY] Yes, sir, it is. It's a [23] metallic automated cross-connect system that places [24] a physical metallic connection between two pairs

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[1] coming into the device. It is available on the [2] market. It is in service currently, with two [3] independent telephone companies, a site in each [4] one, and an outside cross-box application within a [5] regional Bell operating company.

[6] Q: So are you suggesting there are three of [7] them installed right now?

[8] A: [KENNEDY] No, there's actually a total [9] of 11 robots currently installed. It is a new [10] technology. The reason there's technically not [11] more deployed is that we've been going through a [12] lengthy process of Bellcore compliance testing with [13] the product, as well as all of our patent [14] protection and so forth. So it is now at the point [15] where it has completed the Bellcore testing, it's [16] completed field trials with these various [17] customers, and it is ready for deployment.

[18] Q: If I understand the machinery

[119] Q: On one of the times when that would be [20] done electronically and on a flow-through basis for [21] Bell Atlantic, if the new customer purchased [22] service from a CLEC, identical service, and the [23] CLEC chose to provide that service through [24] unbundled network elements purchased from Bell

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[1] Atlantic, under the various scenarios proposed in [2] Bell Atlantic's position statement, there is no [3] circumstance in which the CLEC could provision that [4] service on an electronic flow-through basis; isn't [5] that correct?

[6] A: [ALBERT] That's correct. Bell Atlantic [7] would have translations work that we would have to [8] do to convert every one of those lines.

[9] Q: You discussed in your opening statement [10] several alternatives that CLECs had raised in [11] various forums in various ways, and you described [12] the deficiencies with each of those, one of which [13] was logical unbundling through the recent-change [14] process; correct?

[15] A: [ALBERT] That's correct.

[16] Q: And logical unbundling, that phrase is [17] intended to distinguish unbundling using software [18] from physical unbundling, where things are actually [19] taken apart out in the central office or out in the [20] field. Is that an accurate statement?

[21] A: [ALBERT] Well, I think the labeling, the [22] term that's been used for that I think is a [23] misnomer. You cannot use that capability of the [24] switch to unbundle anything. That capability does

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[1] not disconnect the loop from the switch port. What [2] this capability does is, it activates the switching [3] service. But it doesn't have anything to do with [4] the connecting of the loop to the switch. It [5] preassumes the loop is already connected to the [6] switch. Then what it really does is, it activates [7] the switching service. But it is not connecting [8] the loop to the switch.

[9] MR. LEVY: Could we back up on this [10] one? I don't understand what the concept is at [11] all, and it would help me to know what it actually [12] means.

[13] MR. JONES: Could I keep going? I am [14] going to press ahead. I don't know if it will [15] help. You'll tell me if it doesn't.

[16] WITNESS ALBERT: Would you like me to [17] take a shot at that?

[18] Q: Let me ask you a couple of questions, Mr. [19] Albert. We're talking about a functionality, as I [20] understand it, in the switch provided by the [21] recent-change memory administration — what's the

[22] last "C" in RCMAC?

[23] A: [ALBERT] "Center."

[24] Q: Would you describe the recent-change

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[1] functionality in Bell Atlantic's existing operating [2] support systems?

[3] A: [ALBERT] The recent-change functionality [4] is the method for defining instructions to the [5] switch of how a switched line will operate. You [6] specify the features that will be on that line. [7] Will it have call-waiting? Will it have three-way [8] calling? Will it have speed calling? You specify [9] the type of calling privileges that it will have, [10] the calling area. You specify other dialing [11] instructions, different types of blocking — for [12] instance, for 900. You specify the class of [13] service: Is it a flat rate? Is it a measured? [14] You specify the type of recording that will be done [15] for billing purposes. You specify the PIC, the [16] interexchange carrier. All the different [17] switch-related features, functions, and parameters [18] associated with that line are established through [19] recent change, which is setting up the instructions [20] and the messages to define how that switched line [21] will work.

[22] Q: This is an operating support system which [23] performs those functions by software-driven [24] procedures; correct?

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[1] A: [ALBERT] By people. You know, it's [2] people talking through a terminal to the switching [3] machine. Now, the system itself, there are further [4] degrees of mechanization that are set up that are a [5] part of that process. There are checks that are [6] made and routines that are run to the instructions [7] that the human being inputs from the terminal.

[8] Q: The recent-change process determines [9] which switch functionalities are available on which [10] line. Is that an accurate statement?

[11] A: [ALBERT] Yes.

[12] Q: So when a switch port has a line [13] connected to it, the recent-change process dictates [14] which of the switch functions are available to, [15] accessible to that line?

[16] A: [ALBERT] It would take the loop that's [17] connected to the switch, and it would say here are [18] the features and the functions that will be placed [19] on that dial-tone service.

[20] Q: And the recent-change process permits [21] Bell Atlantic to essentially disable all switch [22] functionalities from a particular line?

[23] A: [ALBERT] To disable and change, yes.

[24] Q: And you can't using recent change

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[1] physically disconnect a line from a switch; [2] correct?

[3] A: [ALBERT] That's what I was getting at. [4] The recent change has nothing to do with [5] disconnecting the loop from the switch or with [6] connecting the loop to the switch. It's purely [7] establishing the features and the functions of the [8] switch that are already connected to that loop.

[9] Q: And if you thought of unbundling in terms [10] of not physically disconnecting a loop from a [11] switch but, rather, as disabling the switch [12] functionalities from that particular loop, in that [13] sense recent change can, if you accept my sense of [14] unbundling — in that sense recent change can [15] unbundle a switch functionality from a loop. [16] Correct?

[17] A: [ALBERT] I guess I would disagree and [18] not accept your definition of unbundling.

[19] Q: I know you would not, but for purposes of [20] my question, if you accept that — and I'm not [21] suggesting that you do. But if you accept that, [22] that's an accurate description, is it not?

[23] A: [ALBERT] Again, I don't think so, [24] because I don't think you were using that to

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[1] unbundle. To me, unbundling is separating the loop [2] from the switch. If you've still got the loop [3] connected to the switch, it's not unbundled.

[4] MR. LEVY: Just so I'm clear, this [5] RCMAC — what you're saying, Mr. Jones, and I guess [6] you would like to hear Mr. Albert say, is that that [7] functionality, that OSS can be used in essence to [8] disengage, as opposed to unbundle — disengage the [9] switch functionality from the loop functionality.

[10] WITNESS ALBERT: No, I would say it [11] does not disengage those two functionalities from [12] each other. It will change the switch [13] functionality. It will turn off the switch [14] functionality. But it doesn't disengage it from [15] the loop.

[16] MR. LEVY: Can it act so that there [17] is no switch functionality that is being used by [18] that loop; in other words, turn off the switch [19] relative to the loop?

[20] A: [ALBERT] Yes, it can turn the switch [21] off, yes.

[22] MR. LEVY: I was using the word [23] "disengage" in that way. I'm not saying physical [24] disengagement. I'm saying it can make it appear as

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[1] though there's no switch attached to that loop, in [2] terms of what the loop is able to accomplish.

[3] WITNESS ALBERT: Ask me that question [4] again?

[5] MR. LEVY: Is it smart enough to turn [6] off whatever electronics and CPU capacity exists in [7] the switch so that the loop basically can't [8] function as a loop?

[9] WITNESS ALBERT: I'd say the loop [10] still functions as a loop. It will shut dial tone [11] off.

[12] MR. LEVY: Then you just have a wire [13] in the ground; right?

[14] WITNESS ALBERT: It's still a loop.

[15] MR. JONES: A dead loop.

[16] MR. LEVY: It's physically attached [17] to the switch, and dial tone can be turned on [18] again. But if I'm understanding the point of Mr. [19] Jones's questions, it's that it's possible to use [20] that OSS to make the loop unfunctional carrying [21] information.

[22] WITNESS ALBERT: I don't know if I [23] would go as far as to describe it that way. I'd [24] say you would take the dial tone off it. You

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[1] haven't made the loop dysfunctional.

[2] MR. LEVY: I said "unfunctional."

[3] WITNESS ALBERT: You haven't made it [4] unfunctional. The loop is still capable of doing [5] what it does; it just doesn't have any dial tone [6] hanging on it.

[7] MR. LEVY: We could also attach a can [8] to each end of it.

[9] WITNESS ALBERT: That may be where [10] we're heading.

[11] (Laughter.)

[12] Q: What functionality does a loop have [13] without dial tone? What can a customer do with [14] it?

[15] A: [ALBERT] Transport. Nonswitch special [16] services is a perfect example. You can do lots of [17] things with a loop without dial tone.

[18] Q: Dedicated transport.

[19] A: [ALBERT] Yes.

[20] Q: What functionality does a standard, [21] residential-service loop have when a customer has [22] moved out — strike that.

[23] When a Bell Atlantic customer moves [24] out, a residential customer, whatever usual

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[1] configuration you have serving that customer, one [2] of the things that Bell Atlantic does now is to [3] leave left-in or

soft dial tone to that end-use [4] space; isn't that correct?

[5] A: [ALBERT] Sometimes.

[6] Q: And that is a recent-change function by [7] which that is done; is that correct?

[8] A: [ALBERT] When you turn the dial tone [9] off, you turn the dial tone off through a recent [10] change.

[11] Q: And you leave whatever capability it is [12] that permits you to provide left-in dial tone? [13] That's done through recent change as well?

[14] A: [ALBERT] What do you mean by — what's [15] your definition of "left-in dial tone"? Because [16] there are three or four different flavors of that [17] you can run into that people use.

[18] Q: Are some of those flavors achievable [19] through the recent-change process?

[20] A: [ALBERT] Where you leave all connections [21] in place and you remove the dial tone from all [22] those, that's achievable through a recent change.

[23] Q: Now, you said in your opening statement, [24] Mr. Albert, if I wrote fast enough and understood

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[1] well enough, that, first of all, Bell Atlantic does [2] permit Centrex customers to access the recent- [3] change software-driven functionality of the network [4] for certain purposes. Is that an accurate [5] statement?

[6] A: [ALBERT] The functionality of the [7] network? Yes. There's a system that will set out [8] in front of the RCMAC function that the Centrex [9] customers will work through to do things like [10] change speed calling, move call-waiting from one [11] line to another line, do rearrangements with [12] telephone numbers. There are a number of limited [13] activities that they can change for a specific [14] defined group of lines which they are able to [15] access.

[16] Q: And the thing that sits out in front of [17] the RCMAC is the so-called firewall?

[18] A: [ALBERT] It's more than a firewall. [19] It's the two different systems that I've described [20] that we've got in Massachusetts, one which is [21] called MACSTAR, and the other which is the acronym [22] CCRS, which is a Bellcore product. MACSTAR was [23] originally a Lucent product and is now handled by [24] another vendor. But that sits out and ties into

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[1] the recent-change capability and is used to provide [2] these Centrex types of changes.

[3] Q: And one of the purposes is to ensure that [4] a Centrex customer can access and fiddle around [5] only with that customer's own Centrex lines; [6] correct?

[7] A: [ALBERT] Once you have defined to it the [8] universe of lines that it can fiddle with, which is [9] much different than the capability that we're [10] talking about that would have to be developed for [11] using this to have any CLEC turn on and off any [12] line that was connected to the switch. That's [13] where you get into the security and the [14] partitioning and the large amount of development. [15] It's one thing to say, "Here's a predefined group [16] of lines, and only one person can go in and monkey [17] with them." It's something else to say, "Here's a [18] multiple number of people that can go in and monkey [19] with any line throughout the whole switching [20] machine." That's the two big differences we're [21] talking about between what would exist and what [22] would have to be.

[23] Q: What would it cost and how long would it [24] take to perform the development work necessary to

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[1] create that functionality that you just described?

[2] A: [ALBERT] I don't have any estimates on [3] it. We've had some preliminary discussions with [4] the vendors. We're talking more than a year, and [5] we're talking big bucks.

[6] Q: Bell Atlantic has over the last two years [7] plus performed a variety of different operating- [8] support-system modifications in anticipation of [9] providing service at wholesale rather than just [10] retail levels. Isn't that an accurate statement?

[11] A: [ALBERT] Yes, we've developed a number [12] of systems and interfaces and tied them together.

[13] Q: And Bell Atlantic has proposed for [14] recovery in this and other jurisdictions in excess [15] of \$100 million in operating-support-system [16] development costs in order to recover the costs it [17] claims it incurred in those OSS modifications; [18] correct?

[19] A: [ALBERT] I'm not the cost person and I'm [20] not sure what we've gone after recoverywise or [21] cost-proceeding-wise.

[22] Q: And what would be required to achieve the [23] recent-change functionality of the sort you just [24] described, which is lots of different carriers

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[1] being able to access all of the lines, would [2] require OSS modifications;

F

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

**In the Matter of**

**Implementation of the Local Competition  
Provisions in the Telecommunications Act  
of 1996**

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**CC Docket No. 96-98**

**AT&T EXHIBIT F**

**Filed May 26, 1999**

EX PARTE OR LATE FILED

**BELLSOUTH**

**Kathleen B. Levitz**  
Vice President-Federal Regulatory

February 11, 1999

Suite 900  
1133-21st Street, N.W.  
Washington, D.C. 20036-3351  
202 463-4113  
Fax: 202 463-4198  
Internet: levitz.kathleen@bsc.bis.com

**Ms. Magalie Roman Salas**  
Secretary  
Federal Communications Commission  
The Portals  
445 12<sup>th</sup> Street S.W.  
Washington, D.C. 20554

**RECEIVED**

FEB 11 1999

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Re: Written Ex Parte in CC Docket No. 98-121

Dear Ms. Salas:

Attached is the written ex parte presentation that BellSouth Corporation has made to Johnson Garrett of the Commission's Office of Plans and Policy. That ex parte consists of cover letter and a copy of the document "Description of the TELCOMP® Model and Results of its Application to the Atlanta LATA" prepared by Strategic Policy Research.

Pursuant to Section 1.1206(a)(1) of the Commission's rules, I am filing two copies of this notice and that written ex parte presentation in CC Docket 98-121 and ask that you please place both in the record of that proceeding.

Sincerely,



Kathleen B. Levitz  
Vice President - Federal Regulatory

Attachment

cc: Johnson Garrett (w/o attachment)      Jennifer Fabian (w/o attachment)  
Donald Stockdale (w/o attachment)      Jon Wilkins (w/o attachment)

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**BELLSOUTH**

**Kathleen B. Levitz**  
Vice President-Federal Regulatory

Suite 900  
1133-21st Street, N.W.  
Washington, D.C. 20036-3351  
202 463-4113  
Fax: 202 463-4198  
Internet: levitz.kathleen@bsc.bls.com

February 11, 1999

**RECEIVED**

FEB 11 1999

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Mr. Johnson Garrett  
Office of Plans and Policy  
Federal Communications Commission  
1919 M Street, NW, Room 822  
Washington, D.C. 20554

Re: Written Ex Parte in CC Docket No. 98-121

Dear Mr. Johnson:

Attached is a copy of a study recently completed by Strategic Policy Research entitled "Description of the TELCOMP® Model and Results of its Application to the Atlanta LATA. The study uses the TELCOMP® model to develop a business case for CLEC entry into the Atlanta LATA.

Pursuant to Section 1.1206(a)(1) of the Commission's rules, I am filing two copies of this written ex parte presentation and asking the Commission's Secretary to place the study in the record of CC Docket No. 98-121.

Sincerely,



Kathleen B. Levitz  
Vice President - Federal Regulatory

Attachment

cc: Jennifer Fabian

Donald Stockdale

Jon Wilkins

## **Description of the TELCOMP<sup>®</sup> Model and Results of its Application to the Atlanta LATA**

**January 21, 1999**

### **I. Overview**

The TELCOMP<sup>®</sup> model calculates the costs and revenues that a CLEC would experience if it provided local service utilizing unbundled network elements (“UNEs”) for loop distribution and interoffice transmission, but provided its own switching equipment. The core of the model relies on clear and unambiguous data, such as locations and sizes of wire centers, existing traffic volumes, current revenues per line, and UNE prices. The model is also intended to yield conservatively high costs, precisely to dispel concerns that it is overly optimistic. All of the direct costs incurred by a CLEC — payments to the ILEC for network elements, ongoing operational costs and capital costs for owned equipment — are included. Both recurring and nonrecurring costs are calculated, with the latter being spread over the life of the installation in a manner similar to the treatment of capital costs. Revenues associated with the services supported by the modeled network are also calculated. Operations, marketing and other support costs are not specifically modeled, but are estimated as a percentage of revenue.

Various serving strategies can be analyzed, including serving all lines in the LATA, all lines in selected wire centers, or focusing service offerings to attract a larger proportion of high-revenue customers.

The model also includes variables to take account of possible synergies between the CLEC business and the interexchange business. These synergies apply to both marketing and