BELLSOUTH APPENDIX

TAB 13

INTERROGATORIES OF BELLSOUTH TELECOMMUNICATIONS, INC.

RESPONSES OF COMCAST PHONE OF FLORIDA, LLC

Re: In re: Implementation of requirements arising From Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers.

Docket Nos. Docket No. 030851-TP
DATE: November 7, 2003

Respondent: David Sered, Director of Regulatory Affairs

4. State whether each switch identified in response to Question 1 serves residential customers.

Response:

Comcast Phone uses the arrangement described in response to Request No. 1 to serve residential customers in the State of Florida.

INTERROGATORIES OF BELLSOUTH TELECOMMUNICATIONS, INC.

RESPONSES OF COMCAST PHONE OF FLORIDA, LLC

Re: In re: Implementation of requirements arising From Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers.

Docket Nos. Docket No. 030851-TP
DATE: November 18, 2003

Respondent: David Sered, Director of Regulatory Affairs

9. State whether you have any plans to terminate your service in any area in Florida that is currently served by the switches identified in response to Question 1. If you do, identify the areas where you intend to terminate service (and by areas we mean geographic areas, not individual customers).

Response

Comcast Phone has no plans to terminate its service in any area in Florida that is currently served by the services identified in response to Question 1.

[1] A "qualifying service" is a telecommunications service that competes with a telecommunications service that has been traditionally the exclusive or primary domain of incumbent LECs, including, but not limited to, local exchange service, such as plain old telephone service, and access services, such as digital subscriber line services and high-capacity circuits. 47 C.F.R. § 51.5.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Implementation of requirements arising from Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers.	))))	Docket No. 030851-TP

REBUTTAL TESTIMONY OF

JAY M. BRADBURY

ON BEHALF OF
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC

JANUARY 7, 2004

REDACTED VERSION

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 customers.

Q. PLEASE DESCRIBE AT&T'S LOCAL SWITCH AND NETWORK DEPLOYMENT IN FLORIDA THAT IS CAPABLE OF SERVING THE MASS MARKET.

A. In Florida, AT&T operates eight (8) switches capable of providing service to mass market customers. As I will discuss further below, two (2) of these switches exclusively serve customers of Comcast under a special arrangement resulting from the merger of AT&T Broadband and Comcast. Therefore, AT&T operates only six (6) switches in Florida that can possibly be considered in any analysis of AT&T's operations under a "trigger" test. Five (5) of these switches are located in BellSouth's territory and one (1) is located in Verizon's territory. The location and identification of all eight (8) are shown in the following table.

Switch Name	Switch CLLI
JACKSONVILLE(COMCAST)	JCVLFLGHDS0
JACKSONVILLE	JCVLFLCLDS6
MIAMI – 1	NMIAFLAYDS0
MIAMI – 2	FTLDFLOVDS3
MIAMI –3	OJUSFLTLDS3
POMPANO BEACH (COMCAST)	PMBHFLEDDS0
ORLANDO	ORLEFLGVDS0
TAMPA	TAMQFLRYDS0

AT&T's six (6) local switches are, of course, dependent upon the deployment of collocation arrangements as discussed in my direct testimony and the direct testimony of BellSouth's witness W. Keith Milner. A collocation arrangement to serve an

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re:	)	
	)	
FCC's Triennial Review Order	)	Docket No. 17749-U
Regarding the Impairment of Local	)	
Switching for Mass Market Customers	)	
	)	

COMCAST PHONE OF GEORGIA, LLC'S
RESPONSES TO REQUESTS FOR ADMISSION

Comcast Phone of Georgia, LLC (hereinafter "Comcast Phone"), responds to BellSouth Telecommunications, Inc.'s First Requests for Admission to Comcast Phone of Georgia, LLC as follows:

1. Please admit that Comcast Phone is currently offering and able to provide circuit switched-based digital phone service in certain markets in Georgia.

RESPONSE: Comcast Phone admits that it is currently offering and able to provide circuit switched-based phone service in certain markets in Georgia.

2. Please admit that Comcast Phone is likely to continue to provide phone service in Georgia.

RESPONSE: Admit. Comcast Phone currently has no plans to discontinue providing in Georgia the phone services described in response to Request for Admission No. 1.

3. Please admit that the circuit switched-based digital phone service provided by Comcast Phone in Georgia is comparable in quality to the local exchange service offered by BellSouth.

RESPONSE: Comcast Phone objects to this Request on the grounds that it is vague and ambiguous and calls for speculation as to the meaning of the phrase "comparable in quality." Subject to this objection, and without waiving any objection, Comcast Phone responds by admitting its belief that its circuit switched-based local phone service is generally comparable in quality to the local exchange service offered by BellSouth in those markets in Georgia that Comcast Phone offers the service. Comcast Phone endeavors to provide service that is equal to or better than BellSouth in Georgia.

4. Please admit that the circuit switched-based digital phone service provided by Comcast Phone in Georgia is comparable in cost to the customer (price) and maturity to the local exchange service offered by BellSouth.

RESPONSE: Comcast Phone objects to this Request on the grounds that it is vague and ambiguous and calls for speculation as to the meaning of the phrase "comparable in maturity", although Comcast has been offering circuit-based digital phone service in Georgia only for a few years. Subject to this objection, and without waiving any objection, Comcast Phone responds by admitting that Comcast Phone's circuit switched-based voice-grade digital phone service is comparable in customer

price to the local exchange service offered by BellSouth in those markets in Georgia that Comcast Phone offers such service. Comcast Phone endeavors to provide phone service in Georgia at a price that is equal to or lower than BellSouth's prices. Comcast Phone's price list, containing company rate plans offered to local exchange customers in Georgia, is posted at www.comcast.com/tariffs. Comcast Phone, however, neither admits nor denies that its circuit switched-based voice-grade digital phone service is comparable in maturity to the local exchange service offered by BellSouth in Georgia, since Comcast Phone is unclear how this term is defined in the context of this request.

Respectfully submitted, this 19th day of February, 2004.

Thomas B. McGurk
Georgia State Bar No. 493502
WOMBLE CARLYLE SANDRIDGE & RICE, PLLC
One Atlantic Center
1201 West Peachtree Street
Suite 3500
Atlanta, GA 30309
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COUNSEL FOR COMCAST PHONE
OF GEORGIA, LLC

OF COUNSEL:

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Womble Carlyle Sandridge & Rice, PLLC
301 S. College Street
Suite 3500, One Wachovia Center
Charlotte, NC 28202-6025
704-331-4998

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re:	)	
	)	
FCC's Triennial Review Order	)	Docket No. 17749-U
Regarding the Impairment of Local	)	
Switching for Mass Market Customers	)	
	)	

AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared David Sered, who deposed and stated that he provided the responses to these Requests for Admission and that the responses are true and correct to the best of his/her personal knowledge, information, and belief.

FURTHER AFFIANT SAYETH NOT.

SIGNATURE OF AFFIANT

DATED, this 19th day of February 2004.

Sworn to and subscribed before me this 19th day of February 2004.

Rachel Jones
NOTARY PUBLIC

My Commission Expires:

Rachel Jones, Notary Public
Cobb County, Georgia
My Commission Expires May 15, 2005

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In re:	)	
	)	
FCC's triennial Review Order Regarding	)	Docket No. 17749-U
the Implementation of Local Switching for	)	
Mass Market Customers.	)	

REBUTTAL TESTIMONY OF

JAY M. BRADBURY

ON BEHALF OF
AT&T COMMUNICATIONS OF THE SOUTHERN STATES, LLC

JANUARY 30, 2004

PUBLIC REDACTED VERSION

Q. PLEASE DESCRIBE AT&T'S LOCAL SWITCH AND NETWORK DEPLOYMENT IN GEORGIA THAT IS CAPABLE OF SERVING THE MASS MARKET.

A. In Georgia, AT&T operates four (4) switches capable of providing service to mass market customers. As I will discuss further below, two (2) of these switches exclusively serve customers of Comcast under a special arrangement resulting from the merger of AT&T Broadband and Comcast. Therefore, AT&T operates only two (2) switches in Georgia that can possibly be considered in any analysis of AT&T's operations under a "trigger" test. The location and identification of all four (4) are shown in the following table.

Switch Name	Switch CLLI
ATLANTA – 1	NRCRGAISDSO
ATLANTA – 2	ATLNGATLDS7
STONE MOUNTAIN (COMCAST)	SNMTGAASDSO
VININGS (COMCAST)	ATLAGAQWDSO

AT&T's four (4) local switches are, of course, dependent upon the deployment of collocation arrangements as discussed in my direct testimony and the direct testimony of BellSouth's witness W. Keith Milner. A collocation arrangement to serve an individual customer in an ILEC wire center may consist of either EELs and collocations or collocations alone. In Georgia, AT&T currently has no EELs serving mass market customers and has collocations capable of serving mass market customers in only **BEGIN CONFIDENTIAL** **[redacted]** **END CONFIDENTIAL** out of 178 wire centers.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REVIEW OF FEDERAL COMMUNICATIONS	)	**CASE NO.:**
COMMISSION'S TRIENNIAL REVIEW	)	**2003-00379**
ORDER REGARDING UNBUNDLING	)	
REQUIREMENTS FOR INDIVIDUAL	)	
NETWORK ELEMENTS	)	

AT&T BROADBAND PHONE OF KENTUCKY, LLC'S RESPONSES TO SPECIFIC NEGOTIATED INTERROGATORIES FROM BELLSOUTH, TELECOMMUNICATIONS, INC.

AT&T Broadband Phone of Kentucky, LLC, a Comcast Company, ("Comcast Phone", "Comcast" or the "Company"), subject to the objections asserted below, submits herewith its responses to specific negotiated interrogatories from BellSouth Telecommunications, Inc. ("BellSouth"). In an effort chronicle the circumstances leading up to these Responses, and to confirm the agreement between BellSouth and Comcast Phone, Comcast Phone states as follows:

1. On October 10, 2003, BellSouth served Comcast Phone with BellSouth's First Set of Interrogatories and First Request for Production of Documents.

2. On October 28, 2003, John Sullivan, Vice President and Chief Counsel of Comcast Cable Communications, Inc., wrote a letter to Dorothy J. Chambers, counsel for BellSouth, citing the Order issued by the Kentucky Public Service Commission ("Commission") on October 2,

BELLSOUTH'S FIRST SET OF INTERROGATORIES SUBMITTED

OCTOBER 10, 2003

MUTUALLY AGREED QUESTIONS FROM THE FIRST SET

26. For those end user customers to whom you only provide qualifying service in the Commonwealth of Kentucky, please state the average monthly revenues you receive from each such end user customer.

Respondent: David Sered, Director of Regulatory Affairs

Response:

Subject to Comcast Phone's General Objections outlined above, and without waiving any objection, Comcast Phone responds as follows:

As further discussed in response to Question 33, all Comcast Phone customers in Kentucky are customers of our residential services. Furthermore, all Comcast Phone customers in Kentucky purchase a combination of voice-grade basic local exchange service and in some instances one or more of the following: associated features, local toll service and/or long distance services. Comcast Phone provides in CONFIDENTIAL EXHIBIT A average monthly revenue received from those residential customers for certain categories of service.

29. For those end user customers to whom you only provide non-qualifying service in the Commonwealth of Kentucky, please state the average monthly revenues you receive from each such end user customer.

Respondent: David Sered, Director of Regulatory Affairs

Response:

Subject to Comcast Phone's General Objections outlined above, and without waiving any objection, Comcast Phone responds as follows:

As further discussed in response to Question 33, all Comcast Phone customers in Kentucky are customers of our residential services. Furthermore, all Comcast Phone customers in Kentucky purchase a combination of voice-grade basic local exchange service and in some instances one or more of the following: associated features, local toll services and/or long distance services. Comcast Phone provides in CONFIDENTIAL EXHIBIT A average monthly revenue received from those residential customers for certain categories of service that it tracks.

9. State whether you have any plans to terminate your service in any area in Kentucky that is currently served by the switches identified in response to Question 1. If you do, identify the areas where you intend to terminate service (and by areas we mean geographic areas, not individual customers).

Respondent: David Sered, Director of Regulatory Affairs

Response:

Subject to Comcast Phone's General Objections outlined above, and without waiving any objection, Comcast Phone responds that it does not currently plan to terminate its service in areas of Kentucky served by the Company.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

Review of the Federal Communications	)	
Commission's Triennial Review Order	)	Case No. 2003-00379
Regarding Unbundling Requirements	)	
for Individual Network Elements	)	

REBUTTAL TESTIMONY OF

JAY M. BRADBURY

ON BEHALF OF
AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, LLC

MARCH 31, 2004

Mr. Reynolds' exhibits JWR-5 and JWR-6 identify a number of customer lines that he states belong to AT&T, either "AT&T Broadband" (OCN 6062) or "TCG Ohio" (OCN 8406). In fact, all of these customers belong to Comcast, a cable TV company that provides residential telephone service over its cable network without making use of any ILEC loop facilities. At one time, AT&T was involved in a joint venture undertaking that included AT&T Local Network Services, AT&T Broadband, and Insight Cable. With the merger of AT&T Broadband and Comcast, all assets and customers were transferred to Comcast in November of 2002. This transfer included the cable head end and associated collocation arrangement in Lexington and the associated switch in Louisville (LSVLKYCSDS4). Mr. Reynolds' exhibits simply illustrate that third party databases associated with the network are not yet capable of being revised in a timely manner to reflect the results of business mergers and dissolutions.

Mr. Reynolds' data about AT&T is inaccurate. AT&T is not a trigger company in Alltel's Lexington market. Further, as is discussed in the direct and rebuttal testimony of CompSouth witness Joseph Gillan, Comcast should not be considered a trigger as it makes no use of ILEC loop facilities. When these facts are considered, Mr. Reynolds' exhibit JWR-6 reveals that, at best, there are only slightly more than 100 mass market customers in Alltel's Lexington market that might be receiving competitive local service from CLECs using UNEL.

III.
KNOWLEDGE OF WHERE CLECS ARE ACTUALLY PROVIDING COMPETITIVE CHOICES TO CUSTOMERS THROUGH THE USE OF BOTH UNE-P AND UNE-L IS VITAL TO THE COMMISSION'S TASKS IN THIS

BELLSOUTH APPENDIX

TAB 14

33. Please provide a breakdown of the total number of end user customers served by Comcast Phone in Georgia by class or type of end user customers (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers. For each such classification, and/or if you provide another type of classification, define and describe with specificity the classification so that it can be determined what kinds of customers you have in each classification).

Respondent: David Sered, Director of Regulatory Affairs

Response:

Subject to Comcast Phone's Objections to BellSouth's First Set of Interrogatories submitted on November 20, 2003, and without waiver thereof, Comcast Phone responds as follows:

[BEGIN CONFIDENTIAL INFORMATION]

As noted in response to Interrogatory 26, Interrogatory 29 and herein below, virtually all Comcast Phone's customers in the State of Georgia are residential customers. Furthermore, as noted in response to Interrogatories 26 and 29, all Comcast Phone customers in the State of Georgia purchase a combination of voice-grade basic local exchange services and in some instances one or more of the following: associated features, local toll services and/or long distance services. As of November 12. 2003, Comcast Phone provided basic local exchange service to voice-grade lines in the State of Georgia, of which only voice-grade lines were subscribing to business offerings, with the remainder subscribing to residential offerings.

[END CONFIDENTIAL INFORMATION]

REDACTED -- FOR PUBLIC INSPECTION

INTERROGATORIES OF BELLSOUTH TELECOMMUNICATIONS, INC.

RESPONSES OF COMCAST PHONE OF FLORIDA, LLC

Re: In re: Implementation of requirements arising From Federal Communications Commission triennial UNE review: Local Circuit Switching for Mass Market Customers.

Docket Nos. Docket No. 030851-TP
DATE: November 7, 2003

Respondent: David Sered, Director of Regulatory Affairs

3. For every switch identified in response to Question 1, provide the number of DS-0/voice grade equivalent access lines currently in use and state the date for which such information is provided.

Response:

Comcast Phone objects to this Request on the ground it is vague and ambiguous with respect to the phrase "in use." Comcast Phone further objects to this Request to the extent that it seeks information outside the possession or control of Comcast Phone (i.e., information about the number of DS-0/voice grade equivalent access lines in use by a variety of parties outside the control of Comcast). Comcast Phone further objects to this Request on the grounds that, to the extent Comcast Phone possesses such information, if any, production of that information would require Comcast Phone to violate confidentiality agreements. Subject to those objections and without waiver thereof, Comcast Phone responds that the number of voice-grade equivalent DS0 lines served by Comcast Phone using that arrangement is:

[*BEGIN CONFIDENTIAL INFORMATION*] [*END CONFIDENTIAL INFORMATION*] lines, as of November 12, 2003, in the State of Florida.

33. Please provide a breakdown of the total number of end user customers served by Comcast Phone in Kentucky by class or type of end user customers (e.g., residential customers, small business customers, mass market customers, enterprise customers, or whatever type of classification that you use to classify your customers. For each such classification, and/or if you provide another type of classification, define and describe with specificity the classification so that it can be determined what kinds of customers you have in each classification).

Respondent: David Sered, Director of Regulatory Affairs

Response:

Subject to Comcast Phone's General Objections outlined above, and without waiving any objection, Comcast Phone responds as follows:

As noted in response to Question 26, Question 29 and herein below, all Comcast Phone customers in Kentucky are customers of our residential services. Furthermore, as noted in response to Questions 26 and 29, all Comcast Phone customers in Kentucky purchase a combination of voice-grade basic local exchange services and in some instances one or more of the following: associated features, local toll services and/or long distance services.

[BEGIN CONFIDENTIAL INFORMATION]

As of November 1, 2003, Comcast Phone provided basic local exchange service to voice-grade lines in Kentucky.

[END CONFIDENTIAL INFORMATION]

REDACTED -- FOR PUBLIC INSPECTION

BELLSOUTH APPENDIX

TAB 15

1

BEFORE THE
2 FLORIDA PUBLIC SERVICE COMMISSION

3 In the Matter of

4

PETITION BY VERIZON FLORIDA INC. TO REFORM INTRASTATE NETWORK ACCESS AND BASIC LOCAL TELECOMMUNICATIONS RATES IN ACCORDANCE WITH SECTION 364.164, FLORIDA STATUTES.	DOCKET NO. 030867-TL

PETITION BY SPRINT-FLORIDA, INCORPORATED TO REDUCE INTRASTATE SWITCHED NETWORK ACCESS RATES TO INTERSTATE PARITY IN REVENUE-NEUTRAL MANNER PURSUANT TO SECTION 364.164(1), FLORIDA STATUTES.	DOCKET NO. 030868-TL

PETITION FOR IMPLEMENTATION OF SECTION 364.164, FLORIDA STATUTES, BY REBALANCING RATES IN A REVENUE-NEUTRAL MANNER THROUGH DECREASES IN INTRASTATE SWITCHED ACCESS CHARGES WITH OFFSETTING RATE ADJUSTMENTS FOR BASIC SERVICES, BY BELLSOUTH TELECOMMUNICATIONS, INC.	DOCKET NO. 030869-TL

FLOW-THROUGH OF LEC SWITCHED ACCESS REDUCTIONS BY IXCs, PURSUANT TO SECTION 364.163(2), FLORIDA STATUTES.	DOCKET NO. 030961-TI

18 _____/

19

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22

23 VOLUME 15

24 PAGES 1864 THROUGH 1945

25

PROCEEDINGS: HEARING

1 to tell you what will really happen with and without rate
2 rebalancing. He made it a pretty clear. When he is looking at
3 a $9 basic local rate in Florida versus a $15 basic local rate
4 in Tennessee, he is going to go to Tennessee. He is voting
5 with his capital. He couldn't have been any clearer about the
6 impact of current local telecommunication rates on competitive
7 entry. I heard Dr. Cooper sort of scoff at Knology's business
8 case, but it should be interesting to note that Knology in the
9 Panama City exchange has 35 to 40 percent of the residential
10 access lines.
11 Now, there is clearly a problem here that has to be
12 troubling to you and to all of us. If residential rates are
13 priced below cost, so that competitors won't come to the
14 market, or will only come to certain segments of the
15 residential market, wouldn't residential subscribers rather
16 have a below cost rate than a rate increase? That is a good
17 question. The problem with the question is that the
18 legislature has answered it at the state level and Congress has
19 answered it at the federal level. They said competition is the
20 answer. Moreover, even the folks here who have objected to
21 these plans concede that competition does bring benefits to
22 customers, to consumers. Where consumers' rates are above
23 cost, competition drives the rates to cost. Even where this
24 doesn't happen, competition brings innovation and choices.
25 The legislature has made that decision. Now, does

Attachment 4

State of Florida

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 27, 2004

TO: Mary Andrews Bane, Executive Director

FROM: Office of Market Monitoring & Strategic Analysis (Bethea, Ollila, Mathis, Cordiano, Hunter, Williams, Cao)

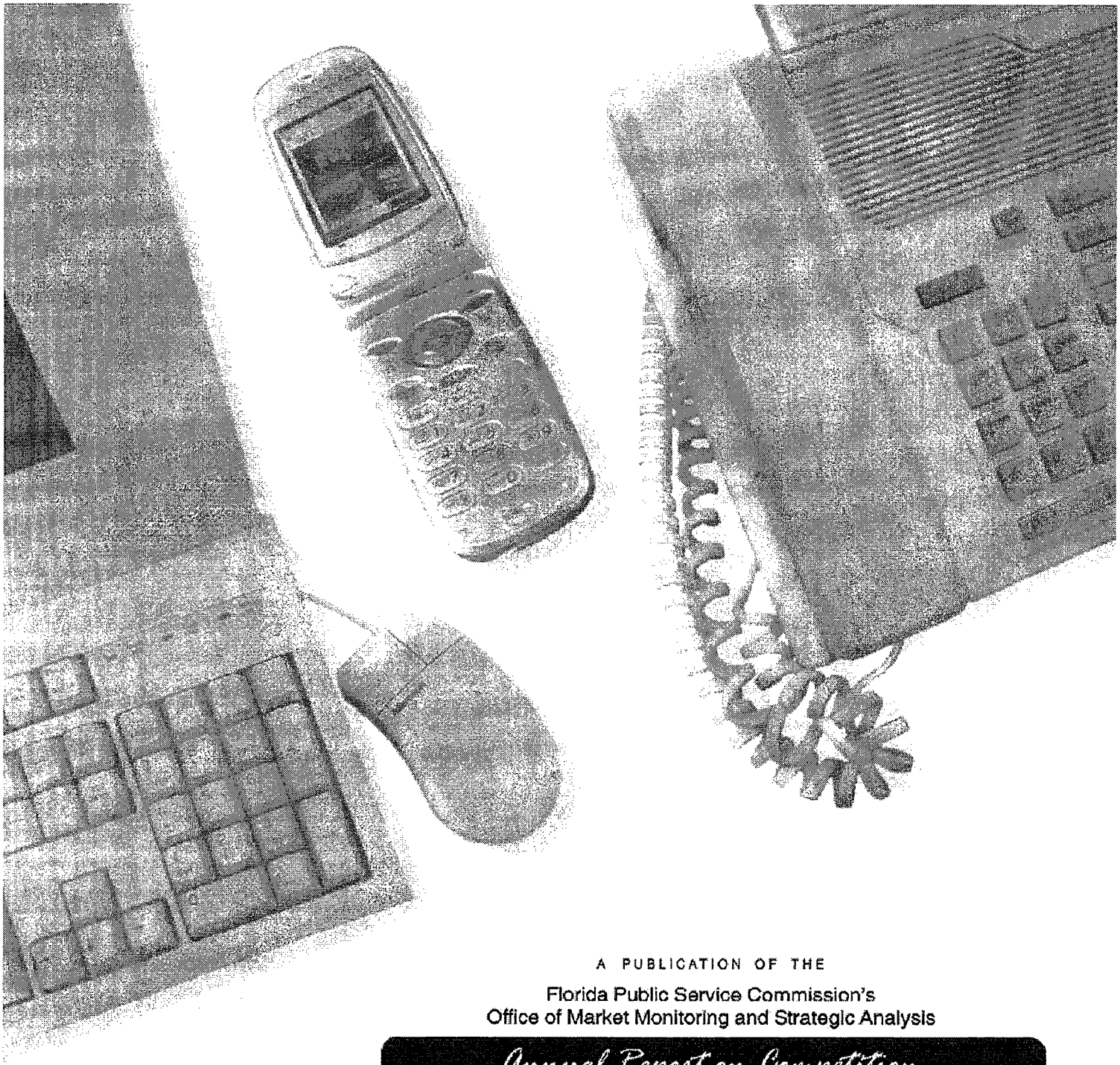
RE: Annual Report on the Status of Telecommunications Competition
Critical Information: Please place on the October 4 Internal Affairs. FPSC approval of report is sought. Report due to the Governor and Legislature on December 1.

Section 364.386, Florida Statutes, requires that the Commission prepare an annual report on the status of competition in the telecommunications industry. The report is to be submitted to the Governor, the Speaker of the House of Representatives, the President of the Senate, and the majority and minority leaders of the Senate and the House of Representatives by December 1 of each year. The attached report, "Telecommunications Markets in Florida: Annual Report on Competition as of May 31, 2004' has been prepared to fulfill the legislative requirement.

With this report, a change was made in the reporting period to provide additional time for companies to respond to the data request and for Commission staff to analyze the data. In prior years, the data was a snapshot of Competitive Local Exchange Company (CLEC) activities on June 30, with the report year running from July 1 of the previous year through June 30 of the current year. In this report, the snapshot of data is taken on May 31, 2004 with the report year running from July 1, 2003 to May 31, 2004. Beginning with the 2005 report, the report year will run from June 1 of the previous year through May 31 of the current year, with May 31 continuing as the snapshot date.

DNB:pw
Attachment
cc: Charles Hill
Rick Melson

APPENDIX C: PERCENTAGE OF CLEC ACCESS LINES BY EXCHANGE				
	% of Residential Access Lines CLEC Providers		% of Business Access Lines CLEC Providers	
Exchange	(2003)	(2004)	(2003)	(2004)
Mulberry	1% to 5%	1% to 5%	5% to 10%	5% to 10%
Munson	1% to 5%	0	1% to 5%	0
Myakka	> 0 to 1%	> 0 to 1%	> 0 to 1%	5% to 10%
Naples	> 0 to 1%	1% to 5%	5% to 10%	5% to 10%
New Port Richey	> 0 to 1%	> 0 to 1%	10% to 15%	30% to 35%
New Smyrna Beach	15% to 20%	20% to 25%	25% to 30%	25% to 30%
Newberry	1% to 5%	1% to 5%	15% to 20%	30% to 35%
North Cape Coral	> 0 to 1%	0	5% to 10%	5% to 10%
North Dade	20% to 25%	20% to 25%	35% to 40%	45% to 50%
North Ft Myers	1% to 5%	1% to 5%	1% to 5%	5% to 10%
North Naples	> 0 to 1%	> 0 to 1%	5% to 10%	10% to 15%
North Port	> 0 to 1%	> 0 to 1%	1% to 5%	5% to 10%
Oak Hill	5% to 10%	5% to 10%	20% to 25%	20% to 25%
Ocala	1% to 5%	1% to 5%	20% to 25%	15% to 20%
Ocklawaha	1% to 5%	1% to 5%	1% to 5%	1% to 5%
Okeechobee	1% to 5%	1% to 5%	1% to 5%	1% to 5%
Old Town	1% to 5%	1% to 5%	5% to 10%	10% to 15%
Orange City	1% to 5%	1% to 5%	5% to 10%	10% to 15%
Orange Park	15% to 20%	10% to 15%	25% to 30%	30% to 35%
Orange Springs	> 0 to 1%	> 0 to 1%	0	0
Orlando	10% to 15%	15% to 20%	45% to 50%	40% to 45%
Oviedo	5% to 10%	5% to 10%	25% to 30%	30% to 35%
Pace	5% to 10%	5% to 10%	15% to 20%	20% to 25%
Pahokee	25% to 30%	30% to 35%	30% to 35%	40% to 45%
Palatka	5% to 10%	5% to 10%	20% to 25%	15% to 20%
Palm Coast	5% to 10%	5% to 10%	30% to 35%	15% to 20%
Palmetto	> 0 to 1%	> 0 to 1%	10% to 15%	15% to 20%
Panacea	1% to 5%	1% to 5%	> 0 to 1%	1% to 5%
Panama City	35% to 40%	35% to 40%	30% to 35%	30% to 35%
Panama City Beach	5% to 10%	5% to 10%	10% to 15%	15% to 20%
Paxton	0	> 0 to 1%	0	0
Pensacola	10% to 15%	10% to 15%	35% to 40%	25% to 30%
Perrine	15% to 20%	15% to 20%	30% to 35%	30% to 35%
Perry	> 0 to 1%	> 0 to 1%	0	0
Pierson	1% to 5%	1% to 5%	10% to 15%	15% to 20%
Pine Island	> 0 to 1%	> 0 to 1%	> 0 to 1%	1% to 5%
Plant City	1% to 5%	1% to 5%	5% to 10%	15% to 20%
Polk City	1% to 5%	1% to 5%	1% to 5%	5% to 10%
Pomona Park	1% to 5%	1% to 5%	5% to 10%	15% to 20%
Pompano Beach	15% to 20%	1% to 5%	40% to 45%	35% to 40%
Ponce de Leon	1% to 5%	1% to 5%	10% to 15%	10% to 15%
Ponte Vedra Beach	5% to 10%	5% to 10%	20% to 25%	20% to 25%



A PUBLICATION OF THE

Florida Public Service Commission's
Office of Market Monitoring and Strategic Analysis

Annual Report on Competition

TELECOMMUNICATIONS

Markets in Florida

AS OF JUNE 30, 2003

APPENDIX C: PERCENTAGE OF CLEC ACCESS LINES BY EXCHANGE				
	% of Residential Access Lines		% of Business Access Lines	
	CLEC Providers		CLEC Providers	
Exchange	(2002)	(2003)	(2002)	(2003)
North Cape Coral	> 0 to 1%	> 0 to 1%	1% to 5%	5% to 10%
North Dade	15% to 20%	20% to 25%	30% to 35%	35% to 40%
North Ft Myers	> 0 to 1%	1% to 5%	1% to 5%	1% to 5%
North Naples	> 0 to 1%	> 0 to 1%	1% to 5%	5% to 10%
North Port	> 0 to 1%	> 0 to 1%	1% to 5%	1% to 5%
Oak Hill	1% to 5%	5% to 10%	10% to 15%	20% to 25%
Ocala	1% to 5%	1% to 5%	10% to 15%	20% to 25%
Ocklawaha	1% to 5%	1% to 5%	0	1% to 5%
Okeechobee	1% to 5%	1% to 5%	1% to 5%	1% to 5%
Old Town	1% to 5%	1% to 5%	10% to 15%	5% to 10%
Orange City	> 0 to 1%	1% to 5%	1% to 5%	5% to 10%
Orange Park	10% to 15%	15% to 20%	25% to 30%	25% to 30%
Orange Springs	> 0 to 1%	> 0 to 1%	0	0
Orlando	5% to 10%	10% to 15%	45% to 50%	45% to 50%
Oviedo	1% to 5%	5% to 10%	20% to 25%	25% to 30%
Pace	1% to 5%	5% to 10%	20% to 25%	15% to 20%
Pahokee	10% to 15%	25% to 30%	1% to 5%	30% to 35%
Palatka	1% to 5%	5% to 10%	10% to 15%	20% to 25%
Palm Coast	1% to 5%	5% to 10%	15% to 20%	30% to 35%
Palmetto	> 0 to 1%	> 0 to 1%	25% to 30%	10% to 15%
Panacea	1% to 5%	1% to 5%	> 0 to 1%	> 0 to 1%
Panama City	15% to 20%	35% to 40%	20% to 25%	30% to 35%
Panama City Beach	20% to 25%	5% to 10%	25% to 30%	10% to 15%
Paxton	0	0	0	0
Pensacola	1% to 5%	10% to 15%	35% to 40%	35% to 40%
Perrine	10% to 15%	15% to 20%	20% to 25%	30% to 35%
Perry	> 0 to 1%	> 0 to 1%	0	0
Pierson	1% to 5%	1% to 5%	10% to 15%	10% to 15%
Pine Island	> 0 to 1%	> 0 to 1%	> 0 to 1%	> 0 to 1%
Plant City	1% to 5%	1% to 5%	5% to 10%	5% to 10%
Polk City	1% to 5%	1% to 5%	1% to 5%	1% to 5%
Pomona Park	1% to 5%	1% to 5%	1% to 5%	5% to 10%
Pompano Beach	15% to 20%	15% to 20%	35% to 40%	40% to 45%
Ponce de Leon	1% to 5%	1% to 5%	5% to 10%	10% to 15%
Ponte Vedra Beach	5% to 10%	5% to 10%	20% to 25%	20% to 25%

BELLSOUTH APPENDIX

TAB 16

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 26

Pages 3738 through 3874

PROCEEDINGS: HEARING

BEFORE: CHAIRMAN BRAULIO A. BAEZ
COMMISSIONER J. TERRY DEASON
COMMISSIONER LILA A. JABER
COMMISSIONER RUDOLPH "RUDY" BRADLEY
COMMISSIONER CHARLES M. DAVIDSON

DATE: Thursday, February 26, 2004

TIME: Commenced at 9:00 a.m.
Concluded at 8:36 p.m.

DOCUMENT NUMBER-DATE
03087 MAR-2 ⁷⁰
FPSC-COMMISSION CLERK

testified as follows:

REDIRECT EXAMINATION

BY MR. MEZA:

Q Mr. Heartley, I can't see you, so I'm looking at you on the screen here.

CHAIRMAN BAEZ: I'm sure he can hear you.

BY MR. MEZA:

Q Do you remember when Mr. O'Roark was asking you a series of questions relating to the churn rate BellSouth applied in its force model?

A Yes.

Q Do you know when BellSouth applied the 4 percent churn rate in the model, what time period?

A We did not apply the 4 percent churn rate until August of 2005.

Q And what is the significance of August of 2005?

A August of 2005 is the date that we would start the migration of the embedded base in those areas that, where there's no impairment.

Q So up until August of 2005 BellSouth did not apply the 4 percent churn rate in the model; is that correct?

A That's correct.

Q All right. Now after August of 2005 BellSouth did apply the 4 percent churn rate to the UNE-P growth that was represented in Mr. O'Roark's chart; is that right?

A That's correct.

Q Now do you know if the force model decreased the embedded base of UNE-P between the date that UNE-P was no longer available in August of 2005 to account for churn?

A We did not. That would have been between December of 2004 and August of 2005. We left the embedded base that we had grown to 3.84 million. If we had applied the churn rate, that base would have been reduced to 2.77 million. But we did not do that.

Q Why, why didn't you apply the churn from December 2004 to August of 2005?

A Because we were looking at a worst-case scenario where we would be by August of 2005 when we would have to migrate the embedded base.

Q Okay. Do you know if BellSouth assumed a churn rate of higher than 4 percent in the model?

A We did. In my surrebuttal in response to information in the testimony of Mr. Van De Water from AT&T, he had suggested that we have a higher number of migrations in Florida, some 5,600 per day. So we increased the churn rate starting in August of 2005 to 48 percent a month to actually generate that. And that is in my rebuttal, in my surrebuttal testimony, and there is an exhibit that shows what it does in Florida if you increase the churn rate to 48 percent per month.

Q And can you tell us what it does when you do increase

issues. That is all CLECs, not just MCI.

Q And you also collaborated with Qwest on their batch hot cut process; correct?

A Yes, we did.

Q And you're also not supporting Qwest's process in any TRO switching case; correct?

A No, not 100%. But again, we narrowed those issues from probably 150 down to I think less than 20 that MCI is concerned about.

Q In MCI's view, in fact, there's no manual hot cut process that could support mass market volumes; right?

A Not exactly. Let me explain. MCI believes that the hot cut, the physical lifting and laying of the wires, the manual process, cannot be scaled to the volumes that will be needed in a post-UNE-P world.

We do, however, believe that we can work through a continuum of changes as the ordering, the internal operational support systems changes, and the notification process are automated. We have said that those processes, once the automation is completed, and once there is a decision in each of the states where it is being litigated, that assuming those changes are made, we will see whether the process works.

Q Ms. Lichtenberg, today, is there a manual hot

cut process that MCI contends could support UNE-L mass migration?

A We --

Q Yes or no, please.

A No.

Q Thank you. Now, the Florida Commission has an ongoing collaborative on CLEC-to-CLEC migrations that is considering all of the issues regarding CLEC-to-CLEC migrations in your testimony; correct?

A Yes.

Q And so despite all of your criticism of BellSouth for not collaborating, you chose not to use that collaborative to resolve those issues; correct?

A No. We are working through those issues in that collaborative. Unfortunately, I have not been able to attend in person as often as I would have liked to. We believe that some of those issues will get worked through in that collaborative. But we think, frankly, that we need to complete dealing with those issues before we are no longer impaired.

Q Can you turn to page 11 of your direct testimony, please, lines 13 through 14?

A (Examining document.)

Q Are you there?

A Yes, I am.

MS. FOSHEE: Okay.

CHAIRMAN BAEZ: Ms. Lichtenberg, obviously, you have the luxury of elaborating your answers, but to the extent that you've answered the question, you can feel free to stop.

THE WITNESS: Thank you, sir.

BY MS. FOSHEE:

Q Ms. Lichtenberg, in your testimony you state that -- I'm sorry. I'm on page 1 of your rebuttal, lines 2 through 1. You state that the move from UNE-P to UNE-L would involve an exponential increase in UNE-L provisioning volumes.

A I'm sorry. What line was that?

Q Oh, I'm sorry. Lines 19 through 20.

A Thank you.

Q I'm sorry. I had it written wrong.

Is MCI one of the biggest UNE-P providers of service to mass market customers in Florida?

A I think so.

Q And so because you're one of the biggest UNE-P providers, the exponential increase that you testify about would by necessity include MCI moving to UNE loops, would it not?

A Yes.

Q And so is it your position that MCI can provide

service using UNE loops?

A No.

Q Well, how is it, Ms. Lichtenberg, that on the one hand you say there will be an exponential increase in UNE loop volume, and on the other hand say that MCI can't provide service using UNE loops?

A We say that if we could make the process work, if we could cover the economic and operational problems, we will begin moving our customers, and so will other CLECs, and so volumes will go up exponentially.

Q Ms. Lichtenberg -- I'm sorry. I'm having problems with my mike. Is it your position that if the Commission finds no impairment in BellSouth's 12 trigger markets in this proceeding and makes no other changes, that the exponential increase that you talk about here won't exist?

A Yes, but I do need to elaborate on that one.

Q Go ahead.

A If changes aren't made and no impairment is found, as the panel has described to you today, what you will see, I believe, is the dropping away, the withering away of competition. I hope you will see some UNE loop competition, but I don't know.

Q Ms. Lichtenberg, you've also testified that BellSouth's 271 evidence proving that BellSouth's

A No. It's more global than that, actually. We agree with the TRO, not just from those two declarations, but from our experiences nationwide when we were doing the UNE loop product. It wasn't just here, and it wasn't just those two documents.

Q Well, the facts underlying your testimony, as I understand it, Mr. Van De Water, and as you've testified to and responded in interrogatories, are Denise Berger's 271 testimony; right?

A That was a response, yes.

Q Okay. And when you say consistent with the FCC TRO findings in your presentation, the FCC relied on the Brenner declaration; correct?

A I believe that was one of the declarations they did rely on.

Q Okay. And the Brenner declaration is the one that AT&T had no facts to support when we asked AT&T to produce them in discovery; right?

A That I don't recall, Ms. Foshee.

Q Do you have a copy of AT&T's seventh interrogatory responses to BellSouth with you?

A I do not.

MS. ROSS-BAIN: And if counsel has that and wants to supply it --

MR. FOSHEE: May I approach the witness,

service?

A It could be perceived a little bit differently, Ms. Foshee. As long as the customer notices no interruption in their service, it's invisible to them. That doesn't mean that it's necessarily -- they're not down for 10 seconds.

Q So there could be a disruption of -- there could be a minimal disruption of service, and that would constitute a seamless process?

A Very, very, very minimal, yes.

Q Let me ask it this way. Is ELP a seamless hot cut, in your opinion?

A Yes.

Q And ELP, as I think we've talked about, is not an issue in this docket; correct?

A Correct.

Q And at least part of the reason for that is that ELP can't be implemented in nine months; correct?

A Correct.

Q So your view then, by necessity, is that the Florida Commission cannot implement a seamless batch hot cut process in this proceeding; right?

A That would be correct.

Q So, Mr. Van De Water, that means, does it not, that you're really just arguing that the Triennial

A Yes, yes. It's not the only place that we have that experience. It's a manual process, and we were sharing the UNE loop transition process that happened when we were in service doing that between '99 and 2001. And it is what happens. There is a lift and lay, and the customer does lose service. So that hasn't changed, as your process hasn't changed.

Q But the 271 testimony -- but the only thing that you relied on in writing your testimony was the 271 testimony that you contend for you is relevant and for BellSouth is not relevant; right?

A No, that is not correct. I do have many years doing this, albeit with SBC. It is still my experience with this process of UNE loop provisioning that does give me some background to talk about this outside Denise Berger's testimonial.

Q With respect to the Triennial Review's requirement that the Commission establish a volume in the batch, for the batch hot cut process, AT&T has no specific volume that it contends should be in the batch; correct?

A Yes. But again, I believe I have alluded to it needs to be operationally and economically the best number that we can both come to as we're looking to this. We've talked about time frames, four hours. Can

BellSouth do 20 in that four hours? Well, the batch could be 80, or the minimum could be 20 in that one hour. But that's what we need to come to together, is what is that minimum for a batch and how long can it be done over.

Q Well, if AT&T has no proposed volume for the batch, you don't have any grounds to dispute that 125 is the appropriate volume; correct?

A Correct, but with the caveat of what I just said.

Q When you talk about the batch provisioning process, Mr. Van De Water, you describe the orders being worked at a specific time. That means working the batch within a time window; correct?

A Yes.

Q On page 9 of your direct, sir, line 22, you testified that due to the provisioning problems and the high cost of hot cut and backhaul costs, AT&T is not using UNE-L. Do you see that testimony?

A This is where we're starting on the bottom of page 9 and going over to 10; is that correct?

Q Yes, sir.

A I do see it.

Q You don't know the backhaul costs to which you referred in that testimony, do you?

talking about, BellSouth filed that motion in the context of having the Bankruptcy Court appoint a trustee to run Supra's business; is that right?

A There have been so many filings, I'm not sure exactly which one of the adversarial proceedings that particular pleading was filed in.

Q So because BellSouth articulated a reason why a trustee needs to be appointed in Bankruptcy Court, you believe that Supra is not a trigger company; is that right?

A Well, your statement is you don't expect us to stay in business, and that's one of the requirements for being considered a trigger company.

Q So whatever BellSouth says is the way it should be; is that right?

A I don't think I ever said that in my entire life. The issue is that BellSouth said Supra was a trigger company, and BellSouth also said that Supra is not going to stay in business. Therefore, I don't see how BellSouth with make the claim that Supra is a trigger company.

Q Now, would you agree with me that Supra has used the process that BellSouth describes as the batch hot cut process?

A I'm sorry.

Q Would you agree that Supra has used BellSouth's batch hot cut process?

A Yes. We have attempted to use BellSouth's batch hot cut process. We have, to the best of my knowledge, submitted four 99-loop batches, a total of approximately 400 loops, and in that process, 175 fell out of the process.

Q All right. So when you testified in your deposition that you used the batch hot cut process every day, you were incorrect?

A We use BellSouth's hot cut process every day. It's not correct that we use BellSouth's batch hot cut process every day.

The only place we've actually used the BellSouth batch hot cut process is in the Pembroke Pines central office, which has approximately 82% of lines served on integrated digital loop carrier. And because it was our understanding that BellSouth was providing a batch pre-ordering capability in that process, we did use the batch process in that office just to work through the greater magnitude of the issues that are associated with integrated digital loop carrier. The problems we had with that have led us to use the individual hot cut process in all the other offices.

Q And Supra has worked with a project manager to

negotiate due dates; is that right?

A Yes.

Q Now, Supra only orders uncoordinated cuts; is that correct?

A Yes, and we would hope that you would do those correctly as well.

Q And you would agree with me that BellSouth has worked with Supra regarding Supra's efforts to migrate its lines from UNE-P to UNE-L; is that right?

A Yes, you have.

Q And Supra and BellSouth have had at least three face-to-face meetings in 2003 to discuss Supra's UNE-L conversions; is that right?

A Yes. We've requested more that were denied, but we've had that many, yes.

Q And as of February 11, 2004, Supra had migrated over 13,000 lines from UNE-P to UNE-L using either BellSouth's individual or batch hot cut process; is that right?

A Yes. I think it would be fair to say that we had moved 13,000 lines using your individual hot cut process.

Q And at the time Supra filed direct testimony on December 4th, Supra had converted approximately 2,400 lines; is that right?

A Say that again.

Q At the time that Supra filed direct testimony on December 4th of 2003, Supra had converted approximately 2,400 lines?

A That's correct.

Q All right. So you would agree that from December 4, 2003, to December 11, 2004 (sic), Supra converted over 10,000 lines from UNE-P to UNE-L; is that right?

A Yes.

Q Now, isn't it a fact that since your deposition on February 11, 2004, BellSouth has performed over 3,400 hot cuts for Supra?

A I'm not sure what the exact number is. I was almost willing to say it was more than that, but if that's your number, I'll agree with you on that.

Q And today, 664 hot cuts were scheduled, weren't they?

A I'm sorry. I wasn't able to attend this morning's meeting, so I don't know what today's schedule was.

Q Yesterday, 364 were completed, though, weren't they?

A It's my understanding that we've only been submitting -- it's possible. I don't know what

BELLSOUTH APPENDIX

TAB 17

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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DEPOSITION OF:	SHERRY LICHTENBERG
TAKEN AT THE INSTANCE OF:	The Staff of the Florida Public Service Commission
PLACE:	Gerald L. Gunter Building Room 309 2540 Shumard Oak Boulevard Tallahassee, Florida
TIME:	Commenced at 9:30 a.m. Concluded at 1:05 p.m.
DATE:	Thursday, February 5, 2004
REPORTED BY:	JANE FAUROT, RPR Official Commission Reporter (850)413-6732

A No, I am not disavowing knowledge.

Q Okay. So you would agree that when MCI responded to this and said that MCI was continuing to investigate whether it had any responses -- information responsive to the request, that that answer was true at the time?

A That is correct.

Q Is it still true?

A To the best of my knowledge, that investigation is still being conducted.

Q At what point does MCI anticipate concluding that investigation?

A I don't know.

Q So we can agree at this point that Bellsouth -- that MCI, rather, has no firsthand evidence of BellSouth's performance with respect to hot cuts?

A At this point in Florida, BellSouth -- I'm sorry, MCI has no firsthand evidence of BellSouth's performance, that is correct.

Q Okay. So allegations that you make in your testimony about the inability of BellSouth to perform hot cuts are not based on any empirical data, correct?

A I believe -- yes. I believe the language I use is could or I suggested that we are -- we don't know.

Q Okay. So it is speculative, correct?

A Yes.

Q Okay.

A In my expert opinion.

Q Now, looking at that same discovery request, Interrogatory 52 asked in relevant part -- and I realize, again, you are accepting this subject to check -- does MCI have a preferred process for performing batch hot cuts? And MCI's response in relevant part was, "MCI does not have a preferred process for performing batch hot cuts since MCI is not presently fully apprised of all hot cut processes available from BellSouth." Was that response true when it was filed?

A I believe it was true when it was filed. I believe that we have either recently filed or are in the process of filing a statement, an answer, to either another interrogatory -- and I apologize, I was answering so many I am not sure whether it was BellSouth's interrogatory or a staff interrogatory, where we speak to the basic pieces that must be included in a hot cut, in a batch hot cut process.

Q Okay. Well, assuming that you have not given that to us, yet, can we agree that the Triennial Review Order requires this Commission to adopt a hot cut process at the conclusion of its nine-month proceeding?

A Yes.

Q Okay. Now, you use -- in your testimony, the first place you talk about it, I believe, is Page 45 of your direct at Line 27, what you call a transition batch hot cut process.

Can you define what the transition batch hot cut process looks like?

A And let me make sure I understand by what it looks like. Do you want me to describe that process?

Q Yes. Can you give me a description of how the transition batch hot cut process would work?

A It is a process by which the base of UNE-P customers is moved from UNE-P to UNE-L. It would be an efficient and seamless economically feasible process where CLECs would not be required to negotiate for due dates, but could take advantage of automated tools that would allow the ordering and timing of these cuts.

Q Okay. So how exactly would it work? What is your proposal for a transition batch hot cut process?

A I can speak to that at a very high level.

Q Well, let me ask it this way, and then maybe I will go back to that question. Does MCI have a proposed transition batch hot cut process that it wants this Commission to adopt and implement? Yes or no, please, and then feel free to explain.

A No. Since MCI is not totally cognizant of the way in which all of the systems used by BellSouth work, MCI cannot design for BellSouth a process. However, we can provide a minimal set requirement. And I can speak on the ordering provisioning, but not necessarily to the lift and lay process.

I would defer that to Mr. Webber.

Q Okay. Let me ask this. You also on Page 46 of your direct, Line 17, refer to what you call a mass market hot cut process. Does MCI have a mass market hot cut process that it is asking this Commission to adopt and implement in the nine-month proceeding?

A No. However, once the automated tools that we are requesting, such as a due date scheduler, an on-line tracking system, the ability to migrate all kinds of customers, including those who have the CLEC voice, data CLEC data product, referred to generally as -- I am hairsplitting -- to UNE-Loops, that those tools are also necessary for the mass market hot cut process.

Q Ms. Lichtenberg, if BellSouth were to provide each of the three things you just enumerated, would you agree that it was an adequate hot cut process?

A Yes, to the extent that BellSouth -- to the extent that BellSouth was able to seamlessly and economically provide that service, and to the extent that all of those things, and that was not an exclusive -- totally inclusive list. To the extent that that information -- that process was developed, there were matrix and it was in use and working, I believe we would have a batch hot cut process.

Q Ms. Lichtenberg, what is your inclusive list?

A I believe -- we are working on that inclusive list at

this point. Until we see BellSouth's actual new proposal on February 18, then we will be able to comment on that.

Q So the inclusive list that you have right now is what has been filed with the Florida Public Service Commission?

A The inclusive list --

Q Yes or no, please, and then feel free to explain.

A Yes. And that would be in both my surrebuttal testimony and in responses to interrogatories that -- and I don't have the date at this moment, but that we have recently either filed or are filing now.

Q Okay. On Page 10 of your rebuttal, Line 11, you testified that BellSouth won't establish "a true batch process." Define true batch process.

A MCI believes that in a true batch process we should not have to negotiate with the project manager, send spreadsheets, not be able to select dates, and that a true batch process, as we define it, is not a process for sending 100 orders at one time; it is for fulfilling 100 orders at one time.

Q Okay. You have told me what a batch process is not. Can you please affirmatively define what a batch process is?

A Yes. A batch process is a seamless economic efficient process that relies on automated ordering tools and to the extent possible, on some automation of the actual work that allows a CLEC to send -- to have multiple customers

1 migrated on the same day without -- with a very short period of
2 loss of dial tone, and a very short period of the inability to
3 receive calls or activate their features.
4 Q Ms. Lichtenberg, I am going to interpret that answer
5 as the criteria of a true batch process. Can you define the
6 operational steps that would occur in what you define as a true
7 batch process?
8 A I could.
9 Q Please do.
10 A Okay. Let me say that, again, this is the -- I am
11 doing this without notes in front of me, and I am giving you a
12 high-level response. Number one, the CLEC must be able to send
13 an order -- let me go back. In the preorder stage, the CLEC
14 must be able to select a date on which the customer would be
15 migrated.
16 Q And that would be via an electronic scheduler?
17 A It would be via an electronic scheduler. It would
18 not include a spreadsheet. It would not include negotiations.
19 Q Is Verizon's electronic scheduler sufficient?
20 A I have not yet used the Verizon electronic scheduler.
21 Verizon, as I understand it, is still developing that as are
22 Qwest and SBC. Once those products are developed and the date
23 selection process is tried out, if you will, it could
24 potentially be sufficient.
25 Q The reason I ask is because you directed us to the

BELLSOUTH APPENDIX

TAB 18

1 BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
2

3 DOCKET NO. 030851-TP

4 In the Matter of:

5 IMPLEMENTATION OF REQUIREMENTS
ARISING FROM FEDERAL COMMUNICATIONS
6 COMMISSION'S TRIENNIAL UNE REVIEW:
LOCAL CIRCUIT SWITCHING FOR MASS
7 MARKET CUSTOMERS.
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10 THE OFFICIAL TRANSCRIPT OF THE HEARING,
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11

12 TELEPHONIC
DEPOSITION OF: MARK D. VAN DE WATER
13

14 TAKEN AT THE
INSTANCE OF: The Staff of the Florida
15 Public Service Commission

16
PLACE: Gerald L. Gunter Building
17 Room 362
2540 Shumard Oak Boulevard
18 Tallahassee, Florida

19
TIME: Commenced at 3:00 p.m.
20 Concluded at 7:26 p.m.

21
DATE: Wednesday, February 11, 2004
22

23 REPORTED BY: TRICIA DeMARTE, RPR
Official FPSC Reporter
24 (850) 413-6736

25

1 Again, looking at the FCC's Triennial Review, let's
2 look at Footnote 1517, that's 1517.
3 A Just one moment, please.
4 Q Okay.
5 A Okay. I'm there.
6 Q Okay. The FCC in this footnote stated that the
7 record in the TRO proceedings does not support a determination
8 that electronic provisioning is currently feasible. My
9 question is, what evidence have you provided in this docket
10 that would convince this Commission that the FCC erred in their
11 judgment?
12 A I don't believe there is an error. It's just that
13 they're discussing the theory of doing something over this
14 short time span. ELP was not the answer to doing that. This
15 docket really is a ninety day -- a nine-month time span where
16 ELP cannot be done. I believe they discussed looking at it
17 later, looking at it as a future practice, but not in regards
18 to this nine-month docket.
19 Q So do you see it as an issue in this docket?
20 A I really see this docket being more focussed on the
21 batch hot cut process as it relates to impairment and ELP to be
22 a consideration for the future.
23 Q So would that be a no?
24 A Yes, that would be a no.
25 Q Okay. Thank you. If you believe the ELP is

1 third-parties, CLEC collaborations, things along those lines,
2 what do you see?
3 A I see collaborations between the CLECs and BellSouth
4 to come up with the best process that can be done with the OSS
5 available. I see testing by third parties that can then --
6 actually, under order of the Commission I think would be
7 better, not just random testing, but Commission-ordered
8 testing, nothing to the extent I understand that there was in
9 Florida some years ago with OSS, but nonetheless, something
10 that tested the process enough so the CLECs are comfortable
11 that they can move customers when they choose to and it's
12 economically and operationally better for them to do so.
13 Q All right. I just have a few more questions. Going
14 to your surrebuttal now.
15 A Okay.
16 Q On Page 3, Lines 12 through 16, you state that AT&T
17 is requesting that the Commission initiate another proceeding
18 to determine whether ELP would eliminate impairment. Would
19 AT&T possibly petition the Commission for such a proceeding if
20 not ordered by this Commission?
21 A I don't know.
22 Q Okay. Switching gears. Have you had the opportunity
23 to read Ainsworth's surrebuttal?
24 A Yes, I have.
25 Q On Page 2 -- and just holler when you get to

1 way to do it. And I think the TRO also recognized that the
2 problems of the hot cut process has inherent problems that need
3 to be addressed. That's why they asked the commissions to
4 establish a batch hot cut process to help alleviate that.
5 Q Would you identify for us and describe what AT&T
6 would consider a legitimate bulk hot cut process and identify
7 what ILECs operate such a system?
8 A Well, there is no ILEC that has an old hot cut
9 process that answers of our concerns at this time. Obviously
10 what we would like to see is an electronic method, which does
11 not exist today. I think I've gone over pretty clearly in the
12 testimony everything we'd like to see in a bulk hot cut
13 process, including the electronic notification, the OSS instead
14 of the folks involved calling back and forth. And there was
15 Pages 61 through 67, I think, was everything included.
16 Q All right. Almost done here. Could you please refer
17 to BellSouth witness Ainsworth's surrebuttal testimony --
18 A Sure.
19 Q -- Pages 5 through 19, beginning on Page 5.
20 A Okay. Starting on Page 5 where he says that he
21 will -- they will now include EELs; correct?
22 Q No. Under the heading, "The Batch Hot Cut Process."
23 A "Batch Hot Cut Process-Specifics;" correct?
24 Q Yes, yes.
25 A And then the first subheading is, hot cuts for

1 testimony. Actually, I'm sorry. Let's start at Page 6, Lines
2 15 through 17.
3 A Hang on. Let me get to it first.
4 Q Okay.
5 MS. ROSS-BAIN: Give us just a minute. We're trying
6 to locate Ms. Berger's testimony. We've got a copy of it.
7 We're just trying to locate it.
8 THE WITNESS: Okay. I have it.
9 MS. ROSS-BAIN: Which page again?
10 MS. FOSHEE: I'm going to ask a preliminary question.
11 BY MS. FOSHEE:
12 Q For the staff's benefit, in AT&T's supplemental
13 responses to BellSouth's fourth set of interrogatories, AT&T
14 responded that you relied on Denise Berger's North Carolina
15 271 testimony for some of the propositions in your testimony;
16 correct?
17 A Correct.
18 Q Okay. Now, let's look at Page 6, Lines 15 through 17
19 of Ms. Berger's testimony. Ms. Berger, upon whose testimony
20 you relied, defines a hot cut as a process in which, quote, the
21 customer's loop is lifted or cut while it is still in active
22 service, i.e., the loop is hot resulting in a temporary loss of
23 active service, close quote. Do you agree with Ms. Berger?
24 A Yes.
25 Q Now, turning to Page 4 at Line 9 of Ms. Berger's

1 testimony. Ms. Berger, upon whose testimony you relied,
2 further states that a hot cut, quote, requires interruption of
3 a customer's service, close quote. Do you agree with
4 Ms. Berger?
5 A Yes, I do.
6 Q Okay. Then let's look at Page 5, Lines 15 through 18
7 of her testimony. Again, Ms. Berger, upon whose testimony you
8 relied, defined, quote, a seamless transition of customers from
9 BellSouth's service to the CLEC's local service, close quote,
10 as, quote, hot cut provisioning with a minimum of service
11 disruption, close quote. Do you agree with her definition of
12 seamless?
13 A I'm reading it. Hang on. I see what she read here.
14 Q If you could answer yes or no, please, and then feel
15 free to explain.
16 MS. ROSS-BAIN: Can you repeat the question and make
17 sure I heard that question?
18 THE WITNESS: Agree.
19 MS. FOSHEE: And again, I would ask if the witness
20 doesn't understand, you're free to ask me to repeat it.
21 MS. ROSS-BAIN: But if the counsel --
22 MS. FOSHEE: It's irrelevant.
23 MS. ROSS-BAIN: After the question, counsel can ask
24 that the question be repeated.
25 MS. FOSHEE: Martha, frankly, it's irrelevant whether

1 process called UNE-P electronic. And the current process of
2 the individual hot cuts is cumbersome, to say the least, and
3 that we need to work toward something else. Now, batch hot cut
4 process, (a), mitigate impairment as it will help the consumers
5 by minimizing that downtime.
6 Q Mr. Van de Water, can you define the term
7 simultaneously as it's used in the TRO?
8 A Can you give me the context that it's used around?
9 Q Sure. It's in the rule. It says, "A batch hot cut
10 process is defined as a process by which the incumbent LEC
11 simultaneously migrates two or more loops from one carrier's
12 local circuit switch to another carrier's local circuit
13 switch." And my question is, please define simultaneously.
14 A In that context I would think that moving two or more
15 simultaneously means doing more than -- two or more at the same
16 time.
17 Q And does that mean pulling two jumpers off the frame
18 at the same time?
19 A It could mean that.
20 Q Yes or no, please.
21 A Yes.
22 Q Does it mean one technician pulling two jumpers off
23 the frame at one time?
24 A It doesn't say that, so it may not mean that.
25 Q So it could mean multiple technicians processing hot

1 to work on a hot cut process that can be done now while we
2 still look at ELP for the future.
3 Q Well, I guess what confused me was your testimony
4 that said that AT&T requests that the Commission find that our
5 hot cut process is insufficient and to initiate another
6 proceeding.
7 A That is the individual hot cut process, not a batch
8 hot cut process.
9 Q I'm sorry. Could you repeat that?
10 A AT&T is requesting that the ILECs' hot cut processes
11 are insufficient. That's not saying that the batch hot cut
12 process shouldn't be considered.
13 Q So you agree that this Commission must adopt and
14 implement a batch hot cut process in this nine-month
15 proceeding?
16 A Yes.
17 Q Okay. Is there a manual hot cut process that AT&T
18 contends could support UNE-L mass market volumes?
19 A Not at this time.
20 Q If this Commission made a finding of no impairment
21 for local switching, would AT&T use coordinated hot cuts or
22 noncoordinated hot cuts?
23 A I don't know, because again we do what's best for the
24 customer. So we need to evaluate the different processes,
25 coordinated versus noncoordinated, to see which would have the

BELLSOUTH APPENDIX

TAB 19

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

In the Matter of:	:	
FCC'S TRIENNIAL REVIEW ORDER REGARDING THE IMPAIRMENT OF LOCAL SWITCHING FOR MASS MARKET CUSTOMERS	:	Docket No. 17749-U

Hearing Room 110
244 Washington Street
Atlanta, Georgia

Monday, March 1, 2004

The above-entitled matter came on for hearing pursuant to Notice at 10:00 a.m.

BEFORE:

DOUG EVERETT, Chairman
STAN WISE, Commissioner
ROBERT B. BAKER, JR., Commissioner
DAVID BURGESS, Commissioner

* * *

1 day.
2 Mr. Milner?
3 WITNESS MILNER: Thank you.
4 BellSouth has a batch hot cut process that
5 complies with the requirements of the TRO. While
6 BellSouth's witnesses, Mr. Ainsworth, provides the details
7 of that process, let me give you the highlights here.
8 BellSouth's batch hot cut process has four main components,
9 and they are: preordering project management, the batch
10 ordering process, itself; and batch provisioning.
11 First, a CLEC submits a spreadsheet to BellSouth
12 listing the lines it wishes to migrate. The fields in
13 yellow are the parts of this spreadsheet that the CLEC would
14 prepare. A BellSouth project manager then reviews that
15 spreadsheet, marshals and coordinates the necessary
16 resources to migrate the lines, and assigns due dates to the
17 cutovers. Next, the CLEC submits what we call the batch hot
18 cut local service request, or LSR. This ordering
19 functionality allows CLECs to submit one lsr, to request a
20 total of almost 2,500 total phone numbers per request.
21 Now, as you'll recall, I hope, from AT&T's
22 videotape, BellSouth's network forces first rewire before
23 the due date, and then on the due date, actually coordinate
24 and perform the hot cut. The wiring work involved is the
25 same as the wiring work in BellSouth's individual process.

1 And the reason for that is quite simple. This Commission
2 has already recognized that BellSouth already has the most
3 efficient, most seamless hot cut process possible.
4 To comply with the TRO, however, BellSouth
5 recognized that the -- that this Commission must approve a
6 process, and so we added project manage to the individual
7 process to gain further efficiencies. It is that project
8 management that allows BellSouth to manage all the
9 individual orders together, and that's where the necessary
10 network efficiencies come in, by allowing all the work to be
11 done together. Thank you.
12 MS. FOSHEE: The CLECs appear to agree with the
13 component parts of BellSouth's process. For example, AT&T
14 agreed, in its FCC TRO declaration of Alice Brenner, relied
15 upon by Mr. Bradbury in this case and by the FCC, that there
16 are, quote, "numerous advantages to a project-managed
17 approach."
18 And, in fact, in that same declaration AT&T touted
19 project management as resulting in a loss of dial tone less
20 than one percent of the time.
21 Moreover, BellSouth has the batch provisioning
22 process that the CLECs want. MCI, for example, wants a
23 batch provisioning process in which there are multiple
24 customers migrated on the same day. And AT&T believes that
25 batch processing is provisioning a working -- or

1 provisioning or working a set number of hot cuts within a
2 time window. BellSouth's batch process, as Mr. Milner
3 described, has these attributes.
4 In fact, Commissioners, most telling about the
5 success of BellSouth's process is the fact that no CLEC in
6 this proceeding has proposed a different process. As Ms.
7 Lichtenburg told us in her deposition, MCI has not proposed
8 a specific process. AT&T, as well, has not proposed a
9 specific process. And as you can see from -- when I asked
10 Mr. Van de Water in his deposition, I asked him, "Is there a
11 manual hot cut process that AT&T contends can do this?" And
12 he said no. In fact, even though AT&T has presented
13 testimony on electronic loop provisioning in this case, AT&T
14 has admitted, both via Mr. Bradbury and Mr. Van de Water,
15 that ELP is not an issue in this case.
16 The fact that no CLEC has proposed a significantly
17 different process, or any process for that matter, is strong
18 evidence that BellSouth's batch hot cut process is the right
19 process.
20 Mr. Milner?
21 COMMISSIONER BURGESS: I've got a couple of
22 questions, if I could, Mr. Chairman.
23 From a process standpoint, what is different about
24 your new batch hot cut process versus the individual-wide
25 process that you have existing today?

volumes in a given -- in a single central office up to 264. That is, as many as 264 hot cuts in a single central office in a single day. Now, the performance around those cutovers is detailed in the testimony of Mr. Ainsworth.

Now, the CLEC that I just mentioned declined to use BellSouth's batch hot cut process, but I believe that the fact that BellSouth performed so well using its less efficient individual process is strong evidence that, had the CLEC used the batch hot cut process, then the results would have even been better, given that the batch hot cut process is specifically designed for moving large volumes of hot cuts in a single day in multiple offices.

Now, over to Mr. Varner.

A. (Witness Varner) The next point is that BellSouth's data of individual hot cuts is outstanding. Now, these data will give the Commission a high degree of confidence that BellSouth can perform hot cuts timely and accurately with a minimum of service disruption. The data we gave you are based on the four hot cut measurements that you approved. You measure whether we start the cut on time, how long -- whether we complete it on time, and whether or not we encounter problems during the process of the cut.

Now, here are some of the specific results that we achieved during a six month period. We performed the wiring work seamlessly over 99.9 percent of the time -- I'm sorry,

1 99.7 percent of the time. Importantly, we achieved this
2 performance on a fairly large volume of hot cuts, 4,000
3 lines over this six month period. And the average time it
4 took us to complete the wiring work was 2 minutes and 44
5 seconds.
6 With respect to starting on time, we started over
7 99 percent of the orders on time, and this performance was
8 achieved on over 1,800 orders during this same six month
9 period. We also performed the cuts accurately. Fewer than
10 one percent of the cuts encountered a problem during the
11 cutover process, and fewer than one percent of the cuts
12 encountered a problem within seven days after the cut was
13 completed. And these data are irrefutable that our hot cut
14 process performance is excellent.
15 Ms. Foshee?
16 MS. FOSHEE: Thank you.
17 Now, Commissioners, you've seen some of our
18 evidence and you've seen our data. And you must be thinking
19 to yourselves, 'But the CLECs say the process doesn't work.'
20 So let's spend a minute looking at the CLEC's so-called
21 evidence of BellSouth's hot cut performance.
22 First of all, MCI will tell you that the process
23 doesn't work. But MCI has performed no UNE-L hot cuts in
24 BellSouth's region. Because it has not performed any in
25 Georgia, just like it had not in Florida, their Florida

1 relevant component parts of the batch cut process. Now,
2 there is no end-to-end measurement, and let me tell you why.
3 The principal obstacle to that is the fact that the
4 measured interval is partly controlled by the CLEC. On the
5 chart in front of you, the CLEC sends us a spreadsheet, as
6 you see on the preorders, on the preorder form. It then --
7 when we send that spreadsheet back to them, they then send
8 us a global LSR through (indiscernible) are tied. That
9 global LSR can have up to 99 individual LSRs in it. And in
10 the example that you see here, we received the global LSR on
11 September 1st.
12 Each one of those -- the orders in the -- on those
13 individual LSRs can have varying due dates. And in the
14 example here you can see LSR 1 is due on September 16th; the
15 second one is due on the 28th; the third one is due on the
16 26th. The CLEC decides which orders with which due dates are
17 included in the initial LSR. We will complete the work on
18 the dates that they tell us. So all you have, if you look
19 at an overall interval, is the time that it took to complete
20 the orders that the CLEC decided to put in the initial
21 global LSR compared to the dates that they asked for them.
22 They elected which orders to put in there and which due
23 dates -- which orders for which due dates would be in that
24 batch.
25 So, as you can see, you don't get any information

about our performance. All you get is information about what the CLEC decided to put in the batch in the beginning. As a result, we believe that the existing measures, along with the additions and modifications that I proposed in my testimony, will provide the Commission the ability to fully monitor the batch hot cut process.

Mr. Milner?

A. (Witness Milner) Thank you.

We talked about BellSouth's batch hot cut process. We've talked about why we believe it works, and we've talked about how we can scale it to meet anticipated volumes. Let's turn for a moment to talk about the enhancements to which BellSouth has agreed.

First, why did we agree to do these things? Well, the batch process that we've discussed has been in place since March 2003 and, as I said earlier, complies with the requirements of the TRO. BellSouth recognizes, however, that the Commission must adopt a process in this proceeding. If you looked at all the CLEC criticisms of BellSouth's process that we were able to learn about in Commission-sponsored workshops and elsewhere, and we evaluated the feasibility of those enhancements. Mr. Ainsworth's testimony has -- his surrebuttal testimony, that is, discusses those in detail. But let me give you a preview of that here.

1 In sum, we've agreed to do virtually everything
2 that the CLECs asked for. Let me show you why. For
3 example, the CLECs asked that BellSouth do hot cuts after
4 hours. That enhancement's already been completed. CLECs
5 asked for weekend hot cuts. That, too, has been completed.
6 They asked that all the hot cuts for a single account be
7 done on the same day. That enhancement's completed.
8 BellSouth asked for a time window within which hot cuts
9 would be done, and that's completed. They asked for a
10 timely restoral process if things go wrong in the hot cut.
11 That's completed.
12 They asked for cutovers from one CLEC's UNE-P to a
13 different CLEC's unbundled loop. We've done that already.
14 CLECs asked for a process whereby one CLEC's unbundled loop
15 would be hot cut to a different CLEC's unbundled loop.
16 We've got a manual process for that right now, and we're
17 looking at ways to mechanize that. CLECs asked to be
18 notified by Email when BellSouth's part of the work was
19 done. In fact, that was done last year, in 2003.
20 CLECs asked for a process to convert from UNE-P to
21 (indiscernible). That work is in process and will complete
22 in July of this year. CLECs asked for a web-based scheduler
23 whereby they could go in on the web and schedule their own
24 batch hot cuts. That work is in process, and we expect it
25 to complete by October of this year. CLECs asked for web-

1 based notifications that BellSouth's work was done. That
2 work, too, is in progress, and should complete in June of
3 2004.
4 And lastly, they asked for shorter intervals. And
5 that work is in process, and we expect it to complete by
6 July of 2004. To sum up, CLECs asked for a total of 12
7 enhancements. BellSouth has already completed eight of
8 those, and the other four will be completed shortly.
9 Now, with these enhancements -- which, by the way,
10 are not required by the TRO, but which BellSouth has agreed
11 to make -- I believe there can be no serious debate about
12 the sufficiency of BellSouth's process. Simply, we've
13 addressed the CLECs' questions and concerns, and we've made
14 them non-issues.
15 MS. FOSHEE: So, Commissioners, that brings us to
16 what is left. And we've got about five minutes left of this
17 segment of the presentation.
18 CHAIRMAN EVERETT: Go ahead.
19 MS. FOSHEE: Thank you, sir.
20 What other things are you going to hear from the
21 CLECs about BellSouth's batch hot cut process? First,
22 they're going to tell you that BellSouth's process does not
23 include loops served via integrated digital loop carrier, or
24 IDLC. This is not correct. BellSouth's batch process does
25 include loops served via IDLC. Moreover, you're going to

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

In the Matter of:	:	
FCC'S TRIENNIAL REVIEW ORDER REGARDING THE IMPAIRMENT OF LOCAL SWITCHING FOR MASS MARKET CUSTOMERS	:	Docket No. 17749-U

Hearing Room 110
244 Washington Street
Atlanta, Georgia

Tuesday, March 2, 2004

The above-entitled matter came on for hearing pursuant to Notice at 10:00 a.m.

BEFORE:

DOUG EVERETT, Chairman
STAN WISE, Commissioner
ROBERT B. BAKER, JR., Commissioner
DAVID BURGESS, Commissioner

* * *

1 Q So if there was any churn or anything going back
2 to BellSouth, that was not included in that -- that was not
3 subtracted from the 116,295?
4 A (Witness Heartley) That's right, that was the
5 inward movement, yes.
6 Q And the same is true for the UNE-L growth, which
7 is the next line item, correct, that that is a total number
8 and not a net number.
9 A (Witness Heartley) That's right, that's the
10 highest number of lines that we grew.
11 Q That's 19,029.
12 A (Witness Heartley) That's correct.
13 Q And that number dates back to January 2001.
14 A (Witness Heartley) That's correct.
15 Q And let's now talk about how you got customer
16 base, because what you assumed is you started with a
17 regional UNE-P base of 2.2 million in October of 2003, which
18 I gather was around the time you were doing the model,
19 correct?
20 A (Witness Heartley) That's correct.
21 Q And then you projected forward to July of 2004,
22 which is the point where you assumed that all the
23 Commissions would rule in your favor, correct?
24 A (Witness Heartley) That's correct.
25 Q And so you added 116,295 to that 2.2 million base

1 for each month and then we've got another five months
2 through December of this year where CLECs could continue to
3 add UNE-Ps, is that right?
4 A (Witness Heartley) That's correct.
5 Q All right. And so when you multiply the 116,295
6 by the 14 months I believe it is, that gets you up to the
7 3.84 million.
8 A (Witness Heartley) That's right, that's where we
9 would be at the end of December 2004 when the CLECs could
10 not add any more UNE-Ps to the base.
11 Q And just to march us forward a little bit, from
12 that point forward, December 2004, for the next eight
13 months, you're assuming that we're going to see the same
14 kind of growth, but it's all going to be UNE-L growth; is
15 that right?
16 A (Witness Heartley) That's correct. That 116,295
17 in my model, instead of being UNE-P growth, we assumed that
18 would be UNE-L growth, beginning in January of 2005.
19 Q And so what you would do is you'd take the 116,000
20 number and the 19,000 number, sum those, arrive at 135,324
21 and then multiply that by eight to get the additional UNE-L
22 customers that we would see in the next eight months.
23 A (Witness Heartley) That's right.
24 Q And so in addition to having that 2.84 million
25 UNE-P base, which is essentially frozen, in December of

1 looked at a few hundred cutovers; is that right?
2 A (Witness Ainsworth) I think we were averaging
3 about 125 per office, but that's correct.
4 Q Now you note in your testimony that the individual
5 hot cut process is the same process that was reviewed in the
6 271 cases.
7 A (Witness Ainsworth) The individual process is
8 basically the same process, yes, as was reviewed in the 271.
9 Q And you suggest that because BellSouth received
10 271 approval, the Georgia Commission does not need to
11 revisit the process.
12 A (Witness Ainsworth) Yes. What I suggested was,
13 and I think what the FCC stated was they had the opportunity
14 to take a more granular look if they chose to do that. And I
15 think here again, that's an opportunity that the Commission
16 has. Again, if you go back and look, that was a national
17 finding, not to any one particular ILEC. So if that's
18 relevant to the Commission, they can look. They can also go
19 look at the performance since that time to make those
20 determinations.
21 Q You would agree though, Mr. Ainsworth, that the
22 FCC expressly rejected the argument that 271 approvals meant
23 the hot cut process did not give rise to impairment.
24 A (Witness Ainsworth) Yes, on a national basis.
25 Q It takes BellSouth longer to migrate UNE-L

1 same. The loading aspect of that and the fact that when you
2 set up for volumes of orders in the process for batch, that
3 you would load that to individuals, dedicate those
4 individuals for a time frame. And that certainly is the
5 efficiency and the difference in the process as far as in
6 the provisioning side. That would generate the
7 efficiencies.
8 Q The primary difference is that the batch process
9 would get a project manager?
10 A (Witness Ainsworth) The project manager certainly
11 is associated with that. Of course, the ordering piece of
12 that process also is mechanized, it allows you to send in
13 one batch order electronically that's coordinated with the
14 project manager who coordinates with network and schedules
15 those dates and then coordinates with the central office to
16 make sure that we have that load in that time frame again to
17 dedicate personnel where that's possible.
18 Q Let's walk through the batch cut process time
19 line. The first step is that the CLEC has got to return --
20 excuse me -- the CLEC send a notification to BellSouth.
21 BellSouth has four business days to return that notification
22 form to the CLEC.
23 A (Witness Ainsworth) Yes, that's correct. You're
24 doing very well there. that was just updated on the 18th,
25 as a matter of fact.

1 Q I try to stay current on these things, Mr.
2 Ainsworth. The CLEC has got three business days then to
3 submit a clean bulk LSR.
4 A (Witness Ainsworth) Yes, that's correct.
5 Q And then the first service order due date the CLEC
6 could expect to see would be 14 business days after the CLEC
7 returns the clean bulk LSR.
8 A (Witness Ainsworth) Yes, today there's a minimum
9 of 14 days on the provisioning interval.
10 Q And so when you say minimum, it could be more than
11 14 days.
12 A (Witness Ainsworth) Yes, it could be more than 14
13 days.
14 Q So the current batch migration process takes 21
15 business days?
16 A (Witness Ainsworth) Yes, that's correct.
17 Q And I think I've learned from Mr. Heartley that on
18 average there's 22.3 business days in a months?
19 A (Witness Ainsworth) That's how we calculate it,
20 yes.
21 Q So for the batch hot cut process, the process
22 currently takes about a month.
23 A (Witness Ainsworth) Yes, on work days, that would
24 be true. Here again, the batch process is created for large
25 volumes of orders, processing large volumes of orders and

1 that time, that lead time is necessary when you're handling
2 those larger volumes of orders to create the efficiencies
3 that we need. It does not mean that you can't have multiple
4 batch requests in simultaneously for different locations,
5 different central offices. The batch process itself is set
6 for a particular central office. So you could indeed send
7 in multiple batch requests and in the process of UNE-P/UNE-L
8 migrations, we would expect that's exactly what would
9 happen.
10 Q And so if we look at the chart that Mr. Heartley
11 and I were discussing, the batch process would apply to the
12 182,579 UNE-P conversions and I can check this, but I think
13 it's roughly 165,000 that's left over. Those would be done
14 through the individual process.
15 A (Witness Ainsworth) I didn't go through that
16 whole scenario with you and Mr. Heartley, but you know,
17 subject to check, I would say that would be correct.
18 Q While the court reporter was changing his tape, I
19 did a quick check, and I think if you subtract the 347,150
20 -- or take the 347,150, subtract the 182,579, that gets you
21 ballpark to 165,000, which is a pretty good number of
22 orders; isn't it?
23 A (Witness Ainsworth) Yes, it would be a good
24 number of orders.
25 Q So, and for those, even those it's a high volume

of orders, that you're going to handle with the individual cut process?

A (Witness Ainsworth) Yes, if those were -- if those were single, individual hot cut processes, we could certainly handle that.

Q Now, you've proposed a few changes. And let me talk to you about two or three of those. One that I think you may have just alluded to is that you're going to change that minimum time from 14 days, and reduce it down to 8 days.

A (Witness Ainsworth) Yes, that's correct.

Q And that's going to take the interval to about three weeks still?

A (Witness Ainsworth) Yes, you would have the 7 days additional added to that, so that would be -- what? -- 15 days, I believe, end-to-end process.

Q And I'm trying to remember. I believe Mr. Milner told us when that change was going to be made, although I could be mistaken. Do you have a date for implementation?

A (Witness Ainsworth) Implementation date, I believe, was with release 16.0. And I think, subject to check, I would think that would be in July time frame.

Q BellSouth also plans to add a web-based communications system?

A (Witness Ainsworth) Yes, that's correct.

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

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In the Matter of:	:	
FCC'S TRIENNIAL REVIEW ORDER REGARDING THE IMPAIRMENT OF LOCAL SWITCHING FOR MASS MARKET CUSTOMERS	:	Docket No. 17749-U

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Hearing Room 110
244 Washington Street
Atlanta, Georgia

Wednesday, March 3, 2004

The above-entitled matter came on for hearing pursuant to Notice at 9:00 a.m.

BEFORE:

DOUG EVERETT, Chairman
STAN WISE, Commissioner
ROBERT B. BAKER, JR., Commissioner
DAVID BURGESS, Commissioner

* * *

1 A (Witness Lichtenburg) No.
2 Q You have used the processes?
3 A (Witness Lichtenburg) Yes. MCI has ordered for
4 our own learning purposes between 30 and 50 loops here in
5 Georgia.
6 Q When did you do that?
7 A (Witness Lichtenburg) We began doing it I believe
8 in the December time frame, I think some orders were
9 actually also placed this week, but I haven't caught up with
10 the latest status.
11 Q Do you have MCI's interrogatory responses in front
12 of you?
13 A (Witness Lichtenburg) No, I do not.
14 MS. FOSHEE: Mr. Chairman, we're going to pass
15 around MCI's response to Interrogatory 59.
16 (A document was distributed.)
17 A (Witness Lichtenburg) Yes, I have that.
18 BY MS. FOSHEE:
19 Q Okay, and the question that we asked you there is
20 one of many questions about the number of individual hot
21 cuts that MCI has requested in any individual central office
22 in each of the nine BellSouth states. And if you can see
23 the MCI response after you get through the objections was
24 MCI has not ordered any hot cuts on a commercial basis for
25 residential customers, correct?

1 A (Witness Lichtenburg) Yes, that is correct. We
2 are doing internal development and learning, so we wouldn't
3 consider that to be a commercial offer.
4 Q Okay. Now can we agree, Ms. Lichtenburg, that MCI
5 has not presented a batch hot cut process for the
6 Commission's consideration in this proceeding?
7 A (Witness Lichtenburg) Yes. And I'd like to take
8 a moment to explain that to the Commission. MCI has made
9 some recommendations based on what we know about BellSouth's
10 current proposed three I guess batch hot cut processes. But
11 we don't know enough about the BellSouth internal systems or
12 the internal processes or the labor contracts or the way in
13 which the systems could be changed in order to create a new
14 batch hot cut process. We had hoped to be able to
15 collaborate on something like that, as we've done with other
16 companies, but we have no way to propose a brand new
17 process, if you will.
18 COMMISSIONER BURGESS: Let me ask a question. Do
19 you know of any other ILECs that have developed more
20 mechanized processes for hot cuts, that MCI is currently
21 receiving services from?
22 WITNESS LICHTENBURG: MCI has worked very closely,
23 Commissioner, with SBC, Verizon and even with Qwest. The
24 Verizon process is the one that is most fully formed, if you
25 will. There is already an online tracking system that is

1 CHAIRMAN EVERETT: Right.
2 Whereupon,
3 JAMES WEBBER
4 was RECALLED as a witness herein and was examined and
5 testified further as follows:
6 MR. MEZA: Good afternoon, Mr. Webber. My name is
7 Jim Meza and I'm a lawyer with BellSouth.
8 WITNESS WEBBER: Good afternoon.
9 CROSS EXAMINATION
10 BY MR. MEZA:
11 Q You're MCI's technical network expert on hot cuts,
12 is that correct?
13 A (Witness Webber) I'm MCI's technical expert and
14 my testimony goes beyond the lift and lay portion of the hot
15 cut, if you will. So with that clarification, I would say
16 yes.
17 Q Okay. And you have an undergraduate and master's
18 degree in economics, is that right?
19 A (Witness Webber) That's true.
20 Q And you hold yourself out as an economist, is that
21 right?
22 A (Witness Webber) I hold myself out as an
23 economist but also as somebody who is an expert in
24 telecommunications industry.
25 Q All right. You have no engineering degrees, is

1 that right?
2 A (Witness Webber) That's correct.
3 Q You've never been a network planner, is that
4 correct?
5 A (Witness Webber) Also true.
6 Q And you've never been a central office technician,
7 is that right?
8 A (Witness Webber) No, I've not.
9 Q Neither have you been a frame technician, is that
10 right?
11 A (Witness Webber) Correct.
12 Q In sum, you've never been employed by any telecom
13 company in the network department, is that right?
14 A (Witness Webber) In the network department, no,
15 though I have worked for a couple of CLECs.
16 Q In fact, despite your self designation as MCI's
17 hot cut expert, you've never even performed a hot cut, have
18 you?
19 A (Witness Webber) That's also true.
20 COMMISSIONER BURGESS: Well these Commissioners
21 have never performed one either, but we've got to make the
22 ultimate decision.
23 WITNESS WEBBER: Yes, sir.
24 (Laughter.)
25 BY MR. MEZA:

1 Q You're not employed by MCI, are you?
2 A (Witness Webber) No, I'm actually a consultant.
3 Q Okay. And you don't have any personal experience
4 with BellSouth's hot cut process, do you?
5 A (Witness Webber) What do you mean by personal
6 experience?
7 Q In your duties as a consultant, you've never
8 actually witnessed or performed or reviewed BellSouth's hot
9 cut practice or process, is that right?
10 A (Witness Webber) I've reviewed the processes,
11 I've not performed a hot cut in BellSouth territory.
12 Q And you've never worked for a company that
13 operated in BellSouth's region, is that right?
14 A (Witness Webber) Well, I worked for AT&T and they
15 operate pretty much everywhere.
16 Q But your responsibilities didn't include
17 responsibilities in BellSouth's region, did it?
18 A (Witness Webber) No. At that time, I was SBC
19 region.
20 Q Okay, and as a witness, you've only appeared in
21 SBC's territory, is that right, except for last week.
22 A (Witness Webber) In SBC's territory and also
23 before the FCC.
24 Q Yes. Now you believe that BellSouth's batch hot
25 cut process is deficient, is that accurate?

1 A (Witness Webber) I'm sorry.
2 Q You believe that BellSouth's batch hot cut process
3 is deficient, is that accurate?
4 A (Witness Webber) In certain respects that's true.
5 Q And you rely on Ms. Lichtenburg's testimony to
6 support that assertion, is that right?
7 A (Witness Webber) In part that's true. And in
8 part I rely on my analysis as well.
9 Q And one of your critiques of BellSouth's process
10 is that it cannot scale its network to perform the hot cuts
11 that you believe will be necessary if UNE-P is eliminated,
12 is that right?
13 A (Witness Webber) I think that's a critique that
14 just about everybody in this room has made and ultimately
15 time will tell. Currently you're doing something on the
16 neighborhood of 700 or 800 hot cuts per month in the state
17 of Georgia and you're going to ramp up to something like
18 100,000 per month should UNE-P go away, and there's a
19 serious question as to whether those processes, largely
20 manual, are going to support that type of modification.
21 Q All right. And in fact, on page 19, lines 4
22 through 5 of your direct testimony --
23 A (Witness Webber) I'm sorry, give me a moment.
24 Q Page 19, lines 4 through 5 -- excuse me, I gave
25 you the wrong line. It's page -- let's move on.

1 Prior to reviewing BellSouth's hot cut process or
2 critiquing it, did you review any data regarding the number
3 of hot cuts performed by BellSouth?
4 A (Witness Webber) By the time I filed my Georgia
5 testimony?
6 Q Yes.
7 A (Witness Webber) Yes.
8 Q What about review of BellSouth's performance data
9 before filing your testimony?
10 A (Witness Webber) Again, although I don't think
11 it's necessarily relevant, by the time I filed my Georgia
12 testimony, I had. And I say it's not relevant simply
13 because of the fact that the performance data is based upon
14 extraordinarily low volumes in the 700 or 800 hot cuts per
15 month territory, as opposed to something like 100,000 hot
16 cuts per month in this state of Georgia should UNE-P go
17 away. So the performance data at those lower volumes wasn't
18 necessarily relevant to whether the process is going to work
19 on a going forward basis at much larger volumes.
20 Q Would you agree with me that MCI is one of the
21 largest, if not the largest UNE-P provider in Georgia?
22 A (Witness Webber) Out of the 50 or so UNE-P
23 providers that are here, it's one of the larger ones, I
24 can't say that it's the largest and I'm not quite sure how
25 many fit above it.

1 Q You state in your direct testimony that MCI is
2 currently dependent on unbundled local switching to serve
3 mass market customers in Georgia, is that correct?
4 A (Witness Webber) I believe that's true.
5 Q And on page 11 of your direct testimony, lines 28
6 through 29 and following on page 12, you state that MCI
7 cannot offer services to most of its current or embedded
8 base of customers absent access to unbundled local
9 switching; is that accurate?
10 A (Witness Webber) I hate to do this to you, can
11 you give me the line references again?
12 Q Sure. It's lines 28 through 29 and then follows
13 on on page 12, line 1.
14 A (Witness Webber) Give me just a second.
15 Q Sure.
16 A (Witness Webber) Okay, I see that. Okay.
17 Q. Now, if MCI can't serve mass market customers
18 without UNE-P, where will the volume of hot cuts come from
19 that you say BellSouth can't handle if UNE-P is eliminated?
20 A (Witness Webber) The supposition made in my
21 testimony is that somehow the economic and operational
22 barriers are removed such that we can rely on use of the
23 UNE-L development -- deployment strategy to support the
24 whole mass market. So, in other words, we wave the Magic
25 Wand, if you will, and assume that UNE-P is replaced by UNE-

1 L. And in that circumstance, then, the question is whether
2 the processes that are in place are capable of supporting
3 today's mass market volumes, but, instead of in a UNE-P
4 environment, in a UNE-L environment.
5 Q. Yes or no, Mr. Webber. If UNE-P is eliminated,
6 MCI will stop serving mass market customers in Georgia?
7 A (Witness Webber) I can't say for certain.
8 Q. But it is your testimony that they can't serve
9 mass market customers in Georgia without unbundled local
10 switching; is that right?
11 A (Witness Webber) If they're to use the UNE-L
12 strategy, that's correct.
13 Q. Now, you made certain calculations in your direct
14 testimony regarding the number of hot cuts that would be
15 required if UNE-P is eliminated; is that right?
16 A (Witness Webber) May I have a page reference,
17 please.
18 Q. Sure. It's your direct testimony at Page 20,
19 Lines 18 to 21. Page 20, Lines 18 through 21.
20 A (Witness Webber) That's a portion of that
21 discussion. And I would note that the discussion continues
22 on to the next half a page or so.
23 Q. Sure and just the complete the circle, you
24 believe that the total number of hot cuts on a monthly basis
25 would be about 94,000; is that right?

1 A (Witness Webber) Not necessarily. Let me explain
2 this a little bit here. Ultimately what I did was I took
3 the analysis that Mr. Hartley and Mr. Ainsworth put together
4 in their testimonies, and I modified it so that it would
5 account for Georgia-specific hot cut volumes as opposed to
6 regional hot cut volumes. So, in that regard, it's their
7 analysis modified on a state-specific as opposed to an
8 analysis I created out of whole cloth.
9 Q. Okay, I'm a little confused. Are you or are you
10 not suggesting to this Commission that a potential outcome
11 of removing UNE-P is hot cuts totally approximately 94,000 a
12 month?
13 A (Witness Webber) Based upon the analyses that Mr.
14 Ainsworth and Mr. Hartley did, these numbers and these
15 approximate volumes are what that result would be.
16 Q. Okay.
17 A (Witness Webber) My expectation, frankly, is that
18 they would be a little bit higher. But we're talking about
19 ballparks here. This is roughly 100,000, and we're seeing
20 roughly 7- or 800 per month right now. The difference in
21 that last five or ten percent frankly is not relevant. The
22 issue at hand is whether we can scale from something like 7-
23 or 800 to something like 100,000 per month in the state.
24 Q. Did you include MCI's UNE-P lines when you made
25 this calculation?

A (Witness Webber) It's based upon what the imbedded UNE-P base would be at that time. And to the extent that MCI is still operating in the state, then yes, that would be true.

Q. So if MCI decides not to go to UNE-L if UNE-P is eliminated, your calculation would be overstated; is that right?

A (Witness Webber) Unless they've walked away from the state, somebody bought their base and did the conversion, I suppose that's correct.

Q. Okay.

A (Witness Webber) Again, the hypothetical here is that all of the business which is currently supported by UNE-P, waving that Magic Wand, is now supported by UNE-L. And that would include MCI and AT&T and 50 other carriers, some of whom are represented here today.

Q. Okay. On Page 21, Lines 8 to 14 in your direct testimony, you talk about churn; is that correct?

A (Witness Webber) Yes, I see that.

Q. Where did you get the churn rate of 6.25 percent a month?

A (Witness Webber) As I state in my testimony, that comes from Dr. Bryant's analyses.

Q. Did you provide any analysis or input into calculating this churn rate?

BELLSOUTH APPENDIX

TAB 20

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

STATE OF GEORGIA

IN RE: FCC's Triennial Review Order Regarding the Impairment of Local Switching for Mass Market Customers	)))	Docket No.: 17749-U

FEB - 2 2004

GENERAL COUNSEL-
GEORGIA

REBUTTAL TESTIMONY OF MATTHEW J. BLOCHA

ON BEHALF OF

FDN COMMUNICATIONS

1 would have directly said so in the TRO and accompanying rules, but it did
2 not.
3 **Q. Several CLEC witnesses (including AT&T witness Van de Water**
4 **and MCI witness Lichtenberg) argue, essentially, that the hot cut process**
5 **of the ILECs is a source of operational impairment, while the BellSouth**
6 **witnesses (including BellSouth witnesses Ruscilli, Ainsworth and Varner)**
7 **argue just the opposite. With whom, if anyone, does FDN agree?**
8 A. As a UNE-L based CLEC that performs numerous hot cuts for DS-0
9 loops daily and has more working DS-O loops than any other single CLEC in
10 the state, FDN would be hard pressed to say that the hot cut process does not
11 work well. BellSouth witness Ruscilli states in his direct that as of
12 November 2003, there were 43,666 lines in Georgia served by a combination
13 of a BellSouth unbundled loop and a CLEC switch. (Ruscilli Direct, page 13,
14 line 11.) FDN believes it constitutes a little more than half of that total.
15 It should be noted the direct testimony of the ILECs and CLECs
16 presents the Commission with a preliminary question when evaluating the hot
17 cut process: By what standard is the hot cut process to be judged? BellSouth
18 argues that the hot cut process has already been tried and tested in the 271
19 proceeding and that, with a few modifications (and adding scale for UNE-P
20 conversions), the existing processes are good enough. The CLECs argue that
21 hot cuts must meet the same service intervals and standards as a UNE-P or
22 PIC order. This proposed standard, some of the CLEC witnesses frankly
23 admit, could not realistically be achieved, not in the confines of this nine-

BELLSOUTH APPENDIX

TAB 21

COPY OF TRANSCRIPT

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
In re: Implementation of requirements arising from
Federal Communications Commission triennial UNE
review: Local Circuit Switching for Mass Market
Customers
Docket No. 030851-TP

DEPOSITION OF

CHERYL BURSH

February 13, 2004
12:05 p.m.

1200 Peachtree Street
Atlanta, Georgia

Anthony D. Lorenz, CCR-B-2022, RMR-CRR

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Q. Okay. What is the reason for the need for the benchmark?

A. To set a level of performance expectation.

Q. Does AT&T have any empirical evidence to suggest that BellSouth is not performing batches on time?

A. Well, we're not doing batch migrations today.

Q. So your answer would be no?

A. No --

MS. ROSS-BAIN: And I object, to the extent if you're asking for some testimony from other witnesses, but she can answer, if it's outside of the scope of -- let me phrase that objection better.

I object to the extent that you're asking this witness a question outside the scope of her testimony, because we have other witnesses who have addressed this point.

And she can answer.

MR. MEZA: Objection noted.

BY MR. MEZA:

Q. My Bursh, my answer to you -- my question to you was, that AT&T doesn't have any

BELLSOUTH APPENDIX

TAB 22

BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Verizon Florida Inc. to reform intrastate network access and basic local telecommunications rates in accordance with Section 364.164, Florida Statutes	)))	DOCKET NO. 030867-TL
In re: Petition by Sprint-Florida, Incorporated to reduce intrastate switched network access rates to interstate parity in revenue-neutral manner pursuant to Section 364.164(1), Florida Statutes.	)))	DOCKET NO. 030868-TL
In re: Petition for implementation of section 364.164, Florida Statutes, by rebalancing rates in a revenue-neutral manner through decreases in intrastate switched access charges with offsetting rate adjustments for basic services, by BellSouth Telecommunications, Inc.	)))	DOCKET NO. 030869-TL Filed: October 31, 2003

TESTIMONY OF FELIX L. BOCCUCCI, JR.
ON BEHALF OF KNOLOGY OF FLORIDA, INC.

RECEIVED
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TALLAHASSEE, FL

1 **Q: Please state your full name, business addresses, and titles.**

2 A: My name is Felix L. Boccucci, Jr., I am Vice President of Business
3 Development for Knology, Inc., which is the parent to Knology of Florida, Inc. My
4 business address is 1241 O.G. Skinner Drive, West Point, Georgia 31833.

5

6 **Q: What is the purpose of your testimony?**

7 A: The purpose of my testimony is to present the position of Knology of Florida,
8 ("Knology"), a competitive local exchange carrier, in support of the petitions subject
9 to this proceeding. The testimony will include a description of the company's
10 operations including other markets it currently serves and will explain the impact that
11 granting these petitions will have on competitive telecommunication services
12 providers in Florida. Section 364.164 of the Florida Statutes sets forth four criteria the
13 Commission must consider in its decision to grant or deny a petition filed pursuant to
14 this statute. Knology will focus on the following specific criteria; (a) Remove current
15 support for basic local telecommunications services that prevents the creation of a
16 more attractive competitive local exchange market for the benefit of residential
17 consumers; and (b) Induce enhanced market entry.

18

19 **Q: Please describe your educational backgrounds and business experiences.**

20 A: I have served as Vice President of Business Development since August 1997,
21 and as the Chief Financial Officer, Treasurer and Secretary from November 1995
22 through August 1997. In addition, I currently serve as the Chief Financial Officer for
23 Interstate and Valley Telephone Companies. From October 1994 until December

1995, I served as Vice President Finance Broadband of ITC Holding. Prior to such time, I worked for GTE Corporation, a telecommunications company, which merged with Contel Corporation in March 1991. From May 1993 to October 1994, I served as a Senior Financial Analyst for GTE. From 1991 to 1993, I served as Financial Director for GTE's Central Area Telephone Operations. From 1987 to 1991, I was the Assistant Vice President controller in charge of Contel's Eastern Region Telephone Operations comprising 13 companies in twelve states.

Q: Please describe the current corporate structure of Knology of Florida.

A: Knology of Florida is a competitive local and long distance telephone company certified by the Florida Public Service Commission. Knology of Florida is incorporated under the laws of Delaware and is a subsidiary of Knology, Inc.

Q: What is Knology's position on FL Statute 364.164 and the related petitions filed in this proceeding?

A: Knology believes that Florida Statue 364.164 creates the framework to promote facility-based local exchange competition. Knology has made a substantial investment in the Panama City market to provide competitive services and has been operating its facility-based broadband network there since 1997. In addition to this market, Knology operates in the following states: Georgia, Alabama, South Carolina and Tennessee. In those states, Knology has made the strategic decision to continue to deploy capital to expand its footprint due to the favorable regulatory framework for competition. Previous legislation in these states restricted the Company's ability to

1 attract and deploy capital because investors were unwilling to invest in a market where
2 the rates for service were legislatively mandated. The new Florida legislation recently
3 signed by the Governor creates the regulatory environment necessary to attract capital
4 investment to expand telephone competition in Florida by allowing the Florida Public
5 Service Commission (FPSC) to begin the process of deregulating rates. Knology
6 believes that the petitions filed in these dockets should be granted, because that
7 decision will help to implement the policy underlying 364.14, and it will enhance the
8 competitive choices available to Florida citizens. Knology made the strategic decision
9 to expand its service offerings to other cities in Florida. Shortly after the passage of
10 this legislation, Knology entered into an agreement with Verizon Media Ventures, Inc.
11 to purchase its Cable and Data Asset (Verizon Media) in Pinellas County. This
12 acquisition will provide an additional opportunity for Knology to market voice, video
13 and data services to approximately 275,000 homes and businesses. Knology seeks a
14 market-driven competitive price structure when it makes a strategic decision to deploy
15 capital resources to bring the most updated technology to the marketplace. It is
16 Knology's opinion that granting these petitions will bring new capital investment and
17 additional jobs, in addition to new products and price competition to the State of
18 Florida.
19
20 **Q: Please provide a brief history of Knology, Inc.**
21 A: Interstate and Valley Telephone Company (IVT) has been providing telephone
22 service in rural Alabama and Georgia for over 100 years. Knology was formed in
23 1994 in anticipation of the emerging demand for bandwidth. The Company began in

1 the spring of 1995 with a small operation in Montgomery Alabama. In 1999, IVT and
2 Knology merged to combine their resources bringing the highest quality services and
3 the most advanced technology to its customers. Today Knology operates in five states
4 in the Southeastern United States and serves 8 metropolitan markets including Panama
5 City, Florida. Upon close of the aforementioned transaction with Verizon Media,
6 Pinellas County Florida will be our ninth market.
7
8 **Q: In what metropolitan markets does Knology, Inc. have operating**
9 **subsidiaries?**
10 A: Knology currently has broadband networks in Augusta, Columbus, and West
11 Point, Georgia; Huntsville and Montgomery, Alabama; Charleston, South Carolina;
12 Knoxville, Tennessee; and in Panama City, Florida and its surrounding cities.
13 Knology plans to commence operations in Pinellas County, Florida when all the
14 regulatory approvals are granted and the transaction with Verizon Media is complete.
15
16 **Q: Are any of Knology's current operations competing in the franchised**
17 **jurisdictions of the parties in this docket?**
18 A: Yes. Knology's Panama City Operations is located within the boundaries of
19 BellSouth's franchised service territory. The recently announced transaction with
20 Verizon Media is in Verizon of Florida's service territory in Pinellas County.
21
22
23

Q: What types of services does Knology provide to the markets it serves?

A: Knology constructs broadband networks to provide voice, video and data services. Knology has invested a minimum of $100 million to construct networks in each of the communities it serves. These two-way, high-capacity, hybrid fiber-coaxial (HFC) and Fiber-to-the-Curb (FTTC) networks allow it to provide a product offering that includes local and long-distance telephone service, video service that offers over 150 Channels of quality programming along with another 50 channels of CD quality music, and data service that offers variable speed, high-bandwidth access to the internet. Furthermore, from its network operations center (NOC) Knology monitors virtually all elements of its network including the customer's set-top box and cable modem as well as provides 24x7 customer service.

Q: Does Knology offer a "bundled" service in its markets?

A: Yes. Knology offers the "triple-play" bundle of voice, video and data services over an HFC or FTTC network; all billed on a single bill to the customer. Knology also offers these services on an ala-carte basis; however, the customer enjoys greater discounts as they increase the number of services purchased from Knology.

Q: Is there any advanced or new services that Knology offers in its markets?

A: Yes. Knology utilizes its advanced networks to provide the latest in technology to all its customers. Knology's Passive Optical Network (PON) deployment allows Knology to deliver in excess of 100mps of scalable bandwidth to business and schools at substantial cost savings to traditional circuit based services

such as frame relay service. The seamless fiber optic path from Knology's central office to the customer premises significantly increases network reliability and allows for the delivery of voice and video over the same network connection. The advanced IP/Ethernet bandwidth services provide enhanced upstream and downstream speeds, and it enables scalable access to additional bandwidth for more capacity when business needs dictate (and not according to installation lead times). The Virtual Private Network (VPN) service provides businesses with multiple site locations to create an intranet network, enabling them to exchange information privately within their organization by accessing remote locations or company networks over the public Internet network.

Q: Is Knology considered a competitive service provider or an incumbent service provider in its markets?

A: Knology is a competitive service provider that has built its network across the territories of both the incumbent telephone companies and incumbent cable television companies ("CATV") in the markets it serves. This network allows Knology to compete with not only the local telephone company, but the CATV provider and the internet service providers in that market; a virtual three-for-one for the consumers with regards to competitive service offerings. Knology also operates two incumbent independent telephone companies in rural Alabama and Georgia.

1 **Q: What is the reaction of the incumbent CATV and Telephone providers to**
2 **the entrance of Knology's into its markets?**
3 A: Knology's experience has been that the incumbent providers upgrade their
4 networks to enhance their own service offerings, implement new products and price
5 reductions and increase the level of customer service and marketing to compete with
6 Knology. Given the flexibility offered by this legislation, and should the related
7 petitions be granted, it is Knology's opinion that consumers will experience
8 competitive offerings and the newest technology not only from Knology, but also from
9 the incumbents who will improve their service and products to compete with Knology
10 as a new facilities-based competitor.
11
12 **Q: What is the residential versus business mix of Knology's customer base?**
13 A: Knology is currently a consumer-oriented company. Approximately 90% of
14 Knology's overall customer base is residential with the balance of 10% business
15 customers. This compares with traditional Competitive Local Exchange Companies
16 ("CLEC") mixes of 58%/42% Residential/Business as reported in United States
17 Telephone Association's Phone Facts Plus 2004.
18
19 **Q: How does Knology rank overall given the markets it serves?**
20 A: The first quarter 2003 Kagan report ranks Knology as the 26th largest cable
21 company. This report also ranks Knology number one as having the highest
22 percentage of telephone customers (66%) and internet customers (41%) as a factor of

1 cable customers. Knology's bundle of services and its one company, one bill, one call
2 approach contributes to this success.
3
4 **Q: Does Knology serve all customers in its franchised areas?**
5 A: Yes, Knology offers service to all customers in its service territories.
6
7 **Q: Does Knology only focus on customers in the "urban" setting?**
8 A: No. Knology's serves multiple tiers of cities including cities as small as Lynn
9 Haven, Calloway, Parker and Cedar Grove, Florida.
10
11 **Q: How does Knology's pricing for services compare with that of the**
12 **respective incumbent for that service?**
13 A: Knology offers a bundled package of services that is competitively priced and
14 includes telephone, internet, and cable services. While not its focus, Knology does
15 offer competitively priced a-la-carte services. However, Knology's bundled offering
16 provides incremental discounts as the customer purchases more services. Thus
17 Knology's customer has an opportunity to lower his or her overall bill for all
18 telecommunications services, while reaping the benefits of dealing with one company
19 and receiving a converged bill detailing all services purchased. In order for the bundle
20 to be successfully marketed and sold, it is necessary for the marketplace to determine
21 prices. Granting these petitions will provide the framework necessary to have market-
22 based prices without subsidies. In addition to price, it is my opinion that as result of

1 the grant of these petitions, competitive providers will deploy more capital
2 investments and hence create more jobs.
3
4 **Q: If Knology is pricing its individual services at or near the incumbent, how**
5 **is the consumer benefited by competition?**
6 A: Knology's bundled discount structure gives consumers a discount in direct
7 proportion to the number of services to which he or she subscribes. Basically, the
8 more the customer buys the greater the discount. It is Knology's experience that
9 consumers evaluate prices based on the value of the bundle, not on an a-la-carte basis.
10 Furthermore, additional benefits result from competitive offerings of voice, video *and*
11 data services and the customer's ability to choose from multiple service providers.
12 With the introduction of competitors, all consumers will experience higher levels of
13 customer service and will be offered the newest in technology more quickly.
14
15 **Q: How do the petitions filed in this proceeding affect Knology and its**
16 **business strategy?**
17 A: If these petitions are granted, Knology will be able to attract and deploy new
18 capital investment in Florida, thereby offering consumers a choice in facilities-based
19 providers for new and advanced high-tech services.
20
21 **Q: How is Knology perceived by its customers?**
22 A: Knology is perceived as a quality provider of bundled services (telephone,
23 internet, cable). A third-party firm hired to gather customer satisfaction statistics and

report the results to our senior management confirms this. These reports indicate that approximately 92% of existing customers would recommend Knology to a friend, which is certainly a statistic that the Company is proud to report.

Q: Has Knology had any impact on local economic development in any of its markets?

A: Competitive providers of voice, video and data services bring investment and jobs to the communities they serve. Typically Knology deploys capital in excess of $100 million and hires over 100 employees in a mid size market similar to Panama City. Additional benefits include better customer service and new advanced products coming to market more quickly.

Q: Does Knology provide support to Schools, Libraries and other governmental institutions in the markets it serves?

A: Knology provides cable and data services to schools and libraries across its markets. Knology provides connectivity between governmental facilities within the markets it serves. Examples of these services include data services to the Autuga County schools in Montgomery, Alabama, fiber connectivity between satellite offices of the Augusta Medical College and Passive Optical Network service to the Charleston Coliseum.

1 **Q: Please summarize your testimony.**

2 A: Knology seeks and supports a competitive marketplace with a price structure
3 that reflects market value and imbedded costs. This environment will give the
4 incentive to Knology and other competitive providers to launch services, deploy
5 capital, create new jobs and provide consumers and businesses a choice of
6 telecommunication products with exceptional customer service at competitive prices.
7 For the aforementioned reasons, Knology believes that the grant of these petitions will
8 remove current support for basic local telecommunications services that prevents the
9 creation of a more attractive competitive local exchange market for the benefit of
10 residential consumers, will induce enhanced market entry and will create more capital
11 investment and provide more employment in the State of Florida.
12

13 **Q: Does this conclude your testimony?**

14 A: Yes.