

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of) Docket No. 960786-TL
 BellSouth Telecommunications,)
 Inc.'s entry into interLATA)
 services pursuant to Section 271)
 of the Federal)
 Telecommunications Act of 1996.)
)

FIFTH DAY - LATE AFTERNOON SESSION

VOLUME 23

Pages 2443 through 2617

PROCEEDINGS:

HEARING

BEFORE:

JULIA L. JOHNSON, CHAIRMAN
 SUSAN F. CLARK, COMMISSIONER
 J. TERRY DEASON, COMMISSIONER
 DIANE K. KIESLING, COMMISSIONER
 JOE GARCIA, COMMISSIONER

DATE:

Monday, September 8, 1997

TIME:

Commenced at 9:00 a.m.

PLACE:

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

REPORTED BY:

Lisa Girod Jones, RPR, RMR

APPEARANCES:

(As heretofore noted.)

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1
2 (Transcript continues in sequence from Volume 22.)

3 JULIA A. STROW

4 continues her testimony under oath from Volume 22.)

5 CONTINUED DIRECT

6 CHAIRMAN JOHNSON: We're going to go ahead and
7 go back on the record.

8 MR. WIGGINS: Thank you, Madam Chairman.
9 We've had an opportunity to copy and distribute the
10 insert, so at this point I believe Ms. Strow is ready to
11 give her summary if that's okay.

12 CHAIRMAN JOHNSON: Have y'all had an
13 opportunity to review it? Let's go ahead and we can
14 perhaps take care of this before you begin your
15 summary.

16 MR. WIGGINS: Thank you.

17 CHAIRMAN JOHNSON: Are there any objections to
18 the language?

19 MR. RANKIN: Excuse me, we've had a chance to
20 review it, Madam Chairman, and I may deal with this on
21 cross examination with Ms. Strow so we can handle it
22 that way.

23 CHAIRMAN JOHNSON: Very well. The language
24 will remain as inserted into the record and will be
25 handled through cross examination questioning.

1 MR. WIGGINS: Thank you, Mr. Rankin.

2 Q (By Mr. Wiggins) Ms. Strow, do you have a
3 summary to give today?

4 A Yes, I do.

5 Q Would you proceed with that summary, please?

6 A Yes, I will. Good afternoon, Commissioners.
7 The purpose of my testimony before this commission is to
8 provide information to assist the Commission in making a
9 determination as to whether BellSouth has met its 271
10 obligations under the Telecommunications Act of 1996.

11 My testimony before this commission can only
12 result in one finding and that is that BellSouth has not
13 met its requirements under the Act, and therefore should
14 not be permitted into the in-region interLATA market in
15 Florida at this time.

16 I am here to share with you Intermedia's
17 experience with BellSouth in Florida. Intermedia was
18 one of the first competitive companies to provide local
19 service in Florida and has a ten-year history as a
20 telecommunications provider in this state.

21 Intermedia entered into an interconnection
22 agreement with BellSouth on June 21st, 1996 and the
23 agreement was approved by this Commission on July 1st.
24 1996. It is true that Intermedia entered into the
25 negotiated agreement with BellSouth voluntarily.

1 Intermedia's approach to interconnection agreements has
2 been one of cooperation, not one that is adversarial.

3 Intermedia will only seek arbitration in cases
4 where the incumbent LEC interprets the Communications
5 Act in a way that denies Intermedia critical elements or
6 services, and to date Intermedia has only arbitrated
7 against one ILEC, and even then only arbitrated a single
8 issue.

9 Let me make one point clear, however. If
10 BellSouth had ever indicated to Intermedia that the
11 unbundled network elements Intermedia was seeking were
12 not required by the Act or would not be provided by
13 BellSouth, Intermedia would not have hesitated to
14 arbitrate that issue before this commission.

15 I am disappointed and surprised that
16 BellSouth's witnesses have suggested that BellSouth is
17 not required under the Act to provide the unbundled data
18 network elements requested by Intermedia, and that
19 BellSouth will only provide those network elements
20 required by this commission through arbitrated cases.

21 If this is BellSouth's position, then I can
22 only say it represents a major step backward in our
23 relationship with BellSouth and violates written and
24 spoken agreements that Intermedia has had with BellSouth
25 for over a year. In fact, BellSouth's position

1 penalized Intermedia for attempting to negotiate with
2 BellSouth instead of going immediately to arbitration
3 before this Commission.

4 Had we thought for one moment that this was
5 the BellSouth position, we would have taken different
6 steps to resolve it. Intermedia would certainly not
7 have used its resources to work toward developing and
8 implementing the data network elements that are
9 described in the correspondence attached to my
10 testimony. We certainly would not have a team of people
11 in Birmingham meeting with BellSouth today to work
12 through the issues if we thought that BellSouth would
13 ultimately refuse to provide us the data oriented
14 network elements that we require.

15 In fact, this commission has experienced over
16 the last week what Intermedia has experienced over the
17 last four months. BellSouth has continually vacillated
18 in its position providing Intermedia with confused and
19 contradictory promises. In this proceeding, three of
20 BellSouth's witnesses have provided contradictory
21 testimony on what network elements BellSouth is actually
22 providing to Intermedia, what the BellSouth Intermedia
23 interconnection agreement requires, and even whether
24 BellSouth is obligated to provide unbundled network
25 elements for digital and data services.

1 Intermedia asks this Commission to consider
2 this demonstration of inconsistencies, inaccuracies and
3 broken promises as it evaluate's BellSouth's 271
4 application.

5 Intermedia first requested specific unbundled
6 network elements for data services from BellSouth over a
7 year ago. This request for unbundled elements is the
8 single most critical requirement for Intermedia to serve
9 its business customers throughout Florida. Because
10 Intermedia has chosen to deploy state of the art
11 facilities in its network, data services and facilities
12 capable of providing them are a critical part of
13 Intermedia's business plan. This is why obtaining
14 unbundled network elements from BellSouth that are
15 capable of providing digital dates services is so
16 important to Intermedia.

17 The fact that BellSouth has not provided
18 cost-based rates for digital elements that they
19 committed in contract to provide to Intermedia should be
20 the most -- excuse me, should be most telling to this
21 commission as to whether BellSouth has met reasonable
22 requirements for interconnection.

23 I want to be clear on this point because the
24 record of this proceeding has focused largely on the
25 provision of plain old telephone service over standard

1 analog loops. This is understandable because today the
2 majority of circuits provided by BellSouth to new
3 entrants consists of voice services over analog
4 facilities.

5 In the next few years, however, this will
6 change, and increasingly complex services from
7 combination of voice and data services to full motion
8 video will be increasingly -- will increasingly be
9 demanded by both business and residential customers.

10 The digital network that Intermedia is
11 building will be the backbone architecture over which
12 these services, as well as plain old telephone service,
13 will be provided. For this reason, this proceeding
14 cannot be just about voice service or just about
15 resale. The Communications Act clearly contemplated the
16 provision of a whole spectrum of competitive local
17 services including voice, data and video.

18 While digital data services are the wave of
19 the future, Intermedia has a critical need for unbundled
20 data elements for the services that it provides to its
21 customers today.

22 Currently, while Intermedia provides a large
23 volume of voice circuits, the majority of the circuits
24 it provides are for data services. Every time a
25 customer uses a credit card in a store or a bank card in

1 an ATM machine, the cash register or the ATM uses a data
2 circuit to check whether the card is valid. All kinds
3 of businesses, from large car dealerships to drug store
4 chains, use data circuits to monitor changes in
5 inventory every time a sale is made.

6 The use of fax machines by both business and
7 residential users is exploding, and the use of internet
8 for both business and residential applications is
9 growing exponentially.

10 All of the applications use data circuits, and
11 these represent the majority of the services that
12 Intermedia is providing now. This is why Intermedia is
13 so focused on obtaining unbundled network elements from
14 BellSouth that are capable of providing data services.

15 These are the unbundled network elements that
16 Intermedia requested from BellSouth well over a year
17 ago. These are the elements that are still not being
18 provided by BellSouth. BellSouth will tell you that
19 these elements have been available to Intermedia since
20 March of 1997.

21 I respond that what was available is nothing
22 more than words on paper and a price list. There have
23 been no final service descriptions provided to
24 Intermedia verifying that what BellSouth is willing to
25 provide is what Intermedia requested. No end-to-end

1 test of the elements when used in combination with
2 Intermedia's network to ensure that they work as
3 requested by Intermedia.

4 More importantly, and fundamentally, if
5 Intermedia wanted to place an order today for the
6 elements, there are no processes or systems in place to
7 submit such an order to BellSouth.

8 Other unbundled loops and elements of this
9 type that have supposedly been available for some time
10 from BellSouth also have no support.

11 When Intermedia placed an order for such an
12 element, a DS1 loop, in late May, it took six weeks to
13 complete the order. In contrast, when BellSouth -- when
14 a BellSouth customer orders a DS1 circuit from
15 BellSouth, BellSouth typically provides it in five to
16 ten business days.

17 The delay in Intermedia's case stems from the
18 fact that there are no systems or processes in place to
19 support Intermedia's order. This was for an unbundled
20 element that supposedly has been available for sometime
21 and is a very common element used in typical business
22 applications.

23 Last, there are no operational support systems
24 in place to support preordering, ordering, provisioning,
25 billing, maintenance and repair for the more complex

1 unbundled network elements, and for that matter for the
2 more complex resale services from BellSouth.

3 BellSouth in its testimony admits this point
4 in that only four complex services are supported by the
5 systems BellSouth holds up as meeting the OSS
6 requirements of the Communications Act. It is clear
7 from the evidence presented in this proceeding that
8 BellSouth's OSS offering to competitive local exchange
9 carriers does not meet the equivalency standard required
10 by the Communications Act and the FCC's recent Ameritech
11 order.

12 This conclusion is supported by reports --
13 excuse me, this conclusion is supported by reports that
14 BellSouth itself commissioned that show that the
15 performance of its LCSC operations is inadequate to meet
16 the equivalency standard.

17 For unbundled network elements, virtually no
18 OSS is in place, and even for resale, the OSS system
19 that BellSouth has put in place have experienced severe
20 difficulties.

21 Can BellSouth ultimately make these elements
22 and resold services available as envisioned by the
23 Communications Act, and provide them via systems and
24 processes that allow efficient ordering, provisioning,
25 billing and maintenance? It's too early to know yet.

1 Therefore any action by this Commission to grant
2 BellSouth's 271 application would be premature.

3 In light of BellSouth's failure to provide
4 Intermedia with unbundled network elements as required
5 by the Communications Act and the executed
6 interconnection agreement with Intermedia, and in light
7 of BellSouth's failure to provide OSS processes and
8 systems equivalent to that provided to itself,
9 Intermedia respectfully requests that this Commission
10 deny BellSouth's 271 request at this time. Thank you.

11 Q Does that conclude your summary?

12 A Yes, it does.

13 MR. WIGGINS: Madam Chairman, the witness is
14 available for cross examination.

15 CHAIRMAN JOHNSON: Any other parties with
16 cross examination?

17 MS. CULPEPPER: Madam Chairman, Staff would
18 ask that its exhibits be marked at this time.

19 We ask that Exhibit JS-13, which is the
20 deposition transcript, exhibits and late-filed exhibits
21 and the errata sheet of Ms. Strow be marked as Exhibit
22 78.

23 CHAIRMAN JOHNSON: It will be so marked.

24 MS. CULPEPPER: And we ask that Exhibit JS-14,
25 which are Intermedia's Responses to Staff's

1 Interrogatories, be marked as Exhibit 79.

2 CHAIRMAN JOHNSON: Be marked 79.

3 MS. CULPEPPER: Thank you.

4 (Exhibit Nos. 78 and 79 marked for
5 identification.)

6 CHAIRMAN JOHNSON: Bell?

7 MR. RANKIN: Thank you, Madam Chairman

8 CROSS EXAMINATION

9 BY MR. RANKIN:

10 Q Good afternoon, Ms. Strow. Ed Rankin on
11 behalf of BST.

12 In Florida, ICI is presently providing local
13 service through both resale and through the use of its
14 own facilities; is that right?

15 A Yes, that is correct.

16 Q And I believe Intermedia is providing local
17 services to residence customers only on a resold basis;
18 is that right?

19 A Yes, that's correct, with one slight
20 modification, it is also on a very incidental basis.
21 That is not our target market.

22 Q What's the slight modification or slight
23 exception?

24 A That it's only on an incidental basis.

25 Q On an incidental basis? You're not marketing

1 to residence customers for resale?

2 A Could you repeat that question, please?

3 Q You're not marketing -- excuse me, you're not
4 marketing -- you're reselling to residence customers; is
5 that right?

6 A That is correct on a very incidental basis.

7 Q Is the thrust of your business providing
8 services to business customers?

9 A I'm sorry, I didn't hear the first part. I
10 don't hear real well.

11 Q Is the thrust of your business plan focused
12 toward the business customers then?

13 A Yes, it is.

14 Q And is that mainly on a facilities-based?

15 A It's through a combination of facilities-based
16 and resale.

17 Q Now, through its interconnection agreement
18 with BellSouth that you referenced in your summary,
19 Intermedia has been able to interconnect with BellSouth
20 and pass traffic back and forth; hasn't it?

21 A Yes, that is correct.

22 Q And on the whole, would you say that the
23 resale provisions of the agreement with BellSouth have
24 been implemented?

25 A Yes, on balance, except for the limited

1 problems we're having, you know, with the OSS type
2 systems now.

3 Q Okay, let's talk for a moment about frame
4 relay service. Now as I understand it, frame relay
5 service, I think you described it in your summary as
6 basically a data transmission service?

7 A It's a digital data service, yes.

8 Q Does Intermedia offer that service to local
9 exchange and interexchange customers?

10 A Yes, we do.

11 Q It's possible for Intermedia to provide frame
12 relay service to its own customers without ordering
13 anything from BellSouth; isn't it?

14 A Yes, that is possible.

15 Q Is Intermedia doing this?

16 A Yes, we are.

17 Q Now in the case when you need something from
18 BellSouth to provide frame relay service -- and correct
19 me if I'm wrong here -- I think you need three major
20 elements. Let me read them to you and see if you
21 agree. You need a 4-wire digital loop, a multiplex -- a
22 multiplexing interface, and a multiplexing system; is
23 that right?

24 A That is correct. I would like to qualify that
25 the 4-wire digital loop is the 56, 64 kilobit DSO type

1 loop.

2 Q And then those components get you from -- or
3 get the customer to your switch, and then you have some
4 sort of cross-connect charge that applies at that
5 point?

6 A Yes, that's my understanding.

7 Q Now, to date Intermedia has not yet ordered
8 any of those three components that I just mentioned;
9 isn't that right?

10 A Yes, that's correct. There are no systems in
11 place to do so.

12 Q Intermedia has been negotiating the
13 provisioning of those components with BellSouth?

14 A No, that is not a -- well, yes, we have.
15 We've had a lot of back and forth so that BellSouth
16 could understand exactly what we were trying to
17 accomplish and what elements we were looking for, and
18 yes, we are at a point where we do think we have
19 agreement on what the elements are, and we are
20 attempting to work through how we're ever going to place
21 an order for such elements, how they'll be provisioned,
22 and do a test to see if they actually work when combined
23 with our network.

24 Q Right, that was my next couple questions. The
25 parties have been able to negotiate a price for these

1 components; haven't they?

2 A Yes, Intermedia has prices. We have not
3 signed the final contracts.

4 Q But BellSouth has offered a price to you for
5 those components?

6 A Yes, they originally offered up the prices in
7 March. There were some errors which were recently
8 corrected after we pointed them out. There were some
9 rates that were just incorrect, and they accepted that
10 and have made the changes, yes.

11 Q And BellSouth, I believe, has agreed to
12 conduct end-to-end testing of the frame relay circuit
13 for Intermedia; hasn't it?

14 A Yes, they have indicated that they would do
15 that.

16 Q And while this negotiation has been going on,
17 BellSouth offered to provide something called SynchroNet
18 service to Intermedia as a surrogate service on a resale
19 basis; isn't that right?

20 A I'm glad that you brought this up because, no
21 that's not a correct characterization. What BellSouth
22 offered up, since they could not provide the unbundled
23 network elements, and we were working toward that end,
24 was pricing similar to that associated with the
25 SynchroNet service. So it was an interim solution until

1 we could get the long term issues worked out so that we
2 weren't disadvantaged by a pricing issue.

3 Q So an interim solution was proposed by
4 BellSouth to get the parties to the point of where we
5 are now, which is you're close to having the unbundled
6 elements, or unbundled items, network items?

7 A I can't say yes or no to that because it's
8 still not clear that they're going to actually be able
9 to provide them, but yes, we are closer than we were the
10 last time I saw you.

11 Q And an interim solution was offered by
12 BellSouth?

13 A Yes, that is correct.

14 Q Now looking at your late-filed deposition
15 exhibits, particularly No. 2, it seems to me that a fair
16 amount of correspondence has gone back and forth between
17 the parties relative to the provisioning of this frame
18 relay service; wouldn't you agree with that?

19 A Yes, I would.

20 Q It seems like in those exchanges the parties
21 are communicating, at least from Intermedia, is
22 communicating what it believes is needed from BellSouth
23 to provide the service that it needs, and BellSouth's
24 correspondence is indicating what it's in the position
25 to provide; isn't that right?

1 A Yes, that's correct. And there's some very
2 recent communications that would indicate that we were
3 on the right path. That's why when I read the
4 transcripts from last week of Mr. Scheye and Mr. Varner
5 and Mr. Milner, I was quite taken aback at their
6 testimony because it seemed to be going in an opposite
7 direction of where I thought we were going. And --
8 that's part of my confusion at this point, quite
9 frankly.

10 Q Let's stay with the correspondence that you've
11 been exchanging with BellSouth on this. I guess you've
12 had firsthand involvement in this. I've seen your name
13 on several of these memos and letters, right?

14 A Yes, that's correct. And the only reason I'm
15 not at the meeting with BellSouth today is because I'm
16 here.

17 Q So you have an account team that you normally
18 deal with and work with on these issues?

19 A Yes, we do.

20 Q Let me ask you this, setting aside the
21 testimony that you said you've read in the last week, of
22 Mr. Varner and Mr. Scheye, and just concentrating on
23 your history with the account team as reflected by this
24 correspondence, would you attribute the delay in
25 providing Intermedia with the network items it needs to

1 the fact that there hasn't been general agreement as to
2 what Intermedia thought it was getting and what
3 BellSouth was planning to provide?

4 A No, I don't think I would characterize it
5 quite that way. I think part of it has been -- I mean
6 as everyone is aware, this is a whole new arena for
7 everyone. And so it was a cooperative -- part of the
8 delay was because we chose to take a cooperative
9 approach with BellSouth, and they have attempted to work
10 with us to develop these things, and the components and
11 elements that we need.

12 Part of the delay is that these are, as I
13 described in my summary, complex services, services that
14 BellSouth typically offers to -- excuse me, these are
15 complex elements used in the provision of complex
16 services, very typical of the types of services
17 BellSouth provides today. But this is new, uncharted
18 territory. So there are a lot of issues that had to be
19 worked through and it was something that was a fairly
20 time consuming process, yes.

21 Q But you answered my next two or three
22 questions with that answer.

23 A I'm sorry I keep doing that.

24 Q That's very efficient of you. Because I was
25 going to ask you whether you agreed, and I think you

1 did, that this is a -- that frame relay service is a
2 rather complex service, right?

3 A No -- it is more -- yes, it is more complex
4 than analog voice service, but I wouldn't characterize
5 it as something that is so complex it can't be
6 overcome. I think it's more new and different, and I
7 think as was pointed out last week by some of the
8 witnesses, we are the only company asking for these
9 things. So it is something that is somewhat unique,
10 although we feel that it is definitely things that would
11 be used by everyone in the future to provision local
12 services to both voice and data customers.

13 Q And the provisioning of this service, frame
14 relay service between the companies, is something new
15 for both BellSouth and Intermedia; isn't that right?

16 A Yes, that would be correct, as far as the
17 unbundled network elements.

18 Q And today it is reflected by this
19 correspondence -- and I guess the most recent letter I
20 saw in here is as recent as August 6, from Pam Kruse to
21 you -- it seems like to date that the companies have
22 tried to work together to understand what has been
23 requested by Intermedia so that the service could be
24 actually provided to your satisfaction; wouldn't you
25 agree with that?

1 A Yes, I would agree with that. And again, I
2 just have to reiterate -- and I know you want me to put
3 it to the side, but it's very difficult for me to put to
4 the side the transcripts that I read last week.

5 Q Did anything in the transcripts that you've
6 read indicate that BellSouth is going to back away from
7 the commitments that it made to you -- your account team
8 representative, Ms. Kruse, that she's going to now write
9 you and say, well, forget about the statement that I
10 said that we've agreed on a price and forget about the
11 statement that I said that we're going to have
12 end-to-end testing, it's not true anymore?

13 A No, the account team has not made that
14 representation. They are meeting with us, as I said,
15 today. I think what it might have explained to me is
16 there might not be support throughout the company for
17 what we've been asking for, which might explain why this
18 has been somewhat difficult to move forward. I'm not
19 alleging that. It just seemed odd to me that Mr. Varner
20 and Mr. Scheye, who are very close to the policy making
21 of the company, both -- I mean, I've been in several
22 proceedings in different states and this was absolutely
23 the first time those kinds of positions have been taken,
24 and it really took me aback, and Intermedia.

25 Q Let me move to the testimony that you added

1 today orally and then provided in a typewritten format.
2 When did you draft this language to be inserted into
3 your testimony?

4 A The reciprocal compensation language? I
5 drafted it last Wednesday afternoon, but it was not
6 approved until Friday.

7 Q Until last Friday?

8 A (Nods affirmatively.)

9 Q Who did it need to be approved by?

10 A I'm sorry, could you speak up?

11 Q Who did it need to be approved by?

12 A My senior vice president.

13 Q And who is that?

14 A Dr. Mike Viren.

15 Q What was the last name?

16 A Viren, V-I-R-E-N.

17 Q And is he in Tampa?

18 A Yes, he is. Could I add something? That
19 language was added only because we had received a letter
20 dated August 12th, which we actually did not receive
21 until sometime toward the latter part of August. So
22 that addition is only a result of action taken by
23 BellSouth, not something that we just decided for no --
24 with no basis to add.

25 Q Well, that was one of my questions for you

1 relative to this addition. I was going to ask you when
2 BellSouth notified Intermedia about its position
3 relative to this reciprocal compensation. You're saying
4 it was in a letter dated August 12?

5 A Yes, and I would characterize that as a letter
6 notifying us for the first time that they had taken a
7 position we were not aware of.

8 Q Were you in the hearing room last week when
9 Mr. Varner or Mr. Scheye testified on behalf of BST?

10 A No, I was not in the hearing room.

11 Q So based on your reading of the transcripts,
12 however, you're aware that they address this issue in
13 their testimony by stating that they didn't consider --
14 the company doesn't consider this type of traffic
15 subject to reciprocal compensation?

16 A Yes, I'm aware that that is their position.

17 MR. RANKIN: I don't think I have anything
18 else. Thank you.

19 CHAIRMAN JOHNSON: Staff?

20 MS. CULPEPPER: Good afternoon, Ms. Strow.

21 CROSS EXAMINATION

22 BY MS. CULPEPPER:

23 Q My first few questions are going to relate to
24 BellSouth's Responses to Staff's Second Set of
25 Interrogatories, which has been identified earlier as

1 Exhibit 2.

2 Do you have a redacted copy of that showing
3 only Intermedia's information?

4 And Commissioners, just to be clear, this
5 information is in your confidential folder, and it was
6 previously the exhibit Subcon.

7 A I believe I do. I guess we'll find out.

8 Q Take your time. Have you got it?

9 A Which number are we looking at specifically?

10 Q I'm going to be referring you to response to
11 Item No. 31.

12 A Yes, I have it.

13 Q Now, Intermedia has ordered UNES from
14 BellSouth, correct?

15 A We have requested UNES from BellSouth. We
16 have ordered one unbundled T-1 circuit and that's the
17 order I referenced, both in my testimony and my summary,
18 that we had some significant problems with, and we are
19 resubmitting some more of those to see how it goes.

20 Q Then referring to Item 31(a)(ii) of
21 Exhibit 2.

22 A Yes.

23 Q Then the elements listed on this page are an
24 incorrect listing of the elements that Intermedia has
25 ordered?

1 A I apologize. I was not looking at the second
2 page. I was only looking at the first page. Let me
3 address your previous question again. I wasn't looking
4 at the full response.

5 I would agree that BellSouth is providing to
6 us three of the elements on this list -- can I -- I
7 don't know if this is proprietary or not -- okay. So
8 let me just kind of number them one, two, three, four,
9 five.

10 The first two I would agree that to the extent
11 Intermedia is serving customers over its own network,
12 these are being provided to us. And for the last one,
13 that would be the same. The two in the middle, the
14 third and the fourth one, I think are mischaracterized,
15 and rather than what they're being characterized as, I
16 think they are more trunks that are used for
17 interconnection. Because the only unbundled network
18 element, other than the three that I mentioned at the
19 beginning that we've ordered, is an unbundled T-1, and
20 we have not ordered, to my knowledge, these types of
21 trunks.

22 Q So just to be clear, there is an additional
23 one that's not on this list?

24 A There could possibly be one, but it was more
25 of a test order, so it probably didn't count.

1 Q So is the unbundled T-1, is that in addition
2 to what's shown on this list?

3 A It would be, yes, but I think that was a test
4 order, so I'm not sure that it would count as like real
5 live service would be my only qualification.

6 Q Okay, thank you. And is BellSouth currently
7 providing the UNEs that ICI has requested?

8 A BellSouth is currently providing, in
9 conjunction with service that Intermedia provides
10 exclusively over its own service the three UNEs that I
11 referenced a minute ago, 1, 2 and 5, if you want to
12 number them. But they are not providing the UNEs that
13 I've been discussing in the cross-examination by
14 BellSouth and in my summary previously. They are not on
15 this list because -- they've been requested, but they're
16 not being provided.

17 Q Did ICI have any problems in the provision of
18 those UNEs?

19 A 1, 3 and 5?

20 Q Correct.

21 A No, to my knowledge, it is working fine.
22 However, I would add that we don't know how they will
23 work when we start providing them in conjunction with
24 unbundled network elements. We have no experience
25 there.

1 Q Did ICI use EXACT or LENS or EDI, or did it
2 manually order UNEs 1, 2 and 5?

3 A I think these would have been ordered
4 manually.

5 Q Has ICI tested any other interface to order
6 UNEs?

7 A Yes. Intermedia is using LENS currently in
8 the provision of resale and we are testing with
9 BellSouth with the EDI interface, the EDI PC, I believe
10 is what it's called.

11 Q Through the use of ICI facilities and UNEs
12 purchased from BellSouth, is ICI currently providing
13 local exchange service to business or to residential
14 customers in Florida?

15 A Yes. Intermedia is currently providing
16 facilities-based service to local business customers in
17 Florida.

18 Q Could you give us an approximate number of the
19 local business customers that ICI is providing service
20 to?

21 A I do not have that information with me today,
22 and I do think it would probably be confidential. So I
23 can't provide it today. I could probably submit it, if
24 you would like us to, under protective cover.

25 Q We would like that as a late-filed exhibit,

1 Madam Chairman.

2 CHAIRMAN JOHNSON: It will be identified as
3 Late-filed 80.

4 (Late-filed Exhibit No. 80 identified.)

5 MR. WIGGINS: Could we have a short title?

6 MS. CULPEPPER: Short title, Number of Local
7 Business Customers ICI is Currently Providing Service to
8 Through its Own Facilities or UNES Purchased From
9 BellSouth. I don't know if that really qualifies as a
10 short title.

11 CHAIRMAN JOHNSON: Actually let me make sure I
12 understand the question. It's just for -- you said the
13 local business customers? Could you say what you want
14 again?

15 MS. CULPEPPER: Correct, just the number of
16 business customers that ICI is providing service to,
17 either through its own facilities or in combination with
18 UNES that it's purchased from BellSouth.

19 MR. WIGGINS: Could I ask for a
20 clarification? I'm not even sure there is a
21 distinction, but we will not distinguish between UNES or
22 their own facilities. We'll just take it as a lump
23 sum.

24 MS. CULPEPPER: That's fine.

25 Q (By Ms. Culpepper) Ms. Strow, just to

1 clarify, you stated that ICI is not, however, providing
2 service to residential customers through its own
3 facilities; is that correct?

4 A Yes, that is correct.

5 Q Now ICI has ordered interconnection with
6 BellSouth in Florida, correct?

7 A Yes, that is correct.

8 Q If I could, then, I'll refer you again to
9 Exhibit 2, to Item 31(a)(iii), and there you'll see a
10 chart that's titled Interconnection By Customer By
11 Trunk.

12 A Yes, I have it.

13 Q Are the numbers listed in the fourth column of
14 that chart correct?

15 A No, it does not appear they are, for the same
16 reason of my previous answer. The first two would
17 appear to be correct and we would agree that we are
18 taking that service. The last item would appear to be
19 correct, and we would agree we are taking that service.

20 Item 3 and 4, I believe, are interconnection
21 type services, but I do not believe that they are
22 unbundled services.

23 Q Thank you. Ms. Strow, could you explain for
24 us a little bit more how you're differentiating Item
25 3 -- Items 3 and 4 as not being UNES?

1 A Yes, I can clarify that. What -- I'm not
2 saying that Items 3 and 4 are not UNEs, but I'm saying I
3 don't think we're taking these. Rather, I think these
4 could be attempting to reflect some kind of
5 interconnection service.

6 And I did have the opportunity to talk to a
7 couple people about this because I did not know what
8 these were. I mean, I was not aware that we were taking
9 anything like this, and in asking inside the company,
10 neither is anyone else.

11 Q I think I may have a little bit different
12 understanding of this chart. That was what my
13 understanding of what this chart was supposed to reflect
14 was the interconnection.

15 A I think here's where the breakdown is. When
16 you look at the request, it characterizes these things
17 as being unbundled network elements. I think where the
18 breakdown is if, if you will, is between that
19 characterization and what we would consider to be normal
20 bundled interconnection facilities. So I think the
21 breakdown is that we don't consider those things to be
22 unbundled network elements, but rather something else.
23 But we would agree they're being used for
24 interconnection to -- if in fact they are being used. I
25 am as confused as you are at this point about these two

1 things because I don't know that we're taking them. And
2 if we are taking them, I don't think we would
3 characterize them as unbundled elements. I think that's
4 where the disagreement is.

5 Q Just to follow up on this a little bit more.
6 For Items 3 and 4, would you consider these to be
7 ordered, then, pursuant to Section 251(c)(2),
8 interconnection?

9 A I need to see the Act. (Pause) Yes.

10 Q Thank you. Now, is ICI providing local
11 exchange service through your interconnection
12 arrangement with BellSouth to business and/or
13 residential customers in Florida?

14 A Yes, we are, and we are only serving
15 residential through resale, and to business customers
16 we're serving that market exclusively over our
17 facilities or through resale offered from BellSouth.

18 Q Do you know approximately how many business
19 customers you're serving through your interconnection
20 arrangement?

21 A The only number I have is the access line
22 equivalents.

23 Q We would like to ask for that information as
24 late-filed, but if I could clarify, would that be
25 possible to be included in the last one that we asked

1 for? Or would it be more appropriate to ask for a
2 second? Is that information that you could include in
3 the previously discussed late-filed exhibit?

4 A We should be able to provide that information,
5 and if you would like it in combination with the
6 previous exhibit, we can certainly do that, if it makes
7 it easier.

8 MS. CULPEPPER: Madam Chairman, if we could
9 ask to modify the Late-filed Exhibit 80 to include that
10 information, which is the number of business customers
11 that ICI is serving in Florida through its
12 interconnection arrangement with BellSouth.

13 CHAIRMAN JOHNSON: Let the record reflect the
14 modification.

15 WITNESS STROW: I'm sorry?

16 CHAIRMAN JOHNSON: Do you understand the
17 modification?

18 WITNESS STROW: Yes, I believe I do.

19 CHAIRMAN JOHNSON: Okay, and I was just saying
20 for purposes of the record that the record will reflect
21 the additional information in that modified request.

22 WITNESS STROW: Yes, I believe what she's
23 asking for is the number of customers being served over
24 our facilities and the total number of customers.

25 MS. CULPEPPER: That's correct.

1 WITNESS STROW: In Florida.

2 MS. CULPEPPER: Thank you.

3 MR. WIGGINS: Then I don't know what exactly
4 was being asked for, and I would like to go ahead and
5 get clarification if I could. My understanding is the
6 first request were for the numbers of business customers
7 with -- through Intermedia's own facilities and UNEs.

8 MS. CULPEPPER: Correct.

9 MR. WIGGINS: Now you would like to know the
10 number of business customers through the interconnection
11 agreement?

12 MS. CULPEPPER: Correct.

13 MR. WIGGINS: Thank you.

14 WITNESS STROW: And I would like to clarify,
15 too, that would include over our own facilities, over
16 UNEs, as well as resale.

17 MS. CULPEPPER: Correct. Thank you.

18 Q (By Ms. Culpepper) And Ms. Strow, when you do
19 provide that exhibit, we would ask that it be labeled to
20 distinguish between the means that service is being
21 provided to customers, so that we can distinguish how
22 service is being provided.

23 A Yes, we can do that.

24 Q Thank you. Now you've already stated that ICI
25 is in fact providing service through resold services

1 purchased from BellSouth, correct?

2 A Yes, that is correct.

3 Q I would like to refer you now to Item No. 43
4 in Exhibit 2.

5 A Yes, I have it.

6 Q Are the resold services listed on this page in
7 fact what ICI has ordered?

8 A These services appear to reflect the kinds of
9 things that I believe we are ordering. However, I don't
10 work with this on a day-to-day basis and would like to
11 defer the response from Intermedia on this to Lans
12 Chase, who will be witnessing later in the week.

13 Q I would like to turn now to a discussion we
14 had at your deposition regarding call completion,
15 databases and BellSouth's 780 number. I'm looking at
16 Page 60 of your deposition transcript.

17 A Page 60?

18 Q Correct. You indicated there that Intermedia
19 has recently had a problem relating to call blocking to
20 BellSouth's 780 number. Now I'm not sure what that
21 number is. Could you explain what that's for?

22 A My understanding of that number is that it's a
23 customer service type number. Typically, as I recall
24 from when I lived in Atlanta and I was a BellSouth
25 customer, that's what the prefix was to those types of

1 services -- or phone numbers for BellSouth's customer
2 service.

3 Q Could you explain exactly what the call
4 blocking problem was?

5 A Yes. My understanding of what the call
6 blocking problem was is that when Intermedia's customers
7 tried to call the 780 numbers, any 780 number, and I'm
8 not sure how many others there are, but typically they
9 were trying to access the BellSouth customer service
10 number, that they were dialing through 780, those calls
11 were blocked.

12 Q And has that problem been resolved?

13 A I think it may have been, because I haven't
14 heard anything else about it recently. And usually if
15 things don't get resolved after I get involved, our
16 people will come back to me. And to the best of my
17 knowledge, I believe this has been resolved since we
18 discussed it at the deposition.

19 Q Do you know exactly what the basis of the
20 problem was?

21 A Yes. They were denying access to their 780
22 number for our customers calling in to BellSouth.

23 Q But was it a database problem, or was there
24 some other reason?

25 A They had blocked -- yes, I guess it could be

1 characterized as probably more a translation problem,
2 and where they had just blocked that number, and that
3 probably stretches my technical expertise, but that's my
4 characterization of what I think it was.

5 Q Would it be possible for you to find out
6 whether this problem has been fixed since the time of
7 the deposition?

8 A Yes.

9 Q And if so, we would like that also as a
10 late-filed exhibit.

11 Madam Chairman, we would ask that that be
12 identified as Late-filed Exhibit 81. And that is ICI's
13 Problem With BellSouth's 780 Number.

14 MR. RANKIN: Could you also specify whether
15 that was in Florida or whether it was in Georgia? I'm
16 not clear which state we're talking about.

17 WITNESS STROW: I believe it was a Florida
18 issue, but I am not certain of that, and I will clarify
19 that in my late-filed if you would like.

20 CHAIRMAN JOHNSON: What the short title
21 again?

22 MS. CULPEPPER: Status of ICI's Problem With
23 BellSouth's 780 Number, and whether that problem was in
24 Florida.

25 CHAIRMAN JOHNSON: Okay, Exhibit 81.

1 (Late-filed Exhibit No. 81 identified.)

2 Q (By Ms. Culpepper) Ms. Strow, does ICI plan
3 on using this 780 number in any other way, other than
4 for customer service?

5 A If I may, I would like to clarify my answer.
6 Perhaps I haven't been clear.

7 Intermedia is not calling the 780 number. Our
8 customers that are on our network are calling the 780
9 number. So it's a call that if you were an Intermedia
10 customer you would not have been able to make, and
11 that's why we got the complaints. So what we were
12 trying to do is resolve why they were blocked so that
13 our customers could call that number.

14 There could be times where perhaps somebody in
15 the field might call that number, but I don't know for
16 certain.

17 Q Then how do you anticipate, or perhaps desire,
18 to be billed for completion of these pay per call
19 services?

20 A I'm sorry, if you could clarify your
21 question. I didn't know we were talking about pay per
22 call.

23 Q It's my understanding that customer service
24 calls, if they're for ICI -- would you be being billed
25 for the 780 numbers, your customer's usage of the 780

1 number? Is that correct?

2 A I would not think so because it's a normal
3 number, that if I were a BellSouth customer and called
4 it, that I would call about my service or any questions
5 that I had.

6 Quite frankly, not to be flip, but I mean
7 probably the reason a customer of ours might call that
8 number is to ask about service from BellSouth, if I
9 could speculate, or if they had any questions about
10 something -- some promotional ad that BellSouth was
11 running. So they are not charged for it to the best of
12 my knowledge.

13 Q I guess, Ms. Strow, the reason I'm confused is
14 that on Page 60 of your deposition transcript, Line 23,
15 you stated that their response back to us was that there
16 are pay per call type services associated with 780
17 outside of their use of it.

18 So when you're referring to pay per call
19 services, if you're not recalling to actual use of the
20 780 number, what exactly are you referring to there?

21 A What I am referring to is -- the dispute
22 really was, when we found out that was the reason
23 BellSouth was blocking the number, was that we did not
24 have any knowledge of any pay per call type service
25 offered over 780.

1 Rather, our only knowledge of a use of that
2 number was for BellSouth customer service. That was our
3 understanding. Therefore, we were confused, and that's
4 what we were trying to work through, and that's
5 hopefully what my late-filed deposition will seek to
6 resolve, is exactly what the status is and how it was
7 resolved if it has been resolved.

8 Q So the actual dispute was really -- was it
9 really over the pay per call blocking?

10 A No, the dispute was is that our customers were
11 being blocked from calling what we believed to be 780
12 numbers that were typically associated with BellSouth,
13 780 numbers. We did not and are still not, to my
14 knowledge, aware of any pay per type call services over
15 this exchange. Rather, that was what BellSouth told us
16 was their rationale for blocking it. And hopefully I'll
17 be able to resolve where that stands and if it has been
18 resolved between our two companies.

19 MS. CULPEPPER: Thank you, Ms. Strow. Staff
20 has no more questions.

21 CHAIRMAN JOHNSON: Commissioners?

22 COMMISSIONER CLARK: Ms. Strow, I don't know
23 if you made this -- if it is a correction you need to
24 make. On Page 20 of your rebuttal. Did you correct
25 Line 4, or does it need to be corrected?

1 WITNESS STROW: Page 20?

2 COMMISSIONER CLARK: Yes. Is that
3 inefficiencies?

4 WITNESS STROW: Yes, I believe you're correct,
5 it should be stated as inefficiencies.

6 COMMISSIONER CLARK: Let me ask you, on Page
7 24.

8 WITNESS STROW: Of my rebuttal?

9 COMMISSIONER CLARK: No, I'm sorry. Yes,
10 yes. With regard to complex resold services not being
11 mechanized and involve substantial manual handling, one
12 of the things that Ms. Calhoun said was that -- gave us
13 the percentages with respect to revenue that the
14 services that can be handled in a mechanized way bring
15 in. And what I think she said -- let me see, for the
16 services they have mechanized, it was I think 80 percent
17 of their revenues -- it represented 80 percent of their
18 revenues, or maybe it was 95 percent of their revenues,
19 but it's a substantial portion of what they get their
20 money from.

21 And it seems to me that that -- that it is
22 important to address those services that have the
23 highest demand, and that it may not be appropriate at
24 this time to insist on complex services being mechanized
25 because that's not where there's going to be a market

1 for either the UNEs or the resold services as much as
2 what was predominantly the B1 and R1 classes. What's
3 wrong with that?

4 WITNESS STROW: First, although I was not here
5 last week, I have heard similar testimony recently in
6 Alabama by Ms. Calhoun. And I can't speculate as to
7 whether that 80 percent is correct -- I mean, so I will
8 assume that I can accept her premise. Assuming that --
9 and this is why Intermedia is sitting here today, and
10 the very basis of our issues with BellSouth, is that
11 although the market today may be being served over these
12 kinds of analog and simple services, what we wanted to
13 make sure this commission was aware of, is that we
14 think -- we don't think, we believe strongly, and our
15 business plan is based upon this -- that the future
16 telecommunications services provided to both residential
17 and business customers will not be over these types of
18 circuits; they will be over digitally conditioned
19 circuits because of the types of applications both
20 residential and business customers will be using.

21 So I think what we are saying is that --
22 assuming Ms. Calhoun's numbers are correct, and perhaps
23 they are, our first issue is that, well, that may be the
24 case today, but that's not the case tomorrow and that's
25 why we think this commission should be concerned with

1 the fact that the more complex services right now are
2 not supported by BellSouth.

3 Secondly, we think it's --

4 COMMISSIONER CLARK: You mean not supported by
5 a mechanized system?

6 WITNESS STROW: Yes. And they're very
7 inefficient ways that they have to be handled.

8 Secondly, when BellSouth entered into their
9 interconnection agreement with us, they are fully aware
10 of the types of services that we provide, and knew full
11 well what we were looking for, at least generally, at
12 the time we went into the interconnection agreement.

13 So they knew what we were asking for and what
14 kind of support those services would require. And as a
15 requesting carrier if we were able to implement those
16 unbundled network elements, we would be serving local
17 customers in Florida over those elements, and they are
18 obligated under that interconnection agreement and under
19 the Act to provide that. So we're representing to you,
20 at least to date, a failure on their part to provide
21 those things.

22 COMMISSIONER CLARK: Let me ask you this. Do
23 you know if it takes any longer for you to get complex
24 services than it does for them to provision them for
25 their own customers?

1 WITNESS STROW: Yes. I believe we saw with
2 the one unbundled T-1 loop that we were substantially
3 disadvantaged in how long that order took, which was
4 roughly triple the time it takes BellSouth to do their
5 own typically.

6 COMMISSIONER CLARK: Okay.

7 CHAIRMAN JOHNSON: Any other questions,
8 Commissioners? Redirect?

9 MR. WIGGINS: Yes, ma'am, just a couple.

10 REDIRECT EXAMINATION

11 BY MR. WIGGINS:

12 Q Ms. Strow, with respect to the additional
13 language that Mr. Rankin crossed you on and which we
14 distributed to the parties, without that language would
15 your direct testimony have been accurate and complete to
16 the best of your knowledge at the time of this filing?

17 A No, it would not have been. Those additions
18 reflected a difference of our position at this point in
19 time.

20 Q Thank you. With respect to the 780 problem,
21 is 780 an NXX?

22 A I believe it is, yes.

23 Q So this is not an N11 number?

24 A Not to my knowledge, no.

25 Q So an example of a block number might be

1 780-1234?

2 A Yes, that is an appropriate characterization.

3 Q Do you remember Mr. Rankin's questions to you
4 about whether Intermedia had placed an order for certain
5 unbundled network elements necessary to support frame
6 relay?

7 A Yes, I do.

8 Q What exactly does Intermedia need in order to
9 place an order?

10 A We don't know, and that is basically where we
11 are. We have people in Birmingham today trying to work
12 those kinds of issues out with BellSouth, as what we've
13 been attempting to work out for sometime. And even with
14 what we're probably going to get, it's going to be
15 fairly minimal in that it will be a manual type
16 process.

17 What we would ultimately like is something
18 that was mechanized, and I have been told by our account
19 team that they are working on something like that. And
20 that is ultimately what we would want so that we have
21 the same ability to have equivalent service that
22 BellSouth provides to itself.

23 Q Do you recall Mr. Rankin asked you about an
24 interim solution involving SynchroNet?

25 A Yes, I do.

1 Q What's the problem with using SynchroNet as a
2 long term solution?

3 A SynchroNet is a resold retail service.
4 Intermedia has never envisioned that we wanted to
5 provide long term service to our customers over any
6 resold service precisely for this reason. If we are
7 using a service that is being provided -- the underlying
8 service is being provided by BellSouth, we have no
9 network management or control of the service.

10 In contrast to that, with unbundled network
11 elements used in combination with our network, or where
12 we provide things exclusively over our network, we are
13 able to control it. We have visibility into what's
14 going on with that customer's service, and we can manage
15 it. And we can take advantage of the innovation and
16 expertise in the area that we have a long history, or at
17 least a ten-year history, in the State of Florida with,
18 and provide better, more cost-effective services to our
19 customers.

20 Q Do you recall also questions from Mr. Rankin
21 directed toward the quality of your communications with
22 the account representative team?

23 A Yes, I do.

24 Q Do you recall your testimony that up until
25 recently, or this hearing, that you were essentially

1 satisfied with the quality of those communications, or
2 is that a fair characterization?

3 A On balance, yes, we feel that they have been
4 attempting to move in the right direction versus the
5 wrong direction. Although there have been vacillations
6 and miscommunications, but we've all attempted to work
7 through and we have been able to maintain a professional
8 business relationship working toward what we all thought
9 was the end we were all wanting.

10 Q You were -- in Mr. Rankin's testimony he
11 addressed very briefly Mr. Varner and Mr. Scheye's
12 testimony. What is it that -- what is it that has
13 transpired that has you now concerned that BellSouth may
14 be moving backwards?

15 A I think the most fundamental aspect of the
16 testimony given last week, and it gets at the very heart
17 of the things that Intermedia is attempting to do as a
18 local provider. What we were most taken aback at is for
19 the first time BellSouth gave an indication through
20 Mr. Varner in his testimony that they didn't even feel
21 that the elements we were asking for were required by
22 the Act.

23 Had we ever been told that, we would have been
24 in front of this commission that day. It is very
25 central to our business plan. We feel very strongly as

1 a matter -- and I'm not an attorney, but as a matter of
2 law, and as a matter of requirement under the Act, that
3 data services are included. I cannot believe that
4 Congress would have passed a law that would not have
5 included such things, because local service is provided
6 over data circuits just as it's provided over voice
7 circuits, and voice traffic can travel these circuits as
8 well.

9 So I think that was the most troublesome
10 issue, is that there was a very fundamental change on
11 their part that had we ever had any indication was the
12 case -- and I'm hoping that is not the case. I'm hoping
13 Mr. Varner was actually not representing BellSouth's
14 view, because I would hope that at this late date this
15 is not the case.

16 I also wanted to comment on one other witness,
17 and that was Mr. Milner, who seemed to confuse -- I have
18 never known that Mr. Milner has been at all involved
19 with our request, and he characterized our subloop
20 request as something to do with our digital data
21 services. And while we might use those facilities for
22 something like that, the request was actually for
23 something as simple as at the cross box that sits on
24 your corner or outside an office park being able to pick
25 up a group of lines out of that termination point, if

1 you will, or that point in the network, versus back at
2 the central office. And I felt like he really
3 misunderstood the fundamental aspects of the original
4 request we made, and to my knowledge he's never been
5 involved, unless he was involved in the background. So
6 I did want to attempt to clarify that.

7 And then just as a general matter, it appears
8 that there -- I mean, I just think it was very apparent
9 the confusion, perhaps, that's going on at BellSouth,
10 and it helped explain possibly why this has taken so
11 long.

12 But my major concern was over Mr. Varner's
13 testimony because it was a very fundamental core issue
14 that really caught me and Intermedia quite by surprise.

15 MR. WIGGINS: Thank you. I have no further
16 questions.

17 CHAIRMAN JOHNSON: Exhibits?

18 MR. WIGGINS: I would like to move Exhibits 76
19 and 77.

20 MS. CULPEPPER: Staff moves 78 and 79.

21 CHAIRMAN JOHNSON: Okay, and 80 and 81 are
22 late-filed.

23 (Exhibit Nos. 76, 77, 78 and 79 received into
24 evidence.)

25 CHAIRMAN JOHNSON: Any other matters for this

1 witness? Seeing none, ma'am, you're excused.

2 WITNESS STROW: Thank you.

3 (Witness Strow excused.)

4 * * *

5 CHAIRMAN JOHNSON: Do y'all need a break?

6 We'll call the next witness.

7 MS. KAUFMAN: Chairman Johnson, I think we
8 have another witness we can stipulate in if you want to
9 take that up before the next witness gets to the stand.

10 CHAIRMAN JOHNSON: Sure.

11 MS. KAUFMAN: We have discussed with BellSouth
12 and Staff stipulating in Mr. Kinkoph, who was the
13 Association's other witness, if there are no objections
14 from the other parties.

15 CHAIRMAN JOHNSON: Okay.

16 MS. KAUFMAN: And Mr. Kinkoph had 11 pages of
17 direct testimony, and he had two exhibits, DWK-1 and
18 DWK-2 that we would ask for an exhibit number for.

19 CHAIRMAN JOHNSON: We'll identify those as
20 Composite Exhibit 82.

21 (Exhibit No. 82 marked for identification.)

22 MS. KAUFMAN: And we would ask that his
23 testimony be inserted in the record as though read and
24 that his exhibits be admitted into evidence.

25 CHAIRMAN JOHNSON: We'll insert the testimony

1 into the record as though read and admit Exhibit 82
2 without objection.

3 MS. KAUFMAN: Thank you.

4 (Exhibit No. 82 received into evidence.)

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2
3 **TESTIMONY**

4
5 **OF**

6
7 **DOUGLAS W. KINKOPH**

8
9 **Qualifications**

10
11 **Q. Please state your name and business address.**

12
13 A. My name is Douglas W. Kinkoph. My business address is LCI
14 International Telecom Corp. ("LCI"), 8180 Greensboro Drive, McLean
15 Virginia 22102.

16
17 **Q. What is your educational background?**

18
19 A. I have a Bachelors of Arts degree in Communications Management from
20 Ohio University and a Masters of Administration from Central Michigan
21 University.

1 **Q. What is your job title at LCI and what are your responsibilities in**
2 **that job?**

3
4 A. My title is Director, Regulatory and Legislative Affairs. I am responsible
5 for LCI regulatory policy at the state and federal level as well as LCI's
6 legislative policy before state and federal legislative bodies. In addition,
7 I have responsibility for LCI's tariffs and all reporting requirements as
8 established by various state and federal regulatory bodies.

9

10

11 **Q. For whom do you appear in this proceeding?**

12

13

14 A. My testimony is being sponsored by the Florida Competitive Carriers
15 Association, of which LCI is a member.

16

17

18 **Purpose of Testimony**

19 **Q. What is the purpose of your testimony?**

20

21 A. Issue 3 of the Order on Procedure addresses whether BellSouth is

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1 providing nondiscriminatory access to unbundled network elements as
2 required by the Act and rules of the FCC. Issue 15 poses a similar
3 question regarding whether BellSouth has made available services for
4 resale in compliance with the Act and FCC rules. Each of these issues has
5 a subissue that poses this question:

6 Has BellSouth developed performance standards and
7 measurements? If so, are they being met?
8

9 I am informed that, during proceedings before the Prehearing Officer,
10 BellSouth questioned whether it is even appropriate to consider the subject
11 of performance standards and measurements when gauging whether it has
12 complied with Issues 3 and 15. In my testimony, I will show that
13 performance standards and measurements are not only appropriate: they are
14 essential to the ability to gauge whether BellSouth is complying with these
15 checklist items. In the absence of such measurements and standards, it is
16 impossible for BellSouth to prove -- and the Commission to verify -- that
17 BellSouth has provided the degree of parity that the law requires. I will
18 also illustrate the scope and nature of performance standards that the
19 Commission must require in order to test BellSouth's claim that it is
20 providing "nondiscriminatory access."

21
22 **Q. Please elaborate on why it is important to establish adequate**

1 **performance standards.**

2

3 A. In its First Report and Order, dated August 8, 1996, the FCC determined
4 that parity in the use of operations support systems ("OSS"), which are the
5 mechanisms BellSouth employs in pre-ordering, ordering, provisioning,
6 maintenance, and billing routines, is crucial to the development of
7 competition:

8 . . . Finally, if competing carriers are unable to
9 perform the functions of pre-ordering, ordering,
10 provisioning, maintenance and repair, and billing for
11 network elements and resale services in substantially
12 the same time and manner that an incumbent can for
13 itself, competing carriers will be disadvantaged, if
14 not precluded altogether, from fairly competing.
15 Thus providing nondiscriminatory access to these
16 support systems functions, which would include
17 access to the information such systems contain, is
18 vital to creating opportunities for meaningful
19 competition. [FCC Order, No. 96-325, p. 253;
20 footnote omitted]

21

22 Implicit in the concepts of "Non-discriminatory access" and "parity"
23 is the idea that the nature of the access provided to the competitor is to be
24 compared to BellSouth's own access. The Commission can't begin to
25 make the comparison if there is neither an appropriate standard nor an
26 adequate benchmark of BellSouth's own performance. Performance
27 standards and measurements are critical, because they provide the only
28 means of gauging whether CLECs are receiving treatment equal to that

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1 provided to the ILEC and its affiliates, as well as to other CLECs.
2 Benchmarks and performance standards adopted by the Florida Public
3 Service Commission or Federal Communications Commission will help
4 ensure that new entrants to the local markets are receiving parity in access
5 and non-discriminatory treatment with respect to Bell South's Operation
6 Support Systems ("OSS"), and thus move the local market one step closer
7 to an environment that will sustain local competition.
8
9

10 **Q. Have other states recognized the importance of performance**
11 **standards?**

12
13 A. Yes. The Michigan Public Service Commission (MPSC) recently
14 addressed the issue in its comments to the Federal Communications
15 Commission relative to Ameritech Michigan's request to provide In-region
16 long distance market. The MPSC stated, "The primary problem in
17 assessing Ameritech's compliance with the nondiscrimination standards of
18 the Act and specifically the OSS functions is that, for the most part,
19 sufficient performance standards do not exist by which Ameritech's
20 performance can be judged." I have attached a copy of the Michigan
21 Commission's consultation as Exhibit 82 (DWK-1).

1 Significantly, in the same case, the Department of Justice (DOJ)
2 addressed the issue of performance standards in its evaluation of Ameritech
3 Michigan's application. In its evaluation, the DOJ stated: "proper
4 performance disclosures with which to compare BOC retain and wholesale
5 performance, and to measure exclusively wholesale performance, are a
6 necessary prerequisite to demonstrating compliance with the Commission's
7 'non-discrimination' and 'meaningful opportunity to compete' Standards."
8
9

10 **Q. Has LCI done anything to attempt to ensure that CLECs receive non-**
11 **discriminatory treatment?**

12
13 **A. Yes.** On May 30, 1997, LCI and the Competitive Telecommunications
14 Association (CompTel) filed a Petition for Expedited Rulemaking with the
15 Federal Communications Commission. In that Petition, LCI and CompTel
16 asked the FCC to enter an expedited order requiring that:

17 * each ILEC disclose: (a) each OSS function for which it has
18 established performance standards for itself and (b) each
19 OSS function for which it has not established performance
20 standards for itself, and

21 * where the ILEC has established performance standards for
22 itself, that the ILEC further disclose precisely what those
23 performance standards are, together with appropriate
24 historical data and measurement criteria.
25

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1 Further, LCI asked the FCC to establish the appropriate minimum
2 performance standards for each OSS function, including those functions for
3 which the incumbent LEC has not established performance standards for
4 itself. On June 10, 1997, the FCC issued a Public Notice requesting
5 comments on LCI's Petition.

6 In addition, LCI is a member of the Local Competition Users
7 Group (LCUG). The current membership of LCUG consists of LCI,
8 AT&T, MCI, WorldCom and established performance standards for itself
9 and (b) each OSS function for which it has not established performance
10 standards for itself, and Sprint. I am LCI's representative on the LCUG
11 Policy Board. The Charter of LCUG is to create and sustain a forum to
12 determine system interfaces operational support systems that are required
13 from Incumbent Local Exchange Carriers (ILECs) to support competitive
14 local market entry via interconnection, resale, and the combining of
15 network elements. Early in its existence, LCUG recognized that it was
16 essential that a plan be developed to measure ILECs' performance for all
17 the essential operational support system functions (e.g., pre-ordering,
18 ordering and provisioning, maintenance and repair, network performance,
19 unbundled elements, operator services and directory assistance, system
20 performance, service center availability and billing). To establish these
21 performance standards, a sub-committee, including representatives from

1 each of the LCUG companies, was formed.

2
3 **Q. Has the LCUG sub-committee completed its work in establishing these**
4 **performance standards?**

5
6 A. Yes. Attached as my Exhibit 82 (DWK-2) are the Service Quality
7 Measurements established by the sub-committee and adopted by the
8 LCUG's Policy Board.

9
10 **Q. Could you please explain how the measurements and metrics identified**
11 **in Exhibit 82 (DWK-2) were developed?**

12
13 A. Each of the ICUG sub-committee members was assigned a section or
14 category to investigate. Each provided recommendations to the sub-
15 committee. The sub-committee reviewed and discussed each measurement
16 and established the final measurements, metrics, and categories to be
17 measured based upon regulatory requirements or good business practices.
18 It is important to understand that the intent of the metrics set forth in
19 Exhibit A is not to establish a level of service above that which BellSouth
20 provides to itself (although I would expect that, if the Commission finds
21 that BellSouth's service is below an acceptable level, it would regard

1 providing parity with poor service to be equally unacceptable). Rather,
2 because the sub-committee lacked historical trended data from the ILECs,
3 and the ILECs (including BellSouth) have been unwilling or unable to
4 share their current performance information, the metrics found in Exhibit
5 A are based upon the best of class or good business practices.

6
7
8 **Q. Do you believe it is possible to achieve parity without the appropriate**
9 **performance standards, such as those advocated by LCUG?**

10
11
12 **A.** No. The requirement that ILECs provide nondiscriminatory access to the
13 ILECs' OSS functions, such that the ILECs provide CLECs with at least
14 the same quality of access and the same functionality that they provide to
15 themselves, is a cornerstone of Section 251 of the Act and of the FCC's
16 First Report and Order in CC Docket No. 96-98. That requirement is fully
17 incorporated in the checklist of Section 271 of the Act, and in Issues 3 and
18 15 of this Section 271 proceeding. Parity is the only basis upon which
19 local competition can develop. Conversely, an absence of parity would be
20 devastating to the development of local competition. Whether BellSouth
21 has provided parity can be determined only after BellSouth has measured

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1 and compared the manner in which essential OSS service is provided to
2 CLECs with the manner in which it supplies OSS to itself. To proceed
3 with the required evaluation before the standards and the performance data
4 are in place is, by definition, an impossibility. Accordingly, in this case
5 the Commission must, as a threshold measure, determine whether
6 BellSouth has even provided the tools and the information needed to
7 enable the Commission to determine whether BellSouth has complied with
8 the standard of parity.

9
10 **Q. Does this conclude your testimony?**

11
12 **A. Yes.**

1 MS. WILSON: Madam Chairman, would this be a
2 good time, as well, to put Dr. Pat Pacey's testimony
3 into the record?

4 CHAIRMAN JOHNSON: Sure.

5 MS. WILSON: Dr. Pacey filed 21 pages of
6 rebuttal testimony and we would move that it be inserted
7 into the record as though read.

8 CHAIRMAN JOHNSON: It will be inserted as
9 though read.

10 MS. WILSON: And Exhibits PLP-1 and PLP-2 were
11 attached to the rebuttal testimony and ask that those be
12 marked for identification.

13 CHAIRMAN JOHNSON: We'll identify those as
14 Composite Exhibit 83.

15 (Exhibit No. 83 marked for identification.)

16 MS. WILSON: And we would move that those
17 exhibits be inserted into the record.

18 CHAIRMAN JOHNSON: They'll be admitted without
19 objection.

20 (Exhibit No. 83 received into evidence.)

21 MS. CULPEPPER: I'm sorry, before we move too
22 far ahead, Staff needs to have some exhibits marked at
23 this time.

24 CHAIRMAN JOHNSON: For these two witnesses?

25 MS. CULPEPPER: For Witness Kinkoph as well as

1 for Witness Pacey.

2 CHAIRMAN JOHNSON: Oh, okay.

3 MS. CULPEPPER: Staff would ask that Exhibit
4 DWK-3, which is deposition exhibits and errata sheet for
5 Witness Kinkoph.

6 CHAIRMAN JOHNSON: Okay, we'll identify that
7 as Exhibit 84.

8 (Exhibit No. 84 marked for identification.)

9 MS. CULPEPPER: Thank you. And Exhibit PLP-3,
10 which is deposition, deposition exhibits and errata
11 sheet for Witness Pacey.

12 CHAIRMAN JOHNSON: We'll identify that as
13 Exhibit 88 -- or 85.

14 (Exhibit No. 85 marked for identification.)

15 COMMISSIONER KIESLING: Has that one been
16 handed out already?

17 MS. BARONE: No, ma'am. We did not know the
18 parties were going to do this right now, so we didn't
19 have the packets.

20 COMMISSIONER KIESLING: Okay, I couldn't mark
21 it until I had something to mark it on.

22 MS. CULPEPPER: And the next one will be
23 PLP-4.

24 CHAIRMAN JOHNSON: Okay.

25 MS. CULPEPPER: Which are FCTA's responses to

1 Staff Interrogatories.

2 COMMISSIONER KIESLING: Could I slow you down,
3 because I'm having trouble following, since I don't have
4 anything. The first one, 83, that was MLC-2 and 3?
5 What was the first exhibit?

6 CHAIRMAN JOHNSON: 83 was the Company's --

7 COMMISSIONER KIESLING: No, 82 was -- okay.
8 Okay.

9 MS. KAUFMAN: 82 was Mr. Kinkoph's prefiled
10 exhibits.

11 COMMISSIONER KIESLING: 82 was, right. And
12 then 83 was Ms. Pacey's prefiled exhibits.

13 MS. CULPEPPER: Correct.

14 COMMISSIONER KIESLING: Whatever they were.
15 Okay, then 84 --

16 MS. CULPEPPER: Would be Staff's.

17 COMMISSIONER KIESLING: And what were you
18 calling them, even though we don't have them?

19 MS. CULPEPPER: DWK-3, which is the
20 deposition, deposition exhibits and errata sheets from
21 Mr. Kinkoph's deposition.

22 I believe 85 was PLP-3, which was the
23 deposition, deposition exhibits and errata sheet from
24 Ms. Pacey's deposition.

25 Then I believe we were on PLP-4, which are

1 Responses to Staff's Interrogatories.

2 And one more, PLP-5, which is FCTA's Responses
3 to BellSouth's First Set of Interrogatories.

4 CHAIRMAN JOHNSON: I'm sorry, you said PLP-5?

5 MS. CULPEPPER: Yes, ma'am.

6 CHAIRMAN JOHNSON: We'll identify that as
7 Exhibit 87.

8 MS. CULPEPPER: Thank you.

9 (Exhibit Nos. 86 and 87 marked for
10 identification.)

11 CHAIRMAN JOHNSON: Now Exhibit 82, DWK-1
12 through 2 was admitted, and 83, PLP-1 and 2, those were
13 all attached, those were sponsored by the companies and
14 those will be admitted.

15 The Staff exhibits have just been identified
16 and we'll allow you the opportunity to get those to us
17 and we'll admit them at the end.

18

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
2 **REBUTTAL TESTIMONY**
3 **OF**
4 **DR. PATRICIA L. PACEY**
5 **ON BEHALF OF**
6 **FLORIDA CABLE TELECOMMUNICATIONS ASSOCIATION**
7 **DOCKET NO. 960786-TL**
8 **JULY 31, 1997**

9
10 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

11 A. My name is Patricia L. Pacey and my business address is 6688
12 Gunpark Drive, Suite 200, Boulder, Colorado, 80301.

13
14 **Q. WHAT IS YOUR EDUCATIONAL BACKGROUND AND WORK**
15 **EXPERIENCE?**

16 A. I received a Bachelor of Arts in mathematics from the University of
17 Florida in 1971 and went on to obtain a Ph.D. in economics from
18 the University of Florida College of Business and Administration in
19 1976. Upon receiving my Ph.D., I became a cost analyst for the
20 Congressional Budget Office in Washington, D.C., preparing cost
21 estimates of proposed legislation related to education and human
22 resources. I left this government service to join the faculty of the

1 University of Colorado, initially on the Colorado Springs campus
2 and then the Boulder campus where I primarily taught courses in
3 microeconomics, statistics/ econometrics, and antitrust/regulatory
4 issues.

5
6 I am now President of Pacey Economics, Inc., a privately held
7 corporation involved in economic and business analysis. Over the
8 years, projects have included studies in the telecommunications,
9 insurance, and sports industries, among others. I continue to
10 teach intermittently in the Business School at the University of
11 Colorado Boulder. Also, I am a member of the University of
12 Colorado, Boulder Business School Advisory Council and the
13 State of Colorado Governor's Revenue Advisory Commission.

14

15 **Q. HAVE YOU TESTIFIED BEFORE THE FLORIDA PUBLIC**
16 **SERVICE COMMISSION BEFORE?**

17 **A. Yes. I testified on behalf of Florida Cable Telecommunications**
18 **Association (FCTA) in Docket No. 950696-TL relating to the**
19 **establishment of an interim universal service mechanism.**

20

21 **Q. FOR WHOM DO YOU APPEAR IN THIS PROCEEDING?**

22 **A. My testimony is being sponsored by FCTA.**

1 Q. **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

2 A. I was asked to evaluate the merits of Mr. Varner's positions
3 regarding BellSouth's request for entry into the in-region
4 interLATA market.

5

6 Q. **DO YOU CONCUR WITH THE ECONOMIC IMPLICATIONS
7 FORWARDED BY MR. VARNER REGARDING BELL SOUTH'S
8 INTERPRETATIONS OF SECTION 271 OF THE
9 TELECOMMUNICATIONS ACT OF 1996 (FEDERAL ACT)?**

10 A. No. I strongly disagree with the economic implications forwarded
11 in Mr. Varner's direct testimony and will explain my differences in
12 my rebuttal testimony outlined below.

13

14 Q. **MR. VARNER'S DIRECT TESTIMONY "PROVIDES AN
15 OVERVIEW OF THE REQUIREMENTS BELL SOUTH MUST
16 FULFILL TO ACHIEVE IN-REGION INTERLATA RELIEF"
17 (PAGE 2, LINES 9 THROUGH 11). DO YOU AGREE WITH HIS
18 ANALYSIS?**

19 A. It is my position that a determination of whether BellSouth must
20 proceed under Track A or B is a legal issue for the attorneys and
21 Commission to determine. However, economic principles can be
22 applied to assist the Commission in making its determination of

1 whether BellSouth has qualified under Track A or B and there are
2 certainly economic implications that result from any such
3 determinations. I will be addressing these principles and
4 implications in my rebuttal testimony.

5

6 **Q. BASED UPON YOUR REVIEW OF SECTION 271 OF THE**
7 **TELECOMMUNICATIONS ACT OF 1996, DO YOU AGREE**
8 **WITH MR. VARNER'S INTERPRETATION OF WHAT IS**
9 **REQUIRED FOR REGIONAL BELL OPERATING COMPANIES**
10 **(RBOCs) TO ENTER (ACTUALLY, REENTER) THE IN-REGION**
11 **INTERLATA MARKET?**

12 A. No, I do not agree with Mr. Varner's interpretation (Page 8, Line
13 13 through Page 9, Line 20). As an economist, my reading of
14 Section 271 indicates that there are basically four conditions that
15 must be met by any RBOC, in this case BellSouth, in order to
16 qualify for reentry into the in-region interLATA markets.

17

18 **Q. PLEASE DESCRIBE WHAT YOUR UNDERSTANDING ARE**
19 **THE REQUIREMENTS FOR REENTRY UNDER SECTION 271**
20 **FROM AN ECONOMIC PERSPECTIVE.**

21 A. My understanding is the first condition is that an RBOC must meet
22 the requirements of Track A [Section 271(c)(1)(a)] or of Track B

1 [Section 271(c)(1)(b)]. In other words, an RBOC must
2 demonstrate that it is providing interconnection to competitive
3 local exchange providers (where at least one is an unaffiliated,
4 facilities-based competing provider of telephone exchange service
5 to residential and business customers) pursuant to an agreement
6 that satisfies the competitive checklist or under certain limited
7 circumstances, interconnection is generally available to potential
8 competitors under terms and conditions which conform to the
9 standards established by the competitive checklist contained in
10 the Act. Mr. Varner believes Track A and Track B are not mutually
11 exclusive, but I prefer to leave legal conclusions to the attorneys
12 and Commission.

13
14 The second condition requires the RBOC to comply with the Act's
15 non-discriminatory and structural separation requirements and
16 meet certain specified non-accounting safeguards, while the third
17 condition requires the FCC to seek the advice of the U.S.
18 Department of Justice (DOJ) concerning each RBOC application.
19 This third condition indicates that, although DOJ
20 recommendations are not binding on the FCC decision, the Act
21 appears to require that substantial weight be given to DOJ
22 position and analysis.

1 The fourth condition outlined in Section 271 of the Act instructs the
2 FCC to deny the application of any RBOC unless it finds that the
3 requested entry is consistent with the "public interest." In this
4 case, "public interest" would be defined when the benefits
5 accruing to telecommunications consumers exceed any potential
6 harm to those consumers as a result of reentry into the in-region
7 interLATA market by the RBOC. While Mr. Varner asserts that
8 BellSouth's entry will benefit the public (Pages 62-63), his analysis
9 fails to make the distinction between competitive behavior and
10 competitive market structure. That is, Mr. Varner's conclusion can
11 only be realized if the market structure is truly open, present and
12 fully operational.

13

14 **Q. DOES MR. VARNER'S ASSERTIONS THAT BELL SOUTH HAS**
15 **MET TRACK A (PAGE 16, LINES 18-19) COMPLY WITH THE**
16 **GENERAL ECONOMIC PRINCIPLES THAT SHOULD BE**
17 **APPLIED BY THE COMMISSION IN EVALUATING THE**
18 **EXISTENCE OF A QUALIFYING FACILITIES-BASED**
19 **COMPETITOR UNDER TRACK A?**

20 **A.** Mr. Varner states that "Under Track A, actual facilities-based
21 competition must be present in the local market" (Page 11, Lines
22 20-22). He also encourages the Commission to "assess the

1 current market conditions existing in Florida” as part of the
2 Commissions consultation to the FCC as to whether BellSouth
3 has met the requirements of Track A or B (Page 3, Line 23
4 through Page 4, Line 2). However, in support of his conclusions
5 that there are facilities-based alternatives, Mr. Varner provides
6 nothing more than vague references to the types of services
7 competitors may be providing or may be planning to provide in the
8 future (Page 22, Line 4 through Page 23, Line 15).

9

10 **Q. WHAT IS PROBLEMATIC ABOUT THIS?**

11 **A.** Mr. Varner provides no verifiable criteria for the Commission to
12 apply when assessing market conditions or when determining
13 whether a qualified competing provider of telephone exchange
14 service to residential and business customers exists.

15

16 **Q. DO YOU HAVE ANY RECOMMENDATIONS AS TO WHAT**
17 **PRINCIPLES SHOULD BE APPLIED IN PLACE OF MR.**
18 **VARNER’S VAGUE REFERENCES?**

19 **A.** Yes. for the most part, these principles are drawn from the FCC’s
20 recent order denying Southwestern Bell’s petition for 271 authority
21 (see, for example, Pages 10-15 of the Memorandum Opinion and
22 Order in CC Docket No. 97-121 attached to my testimony as

- 1 Exhibit PLP-2). The Florida Commission, in determining the
2 presence of a qualifying competitor providing residential and
3 business services, could apply and consider the following criteria:
4
- 5 1. Whether the competitor is providing exchange service to
6 residential and business customers pursuant to an
7 agreement approved under Section 252;
 - 8 2. The nature and size of the presence of the competing
9 provider;
 - 10 3. Whether an actual competitor exists, i.e. whether the
11 competitor has implemented the agreement and is
12 operational versus whether the competitor has only paper
13 commitments to provide service;
 - 14 4. Whether the competitor is functioning in the market as
15 opposed to merely providing services on a test or
16 promotional basis;
 - 17 5. Whether the competitor has an effective tariff or price list
18 on file with the Commission by which it presently bills
19 customers; i.e., whether billing systems are fully
20 functional;
 - 21
 - 22

- 1 6. Whether the competitor provides and offers services to
2 the public at large as opposed to a select group or
3 company employees;
4 7. The scope and nature of any marketing activity.

5

6 These criteria are not intended to be all-inclusive. For example,
7 Commission may also wish to evaluate whether and the extent to
8 which prices have dropped for consumers in the relevant market
9 and whether the quality of local service is improved by the
10 presence of a competitor.

11

12 **Q. WHAT IS THE SIGNIFICANCE OF THESE PRICE AND**
13 **QUALITY CRITERIA?**

14 A. As Mr. Varner points out, "The goal of the Act is to promote the
15 development of competition across all telecommunications
16 markets," (Page 2, Line 22-23). Economic principles would
17 suggest that the introduction of a competitive market will likely
18 reduce price and increase quality to telecommunication
19 consumers. Mr. Varner has not provided any evidence that such
20 benefits have, are, or will be accruing to the telecommunication
21 consumer. He simply indicates that to ensure these benefits, the
22 14 point checklist is or will be provided in the future. As I discuss

1 later in my testimony, if BellSouth cannot demonstrate a
2 competitive market structure, the benefits of competition are not
3 going to be realized by allowing BellSouth into the interLATA
4 market at this time.

5

6 **Q. BASED ON YOUR PREVIOUS ANSWER, DO YOU AGREE**
7 **WITH MR. VARNER THAT A THRESHOLD LEVEL OF**
8 **COMPETITION IS NOT NEEDED PRIOR TO BELLSOUTH**
9 **BEING ALLOWED INTO THE INTERLATA MARKET (PAGE 33,**
10 **LINE 14-15)?**

11 **A.** Not specifically, the point is that the Commission should apply
12 verifiable and objective criteria in its consultation with the FCC and
13 that is what is missing in Mr. Varner's analysis. From the
14 economic perspective, Mr. Varner ignores the reality that a state
15 of competition cannot be instantly provided in the market even
16 with the elimination of legal, technical and operational barriers.
17 For example, the interexchange market took nearly two decades
18 before there was what economists would consider a truly
19 competitive market environment. Indeed, even with the legal
20 barriers eliminated in the local exchange market via the
21 Telecommunications Act of 1996, a review of market conditions
22 make it quite clear that competitive offerings in the local exchange

1 market are not yet available. Surely, this Commission will
2 recognize that the technical elimination of legal barriers does not
3 create an overnight market for competition. Business
4 requirements are such that it takes a substantial amount of startup
5 time to implement the offering of various telecommunications
6 services to both residential and business customers before an
7 irreversible competitive market can be established. The early
8 stages of opening markets to competition are clearly fragile and
9 sensitive to the subsequent actions and policies of competitors,
10 regulators, and other players in the market. Thus, I do not agree
11 with Mr. Varner's statement that "granting BellSouth entry into the
12 interLATA business (at this juncture) will likely hasten the
13 development of local competition rather than hinder it," (Page 62,
14 Lines 4-5).

15
16 Consider the following analogy: You have cleared land, poured
17 and smoothed fresh cement for a foundation for a floor in a
18 building. If you allow people to walk into that cement before it has
19 set, you have effectively ruined your foundation. This is no
20 different than eliminating the legal and technical barriers to entry
21 into the local exchange market. Once clearing the way, it will take
22 some time not only to lay the foundation but also to have this

1 foundation set; i.e., provide for an irreversible competitive market.
2 Clearly, if you allow premature entry into the interLATA market,
3 the potential for a competitive market structure (foundation) can
4 be ruined quite quickly, eliminating the opportunity for any benefits
5 to accrue to the consumers.

6
7 **Q. DO YOU AGREE WITH MR. VARNER'S DIRECT TESTIMONY**
8 **(PAGE 34, LINES 5-11) WHERE HE STATES THE FOLLOWING,**
9 **"THE INTENT OF THE ACT IS FOR ALL MARKETS TO BE**
10 **OPEN TO COMPETITION. PUBLIC POLICY WOULD BEST BE**
11 **SERVED BY HAVING FULL COMPETITION IN ALL MARKETS.**
12 **ONCE LOCAL MARKETS ARE OPEN TO COMPETITION, THE**
13 **NECESSARY CONDITIONS FOR ALL PARTIES TO COMPETE**
14 **ARE AVAILABLE. NEW ENTRANTS MUST DETERMINE HOW**
15 **QUICKLY THEY WILL ENTER THE LOCAL MARKET.**
16 **DELAYING BELLSOUTH'S ENTRY INTO THE LONG-**
17 **DISTANCE MARKET DOES NOT ENHANCE A LEVEL OF**
18 **COMPETITION IN THE LOCAL MARKET; INSTEAD, IT ONLY**
19 **LESSENS THE BENEFITS YET TO BE FULLY REALIZED BY**
20 **CONSUMERS IN THE LONG-DISTANCE MARKET IN**
21 **FLORIDA?"**
22

1 A. I certainly agree with Mr. Varner's position that the intent of the
2 Act is for all markets to be open to competition and that public
3 policy would best be served by having full competition in all
4 markets. However, I would disagree with Mr. Varner's analysis in
5 that he concludes and/or infers specific competitive market results
6 but fails to recognize the lack of a competitive market structure in
7 the local exchange services market. Clearly, it is a well
8 established economic principle that without a competitive market
9 structure, disincentives exist for companies to engage in
10 competitive behavior. As noted earlier in my testimony, even if all
11 the terms and conditions on the competitive checklist (14 point
12 checklist) have been met and are both operational and meet
13 performance criteria, it would still not instantly convert a long-
14 standing monopoly market into a competitive market.
15 Consequently, premature entry into this complementary long-
16 distance market can quickly erode the potential for a competitive
17 market structure to exist in the local exchange market.
18 Consumers cannot benefit unless a competitive market structure
19 exists both in reality as well as on paper. Under the present
20 circumstances, the potential offerings identified on the competitive
21 checklist and the future promises of compliance does not ensure
22 competition but, in fact, with the premature entry by BellSouth is

1 likely to erode the competitive opportunities in both the local
2 exchange market as well as the interLATA market.

3

4 **Q. IS IT NOT GENERALLY IN THE PURVIEW OF THE**
5 **ECONOMIST TO PROVIDE INFORMATION REGARDING**
6 **PUBLIC INTEREST "ISSUES;" THAT IS, THE POTENTIAL**
7 **BENEFITS OR HARMS THAT WOULD RESULT FROM THE**
8 **COMMISSION APPROVING BELLSOUTH'S ENTRY INTO THE**
9 **IN-REGION INTERLATA MARKET?**

10 **A. Yes.** It is typically an arena where economists provide substantial
11 information but it is my understanding that in this particular docket,
12 the Commission prefers to defer any public interest issues to the
13 FCC. However, where Mr. Varner's direct testimony made
14 inferences regarding the economic implications from BellSouth's
15 entry or delay of entry, I feel compelled to either confirm or correct
16 any economic conclusions that Mr. Varner has drawn.

17

18 **Q. MR. VARNER ARGUES THAT IT IS NOT NECESSARY FOR**
19 **COMPETITION TO BE FULLY DEVELOPED PRIOR TO RBOC**
20 **ENTRY IN THE LONG-DISTANCE MARKET (PAGE 8, LINES**
21 **5-6; PAGE 32, BEGINNING AT LINE 11; PAGES 60-61). IN**
22 **GENERAL, WHAT WOULD BE THE ECONOMIC**

1 **CONSEQUENCES OF THE COMMISSION ALLOWING**
2 **BELLSOUTH TO ENTER THE IN-REGION INTERLATA**
3 **MARKET IF THE MARKET IS NOT TRULY OPEN TO**
4 **COMPETITION?**

5 A. It is my opinion that there would be serious negative economic
6 consequences to allowing entry into the long-distance market prior
7 to a true opening of local exchange competition.

8

9 **Q. DO YOU HOLD THIS OPINION WHETHER BELLSOUTH**
10 **MEETS TRACK A OR TRACK B?**

11 A. Both Track A and B require factual and legal criteria to be
12 determined and noncompliance with either Track A or B will result
13 in serious anticompetitive consequences if entry is allowed without
14 such compliance.

15

16 **Q. HAVING COMMENTED ON SOME OF THE ECONOMIC**
17 **PRINCIPLES THE COMMISSION SHOULD APPLY IN**
18 **DETERMINING COMPLIANCE WITH TRACK A AND THE**
19 **ECONOMIC IMPLICATIONS OF ALLOWING BELLSOUTH INTO**
20 **THE INTERLATA MARKET IF THE LOCAL MARKET IS NOT**
21 **TRULY OPENED TO COMPETITION, LET'S TURN TO TRACK**
22 **B. DO YOU AGREE THAT BELLSOUTH'S DRAFT**

1 **STATEMENT OF GENERALLY AVAILABLE TERMS (SGAT)**
2 **PROVIDES THE CONDITIONS FOR WHICH COMPETITORS**
3 **CAN PURCHASE THE PRODUCTS AND SERVICES**
4 **NECESSARY TO PROVIDE LOCAL EXCHANGE SERVICES?**

5 A. The economist is not in a position to determine whether these
6 items on the competitive checklist (referred to in direct testimony
7 as the 14 point checklist) have been met. Mr. Varner claims that
8 BellSouth "has fully implemented the items in the checklist" and,
9 for items not yet requested, Bell South is making them available
10 through its SGAT (Page 41, Lines 14-23). However, it is a crucial
11 economic issue as to whether this competitive checklist is both
12 present and fully operational.

13
14 **Q. WHAT DO YOU MEAN BY PRESENT AND FULLY**
15 **OPERATIONAL?**

16 A. The competitive checklist is designed as a guideline to determine
17 if opportunities for competitors to enter the market are legally,
18 technically, and operationally available. Mr. Varner claims the
19 checklist is "fully implemented." Contrary to what Mr. Varner
20 suggests (see also Page 35, Lines 25 through Page 36, Line 6,
21 among other cites), the existence of a competitive checklist does
22 not create a competitive market. It simply indicates that there are

1 certain structural barriers that have been removed so that the
2 avenue for competition is no longer blocked. A promise to provide
3 or simply good intentions is not sufficient.

4

5 **Q. HOW WOULD YOU DETERMINE IF THE ITEMS ON THE 14**
6 **POINT CHECKLIST ARE PRESENT AND FULLY**
7 **OPERATIONAL?**

8 A. It is necessary to determine if the methods and procedures for
9 implementation of the items on the 14 point checklist have been
10 established and if operational testing indicate that they perform at
11 acceptable levels. Also, performance benchmarks must be
12 established to evaluate these operations. It is my understanding
13 that few of the terms and agreements identified in this draft SGAT
14 have been tested to determine if they are operational at any level,
15 let alone at a level similar to the quality BellSouth can provide its
16 customers. Absent standard methods and procedures, new
17 entrants cannot effectively plan and deliver services to
18 consumers. Operational testing will permit the parties to examine
19 the established methods and procedures and make any changes
20 necessary for real time operations and must go beyond simply
21 internal testing.

22

1 In order for BellSouth to demonstrate that it has fully complied with
2 the Act, it must prove that it has made each of the required items
3 available in a timely and nondiscriminatory manner, not merely
4 assert that it has done so or will do so in the future. To allow
5 BellSouth to enter the interLATA market without such
6 determination and performance evaluation criteria, it is certainly
7 likely to lead to serious deterioration of a competitive market
8 structure, both in the interLATA market as well as the local
9 exchange market.

10

11 **Q. WHY MUST BELLSOUTH DEMONSTRATE THAT ITS DRAFT**
12 **OF THE STATE OF GENERALLY AVAILABLE TERMS (SGAT)**
13 **IS BOTH OPERATIONAL, IN A REAL TIME SENSE, AS WELL**
14 **AS MEETING CERTAIN PERFORMANCE MEASUREMENTS**
15 **BEFORE THE COMMISSION SHOULD CONSIDER A STATE**
16 **OF COMPETITION IN THE LOCAL EXCHANGE MARKET AND**
17 **FOR THE INTERLATA MARKET TO BE OPEN TO**
18 **BELLSOUTH?**

19 **A.** If the local exchange market is not truly "open to competition,"
20 then premature entry by BellSouth into the interLATA market will
21 surely erode the competitive market structure that is presently
22 existing in the long-distance market which took over two decades

1 to develop. It is also likely to deter competition in the local
2 exchange market. Given that BellSouth has a significant amount
3 of monopoly power still in place in the local exchange market and
4 if the competitive checklist is more a promise than a reality, then it
5 will be very difficult, if not impossible, to halt BellSouth's
6 exploitation of their anticompetitive potential.

7

8 **Q. WHAT ANTICOMPETITIVE POTENTIAL EXISTS IF**
9 **BELLSOUTH IS PERMITTED TO ENTER INTO THE**
10 **INTERLATA MARKET BEFORE A "TRUE STATE OF**
11 **COMPETITION" EXISTS?**

12 A. Two undesirable consequences will follow. First, contrary to Mr.
13 Varner's assertions (Page 60, Lines 1-3), incentives from
14 monopoly leveraging in long-distance will emerge and competition
15 in the interexchange market will be subsequently impaired.
16 Second, also contrary to Mr. Varner's assertions (Page 53, Lines
17 17-18), once permitted into the interLATA market, BellSouth will
18 have incentives to cease any efforts that may have been exhibited
19 to date to treat interexchange carriers as customers who's interest
20 they have no incentive to harm. Moreover, it is my understanding
21 that this Commission has found it has no authority to award
22 monetary damages if BellSouth breaches any terms of the

1 interconnect agreements, rendering the CLECs limited recourse.

2

3 Certainly BellSouth should view interexchange carriers as direct
4 competitors that through a true competitive process they will seek
5 to displace in the local exchange market. This is a normal desire
6 to replace rivals (competitors) and is an inherent and typically
7 healthy effect of competition. However, if BellSouth retains
8 significant monopoly power in the local exchange market, this
9 incentive to displace rivals is distorted and is likely to manifest
10 itself in anticompetitive strategies. Under these circumstances,
11 premature entry by BellSouth into the interLATA market while they
12 still maintain significant monopoly power in the local exchange
13 market will erode rather than promote competition, both in the
14 interLATA market as well as in the local exchange market.

15

16 **Q. HOW OR WHY WOULD A PREMATURE ENTRY BY**
17 **BELLSOUTH INTO THE INTERLATA MARKET CREATE**
18 **ANTICOMPETITIVE POTENTIAL THROUGH MONOPOLY**
19 **LEVERAGING OPPORTUNITIES?**

20 **A.** In the case of the telecommunications market, monopoly
21 leveraging occurs when a firm (BellSouth) with significant
22 monopoly power in one market (the local exchange market) is

1 able to extend that monopoly power into related markets (the
2 interLATA market). The market conditions and the characteristics
3 of BellSouth certainly suggest that not only do they have
4 monopoly power in the local exchange market, but because of the
5 complementary or vertical relationship among products, the
6 presence of price or profit regulation in the leveraging market
7 (local exchange market) and the firm's influence on pricing and/or
8 investment decisions enhance the likelihood that they will and/or
9 can engage in such monopoly leveraging. Also, in markets where
10 consumers prefer to purchase a vertically related bundle of
11 services from a single provider (e.g., the full array of
12 telecommunications offerings from one company), conditions from
13 monopoly leveraging are further enhanced. Without the local
14 exchange market being truly open to "competition" via operational
15 reality and performance criteria assuring quality of service, etc.,
16 this concept of the existence of a "state of competition" is simply
17 that; a concept, not a market reality.

18

19 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

20 **A. Yes, it does.**

21

22

1 CHAIRMAN JOHNSON: Oh you haven't been sworn?

2 MELISSA L. CLOSZ

3 was called as a witness on behalf of Sprint/SMNI, and
4 having been duly sworn, testified as follows:

5 DIRECT EXAMINATION

6 BY MR. FINCHER:

7 Q Would you state your name and business address
8 for the record, please?

9 A Yes, my name is Melissa Closz. My business
10 address is 151 Southhall Lane, Maitland, Florida.

11 Q By whom are you employed, Ms. Closz, and in
12 what capacity?

13 A I'm employed by Sprint Communications Company
14 Limited Partnership as Director-Local Market
15 Development.

16 Q And on whose behalf are you testifying here
17 today?

18 A Today I am testifying on behalf of Sprint
19 Communications Company Limited Partnership and Sprint
20 Metropolitan Networks Incorporated.

21 Q Did you cause to be prepared and prefiled your
22 direct testimony consisting of 26 pages and one exhibit,
23 MLC-A, consisting of 24 pages?

24 A Yes, I did.

25 MR. FINCHER: Madam Chairman, could we have

1 MLC-A to Ms. Closz's testimony marked for
2 identification.

3 CHAIRMAN JOHNSON: I'm sorry?

4 MR. FINCHER: Need to mark the MLC-A attached
5 to Ms. Closz's direct testimony for identification.

6 CHAIRMAN JOHNSON: MLC-?

7 MR. FINCHER: A.

8 CHAIRMAN JOHNSON: A? It will be identified
9 as Exhibit 88.

10 (Exhibit No. 88 marked for identification.)

11 MR. FINCHER: Thank you.

12 Q (By Mr. Fincher) Are there any corrections,
13 additions or deletions to your prefiled direct
14 testimony?

15 A Yes, there are three. The first in my direct
16 testimony is on Page 4, Lines 1 and 2. This was a
17 reference that Sprint Communications Company Limited
18 Partnerships' interconnection agreement was pending
19 Commission approval. That has been recently approved by
20 the Commission and I believe the docket number on that
21 was 961150.

22 The second correction is --

23 CHAIRMAN JOHNSON: I'm sorry, so what did we
24 correct? Where did you want us to insert something?

25 WITNESS CLOSZ: If you could actually just --

1 CHAIRMAN JOHNSON: Or strike something?

2 WITNESS CLOSZ: Strike the sentence -- this
3 will work. If you strike the sentence that says, "That
4 agreement is currently pending Commission approval."

5 CHAIRMAN JOHNSON: What line is that?

6 WITNESS CLOSZ: That is Page 4, Line 1,
7 beginning on Line 1, continuing on to Line 2.

8 CHAIRMAN JOHNSON: Thank you.

9 WITNESS CLOSZ: The second correction is on
10 Page 10. This is beginning on Line 7 continuing through
11 Line 10. This was a reference to the LENS system's
12 inability to allow printing of the customer service
13 record if it was less than 50 pages in length. And for
14 this particular capability, Sprint was advised, through
15 a LENS training session in late August, that that
16 capability is now available.

17 So if you would please strike the sentence
18 that begins, "When ALECs have the opportunity to use
19 this capability," and strike that entire sentence which
20 concludes in the middle of Line 10.

21 The third correction is on Page 19, beginning
22 on Line 18, and continuing on to Line 19. This was a
23 reference to an inquiry that Sprint had made of
24 BellSouth for information on what performance
25 measurements could currently be captured and reported.

1 My prefiled testimony indicates that "Sprint is
2 currently awaiting BellSouth's response to our
3 inquiry."

4 BellSouth did in fact respond to our inquiry
5 in late July. However, they did not respond to the
6 question directly as to what could be measured and
7 reported. But instead they referred Sprint back to our
8 negotiating team with BellSouth to continue our
9 performance measurements negotiation.

10 MR. FINCHER: We have a clarification back
11 on --

12 CHAIRMAN JOHNSON: I'm assuming then -- I
13 apologize, but you would like for us to strike, "Sprint
14 is currently awaiting BellSouth's response to our
15 inquiry," and then to insert the explanation that you
16 gave?

17 WITNESS CLOSZ: Yes, please.

18 Q (By Mr. Fincher) By way of clarification,
19 Ms. Closz, back on Page 4, at Lines 1 and 2, you've
20 indicated strike the sentence, "That agreement is
21 currently pending Commission approval"?

22 A Yes.

23 Q Did you mean you want to insert another
24 sentence there indicating that it had been approved?

25 A Yes, that would be fine. Just insert a

1 sentence that says: "The agreement was approved by the
2 Commission in Docket No. 961150."

3 CHAIRMAN JOHNSON: Okay.

4 Q (By Mr. Fincher) Does that complete your
5 additions?

6 A For my direct testimony, yes.

7 Q Are your answers correct as -- true and
8 correct as contained therein, as corrected?

9 A Yes, they are.

10 Q If I asked you the same questions today, would
11 your answers be the same?

12 A Yes, yes, they would be.

13 MR. FINCHER: Madam Chairman, I would ask that
14 the prefiled direct testimony of Melissa L. Cloz be
15 inserted into the record as if given orally from the
16 stand.

17 CHAIRMAN JOHNSON: It will be so inserted.

18 Q (By Mr. Fincher) Ms. Cloz, did you cause to
19 be prepared and prefiled in this proceeding the rebuttal
20 testimony consisting of ten pages?

21 A Yes.

22 Q Do have any corrections, additions or
23 deletions to that testimony?

24 A Yes, I have one correction. This is on Page 5
25 of my rebuttal beginning on Line 20 and continuing on

1 Line 21.

2 Again, this is related to the reference to
3 LENS's inability to allow printing of the customer
4 service record. If you would strike please the sentence
5 that begins: "These" -- I'm sorry, and this begins on
6 Line 19, "These limitations include, by way of example,
7 the inability to print more than one screen of customer
8 service record information at a time," that entire
9 sentence, which concludes at the beginning of Line 22.

10 Q Is that the only correction?

11 A Yes.

12 Q Are your answers true and correct in your
13 rebuttal testimony as corrected?

14 A Yes, they are.

15 Q If I asked you the same questions contained in
16 your prefiled rebuttal testimony, would your answers be
17 the same?

18 A Yes, they would be.

19 MR. FINCHER: Madam Chairman, I would ask that
20 the prefiled rebuttal testimony of Ms. Cloz be inserted
21 into the record as if given orally from the stand.

22 CHAIRMAN JOHNSON: It will be so inserted.

23

24

25

1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
2 **DOCKET 960786-TL**
3 **SPRINT COMMUNICATIONS COMPANY LIMITED PARTNERSHIP**
4 **SPRINT METROPOLITAN NETWORKS, INC.**
5 **DIRECT TESTIMONY OF MELISSA L. CLOSZ**

6
7 **JULY 17, 1997**
8
9
10

11 **Q. PLEASE STATE YOUR NAME AND ADDRESS.**

12

13 **A. My name is Melissa L. Closz. My business address is 151 Southall Lane, Maitland,**
14 **Florida 32751.**

15

16 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

17

18 **A. I am employed by Sprint Communications Company Limited Partnership ("Sprint") as**
19 **Director- Local Market Development.**

20

21 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING?**

22

23 **A. I am testifying on behalf of Sprint Communications Company Limited Partnership**
24 **("Sprint") and Sprint Metropolitan Networks, Inc ("SMNP").**

25

1 Q. PLEASE EXPLAIN THE RELATIONSHIP BETWEEN SPRINT
2 COMMUNICATIONS COMPANY LIMITED PARTNERSHIP AND SPRINT
3 METROPOLITAN NETWORKS, INC.

4

5 A. Sprint Communications Company Limited Partnership is a Delaware Limited
6 Partnership. The partners are subsidiaries of Sprint Corporation. Sprint Metropolitan
7 Networks is a subsidiary of Sprint Corporation.

8

9

10 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK
11 EXPERIENCE.

12

13 A. I have a Master of Business Administration degree from Georgia State University in
14 Atlanta, Georgia and a Bachelor of Business Administration degree from Texas
15 Christian University in Fort Worth, Texas. I have been employed by Sprint for over
16 six years and have been in my current position since February, 1997. Previous
17 positions within the Local Telecommunications Division of Sprint include General
18 Manager of Sprint Metropolitan Networks, Carrier Markets Manager of Sales and
19 Technical Support and General Manager of United Telephone Long Distance- Florida.
20 Within Sprint's Long Distance Division, I served as Group Manager- Market
21 Management and Customer Support for the Intermediaries Marketing Group. Prior to
22 joining Sprint, I was employed by AT&T for five years in various sales and sales

1 management positions within their long distance division. I also owned and operated a
2 consumer marketing business for two years.

3

4 Q. WHAT ARE YOUR PRESENT RESPONSIBILITIES?

5

6 A. My present responsibilities include representation of Sprint and SMNI in
7 interconnection negotiations with BellSouth Telecommunications, Inc. ("BellSouth").
8 In addition, I am responsible for coordinating Sprint's entry into the local markets
9 within BellSouth's states. I also interface with BellSouth's account team supporting
10 Sprint to communicate SMNI's service and operational issues and requirements.

11

12

13 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

14

15 A. The purpose of my testimony is to address issues relevant to the Commission's review
16 of BellSouth Telecommunications, Inc.'s entry into interLATA services pursuant to
17 Section 271 of the Telecommunications Act of 1996 and Docket 960786-TL.

18

19 Q. WHAT IS THE IMPORTANCE OF THIS DOCKET TO SPRINT AND SMNI?

20

21 Sprint is a certificated interexchange carrier providing long distance
22 telecommunications services within Florida. Sprint and SMNI are both certificated as
23 Alternative Local Exchange Companies (ALECs) in Florida. Sprint has also finalized

1 its interconnection agreement with BellSouth in Florida. ^{The agreement was approved} ~~That agreement is currently~~
2 ^{by the Commission in Docket No. 961150.} ~~pending Commission approval.~~ SMNI's agreement with BellSouth is also on file with
3 the FPSC. Moreover, Sprint is in the process of finalizing negotiations in all other
4 states in which BellSouth operates as an Incumbent Local Exchange Company (ILEC).
5 In addition, SMNI has been operating as an ALEC in BellSouth franchise territory in
6 Orlando, Florida, since March, 1996. Accordingly, Sprint has first hand experience
7 with issues relevant to this docket.

8

9 Q. DOES YOUR TESTIMONY ALSO ADDRESS ISSUES GERMANE TO THE
10 COMMISSION'S ASSESSMENT OF BELL SOUTH'S STATEMENT OF
11 GENERALLY AVAILABLE TERMS AND CONDITIONS ("SGAT") UNDER
12 SECTION 252 (f) OF THE ACT?

13

14 A. Yes. The portions of my testimony which discuss interconnection implementation
15 concerns and operational readiness affect a new entrant's ability to offer competitive
16 services. Therefore, a discussion of BellSouth's checklist compliance under Section
17 271 of the Act also apply to an examination of the SGAT under Section 252(f) since
18 new entrants would be able to obtain interconnection services through the SCAT. I
19 am not an attorney and I am not here to offer legal analysis, but it seems clear from an
20 operational standpoint that the same standards, the interconnection requirements
21 found in Section 251 and the requirements of cost-based rates in Section 252(d), apply
22 to both the 271 checklist analysis and the 252(f) analysis.

1 Q. WHAT ISSUES WOULD YOU LIKE TO ADDRESS?

2

3 A. I would like to address Issues 3 and 3(a) as identified by the Commission in its
4 "Tentative Issues List." Specifically, I will address three aspects of Issue 3 and 3(a).
5 They are Operational Support Systems ("OSS"), BellSouth's proposed performance
6 measurements, and performance issues relevant to SMNI's experience as an ALEC in
7 Florida.

8

9 Q. WHAT IS THE FIRST ISSUE YOU'D LIKE TO ADDRESS?

10

11 A. I will address issue 3 which has been stated as follows:

12

13 "Has BellSouth provided nondiscriminatory access to network elements in accordance
14 with the requirements of sections 251 (c)(3) and 252 (d) (1) of the
15 Telecommunications Act of 1996, pursuant to 271 (c) (2) (B) (ii) and applicable rules
16 promulgated by the FCC?"

17

18 Q. WHAT SPECIFIC ASPECTS OF ISSUE 3 WILL YOU ADDRESS FIRST?

19

20 A. I would like to address the area of Operational Support Systems.

21

22 Q. ARE OPERATIONAL SUPPORT SYSTEMS RELEVANT IN THIS DOCKET?

1 A. Yes. The competitive checklist in Section 271(c) of the Act includes
2 nondiscriminatory access to network elements. OSSs have been defined as a network
3 element by the FCC in its First Report and Order in CC Docket No. 96-98 (issued
4 August 8, 1996). More specifically, BellSouth has an obligation to provide new
5 entrants nondiscriminatory access to the systems utilized for the various OSS
6 functions, Pre-Order, Ordering & Provisioning, Maintenance, Usage and Billing.

7

8 Q. PLEASE DESCRIBE THE OSS FUNCTIONS.

9

10 A. "Pre-Order" can be described as preparatory work necessary to submit an accurate and
11 complete order. Pre-Order includes things like address verification, services &
12 features availability, telephone number assignment, dispatch scheduling, establishment
13 of due date, and customer service records. This information is obtained from the
14 ILEC.

15

16 "Ordering/Provisioning" is the function of actually submitting the necessary
17 information to the ILEC so that service can be installed. The order includes among
18 other things the information from the Pre-Order function. It also includes feedback
19 from the ILEC to the ALEC regarding confirmation of order receipt, order
20 completion, etc.

21

1 “Maintenance” is the function utilized by the ALEC to report and monitor problems
2 with services provided by the ILEC. It includes generation of trouble reports,
3 troubleshooting, status updates, reporting, etc.

4

5 “Usage” is the function where the ILEC sends to the ALEC the information necessary
6 for the ALEC to bill its end users. An example of this is the call detail records created
7 when a ALEC end user makes a telephone call.

8

9 “Billing” is the function whereby the ILEC submits information to the ALEC for the
10 services the ILEC has provided to the ALEC, i.e., the wholesale invoice for services
11 resold by the ALEC.

12

13 The most critical functions as determined by the impact to the end user include Pre-
14 Order, Ordering & Provisioning, Maintenance and Usage. It’s imperative that these
15 functions provide nondiscriminatory access as described previously.

16

17 Q. WHAT IS MEANT BY NONDISCRIMINATORY ACCESS?

18

19 A. Nondiscriminatory access in this regard means the OSS interfaces must provide (1)
20 equivalence to the ILEC for information availability, (2) equivalence of information
21 accuracy, and (3) equivalence of information timeliness.

22

1 Q. WHY IS NONDISCRIMINATORY ACCESS NECESSARY?

2

3 A. Nondiscrimination, sometimes referred to as parity, is a prevalent theme throughout
4 the Act and the FCC's First Report and Order. It is the standard that has been set to
5 ensure an environment is created that is conducive to competition. A lesser standard
6 would certainly hinder competition. Since the Act seeks to create an environment
7 where effective competition can take place, it is clear that anything less than
8 nondiscriminatory access to OSSs is unacceptable in accomplishing our goal.

9

10 Q. PLEASE SUMMARIZE SPRINT'S PERSPECTIVE ON BELLSOUTH'S INTERIM
11 OPERATIONAL SUPPORT SYSTEMS AS REPRESENTED BY BELLSOUTH.

12

13 A. Fundamentally, Sprint believes that nondiscriminatory access to operational support
14 systems encompasses more than publishing descriptions of the functionality that the
15 systems are intended to provide. It is achieved when the systems interfaces are
16 functioning in a real world operating environment such that the resulting experience
17 for the end user ALEC customer is at parity with what BellSouth provides its own
18 customers. This is the only true test of whether the nondiscriminatory access test with
19 respect to operational support systems has been met.

20

21 Q. DO THE BELLSOUTH OSS INTERFACES MEET THE STANDARD OF
22 NONDISCRIMINATORY ACCESS?

1

2 A. No. Although BellSouth is developing interfaces for each of the OSS functions, the
3 two primary concerns are: (1) the interfaces BellSouth has introduced to date are not
4 fully deployed and tested; and (2) the proposed OSS interfaces are only interim
5 solutions.

6

7 Q. PLEASE EXPAND ON YOUR FIRST CONCERN.

8

9 A. BellSouth has recently introduced several interim interfaces for use by the ALEC
10 community. These interfaces still support only certain products, features and service
11 order parameters. Many enhancements to accommodate these gaps in functionality are
12 planned by BellSouth. But until these interfaces are fully developed, deployed and
13 tested in a real world operating environment, their ability to provide parity to what
14 BellSouth experiences in providing service to its own customers will not be known. In
15 its 3/21/97 Order rejecting BellSouth's SGAT (Docket No. 7253-U), for example, the
16 Georgia Public Service Commission found that "[n]ondiscriminatory access to [OSS]
17 is an integral part of providing access to unbundled network elements, as well as
18 making services available for resale", and that "[t]he record shows that BellSouth has
19 not yet demonstrated that it is able to fulfill these important aspects of the Statement's
20 provisions on a nondiscriminatory basis that places CLECs at parity with BellSouth."

21

22 Q. PLEASE PROVIDE A FEW EXAMPLES.

1 A. In testimony in other states, BellSouth has asserted that “each interface is now fully
2 operational.” While Sprint does not dispute BellSouth’s assertion that the interfaces
3 discussed in its testimony are operational, it is important to point out that there are
4 numerous gaps in functionality that are still being addressed.

5
6 For example, electronic access to Customer Service Record (CSR) information,
7 according to BellSouth, has just become available. ~~When ALECs have the opportunity~~
8 ~~to use this capability, it is Sprint’s understanding that ALECs will have the ability to~~
9 ~~print one screen of information at a time compared to BellSouth’s own retail operation,~~
10 ~~where multiple pages can be printed on command.~~ LENS will also only enable ALECs
11 to view the first 50 pages of the customer’s record. A phone call to the Local Carrier
12 Service Center (LCSC) is required to obtain the additional pages in the record. These
13 small differences in functionality have a significant negative impact to an ALEC’s sales
14 or service representative’s productivity, particularly when dealing with large, multi-line
15 business customers. There is also a corresponding impact as far as being able to
16 provide an ALEC customer with the same experience that BellSouth provides its own
17 customers.

18
19 Moreover, until electronic access to CSRs is tested in a “live” operating environment
20 and experience is gained serving customers with this new functionality, its ability to
21 provide parity in the customer experience is unknown.

22

1 BellSouth has also stated in testimony in another state that, "There is a limited need for
2 pre-ordering information for orders involving existing customers who already have
3 telephone numbers and installed services and who just want to switch service
4 providers." Sprint's experience as an ALEC in Florida and in other states, both as a
5 resale and facilities-based provider, has without exception demonstrated that real time,
6 interactive access to CSR information is absolutely critical to providing accurate
7 service pricing information and other service enhancement recommendations. It is well
8 known within telecommunications sales and service organizations that many customers
9 don't know exactly what services and features they have, or may believe they have
10 something that they don't. ALECs must be able to view and access this information in
11 parity with BellSouth in order to provide parity with respect to the customer's service
12 experience.

13
14 As another example, BellSouth has further stated that unbundled network elements
15 such as loops, ports, and interim number portability can be ordered via LENS.
16 However, Sprint has been told by BellSouth that this capability is the functional
17 equivalent of submitting these orders via facsimile, and that actual on-line ordering
18 capability for unbundled network elements will not be introduced until some point in
19 the future. Sprint's current experience in ordering unbundled network elements from
20 BellSouth in Florida, which I will discuss in more detail later, demonstrates that
21 exchange of information which is dependent upon human intervention is subject to
22 error and ultimately results in a diminished level of service to the ALEC customers.

1 Sprint believes that this is a good example of where a system's availability clearly does
2 not equate to "fully operational."

3

4 From a practical standpoint, ALECs ordering unbundled network elements via
5 BellSouth's EXACT system will have to interface separately with BellSouth's LENS
6 system to place certain service or feature orders or, for example, get CSR information.
7 The EXACT interface was actually designed to support interexchange carrier access
8 orders, not unbundled network elements. Since true electronic ordering functionality
9 has not yet been introduced for LENS, the multi-system interface required in order to
10 provide end user customers with service is both operationally and functionally
11 burdensome for ALECs, and most certainly does not provide a parity experience for
12 ALEC customers.

13

14 A few final examples with respect to LENS include the inability for an ALEC to submit
15 change orders when an error has been identified or when the customer changes his
16 order. ALECs must cancel and re-issue these orders with the probable result of an
17 extended due date for the customer. The functionality to issue a "change" order is still
18 under development.

19

20 In addition, if a customer has already converted to an ALEC's service and wishes to
21 add or remove features, LENS will not currently support this "change" order. A paper
22 Local Service Request ("LSR") submitted via facsimile to the LCSC is required.

1

2 **Q. PLEASE DISCUSS SPRINT'S CONCERNS REGARDING THE TROUBLE**
3 **ANALYSIS AND FACILITIES INTERFACE ("TAFI").**

4

5 **A. Trouble Analysis and Facilities Interface (TAFI) is currently limited to resale**
6 **services only that can be related to a telephone number. It does not support circuits.**
7 **While BellSouth has stated that TAFI can also be used to submit troubles associated**
8 **with unbundled network elements such as unbundled ports or interim number**
9 **portability, once again Sprint has been advised that this functionality is the equivalent**
10 **of sending a facsimile transmission since human intervention will be required to**
11 **retrieve the information and re-enter such troubles into the appropriate BellSouth**
12 **system. Clearly, this does not equate to "access" to BellSouth's underlying OSS and**
13 **most definitively is not "access to the information and functions in BellSouth's**
14 **operational support systems in substantially the same time and manner as BellSouth**
15 **has access for its retail customers," as BellSouth claims.**

16

17 **Q. WHAT HAS SMNI EXPERIENCED IN UTILIZING BELLSOUTH'S**
18 **OPERATIONAL SUPPORT SYSTEMS?**

19

20 **A. SMNI, a facilities-based operation in Florida, is provisioning service to customers**
21 **utilizing unbundled network elements obtained from BellSouth. Since SMNI has its**
22 **own central office switch and a limited fiber optic backbone network, it must order**

1 numerous service types from BellSouth including local loops, local number portability,
2 directory listings, interoffice trunks and local interconnection trunks.

3

4 SMNI currently utilizes EXACT to electronically transmit local loop orders to
5 BellSouth. This has resulted in improved accuracy in the actual orders submitted
6 compared to the previous process which was transmission via facsimile.

7

8 In order to fully provision service to SMNI end users, however, SMNI must place
9 separate service orders with BellSouth for local number portability (if the customer is
10 keeping his BellSouth number) and for the customer's directory listing. These are
11 currently being processed via facsimile.

12

13 Since there is no way to electronically coordinate the receipt of these orders by
14 BellSouth, and there is no way for the SMNI service representative to know which
15 BellSouth representative will receive the EXACT order processed, a telephone follow-
16 up is required by the SMNI service representative to insure that the orders are
17 properly coordinated.

18

19 SMNI is aware that LENS is available for transmission of the directory listing order,
20 but has been reluctant to insert another interface into what can only be described as an
21 inherently immature and cumbersome order process. Moreover, electronic
22 transmission would not eliminate the burden of coordinating the orders since EXACT
23 and LENS do not interface with each other.

1

2 Further, SMNI is receiving CSR information currently via facsimile request and
3 receipt. Sprint learned only recently that electronic access to CSRs had been
4 introduced by BellSouth and is hopeful that it can take advantage of this capability in
5 Florida given that it represents an opportunity for improvement over the fully manual
6 process currently utilized.

7

8 Q. WHAT IMPACT HAS THE CURRENT OPERATIONAL SUPPORT SYSTEM
9 ENVIRONMENT HAD ON SMNI'S ABILITY TO PROVIDE QUALITY
10 SERVICE TO ITS CUSTOMERS?

11

12 A. SMNI has found it necessary to add personnel whose sole responsibility is to hand
13 walk customers through the pre-order, ordering and provisioning processes. Beyond
14 the higher operating costs and cumbersome administrative environment, the result to
15 customers has been lengthy service installation intervals and an extended sales process.

16

17 Q. PLEASE EXPAND ON THE CONCERN RELATIVE TO INTERIM
18 INTERFACES.

19

20 A. Earlier in this testimony, it was noted that the interfaces introduced by BellSouth for
21 use by ALECs are only interim solutions. This is consistent with Sprint's observations
22 in other regions where incumbent local exchange companies (ILECs) have developed,

1 in most cases, a Graphical User Interface (GUI) in front of their legacy or retail
2 systems, or relied upon other standard transmission methodologies such as EDI.

3
4 There are numerous shortcomings in these interfaces. As examples, they don't
5 conform to industry standards and they don't provide flow-through to the ALECs'
6 own operational support systems.

7
8 Q. PLEASE DESCRIBE WHY CONFORMANCE OF OPERATIONAL SUPPORT
9 SYSTEMS TO INDUSTRY STANDARDS IN CRITICAL.

10
11 A. The lack of industry standard operational support systems interfaces means that
12 ALECs have to use different interfaces for each RBOC or independent telephone
13 company market served. Since every GUI system is unique, significant development,
14 administration and training expenses will be incurred by every ALEC that chooses to
15 operate in more than one ILEC market.

16
17 ALECs will be significantly disadvantaged in a competitive local market from both a
18 time and cost perspective if forced to develop numerous system interfaces and provide
19 training and administrative support for multiple systems and processes.

20
21 Q. WHAT IS MEANT BY "FLOW-THROUGH" BETWEEN BELLSOUTH AND
22 ALEC OSS?

1

2 A. Flow-through means the ALEC's electronic OSS will interact or interoperate with
3 BellSouth's electronic OSS. This is sometimes referred to as a "machine-to-machine"
4 interface since it excludes manual or "human-to-machine" interaction.

5

6 Q. WHY IS FLOW-THROUGH TO ALEC SYSTEMS IMPORTANT?

7

8 A. Without full system flow-through, ALEC orders will have to be re-keyed by either the
9 BellSouth representatives or the ALEC. This manual intervention creates significant
10 opportunity for errors. These errors can have a significant negative impact on a
11 ALEC's ability to provide quality service and creates an impediment to the
12 development of local competition.

13

14 Q. WHAT IS YOUR UNDERSTANDING OF BELL SOUTH'S PLANS FOR THE
15 DEVELOPMENT OF PERMANENT OPERATIONAL SUPPORT SYSTEM
16 INTERFACES?

17

18 A. BellSouth, like many other ILECs, has proposed "customized" electronic
19 interfaces that reside in front of the many systems the ILEC uses itself. These
20 interfaces will conform to industry standards whenever possible and provide full
21 systems flow-through, or "electronic bonding." As of this date, these interfaces have
22 not been designed, tested or released to the ALEC community. Further, until the
23 systems have been operational in a real world environment and functioning to support

1 ALEC customers, it cannot be determined whether they are adequate to meet the
2 nondiscriminatory access standard.

3

4 Q. WHAT IS THE SECOND ISSUE YOU'D LIKE TO ADDRESS?

5

6 A. The second issue is the Commission's Issue 3(a), which states:

7

8 "Has BellSouth developed performance standards and measurements? If so, are they
9 being met?"

10

11 Q. WHAT IS SPRINT'S UNDERSTANDING OF THE STATUS OF THE
12 ESTABLISHMENT OF PERFORMANCE MEASUREMENT STANDARDS AND
13 EVALUATION OF THEIR ACHIEVEMENT?

14

15 A. It is Sprint's understanding that negotiation of performance measures between
16 BellSouth and AT&T were just recently concluded. Sprint's recently filed
17 interconnection agreement with BellSouth in Florida states that the parties shall
18 mutually agree on specific quality measurements within 45 days of the Agreement's
19 approval. Sprint further understands that the systems modifications necessary to
20 actually capture performance element measures and produce reports are currently
21 being developed.

22

1 Sprint's experience with its facilities-based ALEC operation operating in Orlando,
2 Florida, provides a current example of the status of the implementation of performance
3 measurements.

4
5 Sprint's ALEC operation has been serving customers utilizing unbundled network
6 elements in Florida since July 1996. SMNI orders placed with BellSouth for unbundled
7 network elements would include, as examples, local loops, local number portability,
8 directory listing information, interoffice trunks and interconnection trunks.

9
10 As of this date, SMNI has not been provided any information relative to BellSouth's
11 performance in support of the pre-order, ordering, provisioning or maintenance of
12 services purchased from BellSouth.

13
14 Sprint has requested that performance measurement information be provided relative
15 to BellSouth's support of the Orlando facilities-based operation. BellSouth has
16 indicated that the supporting processes to produce the measurements are still being
17 developed and committed to reporting back to Sprint as to which performance
18 elements could currently be captured and reported. Sprint is currently awaiting
19 BellSouth's response to our inquiry.

20
21 Sprint appreciates BellSouth's commitment to performance standards but contends
22 that the act of publishing an agreed upon list of performance measurements is
23 fundamentally different from demonstrating that the stated performance targets can be

1 met. Putting the performance measurements, as mutually agreed, in writing is a good
2 first step. Actually meeting the agreed upon performance targets on a consistent basis
3 is the only true indicator of whether BellSouth is fulfilling its obligation to provide
4 resale services and unbundled network elements in parity with what it provides to itself
5 and others.

6
7 In the Georgia Commission's recent Order rejecting BellSouth's Statement of
8 Generally Available Terms and Conditions (p.30), they state that "BellSouth can
9 improve the Statement by specifying the standards to which it can commit in providing
10 interconnection and unbundled access to network elements." The Commission further
11 suggests that "BellSouth may submit its internal standards for comparative purposes,"
12 and that these standards "need not be a part of the Statement, but will be relevant in
13 documenting that CLECs are treated on a nondiscriminatory basis."

14
15 Sprint agrees with the Georgia Commission's conclusion that the comparison of
16 BellSouth's performance in supporting ALECs to its internal standards is relevant to
17 an evaluation of its ability to treat ALECs on a nondiscriminatory basis. Sprint further
18 believes that comparison of BellSouth's performance in supporting itself and its
19 affiliates to its performance in support of ALECs and the ALEC industry provides the
20 most complete evaluation of nondiscriminatory treatment. Moreover, Sprint sees this
21 documentation as an essential, fact-based evaluation tool critical to parity
22 considerations.

1

2 The key point is that until these performance measurements are captured, reported and
3 evaluated based on actual performance in serving ALEC customers, a factual
4 determination of whether BellSouth is treating ALECs on a nondiscriminatory basis
5 can not take place.

6

7 Q. PLEASE DISCUSS THE THIRD ASPECT OF THE ISSUES IDENTIFIED IN
8 THIS PROCEEDING THAT YOU'D LIKE TO ADDRESS, WHICH IS
9 BELLSOUTH'S PERFORMANCE IN PROVIDING UNBUNDLED NETWORK
10 ELEMENTS TO SMNI.

11

12 A. As previously noted, SMNI operates as a facilities-based local service provider,
13 focused primarily on the Metropolitan Orlando area. SMNI has experienced ongoing
14 problems when attempting to acquire service from BellSouth. Those problems can be
15 categorized as poor communications, ineffective processes, lack of performance and
16 maintenance problems.

17

18 Q. HAS SPRINT COMMUNICATED ITS CONCERNS ABOUT BELLSOUTH'S
19 PERFORMANCE IN SUPPORTING SMNI TO BELLSOUTH?

20

21 A. Yes. While there has been a continuing dialogue with BellSouth regarding
22 performance issues since prior to the first service order being placed, formal written

1 correspondence has been underway between the companies since February 6, 1997.

2 This correspondence is attached to this testimony as Exhibit MLC-A

3

4

5 Q. HAS THERE BEEN ANY IMPROVEMENT SINCE THIS WRITTEN
6 CORRESPONDENCE, AS SHOWN IN EXHIBIT MLC-A, BETWEEN SPRINT
7 AND BELLSOUTH.?

8

9

10 A. While individual customer incidents are continuing to be addressed, the underlying
11 process deficiencies leading to the problems have not been corrected, and service-
12 affecting incidents continue to occur.

13

14 Q. WHAT KIND OF PROBLEMS IS SMNI CURRENTLY EXPERIENCING?

15

16 A. Problems are occurring in virtually all phases of the customer activation process. For
17 example, BellSouth regularly misses its commitment to notify SMNI if there is a
18 problem of some kind with an order within 48 hours of its receipt. These delays
19 frequently cause installations to be postponed meaning that SMNI misses the due date
20 commitment to its customer. In fact, if the order problem is discovered close to the
21 scheduled cutover date and orders to disconnect BellSouth's service have been entered
22 into BellSouth's systems, BellSouth has in numerous instances been unable to cancel
23 the disconnect orders and customers have been taken out of service in error. Cutovers

1 have also intermittently been incomplete due to BellSouth provisioning, equipment or
2 network capacity issues. SMNI's wholesale bill has also been problematic. Rate
3 elements have been repeatedly mis-applied and SMNI has had to request adjustments
4 every month. Incorrect provisioning of circuit orders has also caused post-cutover
5 problems such as diminished data transmission capability.

6

7 Q. PLEASE PROVIDE A FEW EXAMPLES.

8

9 A. An ordering problem occurred recently when BellSouth issued its internal orders for
10 one local loop incorrectly twice resulting in an eighteen day installation interval and an
11 executive complaint from the customer.

12

13 Several orders were also delayed when a week after correct orders were issued by
14 SMNI, BellSouth notified SMNI that there was a facilities shortage.

15

16 Within the past week, customers have been taken out of service in error because
17 BellSouth was unable to stop disconnect orders that had been issued on a cutover that
18 had been delayed.

19

20 In another instance, a customer that moved was without service for a day and had only
21 two of fourteen lines operational for another day primarily because BellSouth failed to
22 identify a facilities shortage problem until the Friday before the scheduled Monday

1 cutover. Sprint executive escalations were required to secure commitments to
2 complete the service installation at the end of the second day.

3

4 Finally, a BellSouth error in processing SMNI orders for an interoffice trunking
5 reconfiguration project created an "all circuits busy" condition for callers trying to
6 reach SMNI customers on a recent Monday morning. Over twenty trouble tickets
7 were received and the error took nearly three hours to correct.

8

9

10 Q. ARE THERE ANY OTHER EXAMPLES THAT WOULD ILLUSTRATE YOUR
11 CONCERN?

12

13 A. Yes. A particularly troublesome series of service interruptions has occurred since May
14 19, 1997 related to SMNI customers receiving calls through the BellSouth network.
15 On three separate occasions, translations errors made by BellSouth interrupted local
16 number portability functionality, such that SMNI customers could receive calls directly
17 to their Sprint numbers, but calls being call-forwarded through the BellSouth network
18 could not be completed.

19

20 Q. HAS THE PROBLEM BEEN CORRECTED?

21

22 A. The translations errors have been corrected, but the underlying permanent process
23 correction is still being addressed. BellSouth has advised Sprint that a system

1 modification is required to prevent inadvertent manual intervention with respect to
2 SMNI's translations tables. While we understand that BellSouth is working diligently
3 to prevent future errors, this is just one of many examples that could be shared
4 demonstrating that the fundamental processes to effectively support the provisioning
5 of unbundled network elements are in a highly developmental state and are currently
6 incapable of producing consistently acceptable performance levels. These examples
7 further illustrate the total dependence of even a facilities-based ALEC such as SMNI
8 on the integrity and accuracy of BellSouth's processes and systems in providing
9 quality service to its customers.

10

11 **Q. WHAT HAVE BEEN THE CONSEQUENCES OF THESE PROBLEMS?**

12

13 **A. SMNI has suffered loss of revenue, loss of customers, a damaged reputation and
14 increased operating expenses.**

15

16 **Q. IN YOUR OPINION, DOES BELLSOUTH MEET THE COMPETITIVE
17 CHECKLIST?**

18

19 **A. No.**

20

21 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

22

1 A. Yes, it does.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

1 Q. PLEASE STATE YOUR NAME AND ADDRESS.

2

3 A. My name is Melissa L. Closz. My business address is 151 Southall Lane, Maitland,
4 Florida 32751.

5

6 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

7

8 A. I am employed by Sprint Communications Company Limited Partnership. ("Sprint") as
9 Director- Local Market Development.

10

11 Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

12

13 A. I am testifying on behalf of Sprint Communications Company Limited Partnership and
14 Sprint Metropolitan Networks, Inc.

15

16 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK
17 EXPERIENCE.

18

19 A. I have a Master of Business Administration degree from Georgia State University in
20 Atlanta, Georgia and a Bachelor of Business Administration degree from Texas
21 Christian University in Fort Worth, Texas. I have been employed by Sprint for over
22 six years and have been in my current position since February, 1997. Previous
23 positions within the Local Telecommunications Division of Sprint include General

1 **Manager of Sprint Metropolitan Networks, Carrier Markets Manager of Sales and**
2 **Technical Support and General Manager of United Telephone Long Distance- Florida.**
3 **Within Sprint's Long Distance Division, I served as Group Manager- Market**
4 **Management and Customer Support for the Intermediaries Marketing Group. Prior to**
5 **joining Sprint, I was employed by AT&T for five years in various sales and sales**
6 **management positions within their long distance division. I also owned and operated a**
7 **consumer marketing business for two years.**

8

9 **Q. WHAT ARE YOUR PRESENT RESPONSIBILITIES?**

10

11 **A. My present responsibilities include representation of Sprint and SMNI in**
12 **interconnection negotiations with BellSouth Telecommunications, Inc. ("BellSouth").**
13 **In addition, I am responsible for coordinating Sprint's entry into the local markets**
14 **within BellSouth's states. I also interface with BellSouth's account team supporting**
15 **Sprint to communicate SMNI's service and operational issues and requirements.**

16

17 **Q. What is the purpose of your rebuttal testimony?**

18

19 **A. The purpose of my rebuttal testimony is to respond to BellSouth's direct testimony**
20 **filed July 7, 1997 relative to docket No. 960786-TL. Specifically, I will provide**
21 **comments relative to BellSouth's ability to provide nondiscriminatory access to its**
22 **Operational Support Systems (OSS) as well as the status of performance**
23 **measurements.**

1

2 Q. What issue would you like to address first?

3

4 A. I will address Operational Support Systems, or OSS.

5

6 Q. PLEASE SUMMARIZE SPRINT'S PERSPECTIVE ON THE REQUIREMENT
7 FOR BELL SOUTH TO PROVIDE NONDISCRIMINATORY ACCESS TO ITS
8 OSS.

9

10 A. Sprint believes that nondiscriminatory access to OSS means more than publishing
11 descriptions of system functionality. Rather, the evaluation of whether BellSouth has
12 met the test of providing nondiscriminatory access to OSS can only take place in a
13 "real world" operating environment where ALEC customers are being supported.
14 This forum provides the "test" of whether the OSS are performing as promised and
15 additionally provides the raw data necessary to evaluate, via performance
16 measurements, whether the ALEC customers' experience is at parity with what
17 BellSouth provides its own customers.

18

19 Sprint's primary concerns about the OSS introduced to date by BellSouth are that: (1)
20 the interfaces introduced to date are not fully deployed and tested; and (2) they are
21 interim solutions.

22

1 Q. MS. CALHOUN STATES ON PAGE 17 LINE 17 OF HER DIRECT TESTIMONY
2 THAT "EACH INTERFACE IS FULLY OPERATIONAL, AND IS IN ACTUAL
3 USE." DO YOU AGREE WITH THIS STATEMENT?

4
5 A. No. As stated in my direct testimony, the interfaces introduced to date only support
6 certain products, features and service order parameters. Many enhancements are
7 planned that will fill these gaps in functionality. But until these enhancements are
8 introduced and tested in a "real world" operating environment, it will be impossible to
9 assess their ability to provide parity with what BellSouth experiences in providing
10 service to its own customers.

11
12 Q. PLEASE PROVIDE A FEW EXAMPLES.

13
14 A. Ms. Calhoun states on page 32 lines 6-7 of her direct testimony that "On-line access to
15 customer service record information is available through LENS." Sprint understands
16 that this capability was just announced in late June and is in the process of securing
17 access to LENS to explore this functionality. However, as referenced in my direct
18 testimony, Ms. Calhoun fails to reference several limitations in this functionality that
19 do not provide parity with what BellSouth experiences for itself. ~~These limitations~~
20 ~~include, by way of example, the inability to print more than one screen of customer~~
21 ~~service record information at a time and the inability to view more than 50 pages of the~~
22 ~~customer's record.~~ For the latter, a phone call to the BellSouth Local Carrier Service
23 Center (LCSC) is required to obtain the additional pages in the record. These

1 differences in functionality result in reduced efficiency in responding to customer
2 requirements because of the additional time needed to acquire customer-specific
3 information. Within SMNI, as an example, this reduced functionality will mean that
4 the business customers that SMNI seeks to serve will need to be placed on hold or
5 called back in order for the SMNI sales representative to provide an accurate service
6 price quote and installation date for customers that would like to replicate their
7 existing BellSouth service.

8
9 This access to pre-order information, as stated in my direct testimony, is critical to
10 providing accurate service pricing information and other service recommendations.
11 Ms. Calhoun, however, continues in her testimony (page 19, lines 13-18) to state that
12 "There is a limited need for pre-ordering information for orders involving existing
13 customers who already have telephone numbers and installed services and who just
14 want to switch service providers." Sprint's experience in Florida and in other states
15 continues to reinforce the importance of real time, interactive access to this
16 information. SMNI, as an example, initially established service for some customers
17 prior to reviewing the customer's service record. Experience showed, however, that
18 many customers do not know what services and/or features that they have, and that
19 their telephone bill does not adequately detail the service configuration to enable
20 replication of existing services. Only a complete review of the customer service record
21 enables SMNI to insure that the service is configured, provisioned and billed
22 accurately.

1

2 As another example, Ms. Calhoun states on page 20 and 21 of her direct testimony
3 that the LENS interface “offers ALECs real-time, interactive access to pre-ordering
4 information, and an integrated direct order entry capability...” . Sprint’s
5 understanding is that the integrated order capability exists only for certain resale
6 services supported by LENS and is not available for unbundled network elements.

7 While Ms. Calhoun states (page 38, line 25) that certain unbundled network elements
8 can be ordered via LENS, Sprint’s understanding is that this capability is the functional
9 equivalent of submitting these orders via facsimile and that actual on-line ordering for
10 unbundled network elements will not be introduced until some point in the future. As
11 such, there is no integrated pre-order and direct order capability available via LENS
12 for ALECs provisioning service via unbundled network elements.

13

14 Moreover, SMNI has been asking BellSouth for electronic capabilities for unbundled
15 network element provisioning since October, 1996. This request led to SMNI’s
16 adoption of the EXACT interface for transmittal of unbundled loop orders. SMNI is
17 now aware, through Ms. Calhoun’s testimony, page 38, lines 17-25, of BellSouth’s
18 claim that certain unbundled network elements can ordered via EDI. SMNI has
19 requested more information from BellSouth about this new capability to understand its
20 potential application to SMNI and opportunities for improved efficiency.

21

1 Q. PLEASE COMMENT ON GAPS IN MAINTENANCE AND REPAIR
2 OPERATIONAL SUPPORT SYSTEM FUNCTIONALITY AS CURRENTLY
3 PROVIDED BY BELLSOUTH.

4
5 A. In Gloria Calhoun's direct testimony, she describes OSS interfaces which BellSouth
6 has made available to ALECs in support of maintenance and repair activities. While
7 certain functionality is supported through these interfaces, there are numerous gaps
8 which create an operationally cumbersome environment for new entrants.

9
10 Q. PLEASE PROVIDE A FEW EXAMPLES.

11 A. In Gloria Calhoun's direct testimony, page 50, lines 1-6, Ms. Calhoun states that
12 "...Even for trouble reports on complex services that involve exchange services... an
13 ALEC can use TAFI to input trouble reports... A(n) ALEC also can use TAFI in this
14 manner to report troubles associated with unbundled network elements that can be
15 identified with a telephone number, such as unbundled ports or interim number
16 portability." In Ms. Calhoun's Rebuttal Testimony, filed in Georgia Section 271
17 proceedings 7/11/97, page 11, lines 8-9, Ms. Calhoun further states that, "TAFI is the
18 "appropriate" system for any telephone-number based service, whether resale or
19 unbundled network element."

20

21 However, as stated in my direct testimony, Sprint has been advised that trouble
22 reporting for unbundled ports or interim number portability via TAFI is functionally
23 equivalent to sending a facsimile transmission since human intervention will be

1 required to retrieve the information and re-enter such troubles into the underlying
2 BellSouth system(s) associated with these unbundled network elements. This
3 introduction of human intervention into the trouble reporting process creates
4 substantial opportunity for error and differentiates the process itself from “the time and
5 manner as BellSouth has access for its retail customers.”

6

7 Q. PLEASE PROVIDE A SUMMARY OF SPRINT’S PERSPECTIVE ON THE
8 STATUS OF PERFORMANCE MEASUREMENTS AS PRESENTED BY
9 BELLSOUTH WITNESS STACY.

10

11 A. In general, Sprint believes that witness Stacy’s direct testimony is entirely supportive
12 of Sprint’s assertion that performance measurement identification and tracking is in a
13 highly developmental state.

14

15 Q. PLEASE PROVIDE A FEW EXAMPLES.

16

17 A. Mr. Stacy admits on page 6, lines 7-9, that BellSouth has only reached agreement on
18 performance parameters to be measured with AT&T. “...no other agreements have
19 been finalized...” In addition, on line 15, Mr. Stacy further states that not all
20 reporting requirements have been finalized with AT&T.

21

22 Sprint believes that this status provides tangible evidence that the ability to use fact-
23 based tools to assess BellSouth’s ability to meet nondiscriminatory access and parity

1 standards is extremely limited at this point in time. Sprint views such performance
2 measurement documentation as an essential part of parity consideration. These
3 measurements should compare BellSouth's internal standards to BellSouth's support
4 of its affiliates, the ALEC industry and individual ALECs. This is the only basis upon
5 which nondiscriminatory treatment can be measured.

6

7 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

8

9 A. Yes, it does.

10

11

12

13

14

15

1 Q (By Mr. Fincher) Do you have a summary of
2 your testimony?

3 A Yes, I do.

4 Q Could you give it?

5 A Yes. Good afternoon. The purpose my
6 testimony today is to provide input to the Florida
7 Public Service Commission on issues that are relevant to
8 BellSouth's entry into in-region --

9 CHAIRMAN JOHNSON: Excuse me just a minute.
10 Did we do exhibits or did I miss that?

11 MR. FINCHER: Yes, it was Exhibit 88, I
12 believe.

13 WITNESS CLOSZ: There are three primary areas
14 that I would like to address today. First, with respect
15 to the Commission's Issue 3, which is related to
16 non-discriminatory access to network elements, I'll
17 address operational support systems; second, related to
18 Issue 3(a), I would like to address performance
19 standards and measurements; and third, I would like to
20 address performance issues relative to BellSouth's
21 provision of unbundled network elements to Sprint's
22 affiliate operating company, Sprint Metropolitan
23 Networks Incorporated, that is operating as a
24 facilities-based alternative local exchange company, or
25 ALEC, in the Metropolitan Orlando area.

1 I'll begin by addressing the first area,
2 operational support systems. Fundamentally, Sprint
3 believes that non-discriminatory access to operational
4 support systems encompasses more than publishing
5 descriptions of functionality that these systems are
6 intended to provide. Sprint believes that actual
7 achievement of non-discriminatory access to operational
8 support systems can only be evaluated when operational
9 support systems are functional in a real world operating
10 environment and when the resulting ALEC customer
11 experience is at parity with what BellSouth provides to
12 its own customers.

13 Sprint believes that BellSouth has not met the
14 standard of non-discriminatory access, and there are two
15 specific concerns along this line that I would like to
16 discuss.

17 First, the interfaces introduced by BellSouth
18 have not been fully deployed and tested; and secondly,
19 the proposed operational support systems are only
20 interim solutions.

21 With respect to the first concern, and that is
22 that the interfaces introduced are not fully deployed
23 and tested, the interfaces currently only support
24 certain products, features and service order
25 parameters. There are new releases that are planned to

1 fill these gaps in functionality. The key point,
2 however, is that until they are fully deployed and
3 tested in a real world operating environment, their
4 ability to provide parity will be unknown.

5 The second concern was that the proposed
6 operational support systems are interim solutions. And
7 Sprint believes that there are numerous shortcomings in
8 these interim solutions. As examples, they are not
9 industry standard and they don't provide flow-through to
10 the ALEC's own operational support systems.

11 With respect to the first example, Sprint
12 believes that conformance to industry standards is
13 critical. Lack of industry standard, operational
14 support system interfaces means that different
15 interfaces are required for each incumbent local
16 exchange company, or ILEC, market that is served. This
17 means that ALECs will be significantly burdened from
18 both a time and a cost perspective due to multiple
19 development, administration and training requirements.

20 The second example relates to flow-through of
21 information to the ALEC's own operational support
22 systems. Now flow-through means that the ALEC's
23 electronic OSS, or operational support systems, will
24 interact or interoperate with BellSouth's electronic
25 operational support systems. Essentially, these are

1 transactions that do not involve human intervention.

2 Flow-through to ALEC systems is extremely
3 important because without it, there will have to be
4 manual rekeying of information which creates significant
5 opportunity for error, and this will negatively impact
6 an ALEC's ability to provide quality service.

7 Sprint is aware that the permanent interfaces
8 are still being developed. So once again, until they're
9 deployed and tested, it is impossible to assess whether
10 they meet the non-discriminatory access test.

11 With respect to the status of the
12 establishment of performance measurement standards and
13 the evaluation of their achievement, Sprint's
14 understanding from discussions with its BellSouth
15 negotiating team is that negotiation of performance
16 measures between BellSouth and AT&T have only recently
17 been concluded. Sprint's interconnection agreement with
18 BellSouth in Florida states that specific quality
19 measurements should be mutually agreed to by the parties
20 within 45 days of the effective date of the agreement.
21 Those negotiations are currently underway.

22 Now, as an example of the status of
23 BellSouth's ability to demonstrate actual performance in
24 support of ALECs, Sprint's affiliate, Sprint
25 Metropolitan Networks Incorporated, has been ordering

1 unbundled network elements from BellSouth since July of
2 1996. As of this date, no performance information has
3 been provided, and as referenced earlier, no information
4 has been provided as to what can be captured and
5 measured.

6 BellSouth has indicated to Sprint that the
7 underlying processes and systems that are needed to
8 capture and report this information are still being
9 developed.

10 So with respect to the status of the
11 establishment of performance measures and the ability to
12 evaluate their achievement, Sprint believes that
13 publishing an agreed-upon list of performance measures
14 is fundamentally different from demonstrating that the
15 actual performance targets can be met.

16 The key point, again, is that until
17 performance measurements are captured, reported and
18 evaluated based on actual performance in serving ALEC
19 customers, the determination of whether BellSouth is
20 achieving the non-discriminatory access standard cannot
21 factually take place.

22 The third issue that I would like to address
23 is Sprint's experience as an ALEC in Florida. And that
24 is with Sprint Metropolitan Networks Incorporated, or
25 SMNI for short. SMNI is a facilities-based ALEC with

1 its own central office switch and a limited fiber optic
2 backbone network. It is focused primarily on serving
3 business customers in the Metropolitan Orlando area.

4 What I would like to summarize are ongoing
5 operational problems with respect to securing unbundled
6 network elements from BellSouth. The current status of
7 SMNI's operational problems is that individual customer
8 incidents continue to be addressed, but the underlying
9 process deficiencies have not been corrected and
10 service-affecting incidents continue to occur.

11 With respect to the type of problems that SMNI
12 is currently experiencing, I would like to provide some
13 examples. First, BellSouth regularly misses its
14 commitment to notify SMNI of order problems within 48
15 hours of their receipt. There have also been incomplete
16 cutovers due to provisioning, equipment or network
17 capacity issues. There have also been numerous
18 customers who have been taken out of service in error
19 during the cutover process.

20 And finally, SMNI's wholesale bill has been
21 problematic. There have been rate elements that are
22 repeatedly misapplied, and adjustments have been
23 requested every month.

24 Some specific examples of these problem areas
25 are as follows: First, an ordering problem occurred.

1 This was with one local loop. And when it was ordered,
2 BellSouth issued its own internal orders incorrectly
3 twice. The result was an 18-day installation interval,
4 and an executive complaint to Sprint.

5 Second example, customers that have been taken
6 out of service in error. These occur when BellSouth has
7 been unable to stop disconnect orders from processing on
8 cutovers that have been delayed, for whatever reason.
9 And this has happened on numerous occasions.

10 Third example is related to a customer who was
11 moving from one location to another, and orders were
12 placed by SMNI for this customer's move. SMNI was
13 notified on Friday before a Monday move of a facilities
14 problem. It was not resolved by Monday. The customer
15 was out of service in his new location on Monday, and on
16 Tuesday morning only two of his 14 lines were
17 operational. BellSouth offered no commitment to
18 complete the installation by the close of business that
19 day. Sprint proceeded with an executive escalation and
20 the cutover was completed after business hours that
21 Tuesday evening.

22 Finally, there has been a series of service
23 interruptions that have occurred since the middle of
24 May, and these are related to SMNI customers that are
25 receiving calls through the BellSouth network. There

1 have been four separate occasions. These have been
2 translations errors, or errors in software instructions
3 within BellSouth's switches. And the effect has been to
4 interrupt local number portability functionality. This
5 is essentially the functionality that enables calls to
6 be completed to Sprint customers where these customers
7 have chosen to keep their BellSouth numbers.

8 What happened as a result of these errors is
9 that SMNI customers could not receive calls to their
10 BellSouth numbers. The callers instead received "all
11 circuits busy" or "can't be completed as dialed"
12 recordings.

13 The specific translations errors have been
14 corrected, but the underlying permanent process
15 corrections are still being addressed by BellSouth.
16 This is just one example clearly demonstrating that the
17 fundamental processes that are supporting unbundled
18 network elements are in a highly developmental state,
19 and they are currently incapable of producing
20 consistently acceptable performance levels.

21 The consequences of these problems for Sprint
22 have been and continue to be: Loss of revenue, loss of
23 customers, a damaged reputation and increased operating
24 expenses.

25 So in conclusion, based in part on these

1 experiences, Sprint does not believe that BellSouth
2 meets the competitive checklist requirements.

3 Q (By Mr. Fincher) Does that conclude your
4 summary?

5 A Yes, it does.

6 MR. FINCHER: Madam Chairman, the witness is
7 available for cross examination.

8 MS. CULPEPPER: Madam Chairman, Staff asks
9 that its exhibits be marked at this time.

10 CHAIRMAN JOHNSON: Okay.

11 MS. CULPEPPER: We ask that Exhibit MLC-2,
12 which is the deposition transcript, exhibits and errata
13 sheet from Ms. Closz at be identified as 89.

14 CHAIRMAN JOHNSON: It will be identified as
15 89.

16 MS. CULPEPPER: Ask that Exhibit MLC-3, which
17 are Sprint's Responses to Staff's Interrogatories be
18 identified as Exhibit 90.

19 CHAIRMAN JOHNSON: It will be identified as
20 90.

21 MS. CULPEPPER: Thank you.

22 (Exhibit Nos. 89 and 90 marked for
23 identification.)

24 CHAIRMAN JOHNSON: BellSouth?

25 MS. WHITE: Yes, I assume no one else has any

1 cross?

2 CROSS EXAMINATION

3 BY MS. WHITE:

4 Q Good afternoon, Ms. Closz. My name is Nancy
5 White with BellSouth Telecommunications. Am I
6 pronouncing your name correctly?

7 A Yes, it's Closz.

8 Q Thank you. First thing I would like to do is
9 get straight, in my head anyway, these companies that
10 you've talked about. There were a couple of different
11 ones. You state that you're employed by Sprint Limited
12 Partnership. What services does that company provide?

13 A What do you mean? For -- as an ALEC?

14 Q Yes, it's certified as an ALEC; is it not?

15 A Yes, it is.

16 Q What kinds of services -- telecommunications
17 services does it provide?

18 A This is the part of Sprint that will be
19 operating nationwide as an ALEC or CLEC for Sprint.
20 Within the State of Florida it is currently testing
21 services for business and residential customers.

22 Q On its own facilities, or on a resale basis?

23 A On a resale basis.

24 Q Can you tell me where that's taking place?

25 A Yes, the Miami area.

1 Q And can you tell me how long that testing has
2 been going on?

3 A Approximately a month.

4 Q So if the testing is successful, then Sprint
5 Limited Partnership will conduct business in Florida --
6 and by "business," I mean selling residential and
7 business telecommunications services to residential and
8 business customers; is that right?

9 A Yes, Sprint intends to be an ALEC operating to
10 provide service to customers in Florida.

11 Q Okay. Now, you stated that you're testifying
12 on behalf of Sprint Limited Partnership and Sprint
13 Metropolitan Networks Incorporated. Now Sprint
14 Metropolitan Networks Incorporated -- or I think you
15 call it SMNI; is that correct?

16 A Yes.

17 Q SMNI is a certificated ALEC in Florida; is
18 that correct?

19 A That's true.

20 Q And does it provide telecommunications
21 services in Florida?

22 A Yes, it does.

23 Q What kinds of services does it provide?

24 A It provides all sorts of services for business
25 customers. As I mentioned in my summary, it is a

1 facilities-based operation with a central office switch
2 and a limited fiber optic backbone network.

3 Q And it's 100 percent facilities-based? By
4 that I mean it provides no services, resale services?

5 A That's correct.

6 Q And by facilities-based, would that mean
7 either its own facilities or in combination with
8 unbundled network elements?

9 A Yes, that's correct.

10 Q And it provides those services strictly to
11 business customers?

12 A Yes.

13 Q And it provides those services in Orlando; is
14 that correct?

15 A Yes.

16 Q And since when has SMNI been doing business in
17 Orlando? What was the date it started?

18 A I believe the first customer served was in the
19 March 1996 time frame.

20 Q And I really don't need you, even if you
21 could, to get into all the constructs of who owns what,
22 but is it fair to say that Sprint Limited Partnership
23 and SMNI are owned by Sprint Corporation?

24 A Yes.

25 Q Now, there's a company in Florida called

1 Sprint-United Telephone Company; is that correct?

2 A Yes.

3 Q And it operates in Florida, right?

4 A Right.

5 Q And does it operate as an incumbent local
6 exchange company?

7 A Yes, it does.

8 Q Where does it operate as an incumbent local
9 exchange company?

10 A Do you mean within Florida or in other areas?

11 Q Within Florida.

12 A There are various locations throughout the
13 state, here in the Tallahassee area, as well as part of
14 the Orlando area and Fort Myers area south through
15 Naples, as well as Ocala. It's scattered throughout the
16 state.

17 Q And there's also a company in Florida called
18 Sprint-Centel; is that correct?

19 A Yes. Both companies actually are referred to
20 just as Sprint at this point, but yes.

21 Q And what I would call Sprint-Centel, that's an
22 incumbent local exchange company; is it not?

23 A Yes, it is.

24 Q And can you tell me where some of the
25 locations in Florida where it operates?

1 A Well, actually when I mentioned the locations
2 for the company before, I just included some of the
3 Centel -- what we've formerly called Centel areas. That
4 would be the Tallahassee area, as well as the Panhandle.

5 Q And when I ask you some of these questions
6 going forward, I'll try to specify whether I'm speaking
7 about Sprint Limited Partnership or Sprint Metropolitan
8 Networks Incorporated.

9 A Okay.

10 Q Because they seem to be at two different
11 stages of the entry into the market; would you agree
12 with that?

13 A Well, I might just clarify, and that is that
14 Sprint Metropolitan Networks Incorporated was the legal
15 entity that was set up when Sprint first began
16 considering becoming an alternative local exchange
17 company here in Florida. That was back in the 1995 time
18 frame, actually, and Sprint had not at that point
19 selected the corporate entity that would be responsible
20 for deploying as an ALEC nationwide. So really, at some
21 point in time the two will come together. It's just
22 that that is the legal entity that still exists today
23 for the operation in the Orlando area.

24 Q Now, you've talked about Sprint Limited
25 Partnerships and Sprint SMNI's experiences in Florida.

1 Where else in -- are you familiar with the nine states
2 in which BellSouth operates?

3 A Yes.

4 Q Where else in BellSouth's -- where else in the
5 remaining eight states of BellSouth does Sprint provide
6 competitive local exchange services?

7 A I believe North Carolina, South Carolina,
8 Tennessee, and I think with Florida -- there may be one
9 other. I think there are four or five.

10 Q Now, does the fact that Sprint Corporation has
11 incumbent local exchange companies operating in Florida,
12 did that have a bearing on the fact that Sprint started
13 an ALEC in Florida?

14 A Yes, it did. And actually, I think that's
15 part of why BellSouth also certificated as an ALEC in
16 Florida, since they have an incumbent operation here.

17 Q So you would agree that there are benefits
18 that exist between the companies that the ALEC arm of
19 Sprint would want to take advantage of?

20 A Well, the benefits are benefits from the
21 perspective that there are Sprint employees in Florida
22 that could be recruited to be part of the SMNI
23 operation. So yes, that would be a benefit.

24 Q And would it also be fair to say that the
25 Sprint name is known in Florida, both as an incumbent

1 local exchange company and a long distance carrier?

2 A Yes.

3 Q Now, in providing service in the Orlando area,
4 does SMNI utilize any of the facilities of
5 Sprint-United, what I will call Sprint-United?

6 A Yes. SMNI has an interconnection agreement
7 with -- we'll call it Sprint-United -- and purchases
8 some services under that agreement, yes.

9 Q What kind of services does it purchase from
10 Sprint-United?

11 A I can't give you a comprehensive list, but it
12 would be primarily things like perhaps leasing conduit
13 or leasing interoffice facilities.

14 Q Does SMNI use operator services of
15 Sprint-United?

16 A Yes.

17 Q What about any other services like operator
18 services?

19 A Yes, directory assistance also.

20 Q Now, Sprint Limited Partnership, does it
21 utilize any of the facilities of Sprint incumbent local
22 exchange company?

23 A No.

24 Q Does SMNI have a switch in Florida?

25 A Yes.

1 Q Is that located in the Orlando area?

2 A Yes, it is.

3 Q What about Sprint Limited Partnership, does it
4 have a switch in Florida?

5 A Well, let me clarify that there are a variety
6 of business interests that fall under Sprint
7 Communications Company Limited Partnership. Other parts
8 of Sprint may have switches in Florida, for example, the
9 long distance unit. But I couldn't tell you specific
10 information about that.

11 Q Okay, well, I guess I'm looking at you said
12 that Sprint Limited Partnership was a certificated ALEC
13 in Florida?

14 A Correct.

15 Q And I guess I'm looking from that standpoint
16 as the ALEC piece of it, does Sprint Limited Partnership
17 have a switch in Florida?

18 A No.

19 Q Okay. Does Sprint Limited Partnership use any
20 operator services of the incumbent, Sprint incumbent
21 local exchange company?

22 A No.

23 Q Now Sprint SMNI has an interconnection
24 agreement with BellSouth in Florida; is that correct?

25 A That's correct.

1 Q What about Sprint Limited Partnership?

2 A Yes.

3 Q Now, I would like to get in now to some of the
4 operational support systems that you talked about in
5 your summary. You mentioned permanent interfaces. What
6 do you mean when you said permanent interfaces in your
7 summary?

8 A Well, within Sprint, Sprint Communications
9 Company Limited Partnership's interconnection agreement,
10 there are provisions for what we would call long term or
11 permanent interfaces that offer machine-to-machine
12 connectivity between our companies.

13 Q And we've heard a lot of acronyms, but does
14 that have one, or does it have a name other than
15 machine-to-machine interface?

16 A Not that I know of.

17 Q Are you familiar with the interface that's
18 being developed by BellSouth for AT&T called EC-LITE?

19 A Broadly.

20 Q Is the permanent interface you have in mind
21 for Sprint something along those lines?

22 A I don't know the technical specifications, but
23 I believe it would be comparable.

24 Q Now, you broke up in your testimony, you broke
25 up the operation support systems into several different

1 functions. So that's what I would like to do. I would
2 first like to talk about preordering. Does an industry
3 standard exist for the preordering function?

4 A No, the industry standard group that would set
5 that standard has not reached a conclusion on what would
6 be industry standard for preordering yet.

7 Q And would you agree that LENS is the interface
8 that BellSouth is supporting for preordering?

9 A Yes.

10 Q Now, does Sprint Limited Partnership, or SMNI,
11 use LENS for preordering?

12 A Sprint Limited Partnership is currently
13 testing LENS, and in fact as it relates to the
14 interfaces, these are being tested for Sprint. So if we
15 want to refer to them as Sprint, I think that would be
16 fine.

17 Q Okay, so Sprint Limited Partnership is testing
18 them on behalf of Sprint Limited Partnership and SMNI?

19 A Yes.

20 Q Okay. Are you aware that LENS provides
21 address validation in the preordering process?

22 A Address validation against what? I'm sorry.

23 Q Address validation, validation of the address
24 that a customer has given as the correct one?

25 A Yes.

1 Q What about telephone number selection, are you
2 aware that LENS allows the service representative to
3 select a telephone number?

4 A Yes.

5 Q Are you aware that LENS provides products and
6 services information?

7 A Yes.

8 Q Are you aware that LENS provides due dates?

9 A Yes.

10 Q Are you aware that LENS provides customer
11 service record information?

12 A Yes.

13 Q Now, on Page 10 of your direct testimony
14 you -- I want to clarify, I think, what you've
15 eliminated from Page 10 of your direct testimony. You
16 took out the sentence that began on Line 7 that starts,
17 "When ALECs have the opportunity," but let me ask you,
18 on Line 10 of Page 10, did you leave in the sentence,
19 "LENS will also only enable ALECs to view the first 50
20 pages of the customer's record"?

21 A Yes.

22 Q You left that in?

23 A Yes.

24 Q Do you know what the average -- the length of
25 an average residential customer's service record is?

1 A No.

2 Q Do you know what the length of an average
3 business customer's service record is?

4 A Well, I think for a business customer average
5 would be pretty broad because there's certainly a very,
6 very wide range in terms of how large a business
7 customer might be. It could be anywhere from one line
8 to thousands of lines. So if there's an average there,
9 I don't know what it is.

10 Q Let me ask you this: Would you agree that the
11 length of an average residential customer service
12 record, residential, is much, much less than 50 pages?

13 A Probably, yes.

14 Q Would you agree that the length of a simple
15 business customer service record is much, much less than
16 50 pages?

17 A Probably would be, yes.

18 Q All right, now, you also stated that one of
19 the things Sprint is looking for is that the data --
20 they want the data to flow through to their databases,
21 systems; is that a fair characterization?

22 A Are you referencing flow-through?

23 Q I think it was in your --

24 A Be characterized as flow-through between the
25 systems?

1 Q In your summary, yes.

2 A Yes.

3 Q Now, are you aware that there's software
4 available that Sprint can buy to route the preordering
5 information into its database?

6 A Well, I know that BellSouth has said that that
7 could be purchased. Actually, that would still not meet
8 Sprint's definition of an acceptable interface because
9 LENS is a proprietary system, and it would require all
10 new specifications compared to anything else that it
11 might do somewhere else in order to flow through
12 information.

13 Q All right, well let me ask you this: Would
14 you agree that customers with customer service records
15 of greater than 50 pages are typically complex customers
16 or users of complex services?

17 A I guess it would depend on how you define
18 complex services, but no, I wouldn't necessarily agree
19 with that. I will say from our experience with the SMNI
20 operation that there may be customers who have multiple
21 PBX trunks, and their customer service records are
22 longer than 50 pages. I wouldn't consider those to be
23 complex services, but the record is longer than that.

24 Q Let me ask you this: Do you know how
25 BellSouth deals with orders for complex services, or

1 services for complex customers, whether it's on a manual
2 or electronic basis?

3 A Broadly yes. I mean, I couldn't give you a
4 process flow diagram, but I understand the processes
5 that are involved.

6 Q Would you agree that it's a manual process?

7 A I would agree that there are parts of it that
8 are manual, yes.

9 Q And you would agree that BellSouth uses manual
10 processes for its own retail operations with regard to
11 complex services?

12 A Yes, I would.

13 Q Now, does the industry have a standard for an
14 ordering interface?

15 A The industry has a standard transmission
16 protocol that it has agreed upon, which is electronic
17 data interchange, or EDI.

18 Q And would you agree that BellSouth is
19 recommending EDI for ordering various services and
20 elements?

21 A Yes.

22 Q Does Sprint LP or SMNI use EDI?

23 A No. In fact, Sprint Communications -- let me
24 clarify to say SMNI, because SMNI is the one doing the
25 majority of the ordering for Sprint in Florida right

1 now , is using the EXACT interface. This was
2 recommended to SMNI at the direction of the BellSouth
3 account team that's been dedicated to supporting Sprint
4 and SMNI. SMNI has been in touch with that account team
5 for close to a year now, just to ensure that SMNI has
6 the best processes and electronic interfaces available
7 to send its orders. The account team has presented and
8 helped to train and install the EXACT system, and that's
9 what SMNI is using.

10 Q Has BellSouth or has Sprint -- what do you
11 know about the EDI system? Let me ask it that way.
12 What's your knowledge of the EDI?

13 A I know what it is and that it processes
14 orders, and that there are different ways that EDI can
15 be used to transmit orders. Did you have a more
16 specific question?

17 Q Yes. My mind wandered a little bit. Sorry.

18 A Okay.

19 Q Has Sprint asked BellSouth for any information
20 on the EDI?

21 A Yes, we have. And in fact, along the line of
22 why isn't Sprint or SMNI using EDI currently, we learned
23 through reading some of BellSouth's testimony, probably
24 in the middle of July, that BellSouth was claiming that
25 EDI was the preferred interface for ordering, and that

1 included unbundled network element orders, which was
2 interesting for Sprint and SMNI because we've been
3 asking for the latest and the best capabilities for
4 quite sometime.

5 We did inquire through the account team as to
6 what those capabilities were. Their response back to us
7 was that they recommended that we wait for LENS to have
8 unbundled network element ordering capability later this
9 year. We are in the process of preparing a more formal
10 response since we continue to receive input through
11 these hearings that we really should be using EDI for
12 our ordering for unbundled network elements. So
13 frankly, we're a little confused right now as to what's
14 available.

15 Q Well, are you aware that BellSouth is still
16 recommending EXACT for complex unbundled network
17 elements such as trunking, transport or tandem
18 switching?

19 A Not that specifically, no.

20 Q Now, would you agree that BellSouth is
21 recommending TAFI, that's trouble analysis facilitation
22 interface, for trouble reports for services and
23 unbundled network elements identified with the telephone
24 number?

25 A Yes.

1 Q Is Sprint LP or SMNI using TAFI for those
2 purposes?

3 A No. Sprint has recently received training on
4 the TAFI system and will be shortly turning that up to
5 do testing with it.

6 Q Do you know whether BellSouth uses TAFI for
7 its retail operations?

8 A I don't believe that BellSouth uses TAFI for
9 its retail operation, no.

10 Q What is the basis for your statement?

11 A Well, I understand that BellSouth has its own
12 system that is comparable to that, but my understanding
13 was that TAFI was the ALEC version of that trouble
14 reporting interface.

15 Q Now, TAFI does not support circuits; is that
16 correct?

17 A That's correct.

18 Q Would you agree that there's a separate
19 industry standard trouble reporting interface available
20 for elements and services that can be identified by
21 circuit numbers?

22 A Yes.

23 Q And would you agree that that's called the
24 electronic bonding trouble reporting interface?

25 A Yes.

1 Q And is that interface currently in use by
2 interexchange carriers?

3 A Yes, I understand that it is.

4 Q Does Sprint Limited Partnership or SMNI use
5 the electronic bonding trouble reporting interface?

6 A As an ALEC? Is that your question?

7 Q Yes, as an ALEC.

8 A No. I might elaborate on that and just say
9 that part of our interconnection agreement with
10 BellSouth says that we will develop our long term
11 interface, which will be for maintenance and trouble
12 reporting, and that that is the interface that we intend
13 to use.

14 For SMNI, that's currently ordering and using
15 unbundled network elements, given that that other
16 capability is really not that far down the road, we
17 hope, we chose not to install and train and go through
18 all of the procedures required to use the electronic
19 bonding interface that you referenced.

20 Q You would agree with me, wouldn't you, that
21 Sprint prefers electronic or mechanized processes for
22 the OSS functions? Is that a fair characterization?

23 A Yes.

24 Q Would you agree though that as long as an ALEC
25 is not disadvantaged by manual processes when compared

1 to the incumbent local exchange company, that the
2 process, a manual process can be non-discriminatory?

3 A Well, I think the answer to that is it depends
4 on, again, the evaluation of whether there is actually
5 parity in the experience between what BellSouth provides
6 to its own internal operation and how the CLEC has to
7 perform that same function. So my testimony is not that
8 there can never be a manual interface in order for there
9 to be parity, but there has to be a measurement of some
10 sort that demonstrates what is actually happening, both
11 with BellSouth in its retail operation, and then with
12 the ALEC that is performing the same function, for you
13 to know whether there's a parity experience or not.

14 Q Are you aware of whether AT&T and BellSouth
15 have reached a nine state agreement on performance
16 measurements?

17 A Yes, the BellSouth negotiating team that works
18 with Sprint has advised us that they do have that
19 agreement.

20 Q Is Sprint willing to accept the same terms and
21 conditions that AT&T has?

22 A Sprint largely supports the terms and
23 conditions that AT&T has, but is still in the process of
24 continuing negotiations on those performance standards.

25 Q And I may just have misheard you in your

1 summary, but did you say that those negotiations have
2 been concluded?

3 A No.

4 Q I'm hearing things.

5 Are you aware that BellSouth will begin
6 initial performance measurements in September to reflect
7 August data?

8 A Well, I did read that in BellSouth's
9 testimony, yes. I have not been advised of that by the
10 BellSouth negotiating team.

11 Q Now, Sprint Limited Partnership, does it
12 purchase unbundled network elements from BellSouth?

13 A Not currently.

14 Q Does it purchase resale services?

15 A As I mentioned previously, it's in the process
16 of beginning testing for resale services.

17 Q For resale services?

18 A Yes.

19 Q SMNI does purchase unbundled network elements
20 from BellSouth; is that correct?

21 A Yes.

22 Q And would you agree that those elements are
23 primarily unbundled loop, number portability and
24 interconnection trunking?

25 A Yes.

1 Q What about --

2 A Primarily.

3 Q I'm sorry?

4 A Primarily.

5 Q What about 911 and E911 services, does SMNI
6 purchase that from BellSouth?

7 A Yes, it does. Honestly I don't know the
8 specific provisioning configuration, but yes, there is
9 connectivity there.

10 Q Are you aware of any problems that Sprint may
11 have had or SMNI may have had with regard to 911?

12 A No, I am not.

13 Q What about white page listings, does SMNI
14 purchase those from -- or deal with BellSouth in getting
15 their customers' listings put in the white page
16 directories?

17 A Yes.

18 Q Have there been any problems associated with
19 that?

20 A Early on there were, but to my knowledge those
21 have been worked out.

22 Q Now, you discuss various problems in your
23 testimony relating primarily to the provision of
24 unbundled loops. Would you agree that there are
25 instances where SMNI -- and I assume we're talking about

1 SMNI there with regard to the loops, not Sprint Limited
2 Partnership?

3 A Right.

4 Q Would you agree that there are instances where
5 SMNI is in control of the situation and BellSouth is
6 not?

7 A Yes.

8 Q And in your testimony you talked about
9 cutovers. And I know that you're not a technical
10 witness, and definitely neither am I, but could you
11 describe just generally in English what a cutover is?

12 A A cutover would be a conversion of service
13 from BellSouth to the service of SMNI, or Sprint, as the
14 local service provider.

15 Q So would you agree that the customer has to
16 literally be disconnected from BellSouth and connected
17 to SMNI for the cutover to occur?

18 A Yes.

19 Q Now, would you agree that in those instances
20 there must be close communication between SMNI,
21 BellSouth employees?

22 A Yes.

23 Q And would you agree that there has to be a
24 close coordination of activities?

25 A Certainly.

1 Q What about testing or verification -- or
2 testing steps or verification steps performed as part of
3 the cutover?

4 A Yes, certainly.

5 Q And are those steps that have to be undertaken
6 both by SMNI and by BellSouth?

7 A Yes, they are.

8 Q Now, when there's a cutover, when does Sprint
9 provide dial tone from its switch for the cutover?

10 A Well, I can't tell you exactly when it's
11 provided. I know you're probably leading to a reference
12 to Mr. Milner's rebuttal where he references BellSouth's
13 desire, supposedly, for Sprint to turn up dial tone
14 sooner in the process.

15 The reference in his testimony is that if
16 Sprint provided dial tone earlier in the process, it
17 would make the cutover process a lot easier. That
18 reference actually is mischaracterizing what the nature
19 of the problem is.

20 In fact, since it is a cutover, even if Sprint
21 provided dial tone earlier in the process, it would be
22 of no benefit, because the way the cutover happens,
23 usually, is that the facilities that are used to
24 provision the service are reused. So you wouldn't
25 connect those facilities to the dial tone that's being

1 provided until right at the time of the cutover. And at
2 the time of the cutover, you do connect it to the dial
3 tone and then you do end-to-end testing.

4 So I'm a little confused by the reference as
5 to why that would improve the process. SMNI has asked
6 BellSouth repeatedly for precutover procedures. I have
7 documentation as early as November of '96, and SMNI's
8 service personnel tell me that BellSouth has never asked
9 for dial tone to be provided earlier in the process. So
10 again, I'm confused as to what the problem supposedly
11 is.

12 Q Well, can -- is it necessary for BellSouth to
13 perform some pretesting before dial tone is applied to
14 the circuits?

15 A Yes, certainly, they would be testing their
16 own circuits.

17 Q Now, I assume you've read Mr. -- you've
18 obviously read Mr. Milner's rebuttal testimony?

19 A Yes, I have.

20 Q So I would refer you to Pages 4 to 5 of his
21 rebuttal testimony, and there he's identified some
22 customers as Customer A, Customer B and Customer C.

23 A Yes.

24 Q Do you have knowledge of the instances that
25 Mr. Milner is discussing?

1 A Yes, I do.

2 Q Is he accurate or not?

3 A Well, I will say that they are
4 mischaracterizing what happened in these situations.
5 First, I'll start with Customer A, where I think the
6 gist of his rebuttal is that Sprint in certain instances
7 was not ready for the installation to be completed, and
8 that in some way was the basis of my testimony.

9 I might first just clarify that nothing in my
10 testimony references situations that Sprint or SMNI had
11 control over. Nothing. These are situations that were
12 totally out of Sprint's control. And in fact in this
13 first example here with Customer A, where Sprint
14 apparently caused the delay in the cutover because of a
15 PBX problem, this was actually a situation where there
16 was a new phone system being installed, and the customer
17 changed his mind at or shortly before the time of the
18 cutover as to how he wanted the system to be
19 reconfigured. The technician was unable, for whatever
20 reason, to complete reconfiguration at that point in
21 time, and they did need to reschedule it. That was the
22 customer's preference. That's going to happen from time
23 to time. This is not something, as you know, that was
24 referenced in my testimony.

25 Q Well, I understand, and I guess maybe I can

1 cut this short by just asking you, there are occasions
2 when BellSouth is not at fault and Sprint is?

3 A There are occasions where Sprint or SMNI
4 people make errors, but what is referenced in my
5 testimony doesn't include anything related to that.

6 Q So what you put in your testimony were all the
7 errors that BellSouth had made, not the errors that SMNI
8 had made?

9 A Well, when they occurred repeatedly over a
10 series of many, many months and continue to persist, and
11 Sprint believes that they're related to just simply the
12 fact that the processes that are needed to effectively
13 provision and maintain unbundled network elements,
14 they're very immature, they're not fully developed, and
15 there are holes that are still continuing to create
16 problems.

17 Q I'll take that as a yes to my question. And I
18 have nothing further.

19 CHAIRMAN JOHNSON: Staff?

20 CROSS EXAMINATION

21 BY MS. CULPEPPER:

22 Q Good afternoon, Ms. Closz.

23 A Good afternoon.

24 Q I would like to begin by just following up on
25 some areas that you discussed with Ms. White.

1 Is it your testimony that Sprint has not yet
2 entered into an agreement with BellSouth regarding
3 performance standards?

4 A Yes.

5 Q Do you plan on entering into an such agreement
6 this week?

7 A Yes -- pardon me?

8 Q This week?

9 A I believe that the 45-day window puts us
10 toward the end of September. So it will be soon.

11 Q And has Sprint tested any other interfaces
12 other than EXACT and LENS?

13 A I'm trying to think. There have been
14 specifications on different systems exchanged, but the
15 primary testing of an actual live system to date has
16 been with LENS. And then obviously we're using the
17 EXACT system in a live operating environment.

18 Q And did you state that Sprint is currently
19 developing interface similar to the EC-LITE interface
20 being developed by AT&T?

21 A Right.

22 Q Will that interface integrate the preordering
23 and the ordering functions?

24 A Yes.

25 Q What will that interface do that LENS does not

1 currently do?

2 A Well, many things. Primarily it will be a
3 machine-to-machine interface, meaning that there will be
4 inoperability between the systems. It will flow through
5 without human intervention. That is not the case with
6 LENS today.

7 Q I would like to refer you now to BellSouth's
8 Responses to Staff's Second Set of Interrogatories,
9 which was previously identified as Exhibit 2.

10 A Excuse me, I'm sorry. I don't have a copy of
11 that.

12 Q You should have a redacted copy. However if
13 you don't, we can --

14 A I'm sorry, did you say BellSouth's response or
15 Sprint's response?

16 Q BellSouth's Responses to Staff's Second Set of
17 Interrogatories.

18 A Yes, I have that. Thank you.

19 Q And I'll direct your attention to the response
20 to Item 31.

21 A Okay.

22 Q Now you've testified that Sprint is currently
23 providing local exchange service to business customers,
24 either exclusively over its own facilities, or in
25 combination with UNE's purchased from BellSouth,

1 correct?

2 A Yes.

3 Q Now, looking at the response to Item
4 31(a)(ii), are the unbundled elements listed on this
5 page what Sprint has actually ordered from BellSouth?

6 A I don't have a comprehensive list. I would
7 say generally it does look like these would be unbundled
8 elements that would be ordered. There are others that I
9 think may also have been ordered that are not here. But
10 that may be terminology in terms of what I would call
11 them versus what BellSouth has described them.

12 Q But you do believe that there are others in
13 addition to what is on that list?

14 A Yes.

15 Q We'd like to ask for that as a late-filed
16 exhibit.

17 A Certainly.

18 MS. CULPEPPER: Chairman Johnson, Staff would
19 ask that that be identified.

20 CHAIRMAN JOHNSON: We're on Exhibit 91. And
21 what is it? What's the short title for that?

22 MS. CULPEPPER: Short title would be List of
23 UNES Sprint Has Ordered From BellSouth.

24 (Late-filed Exhibit No. 91 identified.)

25 CHAIRMAN JOHNSON: Okay.

1 Q (By Ms. Culpepper) Could you tell me
2 approximately the number of business customers that
3 Sprint is currently serving in Florida through the use
4 of its own facilities or in combination with UNES
5 purchased from BellSouth?

6 A I'm sorry, I don't know an exact number, and
7 that would be something Sprint would want to be treated
8 as confidential. I don't know the exact number though.

9 Q Could we include that?

10 A Certainly.

11 Q On that previously identified late-filed
12 exhibit? And Chairman Johnson, I would ask that it be
13 modified to reflect that.

14 A Yes.

15 MR. FINCHER: And that would be filed as
16 confidential.

17 WITNESS CLOSZ: May I clarify that you're
18 looking for number of customers served or number of
19 circuits or services?

20 MS. CULPEPPER: Actually what I'm looking for
21 is the number of business customers currently being
22 served by Sprint in Florida through Sprint's own
23 facilities or in combination with UNES purchased from
24 BellSouth.

25 WITNESS CLOSZ: Okay.

1 Q (By Ms. Culpepper) And also if you could
2 include the approximate number of business subscriber
3 lines Sprint has in total in service in Florida.

4 A Okay.

5 Q Now, is Sprint serving any residential
6 customers in Florida, either through its own facilities
7 or in combination with UNEs's purchased from BellSouth?

8 A Only in a testing environment. I'm sorry, let
9 me clarify. Did you say on unbundled network elements
10 or -- the testing is all resale for residential. I
11 apologize.

12 Q Thank you for that clarification. Now Sprint
13 has ordered interconnection with BellSouth in Florida?

14 A Yes.

15 Q Pursuant to 251(c)(2)?

16 A Yes.

17 Q I would like to refer you again then to
18 Exhibit 2 to Item 31(a)(iii), and there you'll see a
19 chart that's titled Interconnection By Customer By
20 Trunk. Are the numbers listed in column 4 correct?

21 A I don't know. Generally they look to be
22 approximately correct, but I don't know the exact
23 numbers.

24 Q We would like to ask for that also as another
25 late-filed exhibit. And Chairman Johnson, we would ask

1 that it be identified.

2 CHAIRMAN JOHNSON: 92, and the short title?

3 MS. CULPEPPER: Interconnection Trunks Ordered
4 From BellSouth, and Amounts.

5 (Late-filed Exhibit No. 92 identified.)

6 CHAIRMAN JOHNSON: Interconnection trunks?

7 MS. CULPEPPER: Interconnection Trunks Ordered
8 From BellSouth and the Amounts Ordered.

9 WITNESS CLOSZ: Are you interested in the
10 number that are currently in service then?

11 MS. CULPEPPER: Yes.

12 Q (By Ms. Culpepper) Now Sprint is not
13 providing local exchange customers through its
14 interconnection arrangement with BellSouth to either
15 business or residential customers in Florida, correct?

16 A As Sprint Communications Company and Limited
17 Partnership, that is correct.

18 Q I'm not sure that you have a copy of this, but
19 I would like to refer you to Exhibit 2 to the response
20 to Item 43. Do you have a copy of -- a redacted copy of
21 that response?

22 A I don't believe so.

23 MS. CULPEPPER: I apologize, Madam Chairman,
24 Commissioners. If we could have just a moment. Thank
25 you. (Pause)

1 COMMISSIONER CLARK: Ms. Closz, let me ask you
2 a question while they're looking for that.

3 You take issue with the fact that the proposed
4 OSS interfaces are only interim solutions?

5 WITNESS CLOSZ: Right.

6 COMMISSIONER CLARK: I probably looked at this
7 testimony too quickly. What's the problem with that?

8 WITNESS CLOSZ: Well, let me clarify to say
9 that the problem itself is not that the interfaces are
10 interim, per se, but that BellSouth is holding those out
11 as having complied with the non-discriminatory access
12 standard.

13 COMMISSIONER CLARK: Okay, so we shouldn't --
14 the fact that they're interim really isn't the problem;
15 the fact is they don't meet the standard as you envision
16 it?

17 WITNESS CLOSZ: Right.

18 COMMISSIONER CLARK: Okay.

19 MS. CULPEPPER: I would ask the court reporter
20 to strike that last question, and that's all of Staff's
21 questions. Thank you, Ms. Closz.

22 CHAIRMAN JOHNSON: Commissioners? Redirect?

23 MR. FINCHER: Just a couple questions.

24 REDIRECT EXAMINATION

25 BY MR. FINCHER:

1 Q Ms. Closz, in response to some questioning by
2 Ms. White about the corporate structure and
3 certification of Sprint LP, you identified Sprint LP as
4 an ALEC in Florida?

5 A Yes.

6 Q Is Sprint LP also an authorized interexchange
7 carrier in Florida?

8 A Yes.

9 Q And in response to another question by
10 Ms. White, you identified, I think, North Carolina,
11 South Carolina, Tennessee and Florida as other states
12 that Sprint was -- was your answer operating in or
13 certificated in, just to clarify that?

14 A I believe the context I answered it was that
15 they were operating in as an ILEC.

16 Q As an ILEC?

17 A Yes.

18 MR. FINCHER: That's all I have.

19 CHAIRMAN JOHNSON: Exhibits?

20 MR. FINCHER: Move 88.

21 CHAIRMAN JOHNSON: Show it admitted without
22 objection.

23 MS. CULPEPPER: Staff moves 89 and 90.

24 CHAIRMAN JOHNSON: Show 89 and 90 admitted
25 without objection.

1 (Exhibit Nos. 88, 89 and 90 received into
2 evidence.)

3 CHAIRMAN JOHNSON: Did Staff pass out DWK and
4 the PLPs? Did you pass -- we can do those when we --
5 we're just going to take a break, and then when you pass
6 those out to us, we'll admit those after the break.

7 MS. CULPEPPER: Thank you, Madam Chairman.

8 CHAIRMAN JOHNSON: We'll take a 15-minute
9 break.

10 Now which witness will we call -- is available
11 to come to the stand next? Because we're out of order
12 here.

13 MR. HATCH: Whoever you can grab first.
14 Mr. Hamman is up next, I believe.

15 COMMISSIONER CLARK: Madam Chairman, who do we
16 still have to hear from?

17 MR. HATCH: From AT&T you have Mr. Hamman and
18 Mr. Bradbury.

19 COMMISSIONER CLARK: Okay.

20 MS. CANZANO: And from Intermedia you still
21 need to hear from Lans Chase, but not today.

22 MR. MELSON: From MCI, Mr. Gulino and
23 Mr. Martinez.

24 CHAIRMAN JOHNSON: TCG?

25 MR. WILLINGHAM: Yes, TCG has two witnesses

1 left, Mr. Kouroupas and Mr. Hoffman.

2 CHAIRMAN JOHNSON: And we still have one more
3 from Time -- the last Time Warner witness, what did --

4 COMMISSIONER CLARK: Mr. Gaskins?

5 CHAIRMAN JOHNSON: Are we going to stipulate?

6 MS. WILSON: I don't know.

7 MS. WHITE: Mr. Cohen, Time Warner's attorney
8 is not here. It's my understanding they were going to
9 withdraw Mr. Gaskins, but I will call him tomorrow or
10 tonight and ask him.

11 CHAIRMAN JOHNSON: Okay.

12 MS. WILSON: Madam Chairman, it was my
13 understanding that upon the execution of the agreement
14 that they would withdraw Mr. Gaskins' testimony, but I
15 just don't know what the status is, and if I can
16 inquire.

17 MR. SELF: And Madam Chairman, WorldCom's
18 witness, Mr. Gary Ball, I believe is on for Wednesday.

19 CHAIRMAN JOHNSON: Uh-huh. We have him
20 identified for Wednesday, and Mr. Melson you had
21 requested both yours?

22 MR. MELSON: Requested Mr. Gulino.

23 CHAIRMAN JOHNSON: Gulino?

24 MR. MELSON: Gulino.

25 CHAIRMAN JOHNSON: And Mr. Martinez isn't here

1 today anyway. Didn't I excuse him for today and
2 tomorrow?

3 MR. MELSON: We let him leave this afternoon.

4 CHAIRMAN JOHNSON: But Mr. Chase would be
5 available if we still got to him? Isn't he still here?

6 MS. CANZANO: Yes, he is.

7 COMMISSIONER DEASON: Let me ask a question
8 about Mr. Kouroupas. He's not available on 9-10. What
9 if we finish the hearing on 9-10? He doesn't testify
10 then? And I may be optimistic, but --

11 MS. WILSON: I would hope that he could
12 testify on Thursday.

13 CHAIRMAN JOHNSON: I'm saying that if we
14 finished Wednesday. I don't know who has that pool.

15 MR. MELSON: Most of us have Thursday.

16 MR. WILLINGHAM: Actually there's a reason I
17 picked Thursday in the pool. But, no, we put everybody
18 on notice a while ago that he wouldn't be here
19 Wednesday, unless BellSouth is willing to stipulate his
20 testimony into the record, which it's my understanding
21 they're not willing to do that at this time.

22 CHAIRMAN JOHNSON: We'll address that issue
23 because we were put on notice that he wasn't available
24 on 9-10.

25 MR. WILLINGHAM: Thank you.

1 COMMISSIONER CLARK: Is he here today?

2 MR. WILLINGHAM: No, he's not here today. We
3 didn't expect that we would get that far down the line.

4 CHAIRMAN JOHNSON: We're going to take a
5 ten-minute break.

6 COMMISSIONER GARCIA: You may want to get
7 together with BellSouth see what we can do about that.

8 (Recess at 5:50 p.m.)

9 (Transcript continues in sequence in
10 Volume 24.)

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