ORIGINAL

November, 6, 2003

Mrs. Blanca S. Bayo
Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 030851-TP

Dear Ms. Bayo:

Allegiance Telecom, Inc., hereby provides notice that it has sent its IO Objections to BellSouth's Second Set of Interrogatories in the above matter.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

RECEIVED & FILED

| PSC-BUREAU OF RECORDS

Sincerely,

g Jeffrey J. Binder

Jeffrey J Binder DN on=Jeffrey J Binder, o=Allegiance Telecom, c≃US Date 2003 11 06 10 55 58 -05'00'

Jeffrey J. Binder

cc: All Parties of Record

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FROM COMM COINN OF FRE

Question

85. Identify each market in the U.S. where you provide local telephone service, the year and month when you first offered local exchange service, the type of customers (residence or business) you serve, and the number of lines served in each market.

Objection

Allegiance objects on the ground that interrogatory seeks information that is irrelevant and not designed to lead to the discovery of admissible evidence. Allegiance objects on the ground that interrogatory seeks information that would require a special study and be unduly burdensome to produce.

Question

- 86. For those end user customers to whom you provide qualifying and non-qualifying service in the state of Florida, state the average monthly revenues (and identify the revenue separately for qualifying and non qualifying services, local and long distance services, and any other services) you receive from each such end user customer for those customers:
 - a. End users with 1 line:
 - b. End users with 2 lines;
 - e. End users with 3 lines;
 - d. End users with 4 lines;
 - e. End users with 5 lines;
 - f. End users with 6 lines;
 - g. End users with 7 lines;
 - h. End users with 8 lines;
 - i. End users with 9 lines;
 - i. End users with 10 lines;
 - k. End users with 11 lines:
 - 1. End users with 12 lines;
 - in. End users with 13 lines;
 - n. End users with 14 lines;
 - o. End users with 15 lines;
 - p. End users with 16 lines;
 - q. End users with 17 lines:
 - r. End users with 18 lines;
 - s. End users with 19 lines;
 - t. End users with 20 lines;
 - u. End users with 21 lines;
 - v. End users with 22 lines:
 - w. End users with 23 lines:
 - x. End users with 24 lines;
 - v. End users with more than 24 lines.

Objection

Allegiance objects on the ground that the term "qualifying and non-qualifying service" is vague and ambiguous. Allegiance objects on the ground that interrogatory seeks information that is irrelevant and not designed to lead to the discovery of admissible evidence. Allegiance objects on the ground that interrogatory seeks information that would require a special study and be unduly burdensome to produce.

Question

87. For each class or type of end user customer you identified in response to BellSouth's 1st Interrogatories, Request No. 33, state the general and administrative (G&A) expenses in Florida.

Objection

Allegiance objects on the ground that the term "general and administrative (G&A) expenses" is vague and ambiguous. Allegiance objects on the ground that interrogatory seeks information that is irrelevant and not designed to lead to the discovery of admissible evidence. Allegiance objects on the ground that interrogatory seeks information that would require a special study and be unduly burdensome to produce.

Question

88. Provide your revenues, separately identified by qualifying and non-qualifying services, in Florida for the period 1996 through present.

Objection

Allegiance objects on the ground that the term "qualifying and non-qualifying services" is vague and ambiguous. Allegiance objects on the ground that interrogatory seeks information that is irrelevant and not designed to lead to the discovery of admissible evidence. Allegiance objects on the ground that interrogatory seeks information that would require a special study and be unduly burdensome to produce. Allegiance objects on the ground that the interrogatory is overly broad.

Question

89. Provide a statement of income (1996 through present) or profitability for each market in Florida or for the most granular level that you have in Florida.

Objection

Allegiance objects on the ground that the terms "statement of income", "market", "profitability" and "most granular level" are vague and ambiguous. Allegiance objects on the ground that interrogatory seeks information that is irrelevant and not designed to lead to the discovery of admissible evidence. Allegiance objects on the ground that interrogatory seeks information that would require a special study and be unduly burdensome to produce. Allegiance objects on the ground that the interrogatory is overly broad.

Question

- 90. For each 100 of the types of end user customers identified in your response to BellSouth's Second Interrogatories, Item No. 86 above, state how many are added as a result of:
- a. Telemarketing;
- b. Direct mail;
- c. Customer-initiated call for service;
- d. Customer-initiated Internet request for service;
- e. Direct contact (other than telemarketing) from service rep;
- f. Other Sales Channel (please describe).

Objection

Question

91. For the customers identified in response to BellSouth's Second Interrogatories, Request No. 86 above, identify with particularity the average customer acquisition cost by sales channel.

Objection

Question

92. Describe with particularity whether and how you use (a) newspaper (b) television (c) radio media to (d) direct mail marketing and telemarketing to attract residential or other business subscribers. Identify all documentation you relied upon to support your response.

Objection

Question

93. For each of the sales channels identified in your response to BellSouth's Second Interrogatories, Request No. 90 and as related to each customer line size as described in 86 above, provide a take rate per product offering as measured as a percentage of the number of potential customers actually contacted.

Objection

Question

94. Identify the percentage of your customers by line size as described in your response to BellSouth's Second Interrogatories, Request No. 86 above, that accept your service under a bundle or package that includes any combination of local service, long distance, DSL or other data product or voicemail. Identify all documentation you relied upon to support your response.

Objection

Question

95. Describe the criteria you consider to enter a specific market offering qualified services. In your response please detail how, and the extent to which, you rely on both business customers and residential customers to meet the financial criteria. Also identify the criteria used to select the customers that are marketed to or contacted in your marketing campaigns.

Objection

Question

96. What percentage of the total lines in each market in Florida satisfy the criteria described in your response to 95?

Objection

Question

- 97. For each of the customer line counts described in your response to BellSouth's Second Interrogatories, Request No. 86 above, please provide the quantity and percentage of customers that accept your service for:
 - a. local, long distance and Voicemail;
 - b. local and long distance;
 - c. Local, long distance, and DSL or other data product.

Objection

Question

98. Please provide, on a customer segment basis (residence, small business, large business), or the next most granular level available, the quantity and percentage of your customers that accept service, without purchasing a package (a la carte).

Objection

Question

99. Please identify all documents and underlying data that you use to compute churn rates.

Objection

Question

100. Please provide your bad debt expense as a percentage of revenue over the period 1996 to present.

Objection

Allegiance objects on the ground that interrogatory seeks information that is irrelevant and not designed to lead to the discovery of admissible evidence. Allegiance objects on the ground that interrogatory seeks information that would require a special study and be unduly burdensome to produce.

Question

- 101. With regard to long distance services, please provide the following:
 - a. your average revenue per minute (ARPU) for long distance service in the state;
 - b. average revenue per minute (ARPU) for long distance service in the state for residential customers;
 - c. average revenue per minute (ARPU) for long distance service in the state for business customers in total;
 - d. average revenue per minute (ARPU) for long distance service in the state for business customers with 1-3 lines
 - e. average revenue per minute (ARPU) for long distance service in the state for business customers with 4-8 lines.
 - f. average revenue per minute (ARPU) for long distance service in the state for business customers with 9-23 lines.
 - g. average revenue per minute (ARPU) for long distance service in the state and for business customers with 24 or more lines.

Objection

Question

102. With regard to bundles of local and long distance services offered to retail customers:

- a. Provide the proportion or percentage (nationally) of residential customers that receive a bundled offering of local and long distance service.
- b. Provide the proportion (for the state) of residential customers that receive a bundled offering of local and long distance service.
- c. Provide the average monthly revenue per customer for those customers with 1 line and with 2 lines.
- d. Provide the proportion (nationally) of your business customers that receive a bundled offering of local and long distance service.
- e. Provide the proportion (for the state) of your business customers that receive a bundled offering of local and long distance service.
- Provide the average monthly revenue per customer for those customers with 4 lines and with 5 lines.
- g. Provide the proportion (nationally) of business customers with 1-3 lines that receive a bundled offering of local and long distance service.
- h. Provide the proportion (in the state) of business customers with 1-3 lines that receive a bundled offering of local and long distance service.
- Provide the average monthly revenue per customer for those customers identified with 7 lines and with 8 lines.
- j. Provide the proportion (nationally) of business customers with 4-8 lines that receive a bundled offering of local and long distance service.
- k. Provide the proportion (in the state) of business customers with 4-8 lines that receive a bundled offering of local and long distance service.
- 1. Provide the average monthly revenue per customer for those customers with 10 lines and with 11 lines.

Objection

Question

- 103. With respect to your retail bundled offerings that include DSL or Data Services:
 - a. Provide the proportion (nationally and for the state) of residential customers that receive a bundled offering that includes DSL.
 - b. Provide the average price discount for such bundles from the retail rates in a.
 - c. Provide the proportion (nationally, and for the state) of business customers that receive a bundled offering including DSL or data services.
 - d. Provide the average price discount for such bundles from the retail rates in c.
 - e. Provide the proportion (nationally, and for the state) of business customers in the 1-3 line size that receive a bundled offering including DSL or data services.
 - f. Provide the average price discount for such bundles from the retail rates in e.
 - g. Provide the proportion (nationally, and for the state) of business customers in the 4-8 line size that receive a bundled offering including DSL or data services.
 - h. Provide the average price discount for such bundles from the retail rates in g.
 - i. Provide the proportion (nationally, and for the state) of business customers in the 9-23 line size that receive a bundled offering including DSL or data services.
 - i. Provide the average price discount for such bundles from the retail rates in i.
 - k. Provide the proportion (nationally, and for the state) of business customers with 24 or more lines that receive a bundled offering including data services.
 - 1. Provide the average price discount for such bundles from the retail rates in k.

Objection

Question

- 104. With respect to any discounts you offer on long distance services:
 - a. Provide the approximate proportion of your long distance business customers that receive service via a contract with a volume and/or term discount. Provide the response by:
 - i. Business with 1-3 lines
 - ii. Businesses with 4-8 lines
 - iii. Businesses with 9-23 lines
 - iv. Businesses with 24 or more lines
 - b. For the answer in a above, approximately what is the discount in percentage terms for each line size?
 - c. For the answer in a above, approximately what is the range of terms for each line size?
 - d. Provide the approximate proportion of your long distance residential customers that receive service via a contract with a volume and/or term discount.
 - e. For the answer in c above, approximately what is the discount in percentage terms?
 - f. What is the lowest price per minute that the company sells to a customer for long distance service?
 - g. For the question e above, what terms and conditions are required in order to obtain this rate?

Objection

Question

- 105. With respect to any long distance services you provide:
 - a. What proportion of your total long distance service that is provided to customers nationally is provided through your own switches?
 - b. What proportion of your total long distance service that is provided to customers nationally is not provided through your own switches?
 - c. What proportion of your total long distance service that is provided to customers in the state of Florida is provided through your own switches?
 - d. What proportion of your total long distance service that is provided to customers in the state of Florida is not provided through your own switches?
 - e. What proportion of your total long distance service that is provided to customers nationally is provided via resale of another Company's long distance service? Provide annual number of long distance minutes that are resold nationally.
 - f. What proportion of your total long distance service that is provided to customers nationally is <u>not</u> provided via resale of another Company's long distance service? Provide annual number of long distance minutes that are not resold nationally.
 - g. For resold long distance service, what is the average cost per minute (i.e., the average amount paid to the reselling company per minute) for long distance service provided to customers nationally?
 - h. For g above, does this include nonrecurring charges?
 - i. For resold long distance service, what is the average cost per minute (i.e., the average amount paid to the reselling company per minute) for long distance service provided to customers in the state of Florida?
 - j. For answer g, under what terms and conditions do your purchase the resold service?
 - k. For answer i, under what terms and conditions do you purchase the resold service?

Objection

Question

- 107. With respect to transport material prices you pay for equipment:
 - a. What is the average vendor discount (in percentage) from vendor retail prices you receive for 1/0 multiplexer equipment?
 - b. Provide the material prices, year of acquisition, capacity expressed in DS0 equivalents and the engineered utilization for the most recent acquisitions of 1/0 multiplexer equipment.
 - c. What is the average vendor discount (in percentage) from vendor retail prices the company receives for 3/1 multiplexer equipment?
 - d. Provide the material prices, year of acquisition, capacity expressed in DS0 equivalents and the engineered utilization for the most recent acquisitions of 3/1 multiplexer equipment.
 - e. What is the average vendor discount (in percentage) from vendor retail prices the company receives for optical fiber?
 - f. Provide the material prices, year of acquisition, fiber capacity and the engineered utilization for the most recent acquisitions of optical fiber?

Objection

Question

- 108. With respect to the cost you pay for leased transport capacity:
 - a. Provide the monthly price(s) paid for most recent lease of DS1 capacity from a company other than BellSouth. Include all monthly rate elements such as per termination and/or per mile rates.
 - b. Provide the non-recurring price(s) paid for most recent lease of DS1 capacity from a company other than BellSouth. Include all non-recurring rate elements.
 - c. Provide the monthly price(s) paid for most recent lease of DS3 capacity from a company other than BellSouth. Include all monthly rate elements such as per termination and/or per mile rates.
 - d. Provide the non-recurring price(s) paid for most recent lease of DS3 capacity from a company other than BellSouth. Include all non-recurring rate elements.
 - e. Provide the monthly price(s) paid for most recent lease of OC3 capacity from a company other than BellSouth. Include all monthly rate elements such as per termination and/or per mile rates.
 - f. Provide the non-recurring price(s) paid for most recent lease of OC3 capacity from a company other than BellSouth. Include all non-recurring rate elements.
 - g. Provide the monthly price(s) paid for most recent lease of OC12 capacity from a company other than BellSouth. Include all monthly rate elements such as per termination and/or per mile rates.
 - h. Provide the non-recurring price(s) paid for most recent lease of OC12 capacity from a company other than BellSouth. Include all non-recurring rate elements.
 - Provide the monthly price(s) paid for most recent lease of OC48 capacity from a company other than BellSouth. Include all monthly rate elements such as per termination and/or per mile rates.
 - j. Provide the non-recurring price(s) paid for most recent lease of OC48 capacity from a company other than BellSouth. Include all non-recurring rate elements.
 - k. Provide the monthly price(s) paid for most recent lease of OC192 capacity from a company other than BellSouth. Include all monthly rate elements such as per termination and/or per mile rates.
 - 1. Provide the non-recurring price(s) paid for most recent lease of OC192 capacity from a company other than BellSouth. Include all non-recurring rate elements.

Objection

Question

- 109. With respect to the prices you pay for voice mail equipment:
 - a. What is the average vendor discount (in percentage) from vendor retail prices you receive for voice mail equipment?
 - b. Provide the material prices, year of acquisition, capacity expressed in number of voice mailboxes and the engineered utilization for the most recent acquisitions of voice mail equipment.

Objection

Question

- 110. With respect to the prices you pay for Operator Assistance Costs:
 - a. What proportion of your total operator services provided to customers nationally is provided via resale of another Company's operator service? Provide annual number of operator minutes that are resold nationally.
 - b. What proportion of your total operator services that is provided to customers
 nationally is <u>not</u> provided via resale of another Company's operator service?
 Provide annual number of operator minutes that are not resold nationally.
 - c. For resold operator service, what is the average cost per minute (i.e., the average amount paid to the reselling company per minute) for operator services provided to customers nationally?
 - d. For resold operator service, what is the average cost per minute (i.e., the average amount paid to the reselling company per minute) for operator service provided to customers in the state of Florida?
 - e. For answer c above under what terms and conditions do you purchase the resold service?
 - f. For answer d above, under what terms and conditions do you purchase the resold service?

Objection

Question

- 111. In the FCC's Triennial Review Order, TRO, released August 21, 2003, it discusses determination of economic entry on the basis of the "most efficient business model" and "most efficient network architecture" (¶517):
 - a. Do you employ "the most efficient business model" as that phrase is used in 517 of the TRO? Explain with particularity your answer.
 - b. Do you employ "the most efficient network architecture" as that phrase is used at paragraph 517 of the TRO? Explain with particularity your answer.
 - c. Are you the least cost competitive (CLEC) provider in the state?
 - d. If the answer to c is anything other than an unqualified no, please identify which provider you believe is the least cost provider.
 - e. If the answer to c is anything other than an unqualified no, please estimate the percentage by which you believe your costs exceed (on an average basis) the costs of the least cost competitive provider.

Objection

Question

112. If you offer long distance services to your customers, state for each state in the BellSouth region the average access charges you pay for (a) originating and (b) terminating long distance services. An average based on the most recently available month or quarter will be sufficient.

Objection

Certificate of Service Docket No. 030851-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Electronic Mail and US Mail on November 6, 2003 to the following:

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