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November 3, 2006

Ms. Beth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

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PUBLIC SERVICE
COMMISSION

Re: Petition of SouthEast Telephone, Inc., for Arbitration of Certain Terms and Conditions of Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection Under the Telecommunications Act of 1996 PSC 2006-00316

Dear Ms. O'Donnell:

In accordance with the Commission's revised procedural Order dated October 23, 2006, enclosed for filing in the above-captioned case is the Direct Testimony of BellSouth's witness, Pamela A. Tipton. The original and three (3) copies of the Testimony are enclosed for filing. The Testimony is being emailed to SouthEast today.

Sincerely,


Mary K. Keyer

cc: Parties of Record

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PUBLIC SERVICE
COMMISSION

AFFIDAVIT

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Pamela A. Tipton, who, being by me first duly sworn deposed and said that:

She is appearing as a witness before the Kentucky Public Service Commission in Case No. 2006-00316, In the Matter of: Petition of SouthEast Telephone, Inc., for Arbitration of Certain Terms and Conditions of Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection Under The Telecommunications Act of 1996, and if present before the Commission and duly sworn, her direct testimony would be set forth in the annexed testimony consisting of 11 pages and 0 exhibits.


Pamela A. Tipton

SWORN TO AND SUBSCRIBED BEFORE ME
THIS ___ DAY OF October, 2006



Notary Public

STEPHANIE Y. PETTWAY

Notary Public, Gwinnett County, Georgia
My Commission Expires June 26, 2007

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BELLSOUTH TELECOMMUNICATIONS, INC.
DIRECT TESTIMONY OF PAMELA A. TIPTON

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 2006-00316

NOVEMBER 3, 2006

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

A. My name is Pamela ("Pam") A. Tipton. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am employed by BellSouth as a Director, responsible for regulatory policy implementation in BellSouth's nine-state region.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I received a Bachelor of Arts in Economics from Agnes Scott College in 1986, and a Masters Certificate Project Management from George Washington University in 1996. I am currently enrolled in the MBA program at the Goizueta Business School at Emory University.

I have over 18 years experience in telecommunications, with my primary focus in the areas of process development, services

1 implementation, product management, marketing strategy and
2 regulatory policy implementation. I joined Southern Bell in 1987, as a
3 manager in Interconnection Operations, holding several roles over a 5-
4 year period including process development and execution, quality
5 controls and services implementation. In 1994, I became a Senior
6 Manager with responsibility for End User Access Services and
7 implementation of Virtual and (later) Physical Collocation. In 2000, I
8 became Director, Interconnection Services, responsible for
9 development and implementation of Unbundled Network Element
10 ("UNE") products, and later development of marketing and business
11 strategies. In June 2003, I became responsible for implementation of
12 state and federal regulatory mandates for Local and Access markets,
13 the development of regulatory strategies and the management of the
14 switched services product portfolio. I assumed my current
15 responsibilities on August 1, 2005.

16

17 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

18

19 A. I set forth and explain the basis for BellSouth's position on each of the
20 issues identified in the Petition for Arbitration SouthEast Telephone,
21 LLC ("SouthEast") filed with the Kentucky Public Service Commission
22 ("KPSC" or "Commission").

23

24

25

1 Q. DO YOU HAVE ANY PRELIMINARY COMMENTS?

2

3 A. Yes. Some of the issues SouthEast raised are legal in nature and
4 BellSouth's responses are based at least in part on legal analysis. I am
5 not an attorney and, consequently, I am not offering legal opinions on
6 these issues. BellSouth's lawyers will make BellSouth's legal
7 arguments in its post-hearing brief and other appropriate filings.

8

9

ISSUE A-1

10

11 ***Issue A-1: Which document should be the starting point for the***
12 ***negotiations and arbitration between SouthEast and BellSouth?***

13

14 Q. SHOULD BELLSOUTH'S "STANDARD" INTERCONNECTION
15 AGREEMENT BE THE STARTING POINT FOR THE
16 INTERCONNECTION AGREEMENT NEGOTIATIONS BETWEEN
17 BELLSOUTH AND SOUTHEAST?

18

19 A. Yes. BellSouth's current "standard" Interconnection Agreement should
20 be the starting point for the interconnection agreement between
21 SouthEast and BellSouth. Because we have interconnection
22 agreements with hundreds of CLECs, BellSouth maintains a "standard"
23 Interconnection Agreement, which we update on a regular basis to
24 reflect changes in the law, as well as updated and/or improved
25 processes and procedures. BellSouth utilizes this standard agreement
26 as a starting point for negotiations with CLECs.

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There have been several significant changes in the law governing the relationship between BellSouth and CLECs since SouthEast and BellSouth entered into the Parties' 2001 interconnection agreement. It makes no sense for BellSouth to be required to commence negotiations from a five-year-old out-dated agreement, as SouthEast advocates. This BellSouth standard template is compliant with all regulatory rules and telecommunications law. It is much more efficient for parties to start with a template that reflects current laws and processes. There is no legitimate reason for SouthEast to have a different and, frankly, inefficient unique procedure than what BellSouth utilizes with other CLECs.

Q. ARE THERE ADDITIONAL REASONS WHY THE COMMISSION SHOULD REJECT SOUTHEAST'S POSITION ON THIS ISSUE?

A. Yes. SouthEast acknowledges in its arbitration petition that using the out-dated 2001 interconnection agreement between these Parties as a foundation for a new agreement likely will result in the emergence of additional issues beyond those SouthEast set out in its petition. SouthEast purports to "reserve the right" to add new issues to this proceeding to the extent new issues arise as a result of SouthEast's refusal to do what other CLECs do by utilizing the up-to-date standard interconnection agreement as a starting point for negotiations.¹ That

¹ See *Petition of SouthEast Telephone, Inc., for Arbitration with BellSouth under the Telecommunications Act of 1996*, filed June 22, 2006, at 9-10

1 would not be appropriate, however. The negotiation and arbitration
2 windows have statutory timelines, and there is a definitive date by
3 which arbitration issues *must* be identified. Pursuant to Section
4 252(b)(1), during the period from the 135th to the 160th day after the
5 incumbent receives a request for negotiations, the carrier or any party
6 to the negotiation may petition a state Commission to arbitrate open
7 issues. Section 252(b)(1) prescribes the duty of petitioner (in this case,
8 SouthEast) as follows (emphasis added):

9
10 “(A) A party that petitions a State commission under paragraph
11 (1) shall, **at the same time as it submits the petition**, provide
12 the State commission all relevant documentation concerning–
13 a. the unresolved issues;
14 b. the position of each of the parties with respect to those
15 issues; and
16 c. any other issue discussed and resolved by the parties.
17

18 Section 252(4) describes the action by the state Commission as follows
19 (emphasis added):

20
21 “(A) The State commission **shall limit its consideration** of any
22 petition under paragraph (1) (and any response thereto) **to the**
23 **issues set forth in the petition and in the response**, if any,
24 filed under paragraph (3).
25

26 The express words of the 1996 Act make clear that SouthEast cannot
27 add new arbitration issues. It is unlawful no matter what the “reason,”
28 but would be especially egregious if SouthEast was permitted to do so
29 because it insists on using outdated and unlawful contract language as
30 the basis for the Parties’ interconnection agreement negotiations.

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In addition, the Commission has already decided many of the issues identified by SouthEast in its Petition. BellSouth's proposed Interconnection Agreement reflects those prior decisions. The proper course is to use the BellSouth standard agreement as the starting point for negotiations with SouthEast, just as is done with other CLECs. BellSouth devotes substantial resources to maintaining a current standard agreement because doing so increases efficiencies in the negotiation of hundreds of interconnection agreements. This is not only beneficial to BellSouth, but also to the CLEC community and to state commissions and their staffs, who do not have resources to devote to "recreating the wheel" over and over again.

ISSUE A-2

Issue A-2: What monthly recurring rates should be established in each pricing Zone for the voice-grade Local Loop element?

Q. WHAT IS BELLSOUTH'S POSITION ON ISSUE A-2?

A. There is no need to establish new or different monthly recurring loop rates. The Commission established loop-related rates in Administrative Case No. 382. Those rates are contained in BellSouth's interconnection agreements in Kentucky and paid by CLECs. They are set forth in Exhibit A of Attachment 2 of BellSouth's Standard Interconnection Agreement. There is no legitimate reason why

1 SouthEast should pay different rates than other CLECs in Kentucky.

2

3

ISSUE A-3

4

5 ***Issue A-3: What monthly recurring rate should apply to the "Port"***
6 ***component of the Platform combination?***

7

8 Q. WHAT IS BELLSOUTH'S POSITION ON ISSUE A-3?

9

10 A. No port rate should be established. BellSouth is no longer required to
11 provide a port as an unbundled network element ("UNE") under Section
12 251 of the Act. This issue, therefore, is not appropriate for a Section
13 252 arbitration.

14

15

ISSUE A-4

16

17 ***Issue A-4: What Interconnection Agreement provisions, and what***
18 ***forward-look cost-based rates should apply to the adjacent meet-point***
19 ***interconnection arrangement with UNE-L?***

20

21 Q. WHAT IS BELLSOUTH'S POSITION ON ISSUE A-4?

22

23 A. The specific arrangement SouthEast proposes is not an interconnection
24 arrangement required by Section 251 of the 1996 Act. The terms and
25 rates for a non-Section 251 arrangement are not an appropriate issue
26 for a Section 252 arbitration such as this one.

27

1 Q. WHY SHOULD THE COMMISSION REJECT SOUTHEAST'S
2 POSITION ON THIS ISSUE?

3

4 A. SouthEast seems to be confusing the purchase of an unbundled loop
5 (UNE-L), which is used to serve a specific end user, with "network
6 interconnection," which serves as the connection utilized by SouthEast
7 to exchange its traffic with BellSouth. The arrangement described by
8 SouthEast is not an "interconnection arrangement" because there
9 would not be an exchange of traffic between the Parties as required by
10 Part 51 of the FCC rules. Consequently, terms governing such an
11 arrangement should not be included in the interconnection agreement.
12 BellSouth established its New Business Request (NBR) process for
13 consideration of unique product offerings. SouthEast may request
14 evaluation of such an offering through the NBR process.

15

16

ISSUE A-5

17

18 ***Issue A-5: What reciprocal compensation rates should apply to the***
19 ***transport and termination of local and ISP-bound traffic?***

20

21 Q. WHAT IS BELLSOUTH'S POSITION ON ISSUE A-5?

22

23 A. The appropriate reciprocal compensation rates for transport and
24 termination of Local traffic are those that this Commission ordered in
25 Administrative Case No. 382. Those rates are set forth in Exhibit A of
26 Attachment 3 of BellSouth's Standard Interconnection Agreement. The

1 appropriate rates for ISP-bound traffic are those specified in the FCC's
2 Order on the Core Forbearance Petition (FCC 04-241 in WC Docket 03-
3 171, "Core Order").
4

5 Q. DOES SOUTHEAST'S POSITION ON ISSUE A-5 DIFFER FROM
6 BELLSOUTH'S?
7

8 A. It does not appear to based on SouthEast's letter to the Commission
9 dated October 31, 2006, in which SouthEast recommends the use of
10 the rates established by the Commission in Administrative Case No.
11 382. Thus, SouthEast's position now appears to be in concert with
12 BellSouth's position, thereby suggesting the removal of Issue A-5 from
13 this arbitration.
14

15 ISSUE A-6

16
17 ***Issue A-6: What rates should be established for the high-capacity***
18 ***transmission elements and other services and elements that are***
19 ***included in the pre-existing BellSouth-SouthEast Interconnection***
20 ***Agreement?***
21

22 In its letter to the Commission dated October 31, 2006, SouthEast withdraws
23 Issue A-6 from this arbitration.
24

25 ISSUE A-7

26
27 ***Issue A-7: Should the standard rule of construction apply to this***
28 ***interconnection agreement, with any ambiguity in the terms of the***
29 ***agreement being construed against BellSouth?***

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Q. WHAT IS BELLSOUTH'S POSITION ON ISSUE A-7?

A. This is a legal issue that BellSouth addressed in its response to SouthEast's Petition and will address in greater detail in its post-hearing brief. Since I am not a lawyer and this appears to be purely a legal issue, I will not comment further.

ISSUE A-8

Issue A-8: What rates, terms, and conditions should apply to the Parties' respective "Dispatched/No Trouble Found" charges?

Q. WHAT IS BELLSOUTH'S POSITION ON ISSUE A-8?

A. As an initial matter, SouthEast did not raise this issue during the statutory negotiation period but, rather, raised it for the first time in its Petition. BellSouth does not believe, however, that the Parties disagree on this issue with respect to loop and resale lines. BellSouth expects that the Parties will agree on contract terms and that SouthEast will remove this issue from the arbitration.

ISSUE A-9

Issue A-9: Must BellSouth provide data on the location and type of certain network facilities and the number of customer lines and geographic service area of such facilities? If so, at what rate?

Q. WHAT IS BELLSOUTH'S POSITION ON ISSUE A-9?

1

2 A. No, BellSouth is not required to provide such information pursuant to
3 Section 251. BellSouth agrees, however, to continue to make Remote
4 Terminal Information available to SouthEast Telephone pursuant to the
5 same rates, terms and conditions it currently provides such information
6 to SouthEast.

7

8 SouthEast Telephone's request to receive additional information on the
9 number of lines and information on those lines coming off BellSouth's
10 main distribution frames (MDFs) and central offices (COs), plus the
11 E911 address and GPS coordinates associated with each remote
12 terminal, MDF and CO, should be handled through the New Business
13 Request process and not through this arbitration proceeding.

14

15 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

16

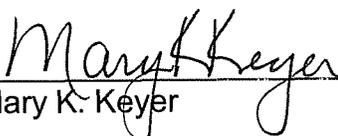
17 A. Yes.

CERTIFICATE OF SERVICE KPSC 2006-00316

It is hereby certified that a true and correct copy of the foregoing was served on the following individuals via email this 3rd day of November 2006.

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Liz Thacker
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