

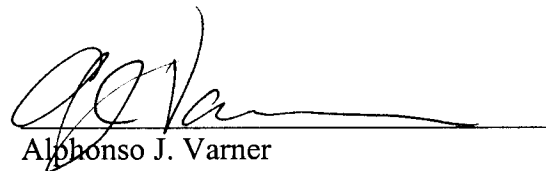
AFFIDAVIT

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 Alphonso J. Varner, BellSouth Telecommunications, Inc., being by me first duly sworn deposed and said that:

He is appearing as a witness before the Kentucky Public Service Commission in "Investigation Concerning the Propriety of InterLATA Services by BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996," KY PSC Case No. 2001-105, and if present before the Commission and duly sworn, his testimony would be set forth in the annexed transcript consisting of 11 pages and 0 exhibit(s).


Alphonso J. Varner

SWORN TO AND SUBSCRIBED BEFORE ME this
7th day of September, 2001.


NOTARY PUBLIC

Notary Public, Cobb County, Georgia
My Commission Expires June 19, 2005

1 BELLSOUTH TELECOMMUNICATIONS, INC.
2 SURREBUTTAL TESTIMONY OF ALPHONSO J. VARNER
3 BEFORE THE COMMONWEALTH OF KENTUCKY
4 PUBLIC SERVICE COMMISSION
5 CASE NO. 2001-105
6 FILED SEPTEMBER 10, 2001
7
8

9 Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH
10 TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR BUSINESS
11 ADDRESS.

12
13 A. My name is Alphonso J. Varner. I am employed by BellSouth as Senior
14 Director in Interconnection Services. My business address is 675 West
15 Peachtree Street, Atlanta, Georgia 30375.
16

17 Q. ARE YOU THE SAME ALPHONSO J. VARNER WHO FILED REBUTTAL
18 TESTIMONY IN THIS PROCEEDING?
19

20 A. Yes I am.
21

22 Q WHAT IS THE PURPOSE OF YOUR TESTIMONY?
23

24 A. The purpose of my Surrebuttal Testimony is to respond to Surrebuttal
25 Testimony filed by AT&T witness Cheryl Bursh and WorldCom witness

1 Karen Kinard.

2

3 Q. HAVE ANY OF THE FOLLOWING ISSUES THAT YOU ARE GOING TO
4 ADDRESS BEEN COVERED PREVIOUSLY IN THIS DOCKET?

5

6 A. Yes. I have covered the issues in Ms. Bursh's surrebuttal testimony in
7 detail in my rebuttal testimony dated July 30, 2001. However, I feel it
8 appropriate to add further clarification to some of the assertions that Ms.
9 Bursh makes in her August 20 testimony.

10

11 Q. ON PAGES 2-3 OF HER SURREBUTTAL TESTIMONY, MS. BURSH
12 ASSERTS THAT MY ESTIMATE OF 380,000 SUBMEASURES IN THE
13 AT&T PIP IS WRONG AND THAT MS. KINARD'S ESTIMATE OF 2,778
14 SUBMEASURES IS RIGHT. HOW DO YOU RESPOND?

15

16 A. Ms. Bursh offers no evidence to support her assertion that my estimate of
17 380,000 submeasures in the AT&T PIP is wrong nor does she offer any
18 evidence to support Ms. Kinard's estimate of 2,778 submeasures other
19 than the fact that Ms. Kinard submitted testimony in that regard. Attached
20 to my Rebuttal Testimony as Exhibit AJV-10, is a detailed analysis of how
21 I arrived at my estimate using Ms. Kinard's own list of the appropriate
22 levels of disaggregation based on her Exhibit KK-D. Furthermore, in
23 hearings in North Carolina, South Carolina and Florida, Ms. Kinard has
24 been unable to substantiate her estimate of the number of submeasures

1 and has readily admitted, on the stand, that she really doesn't know how
2 many submeasures there are in the AT&T PIP

3

4 Q. WHY DO YOU SAY THAT THE CLECS CLAIM THAT THEY ONLY
5 REQUEST 2778 SUBMETRICS IS UNSUPPORTED?

6

7 A. The CLECs have simply used this "estimate" to hide the number of metrics
8 they propose. Ms Kinard originally produced this "estimate" in North
9 Carolina as an attempt to quantify the number of metrics in their proposal.
10 This "estimate" was shown to be riddled with errors, inconsistencies with
11 Ms Kinard's testimony and conflicts with exhibits detailing their proposal.
12 In the next hearing CLECs implied that this "estimate" was a change in
13 their proposal. However, their testimony and exhibits proposing their plan
14 were unchanged. In the next hearing, Ms Kinard withdrew one of her
15 exhibits that conflicted with this estimate but left the other exhibits and
16 testimony unchanged. Also the errors in this estimate have not been
17 corrected. For example, Ms Kinard proposes to keep all of the existing
18 disaggregation that BellSouth has but does not reflect it in her estimate.
19 She also requires BellSouth to produce far more disaggregated data than
20 her exhibit shows to allow CLECs to decide whether they want the data.
21 This approach requires BellSouth to produce far more data than Ms
22 Kinard's "estimate" indicates.

23

24 If this Commission adopts the CLECs' plan they (the CLECs) will certainly
25 require production of all of the data outlined in their testimony and exhibits

1 despite the fact that they have represented that their plan only contains
2 the number of metrics contained in their flawed “estimate”. Clearly the
3 CLECs recognize the absurdity of their proposal, and all this “estimate” of
4 2778 metrics does is attempt to hide the actual size of their plan from this
5 Commission.

6

7 Q. ON PAGE 3, MS. BURSH DISPUTES BELLSOUTH’S POSITION THAT
8 PENALTIES SHOULD BE IMPOSED ONLY ON “KEY
9 MEASUREMENTS”. HOW DO YOU RESPOND?

10

11 A. Once again, Ms. Bursh offers no evidence to support her position. In fact,
12 the only two examples that Ms. Bursh cites in her testimony, the ability to
13 provide a service due date in a timely fashion and customer service
14 outages, are “key measures” that are included in BellSouth’s penalty plan,
15 SEEM. It would appear that, in the absence of real evidence to support
16 her beliefs, Ms. Bursh would now ask this Commission to simply rely on
17 her rhetoric.

18

19 Q. ALSO ON PAGE 3, MS. BURSH ASSERTS THAT YOU “[MR. VARNER]
20 CRITICIZE PIP’S ABILITY TO APPROPRIATELY EVALUATE
21 BELLSOUTH’S PERFORMANCE WHEN SAMPLE SIZES ARE SMALL”.
22 IS THIS TRUE?

23

24 A. No. Ms. Bursh apparently missed the point that I was attempting to make
25 in my rebuttal testimony. Simply put, the point is that regardless of how

1 small sample sizes are addressed in any enforcement plan, whether
2 AT&T's PIP or BellSouth's SEEM, the fact that the samples are small is
3 insufficient evidence to determine a pattern of disparate performance.
4 Therefore, BellSouth's approach of aggregating these small sample sizes
5 into larger buckets, using the truncated Z methodology, is a more
6 reasonable approach than automatically applying a fixed penalty to each
7 individual measurement, regardless of the sample size, as the AT&T PIP
8 does.

9

10 Q. PLEASE RESPOND TO MS. BURSH'S ASSERTION ON PAGE 4 THAT
11 YOU ARE INCORRECT IN YOUR BELIEF THAT THE LEVEL OF
12 PENALTIES AND THE LEVEL OF PERFORMANCE OUTLINED IN PIP
13 ARE NOT RATIONALLY RELATED.

14

15 A. Ms. Bursh appears to believe that I am incorrect based solely on the fact
16 that the AT&T PIP utilizes a quadratic function to calculate the actual
17 remedy amount, whether it's a benchmark or parity measurement.
18 However, she offers no evidence or examples to substantiate her claim.
19 On the other hand, in my rebuttal testimony I provided an example, using
20 PIP, which clearly illustrates that the level of penalties and the level of
21 performance outlined in PIP are not rationally related. I would again like to
22 reiterate that example here.

23

24 Assume that BellSouth meets 90% of the standards required by the
25 CLECs 380,000 measurements. Also, assume that BellSouth just barely

1 misses the standard so that the lowest possible penalty would apply.
2 Under these circumstances, BellSouth would pay a penalty on 38,000
3 measurements (10%). The lowest penalty per measurement would
4 normally be \$2500. However, because of the level of CLEC market share
5 in Kentucky (which potentially could be controlled by the CLECs), the
6 penalty per measure is multiplied by 8. Thus, the penalty for each
7 measurement missed is \$20,000. In one month, the penalty assessed to
8 BellSouth would be 38,000 x \$20,000, or \$760M. Somehow, AT&T
9 believes that a penalty of \$760M should be assessed each month even
10 though BellSouth meets 90% of the standards. This is unconscionable.

11
12 Further, the AT&T plan does not stop there. The \$760M would only be for
13 the statewide aggregate. Additional penalties would be paid to individual
14 CLECs. Even worse, their so-called severity level criteria make the
15 penalties skyrocket even further.

16
17 Under the AT&T PIP plan, the penalty varies according to “severity”
18 criteria. For example, if a 98% benchmark applies and BellSouth’s
19 performance is at a 96% level, the penalty per measure is multiplied by
20 10. The same multiplier would apply to a 95% benchmark if BellSouth’s
21 performance was a 90%. Under these conditions, the penalty per
22 measure in Kentucky becomes \$200,000. So, if BellSouth met 90% of the
23 measures, in this case, AT&T’s PIP would require a penalty of \$7.6B in a
24 single month just for the statewide aggregate. Clearly, AT&T’s PIP has no
25 basis in reality.

1

2 Q. ON PAGE 5 OF HER TESTIMONY, MS. BURSH ASSERTS THAT MY
3 ESTIMATES OF POTENTIAL PENALTY LIABILITY UNDER AT&T'S PIP
4 ARE WRONG BECAUSE THEY ARE BASED ON A FAULTY PREMISE.
5 IS THIS TRUE?

6

7 A. No. Once again, Ms. Bursh attempts to discredit BellSouth's estimate of
8 the number of submeasures in the AT&T PIP without offering any
9 evidence whatsoever to substantiate her claim other than Ms. Kinard's
10 unsupported estimate of 2,778 submeasures. As I previously explained,
11 there is no basis for this estimate of 2,778 submeasures and it is merely
12 an attempt to hide the horrendous nature of their plan from this
13 Commission.

14

15 Q. WOULD YOU ADDRESS MS. BURSH'S COMMENTS ON PAGE 6 OF
16 HER TESTIMONY REGARDING THE DEVELOPMENT EFFORT
17 ASSOCIATED WITH BELL SOUTH IMPLEMENTING THE AT&T PIP?

18

19 A. Yes. Ms. Bursh attempts to mislead this Commission into believing that
20 the implementation of the AT&T PIP, by BellSouth, is a trivial matter
21 because "much of the logic already programmed in connection with
22 BellSouth's SEEM could be used". Nowhere in her background
23 information does Ms. Bursh acknowledge her credentials in data
24 programming. When you consider the millions of lines of software code
25 associated with BellSouth's PMAP and SEEMs systems, which I

1 discussed in detail in my direct and rebuttal testimony, it just makes good,
2 old-fashioned, walking around sense that any modifications to this code
3 would entail a major and costly undertaking.

4
5 Further, Ms Bursh is simply wrong. The foundation of PIP is completely
6 different from SEEM. First, the 380,000 measures would have to be
7 implemented. Then a system would need to be developed to convert all of
8 them to penalties using an entirely different calculation mechanism than
9 SEEM uses. Clearly Ms Bursh's claim is incorrect.

10

11 Q. ON PAGE 7 OF HER TESTIMONY, MS. BURSH USES THE EXAMPLE
12 OF DIRECTORY LISTINGS TO JUSTIFY HER ASSERTION THAT
13 BELL SOUTH ALLEGEDLY MADE CHANGES TO CALCULATIONS
14 APPROVED BY THE GEORGIA COMMISSION. HOW DO YOU
15 RESPOND?

16

17 A. Ms. Bursh once again attempts to mislead this Commission. She alleges
18 that "BAPCO cannot initiate any processing of directory listing transactions
19 until they are received from BellSouth". While this is true on the surface,
20 Ms. Bursh wrongly infers that BellSouth would delay sending CLEC
21 transactions to BAPCO as opposed to BellSouth retail transactions. The
22 physical capability to do this simply does not exist. All directory listing
23 orders completed in SOCS are automatically sent in a batch file to BAPCO
24 on a daily basis, regardless of whether they are CLEC or BellSouth retail
25 orders.

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Q. FINALLY, ON PAGES 8-9 OF HER TESTIMONY, MS. BURSH ASSERTS THAT BELL SOUTH MADE WORDING CHANGES, ALTERED WHAT IS MEASURED IN THE SQM, AND THAT COMMON SENSE CANNOT BE USED TO JUSTIFY THESE MODIFICATIONS. HOW DO YOU RESPOND?

A. Once again, Ms. Bursh has made accusations without substantiating them with any evidence. BellSouth only altered the wording in the SQM on some measurements to further clarify the measurement and eliminate confusion. BellSouth made no changes in the actual measurement calculations. Ms. Bursh would have this Commission believe that it made substantive changes to the SQM based simply on a matter of common sense. This is simply not true. First of all, any substantive changes that result in how measurements are calculated would be shared with not only the Commission, but also the CLECs, as part of six-month reviews ordered by the Georgia Commission. Second, Ms Bursh is simply describing the normal process of implementing a Commission's order as a violation of that order. The Georgia Commission's Order, like any other Commission's Order, states the results the Commission requires. The Order does not attempt to address each unique situation that will be encountered to implement that Order. However a programmer, in this case, must be told how to handle each individual type of local service request, for example, that is encountered. A clear example is the issue regarding excluding non-business hours for partially mechanized LSRs.

1 During non-business hours, there is no one available to perform the
2 manual processing required by these orders. The Commission clearly
3 stated its intent to exclude such hours from response times for orders as
4 the CLECs had already agreed was appropriate in another state.
5 Because the Commission did not state specifically that non-business
6 hours are excluded from each type of manually processed LSR, Ms.
7 Bursh claims that BellSouth violated the Order.

8

9 Q. TURNING NOW TO WORLDCOM WITNESS, MS. KAREN KINARD, MS.
10 KINARD'S ENTIRE SURREBUTTAL TESTIMONY IS AN ATTEMPT TO
11 INTRODUCE NEGOTIATIONS CURRENTLY UNDERWAY IN FLORIDA
12 TO INFLUENCE THIS COMMISSION ON PERFORMANCE
13 MEASUREMENTS AND STATISTICAL METHODOLOGY. HOW DO
14 YOU RESPOND?

15

16 A. First of all, it is important to note that as of the writing of this Surrebuttal
17 Testimony, the Florida Public Service Commission had not yet issued an
18 order in Docket No. 000121-TP, cited by Ms. Kinard. Additionally,
19 although an order in Florida is expected prior to the commencement of the
20 hearing in Kentucky, there will certainly be Motions for Reconsideration,
21 which will not be resolved before completion of the Kentucky hearing. It is
22 therefore nonsensical to ask this Commission to base any decision on
23 work not yet completed in Florida.

24

1 Furthermore, although Ms. Kinard opines that the Florida Staff
2 Recommendation should be accepted, she offers no substantive evidence
3 as to why the Florida Staff Recommendation is any more appropriate than
4 the SQM BellSouth has proposed in Kentucky. Interestingly, she further
5 asserts on page 5 of her testimony, that “[she] can provide a
6 comprehensive list when the Florida Commission issues its final order” of
7 aspects of the Florida Staff Recommendation, with respect to the SQM,
8 that should not be adopted.

9

10 BellSouth strongly asserts that the set of measurements, level of
11 disaggregation and standards included in BellSouth’s proposed SQM and
12 SEEM in Kentucky are more than sufficient for this Commission to detect
13 disparate performance and penalize BellSouth appropriately based on the
14 degree of disparate performance.

15

16 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

17

18 A. Yes.

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