

1 BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION
2 DOCKET NO. 2001-209-C

3 BELLSOUTH TELECOMMUNICATIONS, INC.,

4 Applicant,
5 and

6 VOLUME XIV

7 AT&T OF THE SOUTHERN STATES, INC.,
8 UNITED TELEPHONE COMPANY OF THE CAROLINAS
9 and SPRINT COMMUNICATIONS COMPANY,
10 SOUTH CAROLINA CABLE TELEVISION ASSOCIATION,
11 NEWSOUTH COMMUNICATIONS CORP., US LEC OF SOUTH
12 CAROLINA, INC., RESORT HOSPITALITY SERVICES, INC.,
13 MCI WORLDCOM COMMUNICATIONS, INC., MCI WORLDCOM
14 NETWORK SERVICES, INC., and MCImetro ACCESS
15 TRANSMISSION SERVICES, LLC (collectively "WorldCom"),
16 ACCESS INTEGRATED NETWORKS, INC., SOUTHEASTERN
17 COMPETITIVE CARRIERS ASSOCIATION, NUVOX
18 COMMUNICATIONS, INC., ITC^DELTACOM COMMUNICATIONS,
19 INC., KMC TELECOM III, and CONSUMER ADVOCATE OF THE
20 STATE OF SOUTH CAROLINA,

21 INTERVENORS,

22 DATE: September 11, 2001

23 TIME: 2:00 PM

24 LOCATION: Before the South Carolina Public
25 Service Commission, Columbia, SC

REPORTED BY: J. LeVeque

Court Reporter

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J. LeVEQUE COURT REPORTING

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PROCEEDINGS

CHAIRMAN SAUNDERS: Please be seated.
We'll call the hearing back to order. BellSouth?

MR. McCALLUM: BellSouth will call Milton
McElroy to the stand.

MILTON M. MCELROY
having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. McCALLUM:

Q. State your name and business address for
the record, please, sir.

A. My name is Milton M. McElroy. My address
is 675 West Peachtree Street, Atlanta, Georgia.

Q. By whom are you employed and in what
capacity?

A. I'm director of interconnection services
for BellSouth Telecommunications.

Q. Did you cause to be filed in this
proceeding five pages of, actually, rebuttable
testimony, which was erroneously denoted as
surrebuttal testimony?

A. Yes, I did.

Q. Do you have any corrections or changes to
that testimony?

A. No, I do not.

1 Q. If I would ask you the same questions
2 today, would your answers be the same?

3 A. Yes, they would.

4 MR. McCALLUM: Mr. Chairman, I would move
5 Mr. McElroy's prefiled rebuttal testimony be included
6 in the record as if read from the stand.

7 CHAIRMAN SAUNDERS: Be admitted as if
8 read, sir.

9 (PLEASE REFER TO PREFILED REBUTTAL
10 TESTIMONY, FIVE PAGES, OF MR. McELROY, WHICH FOLLOWS:

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1 (THIS IS THE END OF PREFILED REBUTTAL
2 TESTIMONY OF MR. McELROY. COMMISSION HEARING
3 CONTINUES AS FOLLOWS:)

4 BY MR. McCALLUM:

5 Q. Have you prepared a summary of your
6 testimony?

7 A. Yes, I have.

8 Q. Could you give it to the Commissioners at
9 this time?

10 A. Yes. Good afternoon, Mr. Chairman,
11 Commissioners.

12 I appreciate the opportunity to summarize
13 my rebuttal testimony and answer any questions you ay
14 have on our OSS testing efforts in Georgia and
15 Florida. The purpose of my summary is to explain why
16 this Commission can rely on commercial usage and data
17 along with the Georgia KPMG operational support
18 systems or OSS tests, to assess BellSouth's
19 compliance with the competitive check list.

20 First, the Georgia test meets all of the
21 criteria established by the FCC in its decision on
22 Bell Atlantic's New York application and SBC's Texas
23 application.

24 KPMG was an independent tester that
25 conducted a military-style test. It included a

1 significant opportunity for CLEC input, positioned
2 itself as an actual market entrant, and maintained
3 blindness when possible.

4 In compliance with FCC decisions, the
5 Georgia test is a focused test that concentrates on
6 the specific areas of BellSouth's OSS that had not
7 experienced significant commercial usage.

8 As set forth in the master test plan, the
9 test covered all five core OSS processes;
10 preordering, ordering, provisioning, maintenance and
11 repair, and billing, along with change management and
12 change management and performance metrics.

13 KPMG tested UNE analog loops, switch
14 ports, port/loop combinations, and LNP. Testing was
15 conducted through electronic interfaces to the OSS;
16 TAG, EDI, TAFI, ECTA, ODUF, ADUF, CRIS and CABS.
17 Testing was conducted at normal peak and production
18 capacity volume levels. The test also included an
19 audit of BellSouth's flow-through service request
20 report.

21 In the supplemental test plan, the
22 Georgia Commission expanded the test to include an
23 assessment of the change management process as it
24 applied to the implementation of OSS '99 release. An
25 evaluation of preordering, ordering and provisioning

1 of XDSL loops.

2 A functional test of preordering,
3 ordering, provisioning, maintenance and repair, and
4 billing transactions for resale services that have
5 not experienced significant commercial usage. And an
6 evaluation of the processes and procedures for
7 collection and calculation of performance data and
8 metrics.

9 In all, the Georgia test covered over
10 1,100 evaluation criteria. Those criteria are
11 addressed here in the supplemental test plan, and the
12 master test plan final reports. As you can see,
13 these are presubstantive documents and this is
14 actually produced on double-sided pages just to keep
15 it under a manageable level so the test reports,
16 themselves, are very intensive. What I need is a
17 pictorial representation of the results of these
18 during the test. And this is my chart. As you see,
19 we had about 1,175 total evaluation criteria. Then
20 we've broken down the green of the satisfied. The
21 red was not satisfied. There are 11 that are still
22 outstanding that are running metrics testing. We had
23 18 that were not reported and we had three that were
24 not applicable, that we discovered didn't apply to
25 the test.

1 So, again, the representation is there to
2 see the items that successfully passed the test. On
3 March 20th, 2001, KPMG issued its final report to the
4 Georgia Commission. Less than 2 percent of the test
5 criteria were deemed not satisfied. The Georgia
6 Commission will be able to monitor these few issues,
7 along with all the other items that were successfully
8 tested on an ongoing basis through performance
9 measures and/or penalty plans.

10 The South Carolina Commission has the
11 same performance measures and data upon which to
12 monitor BellSouth's ongoing compliance.

13 In summary, this Commission can rely on
14 the Georgia tests, in addition to the commercial
15 usage in the State of South Carolina. The Georgia
16 OSS test is comparable in scope to the third party
17 tests conducted in New York and Texas, which have met
18 with FCC approval. The Georgia test provides proof
19 that BellSouth is compliant with the requirements of
20 Section 271 of the Telecommunications Act of 1996 and
21 that it provides nondiscriminatory access to its OSS
22 on appropriate terms and conditions. It provides the
23 documentation and support necessary for CLECs to
24 access and use these systems. And it demonstrates
25 that BellSouth's systems are operationally ready and

1 provide an appropriate level of performance that can
2 be monitored by this Commission.

3 This concludes my summary. Thank you for
4 your time and attention.

5 MR. McCALLUM: Mr. Chairman, Mr. McElroy
6 is available for cross examination.

7 CHAIRMAN SAUNDERS: AT&T?

8 MS. AZORSKY: Thank you. Tammy Azorsky
9 from AT&T.

10 Q. Good afternoon.

11 A. Good afternoon.

12 Q. As you stated in your summary, your
13 testimony, what you're adding to this is this
14 Commission should rely on the Georgia test in
15 conjunction with commercial usage, rather than
16 waiting for Florida test; is that accurate?

17 A. Yes, it is.

18 Q. Setting aside your views on whether the
19 Georgia test is sufficient, and the need for the
20 Florida test, you would agree with me, wouldn't you,
21 that the two tests are different?

22 A. Yes, they are.

23 Q. And BellSouth asked the Florida
24 Commission to rely on the Georgia test; is that
25 correct?

1 A. Yes, I believe that is correct.

2 Q. And the Florida Commission declined to do
3 so; is that correct?

4 A. Yes.

5 MS. AZORSKY: Marked as the next AT&T
6 exhibit, please.

7 CHAIRMAN SAUNDERS: It will be Hearing
8 Exhibit No. 105.

9 (HEARING EXH. NO. 105, Notice of Proposed
10 agency action order on process for
11 third-party testing, was marked for
12 identification.)

13 Q. If you could, Mr. McElroy, would you turn
14 to Page 6 of -- first of all, have you seen this
15 order before?

16 A. Yes, I have seen it.

17 Q. Can you tell the Commission what this is?

18 A. I'm not totally familiar with it. It
19 appears to be the order on third-party testing that
20 the Commission issued back in, I want to say was
21 it --

22 Q. August, 1999?

23 A. There it is. Yes, '99, right.

24 Q. Could you please turn to Page 6. Could
25 you please read to the Commission the first paragraph

1 under Roman Numeral III, purpose of OSS testing?

2 A. Yes, I can. And I quote: While
3 BellSouth has advocated that we rely on the testing
4 being conducted in Georgia, we are hesitant to do so
5 because we have some concerns about the independence
6 of that testing process. Instead, we believe that
7 the process used in New York and in Pennsylvania is
8 more appropriate for use in Florida. Under the New
9 York, I think that's DPS OSS testing model, the State
10 Commission independently selects the third-party
11 tester and is the client in the engagement. Once the
12 tester is selected, the State Commission and the
13 third-party tester jointly developed the master test
14 plan. The Commission staff also played a strong role
15 in monitoring and controlling the testing, which is
16 vital to ensure independence and authenticity of the
17 test. In contrast, BellSouth selected the
18 third-party tester and served as the client in the
19 Georgia engagement. It also developed or guided
20 development of the master test plan.

21 Q. Thank you. In Georgia, KPMG did not
22 develop the original in that master test plan, did
23 they?

24 A. No, they did not.

25 Q. And, in fact, in its final report, KCI

1 expressly declined to express any opinion on or bear
2 any responsibility for the master test plan; is that
3 correct?

4 A. Yes, as you have stated they were not
5 involved in the development of the original master
6 test plan. However, they did revise the test plan
7 and issued a subsequent Version 2, Version 3 and
8 Version 4. And then there were two more point
9 releases, 1.4.1 and 1.4.2. So they did have
10 substantial input in modifying that test.

11 Q. You would agree with me, wouldn't you,
12 that nonetheless, in the final report, that big
13 document you have, they refused to -- or they
14 declined to express any opinion or take
15 responsibility for the test plan?

16 A. Yes. There is some language around that
17 topic, yes.

18 Q. Now, you know Michael Weeks, correct?

19 A. Yes.

20 Q. Could you tell the Commission who he is?

21 A. He's the engagement manager for OSS
22 testing that's been involved in both the Georgia and
23 Florida testing.

24 Q. And do you know whether Mr. Weeks is also
25 involved in testing in other states?

1 A. I know he is certainly knowledgeable of
2 other tests. I don't know how involved he is in the
3 other tests.

4 Q. You do know KPMG is involved in other
5 tests in other states?

6 A. Yes, they are.

7 Q. Are you aware that Mr. Weeks told Georgia
8 Commission in the third-party test hearing that he
9 was not aware of any state, other than Georgia, where
10 KPMG executed a test that it didn't play a role in
11 originally designing?

12 A. I will accept that, subject to check. I
13 don't remember that aspect.

14 Q. But if it's in the transcript --

15 A. Yes, certainly.

16 Q. Thank you.

17 Mr. McElroy, OSS '99 is the current
18 production version of the EDI and TAG ordering
19 interface; isn't that correct?

20 A. It is one current version. It's what we
21 called T69. It is the most current version out
22 there.

23 Q. Is it also the most utilized version?

24 A. At this point in time, yes, it is.

25 Q. KPMG did not run transactional test on

1 OSS in Georgia, did they?

2 A. No, they did not.

3 Q. But Florida is conducting transactional
4 tests on OSS '99?

5 A. Yes, ma'am, they are.

6 Q. In fact, Florida has some open exceptions
7 on the test it's running in OSS '99, does it not?

8 A. Yes.

9 Q. About eight open observations and 16 open
10 exceptions?

11 A. I'll accept that, subject to check.
12 There are several, yes.

13 Q. LENS is another one of BellSouth's
14 ordering interfaces, correct?

15 A. That's correct.

16 Q. LENS also was not tested in Georgia,
17 correct?

18 A. That's correct.

19 Q. But it is being tested by the Florida
20 Commission?

21 A. Yes, it is.

22 Q. Same with ROBOTAG it's another one of the
23 LSS interfaces, correct?

24 A. Right. At the time of the Georgia test
25 development, ROBOTAG was not available as an

1 interface. It was rolled out during the time of the
2 test. But it was not tested in Georgia and is being
3 tested in Florida.

4 Q. Now, in the Georgia test, KPMG didn't
5 evaluate the processes for establishing and managing
6 CLEC accounts, did it?

7 A. They did not have a test specific to test
8 the development of a CLEC coming onboard in the
9 account establishment process. They did, however,
10 explicitly test it, in that they were set up as a
11 CLEC. They did have interactions with their account
12 team, as they went through the startup process, the
13 life of a CLEC process, and did have interactions
14 with the account team during the testing. But to
15 answer your question, directly, you will not find a
16 test component in this master test plan, no.

17 Q. So they didn't report on their experience
18 doings that?

19 A. No, they did not.

20 Q. But Florida has included in its test
21 PTR2, which actually looks at and established the
22 account, establishment and maintenance; is that
23 correct?

24 A. That's correct.

25 Q. And, in fact, in the Florida tests,

1 there's one open observation and one open exception
2 in that test; are there not?

3 A. Yes, that sounds about right.

4 Q. You would agree with me that in New York
5 all stages of the relationship between Bell Atlantic
6 and competing carriers were considered from
7 establishing the initial relationship to performing
8 daily operations, to maintaining the relationship.
9 Would you agree with that?

10 A. It's been a while since I looked at the
11 New York tests. I apologize.

12 Q. Would you like to see the New York order?

13 A. The order? Or the master test plan
14 itself?

15 Q. This is the order that came out from the
16 FCC on New York's 271 approval.

17 A. Okay.

18 Q. You might want to look at paragraph 97.

19 A. (Reviewing documents.)

20 It appears they did test it. You said
21 this was the FCC order, not necessarily the master
22 test plan. But I'll accept that, that they did have
23 this specific testing in the New York test.

24 Q. You've reviewed the New York test plan,
25 right?

1 A. Yes. It's been quite some time, but,
2 yes.

3 Q. But you would agree with me, wouldn't
4 you, that they had a number of relationship
5 management tests in the New York test plan?

6 A. Right.

7 Q. For example, they had RMI3 and 4, which
8 referred to account management. Do you recall that?

9 A. I would have to actually look back at the
10 report or the master test plan to answer that
11 question.

12 Q. Do you recall that in the New York test,
13 they also had a relationship management test that
14 went to network design requests, collocation and
15 interconnection planning?

16 A. Not specifically, no.

17 Q. You don't have a recollection of that?

18 A. No.

19 Q. There is such a test in Florida, though,
20 isn't there?

21 A. Yes.

22 Q. Was there such a test in Georgia?

23 A. No.

24 Q. And do you recall that in New York they
25 also had a test on system administration help desk?

1 A. I apologize. I didn't look through the
2 New York test before coming here. So, I'm not sure.
3 If you say it is, I'm sure it's there.

4 Q. You would agree with me that that wasn't
5 tested in Georgia?

6 A. That's correct.

7 Q. But it is being tested in Florida; is it
8 not?

9 A. That is the correct. The Georgia test,
10 as we stated early on, is much different than the
11 Florida test. The Georgia Commission, when it was
12 established, took into account commercial usage. And
13 that's the reason we didn't test manual processes.
14 We didn't test LENS interface, which is still today
15 is our most widely-used electronic interface. We
16 didn't test collocation. We had significant
17 commercial usage of those items.

18 Q. Well, despite that commercial usage,
19 Florida is testing those things?

20 A. Yes, Florida is.

21 Q. Now, one of the other things you didn't
22 test in Georgia was the ability of the CLEC to
23 actually build the interface using BellSouth's
24 publicly available documentation; is that correct?

25 A. That's correct. It was not tested as a

1 test component in the Georgia test. But, again, it
2 was implicitly tested through KPMG or at the time HP,
3 developing those interfaces, they did build the EDI
4 and TAG interfaces, sent transactions to BellSouth,
5 received responses back from BellSouth.

6 So they did use though same interfaces
7 for functional testing, as well as volume testing.

8 Q. But there is not, in that report you
9 have sitting next to you, any evaluation of whether
10 the publicly available documentation was sufficient
11 to do that; is that correct?

12 A. Well, they do actually have a couple test
13 components where they look at documentation for TAG
14 and EDI. So they did specifically look at some of
15 that documentation. But they did not do the more
16 thorough testing of the building of the interface and
17 going through that experience. And include it in the
18 test report, no, they did not.

19 Q. But, in Florida, PPR5 is expressly
20 addressing this issue and evaluating the ability of a
21 CLEC to build an interface based on BellSouth's
22 publicly availability documentation; is that correct?

23 A. That's correct.

24 Q. There, too, there's an open exception on
25 that issue in Florida; is there not?

1 A. Yes.

2 Q. In New York, KPMG also conducted volume
3 tests; is that correct?

4 A. Yes, it did.

5 Q. You would agree with me, wouldn't you,
6 the purpose of the volume test is to make sure that
7 the system can handle certain volumes of transactions
8 without compromising the accuracy or the time in
9 which it handles those transactions, wouldn't you?

10 A. Yes.

11 Q. And in New York, KPMG did normal volume
12 test, peak volume test and stress test; is that
13 right?

14 A. That's correct.

15 Q. And just for the Commission, could you
16 explain what the normal volume test does?

17 A. A normal volume test is basically future
18 date, say 18 months out. You project or forecast
19 your CLEC volumes. KPMG would take a look at our
20 forecast, the CLEC forecast, and what they see going
21 on in the industry, and then target a number at that
22 future date. If it's 18 months out, that would
23 become your normal volume test.

24 From there, to go to a peak volume test,
25 you multiply that number by 1.5. Then to reach a

1 stress volume test level, you multiply that original
2 normal test volume number by 2.5. typically your
3 stress tests are of shorter duration. Most of what
4 I've seen is four hours, versus a whole day for
5 normal or peak testing.

6 Q. And you've seen stress tests, because you
7 are doing stress tests in Florida; is that correct?

8 A. Yes, we are.

9 Q. You didn't do a stress test in Georgia,
10 did you?

11 A. No, we did not.

12 Q. And I think as you said earlier, in
13 Georgia you didn't do any volume testing on manually
14 processed orders; is that correct?

15 A. That is correct.

16 Q. But Florida is doing value tests on
17 manually processed orders; is that correct?

18 A. Yes, they are.

19 Q. In fact, there is an open exception on
20 the manual volume test, as well, isn't there?

21 A. There is, yes.

22 Q. The volume tests, the normal and peak
23 volume tests that were conducted in Georgia, you know
24 what ENCORE is, don't you?

25 A. Yes.

1 Q. What is ENCORE?

2 A. It's our suite of applications and
3 hardware. It's the guts of our IT systems and
4 applications that receive transaction, preordering
5 transactions, ordering transactions and return those
6 back to CLECs.

7 Q. What are RSIMMS?

8 A. RSIMMS is a test environment that we had
9 in place where we did a lot of our own internal
10 testing using those applications.

11 Q. And you ran your volume tests in Georgia
12 in the RSIMMS; is that correct?

13 A. We ran four of the five tests in RSIMMS.
14 We ran the fifth in our production environment.

15 Q. So there was some limited -- or I won't
16 even characterize it. There was some volume testing
17 in your production environment?

18 A. Yes, there was.

19 Q. And that normal volume testing that
20 happened in ENCORE, your production system, utilized
21 a significantly smaller number of orders than the
22 normal volume testing that was done in RSIMMS; is
23 that correct?

24 A. Well, significant, I guess, is a term we
25 need to define. I just happen to have those numbers

1 here. In our production volume test, the total
2 number of orders that were submitted by KPMG combined
3 with the CLEC volumes that day, was in the
4 neighborhood of 21,600 orders, versus a normal volume
5 test which was around 35,000 orders. So there's a
6 difference. But it's not a difference, I don't know
7 if that is significant or not, I guess we would have
8 to define significance.

9 Q. In your RSIMMS normal volume testing,
10 were there not 118,000 preorders and 35,000 orders?

11 A. That's correct, and I didn't state for
12 production, the production test. It was actually
13 73,400 preorder transactions in that test, as well.

14 Q. Because in the normal volume testing in
15 your production systems you went to the system -- the
16 current system capacity; is that correct?

17 A. That's correct. We provided KPMG what
18 our current systems capacities are, which at the time
19 was about 21,600 orders per day. That's what they
20 tested us to. Today, we average probably around
21 15,000 orders per day that are coming through our
22 systems. This goes back to a test that KPMG
23 conducted back in the middle to latter part of 2000.

24 Q. But dor your normal volume testing in
25 RSIMMS, you went beyond that?

1 A. Yes, we did. That's correct.

2 Q. Now RSIMMS is not a mere image of ENCORE,
3 is it?

4 A. Well I guess you would have to go and --
5 a mirror image from an application standpoint, versus
6 a hardware standpoint. This are differences. But if
7 you go through KPMG's report, they've got a report on
8 the RSIMMS comparison. I happen to have that here,
9 as well, and can quote that. And I'm quoting from
10 KPMG. It's on Page 5. The applications implemented
11 in the RSIMMS environment mirrored those of
12 BellSouth's ENCORE production systems.

13 They do go on from there to describe some
14 differences that are primarily around hardware. So
15 when you think of our ENCORE systems, you have to
16 think in the context of hardware and software.

17 Q. You have to think about the applications
18 and the hardware, correct?

19 A. Yes.

20 Q. If you compare the workloads that were
21 the subject of the volume tests, and you compare the
22 machines, the hardware that run those workloads,
23 would you agree with me that the RSIMMS environment
24 is more powerful than ENCORE?

25 A. I would agree that the RSIMMS environment

1 has more capacity there to process more orders, yes.
2 That much I would agree with, yes.

3 Q. And, in fact, if you look at the
4 hardware, the TAG servers, -- let me see if I can put
5 this up -- we talked about different applications.
6 And if you look at the TAG application -- first of
7 all, you evaluated -- KPMG evaluated in its RSIMMS
8 ENCORE comparison, three separate applications,
9 correct?

10 A. By applications?

11 Q. TAG, LESAG and LMP.

12 A. Yes.

13 Q. If we look at TAG, and we look at ENCORE,
14 and RSIMMS, if we look at the computers. In ENCORE,
15 they used to HP-K570 computers?

16 A. Correct.

17 Q. In RSIMMS, there were three HP-K580
18 computers, correct?

19 A. That's correct.

20 Q. And these computers have four CPUs and
21 two gigabytes of memory, correct?

22 A. Yes.

23 Q. And these computers had four CPUs and
24 four gigabytes of memory, correct?

25 A. Yes.

1 Q. So when KPMG looked at this, they
2 concluded that the RSIMMS system had a higher
3 relative computer performance, correct?

4 A. The capacity for higher computing levels,
5 yes.

6 Q. When we buy your home computers, when we
7 get something with more gigabytes and more CPUs it
8 works faster, correct?

9 A. Yes, correct. It can handle more
10 capacity.

11 Q. And then the other application, one of
12 the other applications was LESOG, correct?

13 A. Yes.

14 Q. And there, ENCORE had four HP-T520s,
15 correct?

16 A. Yes.

17 Q. And RSIMMS had three HP-K580s, correct?

18 A. Yes.

19 Q. The Encore computers -- we'll start with
20 that LESOG right here: I think we got so far that we
21 said ENCORE had four HP-T520s and RSIMMS had three
22 HP-K580s. And these computers in LESOG had four CPUs
23 and two gigabytes of memory, correct? It's on Page
24 8?

25 A. Yes that's what I was -- there were

1 several charts in here.

2 Q. It's on Page 8 where it summarizes the
3 servers.

4 A. Page 8 of the?

5 Q. RSIMMS/ENCORE review document?

6 A. Of the -- okay, I'm sorry.

7 Q. I'm making my own chart.

8 A. Let's see. Yes. Let me catch up with
9 you here. I'm sure you copied this straight out of
10 the report.

11 Q. So RSIMMS had four CPUs and four
12 gigabytes of memory?

13 A. That's right.

14 Q. Would you agree with me that KPMG
15 concluded that again, RSIMMS has a far greater
16 computing capacity?

17 A. Yes.

18 Q. The next server application was LNP. And
19 here, there were, in ENCORE, three HP-K460 computers.
20 And in RSIMMS, there were two HP-K580s and one
21 HP-K360. Would you agree with that?

22 A. Okay, yeah, there were two there. Yes.

23 Q. And here, the differing capacities of the
24 computers is a little harder to talk about and write
25 on a chart, because they do different things. But

1 would you agree with me that KPMG and its findings
2 concluded that the RSIMMS computers had a hundred
3 percent greater computing capacity than the ENCORE
4 computers?

5 A. Yes.

6 Q. Now, do you know whether KPMG agreed with
7 BellSouth's decision to run volume tests in an
8 artificial environment?

9 A. If KPMG agreed with BellSouth's decision?
10 I think if you go back to the original master test
11 plan, you will see that the decision to test in
12 RSIMMS was clearly laid out in that master test plan,
13 which was adopted by the Georgia Commission.

14 So I'm not sure whose decision it would
15 be, but certainly the Commission approved the test
16 plan and KPMG implemented that test plan. Now they
17 did have a comment around that. That's probably
18 where you're going in the hearing that came out and
19 said they made a recommendation. Maybe not a
20 recommendation, but they at least informed us and the
21 Commission that the other tests had been run in
22 production.

23 Q. Did they also make a comment about how
24 persuasive they thought it would be to run the test
25 in an artificial environment?

1 A. Yes.

2 Q. What did they say?

3 A. It's more persuasive to run in the
4 production environment versus the artificial
5 environment.

6 Q. Florida is conducted volume testing, as
7 well, is that's correct?

8 A. Yes.

9 Q. And they are conducting normal peak and
10 stress volume testing, correct?

11 A. That's correct.

12 Q. As a result of that testing, some
13 exceptions have been opened, correct?

14 A. Yes, there have been.

15 Q. And there's an exception for the TAG
16 preorder interface, the ROBOTAG order interface, the
17 EDI ordering interface, and TAG ordering interface;
18 is that correct?

19 A. Could you restate those again.

20 Q. TAG preorder?

21 A. Yes.

22 Q. ROBOTAG preorder?

23 A. Yes.

24 Q. EDI ordering?

25 A. Yes.

1 Q. And TAG ordering?

2 A. Yes. I'm sorry. That's correct.

3 Q. And all of those exceptions were open
4 because KPMG perceived that they were not receiving
5 accurate timely responses through the volume test,
6 correct?

7 A. They were not receiving timely responses
8 for preorder transactions. And we are currently
9 investigating those exceptions now.

10 Q. But those exception are open in Florida?

11 A. They are open, yes.

12 Q. Now, as you pointed out, there were some
13 tests that BellSouth didn't satisfy in Georgia; is
14 that correct?

15 A. That's correct, yes.

16 Q. And you would agree with me that KPMG
17 identified tests in some of the areas where BellSouth
18 didn't satisfy them, and KPMG concluded that they
19 would have a material adverse impact on competition.
20 Do you recall that?

21 A. I do not remember would, the word would.
22 We could look that up, but I think that was
23 potentially could.

24 Q. I think you may be correct.

25 A. Okay.

1 Q. I think I've got that letter here
2 somewhere, as well? Could adversely a material,
3 that's right. You'll agree they said that, correct?

4 A. Yes.

5 Q. In your testimony you talked about the
6 performance measure and penalty plans will take care
7 of that; is that correct?

8 A. I think what Mr. Weeks said is that the
9 Commission could monitor those failures through the
10 performance metrics that are in place today and the
11 penalty plans that are in place, as well.

12 Q. Now, one of the areas that KPMG said
13 could have a material adverse impact on competition
14 had to do with service order accuracy; is that
15 correct?

16 A. Yes.

17 Q. Now, you recognize, or maybe you don't,
18 that there is no performance measure in the penalty
19 plan in Georgia that addresses that?

20 A. There are -- there is a metric for
21 service order accuracy. There are some 2,200 levels
22 of disaggregation of metrics that are a part of the
23 metrics plan. But to your point, that one metric did
24 not make it into the -- it's not a penalty measure at
25 this point in time, no.

1 Q. So it's measured, but it's not in the
2 penalty plan?

3 A. That's correct.

4 Q. Similarly, another one of these things
5 that KPMG identified that could have a material
6 adverse impact on competition was the accuracy of
7 order reject and clarification; is that correct?

8 A. That's correct.

9 Q. And there also is no performance measure
10 in the penalty plans to address deficiencies in that
11 area, is there?

12 A. No.

13 Q. Now, the Georgia test is still not
14 complete, correct?

15 A. It's complete except for a few metrics
16 issues, that's correct.

17 Q. So there are exceptions that are still
18 open that have to do with the measurement of
19 BellSouth's performance, correct?

20 A. Yes.

21 Q. And for those exceptions, KPMG is still
22 reviewing BellSouth's retention of data. Do you
23 agree with that?

24 A. Yes.

25 Q. And the ability of KPMG to match

1 BellSouth's early stage data, the data collected from
2 its legacy systems to the raw data that BellSouth
3 reports as PMAP --

4 A. Yes, for some measures, that's correct.

5 Q. -- and KPMG's ability to match the data
6 it collected on itself as a pseudo CLEC to the data
7 BellSouth collected on it as a pseudo CLEC; is that
8 correct?

9 A. Yes.

10 Q. So all those exceptions are still open,
11 correct?

12 A. Yes.

13 Q. And the other thing that is still open in
14 Georgia is the audit of the data collection and
15 reporting; is that correct?

16 A. Well, it's a little bit confusing. To
17 answer your question, yes, they are still open. As a
18 part of the test, as we went through the test in
19 Georgia, we've got what I call three phases of
20 metrics testing. There was the original metrics
21 testing involved, and the master test plan and
22 supplemental test plan. We moved on from there. The
23 Georgia Commission issued an order in June, I think
24 June 6th of 2000 on an interim metrics, which KPMG
25 then moved to audit that round of metrics.

1 I think by their later status report, it
2 indicated it was about 96 percent complete. And then
3 we got the order that came out on the permanent
4 metrics.

5 In January of this year, the Commission
6 asked KPMG to go through and audit that round of
7 metrics, as well. So it's, in essence, the same set
8 of measures that have evolved from, I think, the
9 original audit was around 42 measures and a couple
10 hundred levels of disaggregation.

11 The second phase was increased with the
12 interim metrics, and this is from memory, it's in the
13 60 range of metrics and 1,200 levels of
14 disaggregation.

15 And then, when the final order came out
16 in January of this year, our metrics jumped up to
17 somewhere around 70 measures.

18 So, again, we've had a few metrics, but
19 it's over 2,200 levels of disaggregation. So a lot
20 of this is going through repetitive process and
21 auditing, and reauditing and auditing again. And
22 then we're going again and disaggregating and
23 changing the buckets, if you will, on the levels of
24 disaggregation. They are being audited for the rest
25 of the measures.

1 Q. Would you agree with this statement: The
2 Georgia Commission ordered the audit that is being
3 conducted now, that is underway, to ensure BellSouth
4 could report accurate data compliant within the
5 January, 2001 performance measures order?

6 A. Can you restate the first of that?

7 Q. Would you agree with me that the Georgia
8 Commission asked for this audit?

9 A. Yes, they did.

10 Q. So, that they could make a determination
11 or get a recommendation from KPMG on whether
12 BellSouth can produce accurate performance measures
13 data required by the January, 2001 performance
14 measures order?

15 A. That's correct.

16 Q. Is that audit complete?

17 A. No, it is not.

18 Q. When is it expected to be complete?

19 A. The exact date, I do not recall. It's
20 the end of the third quarter for that phase of the
21 test.

22 Q. For the audit of data, it's expected to
23 be done in the third quarter, or it's expected to be
24 done in December?

25 A. I'm sorry, I'm confusing my dates right

1 now. I think it is. I think that is correct.

2 It's during the fourth quarter. It's
3 changed a few times, as we were talking to the
4 Florida project plan yesterday. The end dates have
5 been changed numerous times there, as well.

6 I can't recall the exact date, but I
7 think it is in the fourth quarter.

8 Q. And the fourth quarter of 2001 you
9 believe that this audit of the performance measures
10 that will determine whether BellSouth can report
11 accurate data in accordance with the Georgia
12 Commission in Florida should be do done this year?

13 A. Yes, it should be done this year.

14 MS. AZORSKY: I have no further
15 questions.

16 CHAIRMAN SAUNDERS: United telephone?

17 MR. ELLIOTT: No questions of this
18 witness, Mr. Chairman.

19 CHAIRMAN SAUNDERS: South Carolina Cable
20 Television?

21 MR. ELLERBE: Thank you, Mr. Chairman. I
22 have a few for Mr. McElroy,

23 CROSS EXAMINATION

24 BY MR. ELLERBE:

25 Q. Mr. McElroy, among others, I represent

1 NewSouth. You filed with your testimony, and
2 responded to Mr. Fury's testimony; if you recall
3 that?

4 A. Yes.

5 Q. Let me see if I understand a couple of
6 issues. It's undisputed that there is insufficient
7 commercial usage in South Carolina for this
8 Commission to approve the 271 application without
9 looking at third-party testing?

10 A. Could you restate that one, one more
11 time, please, sir.

12 Q. This Commission will have to, in part,
13 rely on third-party testing to endorse BellSouth's
14 271 application?

15 A. Yes, sir, that's true.

16 Q. Not any dispute about that?

17 A. No, sir; I don't think so.

18 Q. And the question that you're addressing
19 is should this Commission rely on the Georgia
20 third-party testing? Or should the Commission wait
21 and look at both Georgia and Florida third-party
22 testing, correct?

23 A. Yes.

24 Q. And would you agree with me, I think your
25 testimony you mentioned a number of things that a

1 good third-party test would include. Do you recall
2 that in your testimony?

3 A. Yes, sir.

4 Q. And is blindness intended to be one way
5 of seeing that the test is performed in a way that is
6 similar to the actual performance as possible?

7 A. Yes, sir; that's a good representation.

8 Q. Okay. Are you aware of evidence that was
9 developed in this -- that's been introduced in the
10 this docket, and that actually came from a
11 PriceWaterhouse regionality study? Are you familiar
12 with that study?

13 A. Yes, sir.

14 Q. And are you familiar with the documents
15 that PriceWaterhouse prepared indicating that they
16 found some changes in procedures at BellSouth's LCSC,
17 with respect to how local service requests were
18 handled?

19 A. Yes, sir. Those were for Georgia and
20 Florida orders, specifically?

21 Q. Yes.

22 A. Yes.

23 Q. And prior to that change, Georgia and
24 Florida orders were being given priority; is that
25 correct?

1 A. The manually-submitted orders in the
2 state of the Georgia and Florida. The latter part of
3 2000, early part of 2001 were given higher priority
4 level in processing, yes.

5 Q. And there was a change in that process
6 that was made at the end of April, I believe?

7 A. Yes, sir. It ended at the end of April,
8 that's correct.

9 Q. So the testing that was done prior to
10 that would have included the previous procedure?

11 A. The testing with the Georgia test, I
12 assume?

13 Q. Yes.

14 A. Yes. It would include that, yes. Let me
15 clarify parts of it, because we implemented that the
16 latter part, I want to say August or September of
17 2000. The Georgia test, in and of itself, began in
18 late '99, actual transaction testing, and ran through
19 early 2001.

20 Q. But that change took place -- the change
21 in procedure whereby the LCSC stopped giving priority
22 to Georgia and Florida orders began at the end of
23 April, that change, right?

24 A. Yes.

25 Q. So, prior to that time, those orders,

1 being given priority to Georgia and Florida, that
2 procedure was in effect, correct?

3 A. Yes, it was.

4 Q. And the Georgia third-party testing was
5 completed -- well, to the extent it was completed, it
6 was completed in March, correct?

7 A. Right.

8 Q. And those tests results were filed with
9 this Commission when this application was filed in
10 May?

11 A. That's correct.

12 Q. Isn't it correct that the change in
13 procedure by which BellSouth no longer gave priority
14 to Georgia and Florida orders, and which began at the
15 end of April, would have -- that the Florida testing
16 would have been run -- a large part of the Florida
17 testing would have been run after that change was
18 made, by which the priority was no longer given to
19 Georgia and Florida orders?

20 A. A substantial portion of the Florida
21 test. Yes, sir.

22 Q. So, wouldn't you agree that if this
23 Commission was concerned about that procedure and the
24 possible impact that of that procedure on the
25 handling of orders from South Carolina CLECs,

1 wouldn't it make sense for this Commission to look at
2 the Florida test results to see whether that change
3 in procedure might produce different results?

4 A. I don't believe so. Let me answer why.
5 This is commercial data that can be observed at the
6 state level. So this Commission can look at the
7 Florida results for FOC and clarification timeliness
8 fore manually-submitted orders. You can look at the
9 Georgia results. You can look at the Florida
10 results. And you can look at the South Carolina
11 results. We post to our interconnection web page a
12 years worth of data and charts that you can look at
13 and see the actual results provided at that state
14 level.

15 So although Georgia and Florida may have
16 gotten a higher priority for a number of months, you
17 can look at the level far the same measure, the level
18 of timeliness that was provided to CLECs here in
19 South Carolina, North Carolina or any other state.

20 Q. But Mr. McElroy, isn't it true that with
21 respect to some of the functions that were controlled
22 by that procedure, there is insufficient commercial
23 volume arising out of the State of South Carolina to
24 provide statistically meaningful data?

25 A. I'm not sure I could answer that

1 question. That may be more appropriate for
2 Mr. Varner on the amount of commercial uses we've got
3 here in South Carolina.

4 Q. Those documents are in the record. But
5 if you assume for the purposes of hypothetically, if
6 there are some measurements that -- as to which there
7 are insufficient volume, then this Commission has got
8 to fall back and rely on third-party testing,
9 correct?

10 A. That's true.

11 Q. And for clarification, the testing that
12 was done in Florida has more valid information in
13 that the priority was not being given to Georgia and
14 Florida orders over the other states. Do you agree
15 with that?

16 A. I lost that. Can you restate that
17 question, please.

18 Q. Do you agree with me that with respect to
19 third-party testing, as comparing Georgia and
20 Florida, that it is a true statement that the Florida
21 testing is more indicative of actual performance in
22 South Carolina because more of the Florida testing
23 was done at a time when BellSouth was not giving
24 priority to orders from Georgia and Florida?

25 A. No. I guess I can't agree with that.

1 Each state's result are going to be independent, and
2 they are independently reported and can be reviewed,
3 or measured, or monitored through the performance
4 metrics we filed with this Commission or the website.
5 So each state's results would stand on its own.

6 Q. Mr. McElroy, I know my question has been
7 convoluted and probably confusing. But if I asked
8 you to assume, for purposes of this question, that
9 the Commission is concerned about certain
10 measurements, as to which there is not sufficient
11 volume of commercial usage from South Carolina, such
12 that it has to look at the third-party testing, do
13 you agree with me, under that circumstance, that the
14 Florida testing is a better indication of performance
15 in South Carolina because more of it was done at a
16 time when BellSouth was not using a procedure that
17 that giving preference to Georgia and Florida orders?

18 A. I guess the part I'm confused over is why
19 the Commission couldn't look at performance data from
20 other states and draw that same conclusion. We are
21 producing and providing. If there is a concern over
22 limited volumes, then not having sufficient
23 commercial usage here in some particular level of
24 disaggregation, because there are 2,200 levels of
25 disaggregation, that they can make that comparison

1 from a state-to-state basis and rely on data or look
2 to data in other states, as well as third-party
3 tests. The third-party tests, in an of itself, it
4 has too test the functionality of the systems, to
5 test the functionality of our processes. And in KPMG
6 reports, their results -- or reports out their
7 results as a part of test the results for the final
8 report, which we don't have at this point for
9 Florida.

10 Q. Thank you, Mr. McElroy.

11 CHAIRMAN SAUNDERS: MCI WorldCom?

12 MS. COTHRAN: No questions, Mr. Chairman.

13 CHAIRMAN SAUNDERS: Mr. Elam?

14 MR. ELAM: No questions.

15 CHAIRMAN SAUNDERS: Staff?

16 MS. BELSER: No questions, Mr. Chairman.

17 CHAIRMAN SAUNDERS: Commissioners?

18 CROSS EXAMINATION

19 BY COMMISSIONER ATKINS:

20 Q. In your testimony that we went over
21 today, I guess it's rebuttal, although it's labeled
22 surrebuttal Page 4, Line 6. I guess that's the final
23 report on March 20th by KPMG to the Georgia
24 Commission.

25 Does that final report include the, I

1 guess, the supplemental test plan on OSS '99 that's
2 mentioned on Page 3, Lines 10 through 12?

3 A. Actually, this is the supplemental test
4 plan final report. And this is the master test plan
5 final report.

6 Q. All right. And you may have to give us a
7 lat-filed exhibit, but are you familiar with the
8 testimony that was given yesterday by Ms. Norris, I
9 guess both in, I guess, her original and then what
10 was added as Exhibit 102?

11 A. Yes, sir. I am vaguely familiar with it.
12 I recall it from the previous filing.

13 Q. There are a whole number of things in
14 there that she has listed that had OSS '99 not tested
15 in Georgia.

16 A. Right.

17 Q. What you're saying that is that some of
18 the OSS '99 functions were tested in Georgia? And
19 that are in this supplemental report?

20 A. No, sir; that's not quite it.

21 Q. Help me.

22 A. OSS '99 is our T-set 9, and Mr. Pate
23 described T-set 7 versus T-set 9, which is basically
24 a good analogy for it if you think about Microsoft
25 Office, and you've got a '95 version and then I think

1 they jumped to '97 and then the 2000 and there's also
2 the NT version if you want to go to that. And a good
3 way of looking at that or give that a good analogy
4 for the T-set 7 versus T-set 9. T-set 9 was out in
5 late '99. T-set 7 was brought onboard sometime -- I
6 don't know exactly, but a year or two prior to that.

7 So our OSS '99 or out T-set 9 platform is
8 the newer version out there for CLECs to use. And
9 it, in and of itself, was not tested in Georgia.
10 When the Georgia master test plan was developed, we
11 did not have the OSS '99 available. And therefore,
12 it was not scoped out in the test to be tested. As
13 you know, these tests are not -- look across anywhere
14 in the country, and they are taking a couple years to
15 get through. They are very large tests that have to
16 be defined well in advance. You run into issues
17 around trying to include and increase the scope of
18 the project. If you continue to do that, at some
19 point you will never finish a project, because you
20 continue to add the scope.

21 Q. Help me on Page 3 of your testimony,
22 starting at Line 10. What's in the supplemental test
23 plan? It says: The Georgia Commission expanded the
24 test to include an assessment of change management
25 process as it applied to the implementation of

1 Release 6, OSS '99?

2 A. Right.

3 Q. So change management, then an evaluation
4 of preordering, ordering and provisioning of XDL
5 loops. That part of OSS '99?

6 A. No, not of itself, no, sir.

7 Q. So none of the other things are in OSS
8 '99.

9 A. The key there was the change management
10 process. What the FCC has basically written a
11 letter, I think, to US West and said: Although we
12 won't tell you, we won't lay out what a master test
13 plan should look like, because they all can be
14 different and the ones who have gone forward and
15 gotten approval have all been different.

16 What they have said, here are some key
17 things we think should be in one. And these four
18 items that were included in the STP were not included
19 in the original master test plan. So when that
20 letter came out, the Georgia Commission thought it
21 would be a good idea to cover bases and develop a
22 supplemental test plan to test those items in the
23 Georgia test.

24 So, they tested the change management
25 going through a major release, which was going into

1 the T-set manner OSS release to test the XDSL-capable
2 loops. Those weren't explicitly in the Georgia
3 master test.

4 Also, we came back and tested our resold
5 products. Initially, we weren't going the test those
6 because of commercial usage and came back and tested
7 those, as well, along with a thorough analysis of
8 performance metrics, which was the fourth component.

9 Q. Since you are the director of
10 interconnection services, and again going back to
11 Exhibit 102 on the front. And I get confused about
12 which ones are in Georgia and which ones are in
13 Florida here, but let's just assume all of them are
14 in Florida, a number of exceptions or observations
15 that are open in Florida. Is BellSouth going to fix
16 those?

17 A. Yes, sir, we will.

18 Q. When do you think all those will be
19 fixed?

20 A. If I could maybe -- I haven't had time to
21 go through this in detail, but I did look at the
22 first page. Maybe if I could go through items on the
23 first page.

24 Q. Sure.

25 A. As I look through it quickly --

1 Q. You're on Page 1?

2 A. I'm sorry, the first page of the details
3 if you will.

4 She's got in her filing reference numbers
5 1 to 16, which are just reference numbers. Then your
6 observation numbers are the second column.
7 Observation 55, 65 and 98 are in the closing process.
8 So those are being closed. I'm sure it's a matter of
9 timing to choose to put this together.

10 These things are ongoing. We are
11 resolving and closing these issues on an ongoing
12 basis. Number 97 is already closed. It's also, just
13 to note, observations 55 and 65 are very similar
14 issues. In fact, if you read her issue statement,
15 it's basically the same.

16 And what we find in here is observations
17 55 and 65 are closing. Those actually got escalated
18 into an exception. The difference in observation and
19 exception, an observation, if you will, is a little
20 thing. The exception is more substantial or a big
21 thing that would cause a not satisfied.

22 So it got escalated. If you flip back to
23 page 7 of the exhibit, 105 is in there, as well.

24 In that case it's almost like triple
25 counting the issue. The observations were issued and

1 the exception has been issued, but it's, in essence,
2 the same thing.

3 The --

4 Q. Without going kind of through all of
5 them -- okay?

6 Q. So I guess what I'm trying to determine
7 is, to get your ticket punched in Florida, BellSouth
8 is going to have to fix these things. Otherwise you
9 won't get 271 approval in Florida.

10 A. Yes, sir, that's correct. Just as in
11 Georgia, there were numerous exceptions in Georgia,
12 as well, and got satisfied.

13 Q. So you all are real close in Georgia as
14 director of interconnection services, do you have any
15 estimate when you think you will be in an almost
16 finished position in Florida in addressing some of
17 these issues?

18 A. In Florida, Ms. Norris mentioned
19 yesterday, time for a new project plan had come out.
20 That project plan is going to have an end date of
21 December. That's a zero defect end date. So, as far
22 as the time frame on Florida, December would be a
23 zero defect, if nothing goes wrong, everything was
24 fixed or fixed almost real time.

25 So that date, if you look at the history

1 of the Florida test, because we probably had 15 or 20
2 project end dates that have been bumped a month or so
3 at a time as we've gone through and took the time to
4 develop interfaces and gone through the various
5 phases of testing. So to answer your question about
6 the Florida test, I can't give you a date when we
7 think this test will be completed. But I don't think
8 it will be completed in December of this year.

9 Q. Okay. And when those changes are fixed,
10 quote unquote, and implemented, they'd be implemented
11 system wide?

12 A. Yes, sir.

13 Q. You're just not going to do it in
14 Florida, and we're going to be using an older
15 version, right?

16 A. Our systems are regional. Our processes
17 are regional. So we fix it in one place, and they
18 are fixed for all.

19 One other thing to note as information
20 back on that first stage, three of these observations
21 are actually -- they are issues KPMG has identified
22 and said: BellSouth, you need to have these present
23 for CLECs to do business for BellSouth.

24 So those are numbers 49, 87, and 92. So
25 those are more on the lines of the new functionality.

1 One of those has actually gone through change control
2 and is in the process of being implemented now. It
3 was actually brought -- the change request was made
4 by a CLEC to incorporate the functionality.

5 So not all of these are necessarily
6 system problems. It may be something KPMG says needs
7 to be there. And typically, when they want to add a
8 system functionality, we can move those over to
9 change control and CLECs help determine if those
10 things are important to how they plan to do business
11 here in the BellSouth region.

12 Q. So you have got on a website somewhere,
13 the data that you discussed with AT&T counsel
14 regarding what each of the states did in terms of
15 their effectiveness of ordering during this period
16 when there was a priority of Georgia and Florida, and
17 then the priority fell out in April of this year?

18 A. Yes, sir.

19 Q. And so each state would have some
20 different level of commercial usage?

21 A. Yes, sir.

22 Q. All right. Were the third-party tests
23 that were conducted in Georgia -- the third-party
24 test in Georgia and now the third-party test that's
25 ongoing in Florida, are there any redundant testing,

1 like the 1,100, or so, 1,100 plus or minus in
2 Georgia, are there any of those that were duplicative
3 with commercial usage in Georgia? Or were there
4 third-party things that were tested in Georgia that
5 were totally exclusive of things that had commercial
6 usage?

7 A. No, they were -- for instance, with the
8 STP that came out, testing resold services, we looked
9 at things that didn't have commercial usage. Let me
10 think about that for one second. There is no
11 definition of what's commercial usage. Is it a
12 hundred, a thousand or a million. There is no
13 definition or clear definition of what commercial
14 usage is.

15 But to answer your question, we tested
16 very few items that had commercial usage as a part of
17 the Georgia test. One of the areas we did test that
18 has commercial usage is TAFI. TAFI, as Mr. Pate
19 described earlier, is an interface that we use in
20 BellSouth in our retail operations to provide the
21 same access to CLECs, as well. We did test TAFI as
22 part of the Georgia test. And you could argue that's
23 got commercial usage.

24 Q. Has Bell done an analysis of the
25 third-party results of testing TAFI versus the

1 commercial usage for TAFI?

2 A. KPMG actually did that in their PMR-6
3 report, which is part of the STP supplement test plan
4 report. They compared their CLEC results they got to
5 the -- to either the benchmark or BellSouth analog
6 results that were established in the June order.
7 They compared their results from, I want to say it
8 was November, December, January, February of '99 to
9 2000 to the actual benchmarks or analogs that are out
10 there. So they did do some of that comparative
11 analysis in this report.

12 Q. I wonder if we have a copy of that?

13 A. Yes, sir. It was filed with Mr. Pate's
14 testimony. I don't have the exact exhibit number of
15 Mr. Pate's testimony. Sixty-four, I think.

16 Q. I remember that one.

17 A. It's one of his exhibits. I think it was
18 64, 65.

19 Q. I remember looking at that. Okay. So
20 clearly, if those two -- of course, that's only one
21 thing. But if those two are alike, then that says
22 one thing. And if they are different, it tells us
23 something may be wrong somewhere.

24 I guess BellSouth's argued throughout
25 this case that we ought to look to the example of

1 Kansas and Oklahoma in the FCC order.

2 Can you tell me any information about any
3 kind of things that would be a carryover in what
4 Southwestern Bell would have done in Texas in their
5 testing, and then the FCC approved Kansas and
6 Oklahoma. Is there any kind of analog here that
7 would help us with these arguments about whether to
8 use Georgia or Florida?

9 A. Right. We provided an exhibit, again,
10 one of Mr. Pate's. I think it's 81. It gives --
11 check that number, as well. But it gives a
12 comparison of Georgia versus New York versus Texas on
13 the actual tests themselves. Subsequently, we got
14 PWC, PriceWaterhouseCoopers to come in and do a
15 regionality analysis for us. And we've had a lot of
16 conversation on that, as well, which was directly
17 modeled -- in fact it was exactly modeled after the
18 FCC engagement where they engaged Ernst & Young to
19 come in and compare those, as well, or sameness study
20 rather.

21 Q. All right. My last question. We've gone
22 through all this big hardware, ENCORE and RSIMMS.
23 I'm assuming that the two gig and four gig, that's
24 ram?

25 A. Yes, sir.

1 Q. Not the hard drive. All right. So where
2 are these computers? Where are the three HPs and
3 three HP and two HPs and the one HP360. Where are
4 those computers now?

5 A. Where are they physically located?

6 Q. Yeah, where are they?

7 A. Varied locations. KPMG listed out in
8 their report, which is again Exhibit 64 of Mr. Pate
9 in the master test plan final report, all the
10 differences, all the similarities. It's important to
11 think about the applications. What they said were
12 the application weren't necessarily the same. Go to
13 Page 5 of that report, I quoted that a little bit
14 earlier. But they have listed in there, there are
15 some in Jackson, Mississippi; some in Birmingham;
16 some in various places around the United States
17 region.

18 Q. My question is: If you invested --
19 obviously those aren't a loaner you are going to turn
20 back into the rental place this afternoon, right?

21 A. Right.

22 Q. If they are sitting in a room somewhere,
23 and you are doing something with them, I mean, you
24 made an investment to buy those computers. Why are
25 we arguing about you don't have hardware capability?

1 A. We have the hardware capability. The
2 reason we use the RSIMMS environment, which is where
3 more of the hardware is, because we already had this
4 test environment set up. So, rather than investing a
5 lot more money and having to go out to our production
6 systems and invest and buy and add in new equipment
7 there, we -- when the master test plan was initially
8 developed, the decision was made just to go ahead and
9 utilize the RSIMMS environment. We did, as I
10 mentioned earlier, do four of the tests there, and
11 then moved over and did one test in the production
12 environment.

13 Q. Are you all going abandon the ENCORE
14 system and use the RSIMMS system now for production?

15 A. No, we got both. We keep the RSIMMS as
16 an reengineering -- I can't remember the exact name.
17 But it's a test environment we have. We still use it
18 today. In fact, that's what we've been using
19 internally to get ready for the Florida volume test.
20 We've been using it to test ourselves at the expected
21 volume levels.

22 We didn't have to develop the RSIMMS
23 environment. It was already there. It's a place for
24 us to go off line and do testing of all sorts.

25 Q. Thank you.

1 CHAIRMAN SAUNDERS: Yes, sir?

2 REDIRECT EXAMINATION

3 BY MR. McCALLUM:

4 Q. One or two quick questions. Mr. McElroy,
5 we had questions following up on the last ones of
6 Commissioner Atkins. We talked about the fact that
7 KPMG did look at whether the applications between
8 ENCORE and RSIMMS were the same, correct?

9 A. Yes, sir.

10 Q. And they gave an opinion about that?

11 A. Yes, sir.

12 Q. What was that opinion?

13 A. That they were the same.

14 Q. The thing we didn't talk about is did
15 KPMG also look at BellSouth's capability to be able
16 to move from the hardware that was in ENCORE, or its
17 ability to upgrade the hardware in order to get to
18 the level of capacity that was in the RSIMMS systems?

19 A. Yes, sir, they did.

20 Q. What did they conclude about that?

21 A. They said those changes could be made, as
22 well. In essence, all you're doing is moving
23 hardware around. One other key thing to note,
24 because there has been so much discussion around
25 RSIMMS versus production and is it the same or not

1 the same.

2 What we can look at, as well, is KPMG
3 took the same test scenarios that they ran in the
4 test environment and ran the same scenarios through
5 the production environment, as well, and produced the
6 same results, in essence. So they took the same data
7 in one place, plugged it into the next environment
8 and got the same results.

9 MR. McCALLUM: That's all I have,
10 Mr. Chairman. I'd also like to, if I could,
11 formalize the ability to file a late-filed exhibit in
12 response to Ms. Norris's exhibit, I think she put in
13 yesterday and reserve a hearing exhibit for that
14 purpose.

15 CHAIRMAN SAUNDERS: Be Hearing Exhibit
16 106. AT&T?

17 (HEARING EXH. NO. 106, Late-filed
18 exhibit, was marked for identification.)

19 MS. AZORSKY: I believe, as we said, we
20 believe that exhibit was only an update. I thought,
21 however, you agreed to let them do that yesterday, so
22 I'm not --

23 CHAIRMAN SAUNDERS: No, do you have
24 anything else?

25 MS. AZORSKY: I'm sorry.

1 CHAIRMAN SAUNDERS: The other thing I
2 want you to do, you have hearing Exhibit 105 that you
3 haven't moved in.

4 MS. AZORSKY: I'm happy to move it into
5 evidence. I thought we were taking judicial notice
6 of decisions. But since you have it, let's just move
7 it into evidence.

8 CHAIRMAN SAUNDERS: Be Hearing Exhibit
9 Number 105 and entered into the evidence of this
10 case.

11 MS. AZORSKY: I just have one issue.

12 CROSS EXAMINATION

13 BY MS. AZORSKY:

14 Q. McElroy, did KPMG tell the Georgia
15 Commission that the work they did would not
16 demonstrate, one way or another, whether the
17 production systems the CLECs will use could pass the
18 volume test?

19 A. I'm not aware of them telling. Maybe
20 you've got a letter you are referring to or?

21 Q. Were you at the third-party test hearing
22 in Georgia?

23 A. Yes, I was.

24 Q. And would you agree with me that,
25 according to this transcript, which is in the record,

1 that Mr. Weeks, who testified at that hearing, was
2 asked: Would you agree that the volume test that you
3 performed do not prove that BellSouth's regular
4 production system, the one that the CLECs will have
5 to use can currently pass the volume tests ordered by
6 this Commission. And that MR. Weeks said: The work
7 we did could not demonstrate either way that they
8 could or couldn't?

9 A. Yes.

10 Q. Would you also agree that Mr. Weeks was
11 asked, and would you agree that you have performed no
12 tests that assures that BellSouth could increase the
13 capacity of ENCORE to a necessary -- to a level
14 necessary to pass the volume test, and Mr. Weeks
15 responded to that question saying: We have done no
16 demonstration that that's true?

17 A. Yes, that's correct.

18 Q. I have no further questions.

19 CHAIRMAN SAUNDERS: Mr. Ellerbe?

20 MR. ELLERBE: Nothing, Mr. Chairman.

21 CHAIRMAN SAUNDERS: You may step down

22 sir.

23 Let's take a break.

24 (A recess transpired.)

25 CHAIRMAN SAUNDERS: Please be seated.