### **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. 2004-00427, Petition of BellSouth Telecommunications, Inc. to Establish Generic Docket to Consider Amendments to Interconnection Agreements Resulting from Changes of Law, and if present before the Commission and duly sworn, her direct testimony would be set forth in the annexed testimony consisting of 73 pages and U exhibits.

Pamela A. Tipton

Notary Public

SWORN TO AND SUBSCRIBED BEFORE ME THIS (2<sup>th</sup> DAY OF AUGUST, 2005

MICHEALE F. BIXLER

Notary Public, Douglas County, Georgia My Commission Expires November 3, 2005

1		BELLSOUTH TELECOMMUNICATIONS, INC.
2		DIRECT TESTIMONY OF PAMELA A. TIPTON
3		BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION
4		DOCKET NO. 2004-00427
5		AUGUST 16, 2005
6		
7	Q.	PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH
8		TELECOMMUNICATIONS, INC. ("BELLSOUTH"), AND YOUR
9		BUSINESS ADDRESS.
10		
11	A.	My name is Pamela A. Tipton. I am employed by BellSouth
12		Telecommunications, Inc., as a Director in the Interconnection Services
13		Department. My business address is 675 West Peachtree Street, Atlanta,
14		Georgia 30375.
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16	Q.	WHAT ARE YOUR CURRENT RESPONSIBILITIES?
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18	A.	I am a Director, responsible for regulatory policy implementation for
19		BellSouth's nine-state region.
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21	Q.	PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.
22 23	A.	I received a Bachelor of Arts in Economics from Agnes Scott College in
24		1986, and a Masters Certification in Project Management from George
25		Washington University in 1996. I have over 17 years experience in
26		telecommunications, with my primary focus in the areas of process

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

### Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

A. I set forth BellSouth's positions on Issue Nos. 2, 4, 5, 8, 10, 11, 14, 15, 16, 22, 29 and 31, as listed in the June 30, 2005 Joint Issues Matrix filed with this Commission. In doing so, I present the interconnection agreement language that BellSouth is asking the Commission to approve in this proceeding. I also explain why BellSouth's contract language is appropriate in light of the FCC's applicable orders and rules.

)	Issue 2	TRRO Fina	al Rules V	Nhat is 1	he annr	onriate l	languag	e to ir	nnlement
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- 3 the FCC's transition plan for (1) switching, (2) high capacity loops and (3)
- 4 dedicated transport as detailed in the FCC's Triennial Review Remand
- 5 Order ("TRRO"), issued February 4, 2005?

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Q. AS AN INITIAL MATTER, WHAT LEVEL OF SWITCHING DID THE FCC
 ADDRESS IN THE TRRO?

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In the TRRO, the FCC addressed mass market local switching ("DS0 level switching") by eliminating the ILECs' obligation to provide access to DS0 level switching as an unbundled network element ("UNE"). For purposes of my testimony, "Local Switching" is DS0 level switching.

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The FCC earlier eliminated "DS1 and above" level "enterprise" switching in its Triennial Review Order ("TRO") in 2003. Effective March 11, 2005, the TRRO eliminated all new DS0 level switching. Thus, collectively, as a result of the TRO and the TRRO, ILECs are no longer obligated to provide unbundled access to either DS0 or DS1 and above level switching pursuant to Section 251 of the Act.

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22 Q. ISSUE 2 SPECIFICALLY DEALS WITH THE TRANSITION OF THE
23 EMBEDDED BASE FOR FORMER UNES. WHAT TIMEFRAME DOES
24 THE TRRO SET FORTH FOR CLECS TO TRANSITION THEIR
25 EMBEDDED BASE OF (1) LOCAL SWITCHING, (2) HIGH CAPACITY

1		LOOPS AND (3) DEDICATED TRANSPORT TO ALTERNATIVE
2		SERVING ARRANGEMENTS?
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4	A.	For most of these elements, the FCC established a 12-month transition
5		period; however, some elements have an 18-month transition period. The
6		transition period for each element is as follows:
7		
8		LOCAL SWITCHING
9		The FCC established a 12-month period during which CLECs are
10		obligated to transition their embedded base of local switching, including
11		stand-alone switch ports and UNE-P lines, to alternative serving
12		arrangements. This 12-month transition period began on March 11, 2005,
13		and it ends on March 10, 2006.
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15		HIGH CAPACITY LOOPS
16		DS1 and DS3 Loops
17		The FCC established a 12-month transition period during which CLECs
18		must transition their embedded base of unimpaired and excess DS1 and
19		DS3 loops to alternative serving arrangements. This 12-month transition
20		period began on March 11, 2005, and it ends on March 10, 2006.
21		
22		Dark Fiber Loops
23		The FCC established an 18-month transition period during which CLECs
24		must transition their embedded base of dark fiber loops to alternative
25		serving arrangements. This 18-month transition period begins on March

1		11, 2005 and it ends on September 10, 2006.
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3		DEDICATED TRANSPORT
4		DS1 and DS3 Transport Circuits
5		The FCC established a 12-month transition period during which CLECs
6		must transition their embedded base of unimpaired and excess DS1 and
7		DS3 transport to alternative serving arrangements. This 12-month
8		transition period began on March 11, 2005, and it ends on March 10,
9		2006.
10		
11		Dark Fiber Transport
12		The FCC established an 18-month transition period during which CLECs
13		must transition their embedded base of dark fiber dedicated transport to
14		alternative serving arrangements. This 18-month transition period began
15		on March 11, 2005, and it ends on September 10, 2006.
16		
17	Q.	CAN CLECS WAIT UNTIL THE END OF THE TRANSITION PERIOD TO
18		BEGIN TRANSITIONING THEIR EMBEDDED BASE OF DSO LEVEL
19		SWITCHING, HIGH CAPACITY LOOPS AND DEDICATED TRANSPORT
20		TO ALTERNATIVE ARRANGEMENTS?
21		
22	A.	No. While some CLECs have taken the position that they are only
23		required to submit their conversion orders (i.e., orders to convert their
24		embedded base to an alternative arrangement) by March 10, 2006 (See
25		June 22, 2005 Response of Joint CLECs to BellSouth's Motion for

Summary Judgment, p. 62), it is clear from the FCC's own language that is not what the FCC intended. The FCC stated that its timeframes provide: (1) adequate time to perform "the *tasks* necessary to an orderly transition" (TRRO, ¶ 143 (DS1/3 transport); ¶ 196 (DS1/3 loops); ¶ 227 (local switching)); and (2) "the time necessary to *migrate* to alternative fiber arrangements" (TRRO, ¶ 144 (dark fiber transport); ¶ 198 (dark fiber loops)). Quite logically, the FCC provided a transition period for exactly that purpose, to have an orderly transition. The creation of a transition period by the FCC surely was not intended to simply provide the CLECs with a holding period during which they were required to do nothing other than prepare to submit, on the last day of the transition period, their orders to move to alternative arrangements.

Furthermore, the FCC's creation of a transition period for the embedded base makes sense from BellSouth's perspective and should make sense from the CLECs' perspective as well. As this Commission is aware, BellSouth has interconnection agreements with over 250 CLECs in this state. Both BellSouth and the CLECs need time to effectuate the move from former UNEs to alternative serving arrangements; hence the transition period. No one acting in good faith could possibly think that the FCC intended to allow any CLEC to wait until March 10, 2006, to submit its conversion orders. Neither the CLECs nor BellSouth could handle such a volume of orders on a single day, or even in a single week, or a single month. BellSouth is committed to working with CLECs to make this transition as seamless as possible for the CLECs' end users, but the only

way the parties can accomplish this is if the CLECs are willing to communicate with us and work cooperatively to complete all the necessary work before the expiration of the transition period.

Q. WHAT PROCEDURE DOES BELLSOUTH PROPOSE IN ORDER TO
 ENSURE THAT AN ORDERLY TRANSITION IS COMPLETED BY
 MARCH 10, 2006?

9 A. BellSouth proposes the procedures outlined below for each de-listed element:

### **SWITCHING**

Because four months of the transition period have expired with minimal conversion activity, BellSouth has contacted many of its UNE-P CLECs regarding their plans to convert their embedded base of UNE-P lines. BellSouth has urged CLECs who plan to convert their UNE-P lines to UNE-L to communicate their plans to BellSouth as soon as practicable. BellSouth also reminded these CLECs that they must build into their conversion plan adequate time for the preparation of collocation space, unless the CLEC already has adequate collocation space.

To effectuate the actual conversion activities, BellSouth has requested that CLECs submit orders by October 1, 2005, to convert or disconnect their Embedded Base Local Switching. Given the current view of the volume of lines that may need to be converted, this date represents the

last date on which such orders can be submitted with any reasonable assurance that the conversions can be completed in time. Again, BellSouth urges all CLECs to submit their conversion requests or spreadsheets to BellSouth as soon as practicable. The October 1, 2005 deadline is reasonable, because it will take time for BellSouth to work with each CLEC to ensure all embedded base lines are identified, to negotiate project timelines, to issue and process service orders to change circuit inventory and billing records for those lines and to perform all necessary cutovers.

BellSouth established this order/spreadsheet submission time deadline to ensure conversions are <u>started</u> in a timely manner. As I mentioned above, at least four months of the transition period have elapsed with minimal transition activity by CLECs. The October 1 deadline in no way suggests BellSouth plans to cut the transition period short. In fact, Bellsouth has been working to modify its on-line scheduling tool for bulk migrations to extend the scheduling window from 120 days to 200 days for just this purpose. CLECs will be able to schedule their bulk migration order due dates up to and including the March 10, 2006 transition period end date.

This provides the CLECs with more than six months from the issuance of the TRRO to determine what they want to do with their embedded base. If CLECs are allowed to delay submission of their orders beyond October 1, 2005, then, depending on the number of conversions that must occur, for the reasons stated above, it is unlikely that all of the conversions can be

accomplished before March 11, 2006.

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Meeting BellSouth's proposed deadline is important because, as was the case with the "new adds" issue involving adding new switching UNEs after March 11, 2005, the FCC's deadline of March 10, 2006 is a fixed date, beyond which CLECs are not entitled to maintain their embedded base of UNE-P lines or stand-alone local switching, or their embedded base of high capacity loops and transport (other than dark fiber loops and transport) in unimpaired wire centers. If a CLEC fails to submit orders to convert UNE-P lines to alternative arrangements in a timely manner so that BellSouth can work the changes, BellSouth will convert any remaining UNE-P lines to the resale equivalent effective March 11, 2006. For any remaining stand-alone switch port arrangements, BellSouth will disconnect these arrangements effective March 11, 2006. Disconnecting these ports is the only reasonable response to CLEC inaction, because, even though BellSouth does not have a tariffed service that is equivalent to a standalone switch port, there are other alternatives the CLECs may choose. Specifically, BellSouth has a Section 271 obligation to provide unbundled switching to CLECs, and CLECs may obtain stand-alone switching capability through one of BellSouth's commercial agreements. Alternatively, CLECs have all of the alternatives that the FCC found to exist, including using their own switches, or the switches of other CLECs.

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### HIGH CAPACITY LOOPS

### DS1 and DS3 Loops

There are two categories of DS1 and DS3 loops that must be addressed. First, there are those high capacity loops that were in service on March 11, 2005, in wire centers where CLECs are not impaired without access to such high capacity loops. These constitute the "embedded base" of high capacity loops. In addition, the FCC provided, by rule, that even in wire centers where CLECs are impaired without access to DS1 and/or DS3 loops, there is a cap of ten (10) DS1 loops and a cap of one (1) DS3 loop per building. Therefore, there are DS1 and DS3 loops in excess of the cap that must be addressed. BellSouth refers to these as the "excess" DS1 or DS3 loops, and they must be converted by March 10, 2006, just as the embedded base of DS1 and DS3 loops must be converted by March 10, 2006.

To comply with the TRRO, BellSouth proposes that, by December 9, 2005, CLECs submit spreadsheets identifying their Embedded Base and Excess DS1 and DS3 loops to be disconnected or converted to other BellSouth services. If a CLEC submits its spreadsheet by December 9, 2005, BellSouth will establish a project schedule with that CLEC to convert its Embedded Base and Excess DS1 and DS3 loops to alternative arrangements by the end of the transition period. Again, as with switching, the submission of spreadsheets by December 9 initiates the process to be completed by March 10, 2006. If a CLEC does not provide notice in a timely manner, such that orderly conversions cannot be accomplished by March 10, 2006, BellSouth will convert any remaining embedded or excess high capacity loops to the corresponding tariff

service beginning on March 11, 2006.

## Dark Fiber Loops

The FCC established an 18-month transition period for dark fiber loops, recognizing that ILECs generally do not offer dark fiber loops as a tariffed service and that it "may take time for competitive LECS to negotiate IRUs ["Indefeasible Right of Use"] or other arrangements with incumbent or competitive carriers." (TRRO at ¶197)

BellSouth proposes that, by June 10, 2006, CLECs submit spreadsheets identifying their Embedded Base Dark Fiber Loops that are to be either disconnected or converted to other BellSouth services. If a CLEC submits its spreadsheet by this date, BellSouth will establish a project schedule with that CLEC to convert its Embedded Base Dark Fiber Loops to alternative arrangements by the end of the transition period. As with the other de-listed UNEs, if a CLEC does not submit its orders in a timely fashion so that the conversions can be completed by September 11, 2006, BellSouth will commence, on that date, conversion of any remaining unbundled dark fiber to the corresponding tariff service.

## **DEDICATED TRANSPORT**

### DS1 and DS3 Dedicated Transport

As was the case with the high capacity loops, CLECs have DS1 and DS3 transport that constitutes an embedded base, and, in some instances, between certain central offices, constitutes "excess" high capacity

transport. Provisions must be made to transition all of the embedded and excess high capacity transport. For purposes of fully implementing the TRRO, BellSouth includes Entrance Facilities in its discussion of Dedicated Transport

BellSouth's proposes that, by December 9, 2005, CLECs must submit spreadsheets identifying their Embedded Base and Excess DS1 and DS3 dedicated transport and Embedded Base Entrance Facilities that are to be either disconnected or converted to other BellSouth services. If a CLEC submits its spreadsheet by December 9, 2005, BellSouth will negotiate a project schedule with that CLEC to convert its Embedded Base and Excess DS1 and DS3 Dedicated Transport and Embedded Base Entrance Facilities to alternative arrangements by the end of the transition period. Again, the spreadsheet or order submission deadline initiates the transition process for CLECs that have not already done so. If a CLEC fails to submit such orders in a timely fashion so that the conversions can be completed by March 11, 2006, BellSouth will commence, on that date, to convert any remaining high capacity transport to the corresponding tariff service.

### Dark Fiber Dedicated Transport

The FCC established a longer, 18-month transition period for dark fiber conversions, recognizing that most ILECs do not offer dark fiber as a tariffed service and that it "may take time for competitive LECs to negotiate IRUs or other arrangements with incumbent or competitive

### carriers." (TRRO at ¶ 44)

For this reason, BellSouth proposes that, by June 10, 2006, CLECs must submit spreadsheets identifying their Embedded Base Dark Fiber Transport and Dark Fiber Entrance Facilities to be either disconnected or converted to other BellSouth services as conversions. If a CLEC submits its spreadsheet by June 10, 2006, BellSouth will establish a project schedule with that CLEC to convert its Embedded Base Dark Fiber Transport and Dark Fiber Entrance Facilities to alternative arrangements by the end of the transition period. As with the other de-listed UNEs, if a CLEC does not submit its orders in a timely fashion so that the conversions can be completed by September 11, 2006, BellSouth will commence, on that date, conversion of any remaining unbundled dark fiber to a corresponding tariff service.

16 Q. WHAT LANGUAGE DOES BELLSOUTH PROPOSE THAT THE
17 COMMISSION APPROVE TO IMPLEMENT THE FCC'S TRANSITION
18 PERIOD FOR DS0 LEVEL SWITCHING, HIGH CAPACITY LOOPS AND
19 DEDICATED TRANSPORT?

## A. <u>LOCAL SWITCHING</u>

For CLECs that had an interconnection agreement with BellSouth as of March 11, 2005, BellSouth proposes the language set forth in Section 4.2 of Exhibit PAT-1 to my testimony for stand-alone switching and the language set forth in Section 5.4.3 of Exhibit PAT-1 to my testimony for

1	UNE-P .
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3	BellSouth is not proposing any rates, terms or conditions for switching or
4	UNE-P for new CLECs that sign an interconnection agreement with
5	BellSouth after March 11, 2005, since the TRRO precludes CLECs from
6	adding new UNE switching or UNE-P arrangements after that date.
7	
8	DS1 AND DS3 LOOPS
9	For CLECs that had an interconnection agreement with BellSouth as of
10	March 11, 2005, this language is set forth in Section 2.1.4, 2.3.6 and 2.3.8
11	of Exhibits PAT-1 to my testimony.
12	
13	DARK FIBER LOOPS
14	For CLECs that had an interconnection agreement with BellSouth as of
15	March 11, 2005, BellSouth proposes the language set forth in Section
16	2.8.4 of Exhibit PAT-1 to my testimony.
17	
18	BellSouth is not proposing any rates, terms or conditions for dark fiber
19	loops with new CLECs who signed an interconnection agreement with
20	BellSouth after March 11, 2005, since the FCC found that "requesting
21	carriers are not impaired without access to unbundled dark fiber loops in
22	any instance." TRRO at ¶ 146
23	
24	DS1 AND DS3 DEDICATED TRANSPORT AND ENTRANCE FACILITIES
25	For CLECs that had an interconnection agreement with BellSouth as of

1 March 11, 2005, this language is set forth in Section 6.2 of Exhibit PAT-1 2 to my testimony. 3 4 DARK FIBER DEDICATED TRANSPORT 5 For CLECs that had an interconnection agreement with BellSouth as of March 11, 2005, this language is set forth in Sections 6.9.1 of Exhibit PAT-6 7 1 to my testimony. 8 9 Issue 4, TRRO/Final Rules: What is the appropriate language to implement 10 BellSouth's obligation to provide Section 251 access to high capacity loops 11 and dedicated transport and how should the following terms be defined (i) Business Line (ii) Fiber-Based Collocation (iii) Building (iv) Route? 12 13 14 Q. CAN YOU ADDRESS THE TERMS MENTIONED IN ISSUE 4 THAT 15 REQUIRE DEFINITION? 16 Α. Issue 4 addresses the situations where, following the TRO and the TRRO, 17 18 BellSouth is still obligated to provide access to unbundled high capacity loops and transport. In a nutshell, BellSouth is required to continue to 19 20 provide these elements in certain wire centers that do not meet specific 21 criteria defined by the FCC. In the TRRO, the FCC set forth nonimpairment thresholds for high capacity loops and dedicated transport. 22 23 While the specific thresholds differ by service type, each contains a

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reference to "business line" count and "fiber-based collocation" count. The

rules defining non-impairment for loops also include the term "building,"

and the rules for defining non-impairment for dedicated transport contain the term "route." Defining the terms "business line," "fiber-based collocation," "building" and "route" are all important because they affect the FCC's conclusions regarding the wire centers where CLECs are not impaired without access to high capacity loops or transport.

First, I will address the definitions, and then I will describe the criteria relative to identifying the wire centers where CLECs are not impaired without access to high capacity loops and transport.

### Q. WHAT IS THE PROPER DEFINITION OF "BUSINESS LINE?"

A. A business line, as used in my testimony and as defined by the FCC in 47 C.F.R. § 51.5, is:

...an incumbent LEC-owned switched access line used to serve a business customer, whether by the incumbent LEC itself or by a competitive LEC that leases the line from the incumbent LEC. The number of business lines in a wire center shall equal the sum of all incumbent LEC business switched access lines, plus the sum of all UNE loops connected to that wire center, including UNE loops provisioned in combination with other unbundled elements. Among these requirements, business line tallies (1) shall include only those access lines connecting end-user customers with incumbent LEC end-offices for switched services, (2) shall not include non-switched special access lines, (3) shall account for ISDN and other digital access lines by counting each 64 kbps-equivalent as one line. For example, a DS1 line corresponds to 24 64 kbps-equivalents, and therefore to 24 "business lines."

Q. DOES THE FCC'S RULE EXCLUDE ANY PARTICULAR TYPE OF UNBUNDLED LOOP FROM INCLUSION IN THE BUSINESS LINE COUNT?

2 A. No, it does not.

4 Q. ARE YOU AWARE OF ANY DISAGREEMENT BETWEEN BELLSOUTH
5 AND THE CLECS AS TO WHAT CONSTITUTES A BUSINESS LINE?

Α.

Yes. Some CLECs have questioned the manner in which BellSouth counted UNE loops, claiming, for example, that certain types of UNE loops that are used to provide DSL services are not "switched" by BellSouth. The FCC's definition of business lines clearly requires that BellSouth include "the sum of <u>all</u> UNE loops connected to that wire center, including UNE loops provisioned in combination with other unbundled elements." (emphasis added) Accordingly, BellSouth counted all UNE loops, including those that CLECs may contend are not "switched" by BellSouth.

With respect to BellSouth's retail lines, BellSouth counted only those retail lines used to serve business customers with switched voice lines or trunks, including those lines or trunks provided over high capacity transport links. When identifying the 64 Kbps equivalency of the high capacity links, BellSouth included only those high capacity transport links identified by their Uniform Service Order Codes (USOCs) as providing voice equivalent channels and did not count any with UCOCs indicating the high capacity transport was used for data equivalent channels. Where a CLEC provides a data service, such as a line sharing arrangement, BellSouth did not count any retail or resold lines that carried

	a data service over the same line. When both a voice and a data service were provided on the same line carrying a business class of service,
	were provided on the same line carrying a business class of service.
	,
	BellSouth counted this as one line.
Q.	WHAT DOES THE TERM "ROUTE" MEAN?
A.	The term "route" is defined in 47 C.F.R. § 51.319(e) as the following:
	<ul> <li>a transmission path between one of an ILEC's wire centers or</li> </ul>
	switches and another of the ILEC's wire centers or switches;
	<ul> <li>a route between two points that may pass through one or more</li> </ul>
	intermediate wire centers or switches; and
	<ul> <li>transmission paths between identical endpoints are the same</li> </ul>
	"route" irrespective of whether they pass through the same
	intermediate wire centers or switches, if any.
Q,	PLEASE DEFINE A FIBER-BASED COLLOCATION ARRANGEMENT.
A.	A fiber-based collocation, as specified by the TRRO in 47 C.F.R. § 51.5,
	and as used in my testimony is:
	"any carrier, unaffiliated with the incumbent LEC, that maintains a collocation arrangement in an incumbent LEC wire center, with active electrical power supply, and operates a fiber-optic cable or comparable transmission facility that (1) terminates at a collocation arrangement within the wire center; (2) leaves the incumbent LEC wire center premises; and (3) is owned by a party other than the incumbent LEC or any affiliate of the incumbent LEC, except as set forth in this paragraph. Dark fiber obtained from an incumbent LEC
	A.

on an indefeasible right of use basis shall be treated as non-incumbent LEC fiber-optic cable. Two or more affiliated fiber-based collocators in a single wire center shall collectively be counted as a single fiber-based collocator. For purposes of this paragraph, the term affiliate is defined by 47 U.S.C. § 153(I) and any relevant interpretation of the Title."

In applying the FCC's definition, BellSouth counted the number of collocators that have fiber-fed arrangements and not on how many fiber "providers" supply fiber to the wire center in question. This is consistent with the FCC's focus on how many collocation arrangements are fiber-based.

Q. WHAT IS THE APPROPRIATE DEFINITION OF A "BUILDING" FOR PURPOSES OF THESE CRITERIA?

Α.

BellSouth is not proposing a definition of the word "building" in its contract language, because, as a practical matter, common sense dictates that the word "building" means just what it says — it is not a term of art or a technical term. If a dispute materializes, however, "building" should be defined using a "reasonable person" standard. That is, if reasonable people would believe something is a building, then it is a building. For instance, Norton's Suburban Hospital located at 4001 Dutchman's Lane in Louisville isn't a single building, but is a complex of several separate buildings, and we believe that reasonable people would agree. Likewise, buildings such as the National City Tower located at the corner of 5th and Main Street in Louisville is a single building structure and - though it has multiple tenants - it is a single building. BellSouth's view is that this is a single building, and we believe that reasonable people would agree with

1		that conclusion as well.
2		
3		To my knowledge, the CLECs have not proposed a definition of the word
4		"building." If they do so in direct testimony, BellSouth will comment or
5		their proposed definition in rebuttal testimony.
6		
7	Q.	DO YOU EXPECT THAT ANY CLECS WILL ARGUE THAT, IN MULTI-
8		TENANT BUILDINGS, EACH END USER PREMISES CONSTITUTES A
9		SEPARATE BUILDING?
10		
11	A.	That would not surprise me, given what I have heard and seen in the past
12		but any such argument would not be reasonable. The TRRO certainly
13		does not support such a definition for "building." Again, since the FCC dic
14		not define "building" in the TRRO, the only logical way to define this word
15		is through its common use. A multi-tenant building is one building
16		regardless of the number of tenants that work or live in that building.
17		
18	Q.	BASED ON THE FCC'S NEW RULES, AND USING THE DEFINITIONS
19		YOU HAVE JUST PROVIDED, UNDER WHAT CONDITIONS IS
20		BELLSOUTH OBLIGATED TO MAKE HIGH CAPACITY LOOPS
21		AVAILABLE TO CLECS ON AN UNBUNDLED BASIS?
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23	A.	The FCC has established specific criteria in the TRRO regarding ar
24		ILEC's continuing obligation to provide unbundled access to high capacity
25		loops. There are unique thresholds for each type and canacity of service

Once a particular threshold has been met, BellSouth is no longer obligated to provide the service associated with that threshold on an unbundled basis. In the following paragraphs, I describe the circumstances under which BellSouth remains obligated to provide access to unbundled high capacity loops pursuant to the FCC's rules, separated by loop type:

### DS1 Loops

BellSouth is obligated to make DS1 loops available on an unbundled basis only to buildings served by a wire center with less than 60,000 business lines or fewer than four fiber-based collocators. Said another way, BellSouth is not obligated to make DS1 loops available on an unbundled basis to buildings served by a wire center with at least 60,000 business lines and at least four fiber-based collocators. In wire centers that do not meet the FCC's threshold, and thus where unbundled DS1 loops are still available, CLECs may only obtain unbundled access to ten (10) DS1 loops to any one building.

Once a wire center has at least 60,000 lines and four fiber-based collocators, there will be no future unbundling of DS1 loops in that wire center. BellSouth provided its list of wire centers that met such criteria in its Carrier Notification Letter ("CNL") SN91085088, dated April 15, 2005, which is posted on BellSouth's interconnection website at <a href="https://www.interconnection.bellsouth.com">www.interconnection.bellsouth.com</a> (and is attached to my testimony as part of Exhibit PAT-3). The April 15, 2005 CNL is based upon December 2003 line count data, which I will discuss in more detail later in my

testimony. Since the April 15, 2005 CNL was posted, as requested by CLECs, BellSouth has recently updated its wire center list using December 2004 line count data. Attached, as Exhibit PAT-4, is the list of Kentucky wire centers that meet the FCC's criteria based upon the December 2004 data. Comparing the 2003 list to the 2004 list, the Kentucky wire centers meeting the DS1 loop threshold criteria did not change.

The rules applicable to the provision of DS1 loops are set forth in 47 C.F.R §§ 51.319(a)(4)(ii) and (iii).

## DS3 loops

BellSouth is obligated to make DS3 loops available on an unbundled basis only to buildings served by a wire center with less than 38,000 business lines or fewer than four fiber-based collocators. Said another way, BellSouth is not obligated to make DS3 loops available on an unbundled basis to buildings served by a wire center with at least 38,000 business lines and at least four fiber-based collocators. In wire centers that do not meet the FCC's threshold, and thus unbundled DS3 loops are still available, CLECs may only obtain unbundled access to one (1) DS3 loop to any one building.

Once a wire center has at 38,000 lines and four fiber-based collocators, there will be no future unbundling in that wire center. As explained above, BellSouth's April 15, 2005 CNL provided the list of unimpaired wire

centers based on 2003 data, and Exhibit PAT-4 provides BellSouth's

Kentucky list based on 2004 data. Comparing the 2003 list to the 2004 list, the Kentucky wire centers meeting the DS3 loop threshold criteria did not change.

The FCC's unbundling requirements for DS3 loops are set forth in 47 C.F.R §§ 51.319(a)(5)(ii) and (iii).

### Dark Fiber Loops

BellSouth is no longer obligated to provide unbundled access to new dark fiber loops. The FCC addresses this in 47 C.F.R § 51.319 (a)(6)(ii).

## Q. UNDER WHAT CONDITIONS MUST BELLSOUTH PROVIDE UNBUNDLED ACCESS TO DEDICATED TRANSPORT?

## A. <u>DS1 Dedicated Transport</u>

BellSouth is obligated to make DS1 Dedicated Transport available on an unbundled basis on all routes for which at least one end-point of the route is a wire center containing fewer than 38,000 business lines and fewer than four fiber-based collocators. Thus, BellSouth is no longer obligated to provide unbundled access to DS1 dedicated transport on routes connecting a pair of wire centers, each of which contains at least 38,000 business lines or at least four fiber-based collocators. For routes between wire centers that do not meet the FCC's thresholds, a CLEC may obtain unbundled access to no more than ten (10) DS1 dedicated transport

circuits on such routes.

Once a wire center has either 38,000 lines or four fiber-based collocators, there will be no future unbundling of DS1 dedicated transport to or from that wire center when the route originates from or terminates to a wire center also meeting the FCC's thresholds. As explained above, BellSouth's April 15, 2005 CNL provided the list of unimpaired wire centers based on 2003 data, and Exhibit PAT-4 provides BellSouth's Kentucky list based on 2004 data. Those wire centers designated as "Tier 1" in Exhibit PAT-4 meet the thresholds for DS1 dedicated interoffice transport, and unbundling is no longer required between these Tier 1 wire centers. Comparing the 2003 list to the 2004 list, the Kentucky wire centers meeting the Tier 1 transport test did not change.

The FCC addresses these unbundling requirements for DS1 dedicated transport in 47 C.F.R § 51.319(e)(2)(ii).

### **DS3 Dedicated Transport**

BellSouth is obligated to make DS3 Dedicated Transport available on an unbundled basis on all routes for which at least one end-point of the route is a wire center containing fewer than 24,000 business lines and fewer than three fiber-based collocators. Thus, BellSouth is no longer obligated to provide unbundled access to DS3 dedicated transport on routes connecting a pair of wire centers, each of which contains at least 24,000 business lines or at least three fiber-based collocators. For routes

between wire centers that do not meet the FCC's thresholds, a CLEC may obtain unbundled access to no more than twelve (12) DS3 dedicated transport circuits on such routes.

Once a wire center has either 24,000 lines or three fiber-based collocators, there will be no future unbundling of DS3 dedicated transport to or from that wire center when the route originates from or terminates to a wire center also meeting the FCC's thresholds. As explained above, BellSouth's April 15, 2005 CNL provided the list of unimpaired wire centers based on 2003 data, and Exhibit PAT-4 provides BellSouth's Kentucky list based on 2004 data. Those wire centers designated as either "Tier 1" or "Tier 2" in the exhibit meet the thresholds for DS3 dedicated interoffice transport and unbundling is no longer required between Tier 1 wire centers, between Tier 2 wire centers, or between a Tier 1 wire center and a Tier 2 wire center. Comparing the 2003 list to the 2004 list, the wire centers meeting the Tier 1 or Tier 2 transport test did not change.

The FCC addresses its unbundling requirements for DS3 transport in 47 C.F.R. § 51.319(e)(2)(iii).

### Dark Fiber Transport

BellSouth is obligated to make Dark Fiber Dedicated Transport available on an unbundled basis on all routes for which at least one end-point of the route is a wire center containing fewer than 24,000 business lines and

fewer than three fiber-based collocators. Thus, BellSouth is no longer obligated to provide unbundled access to dark fiber dedicated transport on routes connecting a pair of wire centers, each of which contains at least 24,000 business lines or at least three fiber-based collocators.

Once a wire center exceeds either of these thresholds, there will be no future unbundling of Dark Fiber dedicated transport to or from that wire center when the route originates from or terminates to a wire center also meeting these thresholds. As explained above, BellSouth's April 15, 2005 CNL provided the list of unimpaired wire centers based on 2003 data, and Exhibit PAT-4 provides BellSouth's Kentucky list based on 2004 data.

The FCC's unbundling Requirements for dark fiber dedicated transport are set forth in 47 C.F.R. § 51.319(e)(2)(iv).

### **Entrance Facilities**

Pursuant to 47 C.F.R. § 51.319(e)(2)(i), BellSouth is no longer obligated to provide unbundled access to entrance facilities, e.g. dedicated transport that does not connect a pair of BellSouth wire centers.

Q. HOW ARE UNBUNDLING DETERMINATIONS MADE WITH RESPECT TO EELS?

24 A. The principles described above, relative to loops and dedicated interoffice 25 transport, also apply to EELs, as these elements are what comprise an EEL. The end points of the dedicated transport portion of the EEL determine the route. Dependant on the capacity, if there is no impairment for dedicated transport at the wire centers comprising the end points of the transport portion of the EEL, then BellSouth does not have to provision that portion of the EEL on an unbundled basis. Likewise, if the designated competitive threshold for the wire center serving the loop location is met, BellSouth does not have to provision that portion of the EEL on an unbundled basis. Where the competitive thresholds have been met for both the dedicated transport and loop portions of the EEL, the service is not available on an unbundled basis.

Q WHAT LANGUAGE DOES BELLSOUTH PROPOSE THAT THE COMMISSION APPROVE TO IMPLEMENT BELLSOUTH'S OBLIGATION, WHICH YOU DISCUSSED IN THE PRECEEDING ANSWERS, TO PROVIDE SECTION 251 ACCESS TO HIGH CAPACITY LOOPS AND DEDICATED TRANSPORT?

### 18 A. DS1 AND DS3 LOOPS

For CLECs that had an interconnection agreement with BellSouth as of March 11, 2005, BellSouth is proposing the language is set forth in Sections 1.8, 2.1.4, 2.3.6.2, and 2.3.12 of Exhibits PAT-1 to my testimony. For CLECs that did not have an interconnection agreement with BellSouth prior to March 11, 2005, this language is set forth in Sections 1.8, 2.1.4, 2.3.6, 2.3.6.2, 2.3.8 and 2.3.12 of Exhibit PAT-2 to my testimony.

## DARK FIBER LOOPS

For CLECs that had an interconnection agreement with BellSouth as of March 11, 2005, BellSouth proposes the language contained in Section 2.8.4 of Exhibit PAT-1 to my testimony.

For the same reasons I mentioned in my response to Issue 2, BellSouth is not proposing rates, terms or conditions for dark fiber loops in its interconnection agreements with new CLECs who signed an interconnection agreement with BellSouth after March 11, 2005,

## DS1, DS3 DEDICATED TRANSPORT AND ENTRANCE FACILITIES

For CLECs that had an interconnection agreement with BellSouth as of March 11, 2005, this language is set forth in Sections 1.8, and 6.2 - 6.6 of Exhibit PAT-1 to my testimony. For CLECs that did not have an interconnection agreement with BellSouth prior to March 11, 2005, this language is set forth in Sections 1.8 and 5.2 – 5.5 of Exhibit PAT-2 to my testimony.

### DARK FIBER DEDICATED TRANSPORT

For CLECs that had an interconnection agreement with BellSouth as of March 11, 2005, this language is set forth in Sections 1.8 and 6.9 of Exhibit PAT-1 to my testimony. For CLECs that did not have an interconnection agreement with BellSouth prior to March 11, 2005, this language is set forth in Sections 1.8 and 5.9 of Exhibit PAT-2 to my testimony.

Issue 5(a), TRRO Final Rules: Does the Commission have the authority to determine whether or not BellSouth's application of the FCC's Section 251 non-impairment criteria for high – capacity loops and transport is

5 appropriate?

### 7 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

9 A. The FCC established the impairment criteria for high capacity loops and 10 transport in the TRRO. The FCC is, therefore, the appropriate agency to 11 determine whether BellSouth has properly applied its criteria.

As a practical matter, however, this Commission is being asked to approve contract language that governs the transition away from UNEs. If the CLECs and BellSouth are unable to reach agreement on the wire centers that satisfy the FCC's impairment criteria, then this Commission will find itself in the position of deciding which wire centers satisfy the FCC's rules. Indeed, consistent with the dispute resolution language in the TRRO and in current interconnection agreements, disagreements between BellSouth and CLECs over CLEC orders in wire centers that satisfy the FCC's impairment criteria will have to be resolved by this Commission.

Issue 5(b), TRRO Final Rules: What procedures should be used to identify those wire centers that satisfy the FCC's Section 251 non-impairment

## criteria for high-capacity loops and transport?

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Q. ASSUMING AS A PRACTICAL MATTER THAT THE STATE
 COMMISSION MUST ADDRESS THE MATTER OF IDENTIFYING WIRE
 CENTERS WHERE CLECS ARE NOT IMPAIRED, IS THERE ANY NEED
 FOR THIS COMMISSION TO ESTABLISH PROCEDURES OR
 GUIDELINES FOR IDENTIFYING THOSE WIRE CENTERS?

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Α.

Theoretically, no. The FCC has provided adequate guidance to allow ILECs, including BellSouth, to identify those wire centers where there is no impairment, without the need for intervention by this Commission. The information needed to make that assessment - business line counts and the presence of fiber-based collocation arrangements in BellSouth wire centers - is readily available to BellSouth, and BellSouth has determined the wire centers that meet the non-impairment test. Nonetheless, CLECs continue to place orders for high capacity loops in several wire centers (none in Kentucky) identified as meeting the FCC's criteria. Under the FCC's rules, BellSouth has been provisioning those orders, even though we believe that the CLECs are placing the orders in error and without meeting the good faith due diligence requirements that the FCC placed on the CLECs regarding the placement of such orders. In addition, because some of BellSouth's obligations will end as the transition period ends, both CLECs and BellSouth will need to have a common understanding of what constitutes a CLEC's embedded base of customers. Therefore, in an effort to efficiently resolve these types of disputes in one proceeding,

rather than dragging the matter out through individual proceedings for each wire center, BellSouth explains below how it identified the wire centers that satisfy the FCC's test.

### Q. WHAT IS YOUR UNDERSTANDING OF THE IMPAIRMENT TEST?

Α.

My understanding of the impairment test is that, on a wire center basis, there are checkpoints for impairment for dedicated interoffice transport and high capacity loops. I explained the criteria in my response to Issue 4 above, and briefly do so again here. The criteria for assessing impairment as set forth by the FCC in its TRRO is as follows: A CLEC is not impaired without access to DS1 transport on routes connecting a pair of wire centers, each of which contains at least four fiber-based collocators or at least 38,000 business lines. For DS3 transport and dark fiber transport, a CLEC is not impaired without access on routes connecting a pair of wire centers, each of which contains at least three fiber-based collocators or at least 24,000 business lines.

For high capacity loops, CLECs are not impaired without access to DS3 loops to any building within the service area of a wire center containing 38,000 or more business lines and four or more fiber-based collocators. CLECs are not impaired without access to DS1 loops to any building in a wire center serving area containing 60,000 or more business lines and four or more fiber-based collocators.

Q. HOW DID BELLSOUTH IDENTIFY THE WIRE CENTERS THAT MEET
 THE VARIOUS CRITERIA YOU HAVE JUST DESCRIBED?

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A.

In keeping with the FCC's request for wire center access line count data in early December 2004, the starting point, as indicated by the FCC in its request, was the Automated Reporting Measurement Information System (ARMIS) reports, filed annually with the FCC by all ILECs. At the time of the FCC's initial request in December 2004, the latest available filed ARMIS reports reflected line counts as of December 2003. Following the release of the TRRO in February 2005, BellSouth updated the line count information that it had filed with the FCC in December 2004 to include the UNE loop and UNE-P data not captured in ARMIS, as directed by the FCC's definition of a business line. This data, which was almost a year old at the time, was used to provide a consistent view of line counts and to meet the FCC's intent to use line counts that were publicly available, at least at a summary level. This ostensibly provided a consistent definition of business lines known to the industry. Recently, BellSouth has updated its wire center results to include the December 2004 ARMIS data and the December 2004 UNE loop and UNE-P data so that the most current information is used to establish the wire centers that satisfy the FCC's tests.

22

21

Q. DID THE ARMIS REPORTS COUNT ALL OF THE LINES THAT THE
 FCC INCLUDED IN ITS DEFINITION OF BUSINESS LINES?

3

4 A. No. Unbundled loops, whether provisioned on a stand-alone basis or in 5 combination with other network elements, are not included in BellSouth's switched access line counts in ARMIS. As a result, to comply with the 6 7 FCC's definition of a business line, all UNE loops connected to a wire center, including UNE loops provisioned in combination with other 8 9 unbundled elements, as well as all UNE-P arrangements for which a 10 business class of service USOC had been assigned, had to be added to 11 the data reflected in the ARMIS reports. Initially, BellSouth used in-12 service quantities for December 2003 for UNE-P and UNE Loop line 13 counts to be consistent with the time period of the December 2003 ARMIS 14 43-08 data. BellSouth's recent update used December 2004 line counts.

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### Q. WERE ANY CHANGES MADE TO THE ARMIS DATA?

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Α.

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Yes. The ARMIS data is reported in summary fashion, and is not reported by wire center. Therefore, BellSouth used the underlying source data for retail and resold lines so that the ARMIS reported data could be provided at the wire center level. In addition, the ARMIS reports do not report high capacity business lines in the same manner that the FCC required in the TRRO. That is, BellSouth had to identify the business high capacity digital

switched access lines in each wire center and expanded the count to full system capacity. ARMIS 43-08 line counts only include provisioned or "activated" 64 kbps channels that ride high capacity digital switched access lines. For example, if a switched DS1 Carrier System had eighteen (18) 64 kbps channels provisioned as business lines for a customer, the ARMIS 43-08 would count only 18 business lines. The TRRO definition of business lines requires that the full system capacity be counted as business lines, so for TRRO purposes, the business line count for that DS1 Carrier System would be the full system capacity, or 24 business lines.

Q. DID YOU TREAT THE UNE-P AND UNE LOOPS IN EACH WIRE

CENTER IN THE SAME MANNER AS YOU TREATED THE RETAIL AND

RESOLD LINES?

A.

Generally, yes. Like the treatment of high capacity retail and resold high capacity access lines, high capacity UNE Loop lines were counted at full system capacity. For example, a DS1 UNE Loop in a wire center was counted as having 24 business lines. Likewise, BellSouth counted DS1 and DS3 EELs on a voice- grade equivalency. BellSouth counted each EEL at the end user wire center, not at the interoffice transport terminating wire center. However, as Mr. Fogle explains, BellSouth did not count HDSL loops at a full system capacity. Also, for certain other UNE loops —

such as ADSL compatible loops, UCL-S and IDSL loops – BellSouth counted these lines on a one-for-one basis, without converting them to voice grade equivalents. Bellsouth has thus presented the more conservative view of business access lines by not availing itself of the full potential capacity of an HDSL, ADSL or IDSL loop.

# Q. HAS BELLSOUTH TAKEN ANY STEPS TO VERIFY ITS BUSINESS LINE COUNTS?

Α.

Yes. BellSouth retained an independent third-party, Deloitte & Touche ("Deloitte"), to confirm that BellSouth performed the analysis as stated and to confirm the conclusions that BellSouth reached in implementing the non-impairment thresholds set forth in the TRRO and to identify the specific wire centers where those thresholds have been met. The results of the Deloitte review are attached as exhibits to the direct testimony of Mr. David Wallis. BellSouth did not ask Deloitte to independently define "business line" nor make any interpretation of the application of the FCC's rules. I am responsible for the decisions that were made regarding what constituted a business line, how high capacity loops were going to be measured, and so forth. Deloitte was retained to determine whether we did what we said we were going to do, and whether we did it correctly.

### Q. YOU DEFINED FIBER-BASED COLLOCATORS EARLIER IN YOUR

1		TESTIMONY. CAN YOU NOW DESCRIBE HOW BELLSOUTH
2		COUNTED FIBER-BASED COLLOCATION ARRANGEMENTS?
3		
4	A.	BellSouth examined its records to determine the number of competitive
5		fiber-based collocation arrangements in each wire center. Consistent with
6		the FCC's specifications, if a collocation arrangement was not fed by
7		competitive fiber, or if the arrangement was fed by competitive fiber but
8		the equipment was not actively powered, BellSouth did not count the
9		collocation arrangement. BellSouth then conducted site visits to physically
10		inspect each qualifying collocation arrangement that resided in a wire
11		center potentially meeting one of the FCC's defined thresholds.
12		
13		It is important to note that BellSouth did not rely only on its records for this
14		information. BellSouth personnel visited each wire center that its records
15		indicated had at least three fiber-based collocation arrangements to make
16		a physical check of the number of collocation arrangements and verify that
17		competitive fiber facilities were serving those collocation arrangements, as
18		well as to verify that the equipment in the arrangement was powered up.
19		
20	Q.	DID BELLSOUTH COUNT AFFILIATED CARRIERS' COLLOCATION
21		ARRANGEMENTS IN A SINGLE WIRE CENTER AS MULTIPLE FIBER-
22		BASED COLLOCATION ARRANGEMENTS IN THAT WIRE CENTER?
23		
24	A.	No. After the physical verification of the collocation arrangements was
25		completed, BellSouth manually compared the list of collocators in each

1 wire center with a list of customer names and former names from 2 BellSouth's records to determine if there were affiliated carriers in any wire 3 center. Where this was the case, BellSouth counted only one of the affiliated carriers' fiber-based collocation arrangements. 4 5 Q. PLEASE DESCRIBE HOW BELLSOUTH USED THE COUNT OF 6 7 BUSINESS LINES AND FIBER-BASED COLLOCATION 8 ARRANGEMENTS IN DETERMINING THE WIRE CENTERS WHERE 9 CLECS ARE NOT IMPAIRED. 10 11 Α. The collocation information for each wire center was merged with the 12 count of the business lines using December 2003 data in each of the wire 13 centers. This information was consolidated into a single list that reflects 14 the proper Tier for the wire center, as well as the Common Language Location Identifier ("CLLI") Code for the wire center, and the number of 15 16 business lines. As explained earlier, BellSouth provided in Carrier 17 Notification Letter SN91085088, dated April 15, 2005, those wire centers 18 that qualified under the FCC's business line and or fiber-based collocator 19 criteria, using December 2003 line counts. Exhibit PAT-4 provides the 20 Kentucky information updated with December 2004 line counts. 21 PLEASE EXPLAIN YOUR REFERENCE TO "TIER" IN YOUR PREVIOUS 22 Q. 23 RESPONSE. 24

The FCC defines "Tiers" in 47 CFR §51.319(e)(3).

25

A.

 Tier 1 wire centers are those ILEC wire centers that contain at least four fiber-based collocators, at least 38,000 business lines, or both.
 Once a wire center is determined to be a Tier 1 wire center, that wire center is not subject to later reclassification as a Tier 2 or Tier 3 wire center.

Α.

- Tier 2 wire centers are those ILEC wire centers that are not Tier 1
  wire centers, but contain at least three fiber-based collocators, at
  least 24,000 business lines, or both. Once a wire center is
  determined to be a Tier 2 wire center, that wire center is not subject
  to later reclassification as a Tier 3 wire center.
- Tier 3 wire centers are those ILEC wire centers that do not meet the criteria for Tier 1 or Tier 2 wire centers.

Q. HOW MANY WIRE CENTERS IN KENTUCKY DID BELLSOUTH FIND MEET THE CRITERIA SET FORTH BY THE FCC?

As shown in BellSouth's April 15, 2005 CNL, using December 2003 data and the process described above, BellSouth determined that Kentucky has one Tier 1 wire center with at least four (4) fiber-based collocation arrangements or at least 38,000 business lines. Kentucky also has one Tier 2 wire center that has at least three (3) fiber-based collocation arrangements or at least 24,000 business lines. As shown on Exhibit PAT-4, using the updated December 2004 data results in no change to these wire centers.

1 Again looking at December 2003 data, there is one wire center in which 2 CLECs are not impaired without unbundled access to DS3 high capacity 3 loops, and no wire centers where CLECs are not impaired without unbundled access to DS1 high capacity loops. Using the December 2004 4 5 data results in no change to these wire centers. 6 7 Q. HAS THIS INFORMATION BEEN SHARED WITH CLECS? 8 9 Α. BellSouth initially shared the information based on the December 2003 10 data with CLECs on February 18, 2005, via BellSouth's Carrier Notification 11 Process. BellSouth subsequently released Carrier Notification Letters that 12 provided further details. These letters are all published on BellSouth's website: 13 14 http://interconnection.bellsouth.com/notifications/carrier/carrier\_lett\_05.ht 15 ml. Copies of these Carrier Notifications Letters regarding the impairment 16 assessment process are attached as Exhibit PAT-3 to my testimony. 17 Because BellSouth just received the validated 2004 data report from 18 Deloitte, the updated wire center list based on December 2004 data has 19 not yet been posted to BellSouth's interconnection website. As I noted 20 earlier, the Kentucky wire center list is attached as Exhibit PAT-4 to my 21 testimony. 22

Issue 5(c), TRRO Final Rules: What language should be included in agreements to reflect the procedures identified in (b)?

23

24

1	Q.	WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?
2		
3	A.	Once the "no impairment" wire center list is approved by an agency of
4		appropriate jurisdiction, CLECs may no longer self-certify that they are
5		entitled to obtain high capacity loops and transport on an unbundled basis
6		in wire centers where they are not impaired.
7		
8	Q.	WHAT LANGUAGE DOES BELLSOUTH PROPOSE THAT THE
9		COMMISSION APPROVE TO ADDRESS THIS ISSUE?
10		
11	A.	DS1 LOOPS
12		For CLECs that had an interconnection agreement with BellSouth as of
13		March 11, 2005, BellSouth is proposing the language in Section 2.1.4.9 of
14		Exhibits PAT-1 to my testimony. For CLECs that did not have an
15		interconnection agreement with BellSouth prior to March 11, 2005, this
16		language is set forth in Section 2.1.4.4 of Exhibit PAT-2 to my testimony.
17		
18		DS3 LOOPS
19		For CLECs that had an interconnection agreement with BellSouth as of
20		March 11, 2005, this language is set forth in Section 2.1.4.10 of Exhibits
21		PAT-1 to my testimony. For CLECs that did not have an interconnection
22		agreement with BellSouth prior to March 11, 2005, this language is set
23		forth in Section 2.1.4.5 of Exhibit PAT-2 to my testimony.
24		
25		DS1 DEDICATED TRANSPORT

For CLECs that had an interconnection agreement with BellSouth as of March 11, 2005, this language is set forth in Section 6.2.6.7 of Exhibit PAT-1 to my testimony. For CLECs that did not have an interconnection agreement with BellSouth prior to March 11, 2005, this language is set forth in Section 5.2.2.4 of Exhibit PAT-2 to my testimony.

## **DS3 DEDICATED TRANSPORT**

For CLECs that had an interconnection agreement with BellSouth as of March 11, 2005, this language is set forth in Section 6.2.6.8 of Exhibit PAT-1 to my testimony. For CLECs that did not have an interconnection agreement with BellSouth prior to March 11, 2005, this language is set forth in Section 5.2.2.5 of Exhibit PAT-2 to my testimony.

Issue 8, TRRO/Final Rules: (a) Does the COMMISSION have the authority to require BellSouth to include in its interconnection agreements entered into pursuant to Section 252, network elements under either state law, or pursuant to Section 271 or any other federal law other than Section 251?

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

21 A. The short answer is no – state regulators do not have the authority
22 to require BellSouth to include in section 252 interconnection
23 agreements any element not required by section 251 of the 1996
24 Act. This is a legal issue that BellSouth has already addressed in
25 its Motion for Summary Judgment, or in the Alternative, Motion for

Declaratory Ruling in this proceeding. My understanding is that state commissions have no legal basis to require BellSouth to include, in its interconnection agreements, network elements that are not required by Section 251 of the Act, but that may be required pursuant to either state law, Section 271 or other federal law. The 1996 Act requires interconnection agreements to comply with the requirements of Section 251, and Section 251 requirements are the only requirements that Section 252 obligates ILECs to include in these agreements. I will defer to BellSouth's legal briefs for any further comment on this issue.

Issue 10, TRRO/Final Rules: What rates, terms, and conditions should govern the transition of existing network elements that BellSouth is no longer obligated to provide as Section 251 UNEs to non-Section 251 network elements and other services?

Q. HOW DO YOU INTERPRET THIS ISSUE AND HOW DOES THIS ISSUE DIFFER FROM ISSUE NUMBER 2?

A. I interpret this issue to address those de-listed network elements for which there is no transition period or for which the transition period has already ended. These network elements include: entrance facilities, enterprise or DS1 level switching, OCN loops and transport, fiber to the home, fiber sub-loop feeder, "greenfield" fiber build, and packet switching. To the extent CLECs have interpreted this issue differently I will address that in

1 my rebuttal testimony.

2

Q. SHOULD THE PARTIES INCORPORATE LANGUAGE IN THEIR
 4 AGREEMENT TO ALLOW CLECS TIME TO TRANSITION OFF OF
 5 THESE ELEMENTS?

6

A. No. The FCC eliminated ILECs' obligation to provide unbundled access to these elements almost two years ago, when it released the TRO. Any CLEC that still has rates, terms and conditions for these elements in its interconnection agreement has reaped the benefits of unlawful unbundling of these elements for far too long. The Commission can not, and should not, attempt to impose any sort of transition obligation where the FCC has not required one.

14

15 Q. WHAT SHOULD THE COMMISSION ORDER WITH RESPECT TO
16 SUCH ELEMENTS?

17

18 Α. BellSouth proposes that, to the extent a CLEC has rates, terms and 19 conditions for these elements in its interconnection agreement those rates, 20 terms and conditions should be removed. To the extent a CLEC has any 21 such elements or arrangements in place after the effective date of the TRRO amendment, BellSouth shall, upon 30 days' written notice, 22 23 disconnect or convert such services. If the CLEC fails to submit orders to disconnect or convert such arrangements within this 30 day period, 24 25 BellSouth will transition such circuits to equivalent BellSouth tariffed

1		services. If BellSouth must identify and transition the circuit, full
2		nonrecurring charges shall apply as set forth in BellSouth tariffs.
3		
4	Q.	WHAT LANGUAGE DOES BELLSOUTH PROPOSE TO ADDRESS THIS
5		ISSUE?
6		
7	A.	BellSouth is proposing the same language for both existing and new
8		CLECs. This language is set forth in Section 1.7 of Exhibits PAT-1 and
9		PAT-2 to my testimony.
10		
11	Issue	e 11, TRRO/ Final Rules: What rates, terms and conditions, if any,
12	shou	ld apply to UNEs that are not converted on or before March 11, 2006,
13	and v	what impact, if any should the conduct of the parties have upon the
14	deter	mination of the applicable rates, terms and conditions that apply in
15	such	circumstances?
16		
17	Q.	DOES THIS ISSUE ADDRESS THE SAME NETWORK ELEMENTS
18		THAT ARE ADDRESSED IN ISSUE NUMBER 2?
19		
20	A.	Yes, these are de-listed UNEs subject to a transition period.
21		
22	Q.	WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?
23		
24	A.	BellSouth's position is that none of the de-listed network elements for
25		which the FCC established a transition period may remain in place after

March 10, 2006 (or September 10, 2006, in the case of dark fiber elements). I address each element in more detail below:

## <u>SWITCHING</u>

The FCC made clear in the TRRO that CLECs must transition their entire embedded base of DS0 level switching/UNE-P lines to alternative arrangements by March 11, 2006, not on or after that date. 47 C.F.R. 51.319(d)(ii) states that a CLEC "shall migrate its embedded base of enduser customers off of the unbundled local circuit switching element to an alternative arrangement within 12 months of the effective date of the Triennial Review Remand Order." (emphasis added). There is no question as to whether any of these elements may remain in place beyond March 11, 2006. The plain language of the FCC's Rule makes clear that they may not.

## STAND-ALONE SWITCHING PORTS

Consistent with the FCC's goals to allow the parties time to "complete the tasks necessary to an orderly transition," BellSouth is asking CLECs to submit no later than October 1, 2005, orders to disconnect or convert their Embedded Base local switching ports to other BellSouth services. Since BellSouth offers no tariff equivalent for DS0 level switching, BellSouth requests that the Commission provide that BellSouth may disconnect any stand-alone switching ports which remain in place on March 11, 2006.

 $<sup>^1</sup>$  TRRO at ¶ 227

## UNE-P

As with stand-alone switching port UNEs, BellSouth is asking CLECs to submit orders or spreadsheets to disconnect or convert their Embedded Base UNE-Ps by October 1, 2005. If a CLEC fails to submit orders or spreadsheets to convert its entire embedded base to alternative arrangements by October 1, 2005, BellSouth should be permitted to identify all such remaining Embedded Base UNE-P lines and convert them to the equivalent resold services no later than March 10, 2006. Such lines will be subject to applicable disconnect charges and the full nonrecurring charges as set forth in BellSouth's tariffs.

## **HIGH CAPACITY LOOPS**

## DS1 and DS3 loops

The FCC stated clearly in the TRRO, again, that CLECs must transition their Embedded Base and Excess DS1 and DS3 Loops to alternative arrangements by March 11, 2006 (or September 10, 2006 in the case of dark fiber loops). The FCC stated, with regard to DS1 and DS3 loops, for example: "Because we remove a significant high-capacity loop unbundling obligations formerly placed on incumbent LECs, ..., we find it prudent to establish a plan to facilitate the transition of UNEs to alternative loop options. Specifically, we adopt a twelve-month plan for competing carriers to transition to alternative facilities or arrangements, including self-provided facilities, alternative facilities offered by other carriers, or tariffed services offered by the incumbent LEC. " (TRRO at ¶195)

Here again, the FCC explained that it established a 12-month transition period to allow the parties time to "perform the tasks necessary to an orderly transition...." To comply with the FCC's objectives, BellSouth is asking CLECs to submit spreadsheets by December 9, 2005, to disconnect or convert their Embedded Base and Excess DS1 and DS3 Loops to other BellSouth services. If a CLEC fails to submit such spreadsheets by December 9, 2005, BellSouth should be permitted to identify all such remaining Embedded Base and Excess DS1 and DS3 loops and transition such circuits to corresponding BellSouth tariffed services no later than March 10, 2006. Such lines shall be subject to applicable disconnect charges and full nonrecurring charges as set forth in BellSouth's tariffs.

#### Dark Fiber Loops

BellSouth is asking CLECs to submit spreadsheets to disconnect or convert their Embedded Base Dark Fiber Loops to other BellSouth services by June 10, 2006. If a CLEC fails to submit such spreadsheets by June 10, 2006, BellSouth's position is that it may identify all such remaining Embedded Base Dark Fiber Loops and transition such circuits to the corresponding BellSouth tariffed service no later than September 10, 2006. Such lines shall be subject to applicable disconnect charges and full nonrecurring charges as set forth in BellSouth's tariffs.

#### DEDICATED TRANSPORT

<sup>&</sup>lt;sup>2</sup> TRRO at ¶ 196

# DS1 and DS3 Dedicated Transport

As with the aforementioned elements, the FCC made clear its intention for CLECs to transition their embedded base and excess DS1, DS3 and Dark Fiber Transport to alternative arrangements by March 11, 2006. For example, with respect to DS1 and DS3 dedicated transport, the FCC stated: "Because we remove significant dedicated transport unbundling obligations, ..., we find it prudent to establish a plan to facilitate the transition from UNEs to alternative transport options, including special access services offered by the incumbent LECs. Specifically, for DS1 and DS3 dedicated transport we adopt a twelve-month plan for competing carriers to transition to alternative facilities or arrangements..." (TRRO at ¶142)

BellSouth is asking CLECs to submit spreadsheets by December 9, 2005, identifying all Embedded Base and Excess DS1 and DS3 Dedicated Transport and DS1 and DS3 Entrance Facilities to be disconnected or converted to other BellSouth services. If a CLEC fails to submit such spreadsheets by December 9, 2005, BellSouth should be permitted to identify any remaining Embedded Base and Excess DS1 and DS3 Dedicated Transport as well as DS1 and DS3 Entrance Facilities and convert such circuits to corresponding BellSouth tariff services no later than March 10, 2006, and that such circuits shall be subject to all applicable disconnect charges and full non-recurring charges as set forth in BellSouth's tariffs.

# Dark Fiber Transport

BellSouth is asking CLECs to submit by June 10, 2006, spreadsheets identifying all Embedded Base Dark Fiber Transport to be disconnected or converted to other BellSouth services. If a CLEC fails to submit such spreadsheets by June 10, 2006, BellSouth's position is it may identify all remaining Embedded Base Dark Fiber Transport and convert such circuits to the corresponding BellSouth tariff service by September 11, 2006, and such circuits shall be subject to applicable disconnect charges and full non-recurring charges as set forth in BellSouth's tariffs.

To be absolutely clear, once again, what BellSouth is requesting is that the Commission make it clear that all conversions must occur prior to March 11, 2006 or, in the case of dark fiber, September 11, 2006. In an effort to ensure that end-user services are not disrupted because a CLEC has failed to arrange for the proper conversions, BellSouth has provided alternatives that unconverted elements can be changed to, for all elements other than stand-alone switching (for which BellSouth does not offer an alternative other than in its commercial agreement). However, just as was the case with the March 11, 2005 date regarding no "new adds," the March 11, 2006 date (September 11, 2006 for dark fiber) is a final date, not merely a suggestion. The FCC has provided an ample conversion period. BellSouth is willing and able to work with the CLECs to facilitate an orderly conversion. The conversions cannot, however, be left to the last minute, or last day. Should any CLEC elect to follow that course, it should be prepared for the consequences. If the CLECs meet

1		the dates that BellSouth has requested, BellSouth will make the
2		conversions before March 11, 2006.
3		
4	Q.	WHAT RATES, TERMS AND CONDITIONS DOES BELLSOUTH
5		PROPOSE TO GOVERN EACH OF THE AFOREMENTIONED
6		ELEMENTS IF THEY ARE NOT CONVERTED TO ALTERNATIVE
7		ARRANGMENTS BY MARCH 11, 2006?
8		
9	A.	My response to this question is broken into subparts for each element
10		below:
11		
12		LOCAL SWITCHING
13		For CLECs that had an interconnection agreement with BellSouth as of
14		March 11, 2005, BellSouth proposes the language contained in Sections
15		4.2.5 – 4.2.6 of Exhibit PAT-1 to my testimony for stand alone ports and in
16		Sections 5.4.3.5 – 5.4.3.6 of Exhibit PAT-1 to my testimony for UNE-P.
17		
18		DS1 AND DS3 LOOPS
19		For CLECs that had an interconnection agreement with BellSouth as of
20		March 11, 2005, this language is set forth in Sections 2.1.4.11 – 2.1.4.11.2
21		of Exhibits PAT-1 to my testimony.
22		
23		DARK FIBER LOOPS
24		For CLECs that had an interconnection agreement with BellSouth as of
25		March 11, 2005, BellSouth proposes the language contained in Sections

1	2.8.4.7 – 2.8.4.7.2 of Exhibit PAT-1 to my testimony.
2	
3	DS1 AND DS3 DEDICATED TRANSPORT
4	For CLECs that had an interconnection agreement with BellSouth as of
5	March 11, 2005, this language is set forth in Sections 6.2.6.9 – 6.2.6.9.2 of
6	Exhibit PAT-1 to my testimony.
7	
8	DARK FIBER TRANSPORT
9	For CLECs that had an interconnection agreement with BellSouth as of
10	March 11, 2005, this language is set forth in Sections 6.9.1.9 – 6.9.1.9.2 of
11	Exhibit PAT-1 to my testimony.
12	
13	Issue 14, TRO Commingling: What is the scope of commingling allowed
14	under the FCC's rules and orders and what language should be included in
15	Interconnection Agreements to implement commingling (including rates)?
16	
17	Q. HOW DOES THE FCC DEFINE COMMINGLING?
18	
19	A. The FCC defines "commingling" in 47 C.F.R. § 51.5. There it states:
20 21 22 23 24	Commingling means the connecting, attaching, or otherwise linking of an unbundled network element, or a combination of unbundled network elements, to one or more facilities or services that a requesting telecommunications carrier has obtained at wholesale from an incumbent LEC, or the combining of an unbundled network
<ul><li>25</li><li>26</li><li>27</li><li>28</li></ul>	element, or a combination of unbundled network elements with one or more such facilities or services.

1		SERVICES THAT A REQUESTING TELECOMMUNICATIONS CARRIER
2		HAS OBTAINED AT WHOLESALE FROM AN INCUMBENT LEC" IN ITS
3		RULE?
4		
5	A.	Yes. The FCC describes these wholesale services in paragraph 579 of
6		the TRO as "switched and special access services offered pursuant to
7		tariff."
8		
9	Q.	DO THESE WHOLESALE SERVICES INCLUDE SECTION 271
10		ELEMENTS?
11		
12	A.	No. The FCC made clear in its TRO Errata Order that ILECs are not
13		obligated to combine UNEs and UNE combinations with Section 271
14		elements.
15		
16		In paragraph 27 of its Errata Order, the FCC revised the first sentence of
17		paragraph 584 in Part VIII A of the TRO by removing the italicized portion
18		below: "As a final matter, we require that incumbent LECs permit
19		commingling of UNEs and UNE combinations with other wholesale
20		facilities and services, including any network elements unbundled
21		pursuant to section 271 and any services offered for resale pursuant to
22		section 251(c)(4) of the Act." That deletion makes clear the FCC's intent
23		that ILECs are not required to commingle UNE and UNE combinations
24		with Section 271 elements.
25		

Some CLECs have attempted to confuse this issue by citing another portion of the Errata Order, where the FCC removed the sentence in italics below from footnote 1990:

We decline to require BOCs, pursuant to section 271, to combine network elements that no longer are required to be unbundled under section 251. Unlike section 251(c)(3), items 4-6 and 10 of section 271's competitive checklist contain no mention of "combining" and, as noted above, do not refer back to the combination requirement set forth in section 251(c)(3). We also decline to apply our commingling rule, set forth in Part VII A, above to services that must be offered pursuant to these checklist items.

This Commission should not be fooled. The FCC revised the text of the TRO specifically addressing this issue, and that demonstrates expressly the FCC's intent that ILECs are not required to commingle UNEs with section 271 elements. With the change to make that clear in the body of the Order, there was no reason to include the footnote language the FCC removed in the Errata Order.

Q. DO STATE COMMISSIONS HAVE JURISDICTION TO RESOLVE
WHETHER THE FCC INTENDED FOR ILECS TO COMMINGLE UNES
AND UNE COMBINATIONS WITH SECTION 271 ELEMENTS?

A. My lay understanding is that state commissions do not have jurisdiction over decisions related to an ILEC's 271 obligations. The Act makes clear that such decisions fall within the exclusive jurisdiction of the FCC. This has been discussed extensively in the briefs filed in this proceeding by BellSouth and I will defer to the comments made there.

1

Q. NOW THAT YOU HAVE ADDRESSED THE CLEC'S "271" ARGUMENT
 RELATED TO COMMINGLING, PLEASE TELL US TO WHAT EXTENT
 COMMINGLING IS ALLOWED PURSUANT TO THE TRO.

5

6 A. CLECs are permitted to commingle, or connect, attach, or otherwise link, a
7 UNE or UNE combination with one or more of BellSouth's tariffed access
8 services.

9

10 Q. IS BELLSOUTH OBLIGATED TO COMMINGLE EITHER ITS UNES OR
 11 TARIFFED SERVICES WITH ANOTHER CARRIER'S SERVICES?

12

13 Α. No. Neither the TRO nor the TRRO imposes any obligation on ILECs to 14 permit CLECs to commingle either their service, or a third party's service, with an ILEC UNE or tariffed service. The FCC's commingling rule 15 16 requires only that "an incumbent LEC shall permit a requesting 17 telecommunications carrier to commingle a UNE or a UNE combination 18 with one or more facilities or services that a requesting carrier has 19 obtained at wholesale from an incumbent LEC pursuant to a method other 20 than unbundling under section 251(c)(3) of the Act." TRO at ¶ 579 21 (emphasis added). Clearly, the FCC did not require ILECs to permit commingling of their services with any random service offered by another 22 23 carrier.

24

25

Q. IS BELLSOUTH REQUIRED TO RATCHET INDIVIDUAL FACILITIES

AND, IF NOT, HOW SHOULD BILLING FOR SUCH CIRCUITS BE HANDLED?

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A.

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No, BellSouth is not obligated to ratchet individual facilities. made this clear in paragraph 580 of the TRO, where it stated: "...we do not require incumbent LECs to 'ratchet' individual facilities." It likewise stated in paragraph 582 of the TRO: "We decline, however, to require 'ratcheting,' which is a pricing mechanism that involves billing a single circuit at multiple rates to develop a single blended rate." The FCC went on, in paragraph 582, to address how billing of these circuits should be handled. It stated that ILECs are permitted to "assess the rates for UNEs (or UNE combinations) commingled with tariffed access services on an element-by-element and a service-by service basis." In footnote 1796 of the TRO, the FCC provided an example of a CLEC combining a UNE loop to special access interoffice transport, and stated that the CLEC would pay "UNE rates for the unbundled loops and tariffed rates for the special access circuit." Therefore, BellSouth will bill the UNE portion of the circuit at the rates set forth in the CLEC's interconnection agreement, and the remainder of the circuit at the applicable tariff rate, or at the rates set forth in a separate agreement between the parties.

21

22

23

Q. WHAT LANGUAGE DOES BELLSOUTH PROPOSE TO IMPLEMENT COMMINGLING IN ITS INTERCONNECTION AGREEMENTS?

24

25

A. BellSouth is proposing the same language for both existing and new

1 CLECs. This language is set forth in Sections 1.11 – 1.12 of Exhibits 2 PAT-1 and PAT-2 to my testimony. 3 4 Issue 15, TRO – Conversions: Is BellSouth required to provide conversion 5 of special access circuits to UNE pricing, and, if so, at what rates, terms and conditions and during what timeframe should such new requests for 6 7 such conversions be effectuated? 8 9 Q. WHAT ARE THE FCC'S RULES REGARDING CONVERSIONS? 10 11 Α. In the TRO, the FCC concluded that carriers can convert either 1) UNE or UNE combinations to wholesale services, or 2) wholesale services to UNE 12 and UNE combinations, provided the CLEC meets any applicable service 13 14 eligibility criteria. If the circuit fails to meet any applicable eligibility criteria, the ILEC can convert the UNE or UNE combination back to the equivalent 15 16 wholesale service. In the TRRO, the FCC specifically prohibited CLECs 17 from using UNEs or converting special access circuits to UNEs for the exclusive purpose of providing long distance or mobile service.<sup>3</sup> 18 19 20 Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE? 21

22

23

24

A.

BellSouth's position is that it is required to convert special access services

to UNE pricing, subject to the FCC's limitations on high-capacity EELs,

and to convert UNE circuits to special access services, provided that the

<sup>&</sup>lt;sup>3</sup> TRRO, at ¶¶ 229 and 230

requesting CLEC's contract has these terms incorporated in its contract.

BellSouth believes the same conversion rate should apply regardless of the conversion and has offered that the conversion be effective as of the next billing cycle following receipt of a complete and accurate request for such a conversion. However, conversions should be limited to switch-asis arrangements. If physical changes to the circuit are required, it should not be considered a conversion, and the full nonrecurring disconnect and installation charges should apply. In addition, conversions should be considered termination for purposes of any applicable volume and term discount plan or grandfathered arrangements.

Q. WHAT IS BELLSOUTH'S PROPOSED LANGUAGE TO ADDRESS THIS ISSUE?

15 A. BellSouth is proposing the same language for both existing and new
16 CLECs. This language is set forth in Sections 1.6, 1.13.1 and 1.13.2 of
17 Exhibits PAT-1 and PAT-2 of my testimony:

Q. WHAT IS BELLSOUTH'S PROPOSED RATE IN KENTUCKY FOR SWITCH-AS-IS CONVERSIONS?

A.

In Kentucky, BellSouth proposes \$24.96 for the first single DS1 or lower capacity loop conversion on an LSR and \$3.52 per loop for additional loop conversions on that LSR. For a project consisting of 15 or more loops submitted on a single spreadsheet, BellSouth is proposing \$26.44 for the

first loop and \$5.01 for each additional loop on the same LSR generated via a spreadsheet. For DS3 and higher capacity loops and for interoffice transport conversions, BellSouth proposes a rate of \$40.26 for the first single conversion on an LSR and \$13.51 per loop for additional single conversions on that LSR. For a project consisting of 15 or more such elements in a state submitted on a single spreadsheet, BellSouth is proposing \$64.05 for the first loop and \$25.62 for each additional loop conversion on that same spreadsheet. The Commission previously ordered a rate of \$8.98 for EEL conversions.

Issue 16, TRO-Conversions: What are the appropriate rates, terms and conditions and effective dates, if any, for conversion requests that were pending on the effective date of the TRO?

#### Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. BellSouth's position is that the terms of interconnection agreements in effect on the effective date of the TRO are the appropriate rates, terms, conditions, and effective dates for EEL conversion requests that were pending on that date.

It is my understanding that some carriers may try to claim that the TRO somehow held a retroactive requirement for ILECs to honor "pending CLEC requests" for conversion of individual elements, rather than combinations, to UNEs in spite of the fact that no rates, terms, or

1		conditions for such conversions existed in interconnection agreements
2		and ILECs had had no obligation to perform such conversions up to that
3		point. However, there is no basis for this claim.
4		
5	Q.	PLEASE EXPLAIN HOW YOU CONCLUDE THAT ILECS DID NOT HAVE
6		AN OBLIGATION TO PERFORM STAND-ALONE ELEMENT
7		CONVERSIONS PRIOR TO THE TRO.
8		
9	A.	First, neither the FCC nor any other regulatory body had issued an order
10		obligating ILECs to perform stand-alone element conversions. In the
11		TRO, the FCC held, for the first time, that ILECs had an obligation to
12		convert special access circuits to stand-alone UNEs at TELRIC rates.
13		( <i>TRO</i> at ¶¶ 586-87).
14		
15		Second, the language of the TRO itself makes clear that this was a new
16		requirement. In paragraph 585 of the TRO, the FCC said: "We
17		declineto adopt rules establishing specific procedures" (emphasis
18		added) and "carriers can establish any necessary procedures to perform
19		conversions" (emphasis added). In the next paragraph, the FCC stated:
20		"We conclude that carriers may both convert UNEs and UNE
21		combinations to wholesale services and convert wholesale service to
22		UNEs and UNE combinations" This language makes clear that this was
23		a new requirement, and not a modification of any previous requirement.
24		
25		That point is also made clear by comparing the language above to the

1		language addressing conversion of combinations in the TRO. The FCC
2		stated in Paragraph 573: "We reaffirm our existing rules regarding UNE
3		combinations." (emphasis added) Paragraph 574 says: "We reiterate the
4		conditions that apply to the duty of [ILECs] to provide UNE combinations
5		upon request" (emphasis added). In addition, paragraph 575 says:
6		"our rules currently require [ILECs] to make UNE
7		combinationsavailable" (emphasis added).
8		
9	Q.	WHY DO CLECS THEN CLAIM THAT ILECS WERE REQUIRED BY THE
10		TRO TO CONVERT STAND-ALONE ELEMENTS IF THE CLEC HAD
11		REQUESTED SUCH CONVERSIONS IN THE PAST?
12		
13	A.	CLECs argue that paragraph 589 of the TRO supports this position.
14		However, paragraph 589 discusses EELs, and only EELs. This paragraph
15		required that for pending EEL requests that had not been converted
16		(whether or not they would actually be converted due to the change in the
17		qualifying criteria, i.e., the TRO's service eligibility criteria), CLECs were
18		entitled to a true-up to the effective date of the TRO. Specifically,
19		paragraph 589 of the TRO states:
20 21 22 23 24 25 26		As a final matter, we decline to require retroactive billing to any time before the effective date of this Order. The eligibility criteria we adopt in this Order supersede the safe harbors that applied to EEL conversions in the past. To the extent pending requests have not been converted, however, competitive LECs are entitled to the appropriate pricing up to the effective date of this Order.
27		
28		There is nothing in this paragraph that addresses the conversion or

1		requested conversion of individual elements.
2		
3	Q.	WAS THIS PORTION OF THE TRO SELF-EFFECTUATING?
4		
5	A.	No. In the TRO, the FCC expressly stated that the change in law
6		procedures set forth in the interconnection agreements were the
7		appropriate means to implement the obligations set forth in the TRO.
8		"We decline the request of several BOCs that we override the section 252
9		process and unilaterally change all interconnection agreements to avoid
10		any delay associated with renegotiation of contract provisions." (TRO at
11		¶701).
12		
13	Issue	22, TRO - Call Related Databases: What is the appropriate ICA
13 14		22, TRO - Call Related Databases: What is the appropriate ICA age, if any to address access to call related databases?
14		
14 15	langu	age, if any to address access to call related databases?
14 15 16	langu	age, if any to address access to call related databases?  AS AN INITIAL MATTER, PLEASE IDENTIFY THE CALL RELATED
14 15 16 17	langu	age, if any to address access to call related databases?  AS AN INITIAL MATTER, PLEASE IDENTIFY THE CALL RELATED
14 15 16 17	<b>lang</b> u Q.	age, if any to address access to call related databases?  AS AN INITIAL MATTER, PLEASE IDENTIFY THE CALL RELATED DATABASES.
14 15 16 17 18	<b>lang</b> u Q.	age, if any to address access to call related databases?  AS AN INITIAL MATTER, PLEASE IDENTIFY THE CALL RELATED DATABASES.  The FCC defines call related databases as "databases that are used in
14 15 16 17 18 19	<b>lang</b> u Q.	age, if any to address access to call related databases?  AS AN INITIAL MATTER, PLEASE IDENTIFY THE CALL RELATED DATABASES.  The FCC defines call related databases as "databases that are used in signaling networks for billing and collection or for the transmission, routing
14 15 16 17 18 19 20	<b>lang</b> u Q.	AS AN INITIAL MATTER, PLEASE IDENTIFY THE CALL RELATED DATABASES.  The FCC defines call related databases as "databases that are used in signaling networks for billing and collection or for the transmission, routing or other provision of telecommunications services."  It identifies the
14 15 16 17 18 19 20 21	<b>lang</b> u Q.	AS AN INITIAL MATTER, PLEASE IDENTIFY THE CALL RELATED DATABASES.  The FCC defines call related databases as "databases that are used in signaling networks for billing and collection or for the transmission, routing or other provision of telecommunications services."  It identifies the following databases as call-related databases:  1) Line Information

<sup>&</sup>lt;sup>4</sup> TRO at ¶ 549

1		Network ("AIN"), and 6) E911.
2		
3	Q.	UNDER WHAT CIRCUMSTANCES IS BELLSOUTH OBLIGATED TO
4		PROVIDE UNBUNDLED ACCESS TO ITS CALL RELATED
5		DATABASES?
6		
7	A.	BellSouth is obligated to provide unbundled access to call-related
8		databases only while it is obligated to provide unbundled access to loca
9		switching.
10		
11		The FCC relieved ILECs of their obligation to provide unbundled access to
12		DS1 level switching when it released the TRO almost two years ago
13		Therefore, BellSouth is no longer obligated to provide unbundled access
14		to call-related databases associated with DS1 level switching.
15		
16		Subsequently, in the TRRO, the FCC relieved ILECs of their obligation to
17		provide unbundled access to DS0 level switching, subject to the transition
18		period established in that Order. As a result, BellSouth is only obligated to
19		provide unbundled access to call-related databases associated with DSC
20		level switching through the end of the 12 month transition period for
21		switching, or until March 10, 2006. Thereafter, call related databases wil
22		no longer be available on an unbundled basis.
23		
24	Q.	WHAT LANGUAGE SHOULD BE INCLUDED IN THE
25		INTERCONNECTION AGREEMENT TO ADDRESS CALL-RELATED

#### DATABASES?

2

1

3 A. For CLECs that had an interconnection agreement with BellSouth as of 4 March 11, 2005, BellSouth proposes the language contained in Sections 7 5 and 8 of Exhibit PAT-1 to my testimony. This language works in 6 conjunction with BellSouth's proposed language for Local Switching and 7 UNE-P, and must accompany that language. Again, BellSouth is only 8 obligated to provide unbundled access to call-related databases while it is still obligated to provide unbundled access to local switching and UNE-P. 9 10 BellSouth is not proposing rates, terms and conditions for call-related 11 databases with new CLECs that sign an interconnection agreement with 12 BellSouth after March 11, 2005, for the same reason BellSouth is not proposing rates, terms and conditions for switching and UNE-P in 13 14 interconnection agreements with new CLECs.

15

16

# Issue 29: What is the appropriate ICA language to implement BellSouth's

17 EEL audit rights, if any, under the TRO?

18

19

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

- A. BellSouth's position is that the FCC was clear in stating the parameters of an EELs audit. The language in the interconnection agreements should reflect these parameters and need not go further. The TRO requires that:
- 1. ILECs may audit on an annual basis to determine compliance with the
   qualifying service eligibility criteria;

2 3. Auditors must be independent pursuant to American Institute for 3 Certified Public Accountants (AICPA) standards for independence; 4. The audit must be performed in accordance with AICPA standards for 4 5 an "examination engagement;" 6 5. The auditor determines material compliance or non-compliance; 7 6. CLECs who are determined by the auditor to have failed to comply with 8 the service eligibility requirements are required to true-up any 9 difference in payments, convert noncompliant circuits and make 10 correct payments on a going-forward basis; 11 7. CLECs who are determined by the auditor to have failed to comply with 12 the service eligibility requirements must reimburse the ILEC for the cost of the auditor; 13 14 8. ILECs must reimburse CLECs who are determined by the auditor to 15 have complied with the service eligibility requirements for its 16 demonstrable costs associated with the audit; and 17 9. CLECs must maintain the appropriate documentation to support their 18 certifications of compliance with the service eligibility requirements. 19 20 Q. WHAT IS BELLSOUTH'S PROPOSED LANGUAGE ON THIS ISSUE? 21 22 A. BellSouth is proposing the same language for both existing and new CLECs. For CLECs that had an interconnection agreement with BellSouth 23 24 as of March 11, 2005, this language is set forth in Section 5.3.4.3 of 25 Exhibit PAT-1 to my testimony. For CLECs that did not have an

2. ILECs initially obtain and pay for the auditor;

1		interconnection agreement with BellSouth prior to March 11, 2005, this
2		language is set forth in Section 4.3.4.3 of Exhibit PAT-2 to my testimony.
3		
4	Q.	IS THERE ANY REASON TO INCLUDE A LIST OF "ACCEPTABLE"
5		AUDITORS IN THE INTERCONNECTION AGREEMENT?
6		
7	A.	No. Because the TRO and the ICA language proposed by BellSouth
8		include the requirement that the AICPA standards be followed, any audito
9		who can meet those standards should be acceptable. There is no
10		conceivable reason for requiring that the universe of auditors be limited
11		beyond that standard nor be limited before any auditor is given the chance
12		to make a proposal to perform an audit.
13		
14		Further, there is no requirement that the parties must agree to a particular
15		auditor. Even if a list of "acceptable" auditors is written into the
16		agreement, a CLEC might assert that it must agree to the particular
17		auditor before the audit takes place. This would not only lead to great
18		increases in the expense to both parties, but also would lead to endless
19		delays and provide a convenient means for CLECs to avoid an audit
20		altogether.
21		
22	Q.	WHEN MUST A CLEC REIMBURSE AN ILEC FOR THE COST OF THE
23		AUDITOR?
24		
25	A.	The TRO says in paragraph 627 that "we retain the requirement

1		adopted in the Supplemental Order Clarification concerning payment of
2		the audit costs in the event the independent auditor concludes the
3		competitive LEC failed to comply with the service eligibility criteria."
4		Further, footnote 1907 clarifies the Supplemental Order Clarification as
5		requiring Competitive LECs to "reimburse the incumbent if the audit
6		uncovers noncompliance with the local usage options." Paragraph 627
7		goes on to say that "to the extent the independent auditor's report
8		concludes that the competitive LEC failed to comply in all material
9		respects with the service eligibility criteria, the competitive LEC must
10		reimburse the incumbent LEC for the cost of the independent auditor."
11		
12	Q.	WHEN MUST AN ILEC REIMBURSE A CLEC FOR ITS
13		DEMONSTRABLE COSTS OF THE AUDIT?
14		
15	A.	The TRO says in paragraph 628 that "to the extent the independent
16		auditor's report concludes that the requesting carrier complied in all
17		material respects with the eligibility criteria, the incumbent LEC must
18		reimburse the audited carrier for its costs associated with the audit."
19		
20	Q.	THE LANGUAGE IN THE TRO FOR THESE TWO INSTANCES IS VERY
21		SIMILAR. WHY DOESN'T BELLSOUTH PROPOSE TO USE THE
22		PHRASE "IN ALL MATERIAL RESPECTS" IN BOTH CASES?
23		
24	A.	Through discussions with CLECs in attempting to negotiate this language,
25		it became apparent that at least some CLECs would attempt unreasonably

to twist the meaning of "all." Some CLECs indicated that they would argue that they were not responsible for the cost of the auditor unless the auditor found that they did not comply in any respect with the service eligibility criteria. In other words, the CLECs argue that the sentence means "failed in all material respects." However, while I am not a grammar scholar, the rules of English grammar suggest that the phrase "in all material respects" was intended to modify "comply," not "failed." The reading requires that the CLEC pay for the cost of the auditor if the CLEC did not materially comply with the service eligibility requirements. This may mean that the auditor determines that the CLEC did not comply with one portion of the criteria, for instance, they did not have sufficient local interconnection trunks in a LATA or some percentage of the circuits in question did not meet the criteria. Whatever the noncompliance, to the extent the auditor determines that this noncompliance is material, the CLEC would be responsible for the cost of the audit even if each of the other criteria has been met to the auditor's satisfaction. To clarify this reading, BellSouth's proposal includes "any material respect" in the provision that governs when the CLEC is responsible for the cost of the auditor. Similar language changes were not needed with respect to the provision which governs when an ILEC is responsible for reimbursing the CLEC's demonstrable audit costs since no CLEC has indicated that they would argue that the language says they must have complied in each and every way before being eligible for reimbursement.

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Issue 31, ISP Remand Core Forbearance Order: What language should be

used to incorporate the FCC's ISP Remand Core Forbearance Order into its 1 2 interconnection agreements? 3 4 Q. CAN YOU BRIEFLY DESCRIBE THE FCC'S ISP REMAND CORE FOREBEARANCE ORDER? 5 6 7 Α. Yes. In July 2004, Core Communications filed a petition requesting that 8 the FCC forbear from applying the provisions of the FCC's Order on 9 Remand and Report and Order in CC Docket 99-68 released April 27, 10 2001 ("ISP Remand Order"). Specifically, Core requested that the FCC 11 forbear from applying the rate caps, growth caps, new markets rule, and 12 mirroring rule of the ISP Remand Order. In the Core Order, the FCC 13 granted Core's request in relation to the application of growth caps and the new market rule, but the FCC rejected Core's request for forbearance 14 15 from the rate caps and the mirroring rule. 16 17 Q. WHAT ARE THE RATE CAPS, GROWTH CAPS, NEW MARKETS RULE, AND MIRRORING RULE? 18 19 The FCC's ISP Remand Order established that ISP-Bound Traffic is 20 Α. 21 "information access" subject to Section 251(q) of the Telecommunications Act, therefore a part of the FCC's jurisdiction. The compensation method 22 for ISP-bound Traffic consisted of growth caps, rate caps, as well as the 23

1	new markets and the mirroring rule. <sup>5</sup> The FCC established growth caps to
2	place a limit on the number of ISP-bound minutes for which a CLEC could
3	collect compensation. The CLEC could not receive any compensation on
4	such minutes over the established cap.
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6	Rate caps are limits on the per minute of use compensation rate applied to
7	ISP-bound Traffic eligible for compensation. The declining rate structure
8	was established as follows:
9	June 2001 through December 2001: \$0.0015
10	December 2001 through June 2003: \$0.0010
11	June 2003 until issuance of subsequent Order (current rate): \$0.0007
12	
13	The new markets rule established that a CLEC did not qualify for
14	compensation on ISP-Bound Traffic in any state where the CLEC was not
15	being compensated for such traffic in the first quarter of 2001. The new
16	markets rule disallowed compensation to new market entrants and to
17	established CLECs who had entered into a bill and keep arrangement for
18	ISP-bound Traffic, because in both cases, the CLEC business plan was
19	not dependent on compensation for such traffic.
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21	The mirroring rule requires that if ILECs want to utilize the rate caps
22	described above for ISP-bound traffic, the ILECs must also offer to
23	exchange traffic subject to section 251(b)(5), or what is commonly referred

<sup>&</sup>lt;sup>5</sup> ISP Remand Order- paragraphs 78-80

1 to as "Local Traffic," at the same declining rate as set forth in the rate caps 2 for ISP-bound Traffic. So long as the ILEC offers to exchange both Local Traffic and ISP-bound Traffic at the capped rates, the CLEC may choose 3 4 either the capped rate for both ISP-bound Traffic and Local Traffic, or may choose the capped rate for ISP-bound Traffic and the state ordered 5 6 elemental rates for Local Traffic. Of course, the parties are free to agree 7 on bill and keep or any other compensation mechanism. 8 DOES BELLSOUTH AGREE THAT THE CORE PETITION SHOULD BE 9 Q. INCORPORATED IN CLEC INTERCONNECTION AGREEMENTS? 10 11 12 Α. Yes. I will discuss this more fully below as there are some qualifiers to my 13 response. 14 15 Q. IS IT POSSIBLE TO IMPLEMENT THIS ORDER IN THE SAME WAY WITH EVERY CLEC IN BELLSOUTH'S REGION? 16 17 No. This order should be handled on a case by case basis for the 18 Α. 19 following reasons. 20 The mirroring rule allows for different rate structures that could be applied 21 22 at the discretion of the CLEC. In other words, the CLEC may choose

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either the capped rate for both ISP-bound Traffic and Local Traffic, or may

choose the capped rate for ISP-bound Traffic and the state ordered elemental rates for Local Traffic. If the Commission were to set forth a unilateral regime implementing the Core Order, the CLEC would no longer have the right to choose from these two rate structures.

BellSouth has also entered into carrier specific settlements that address the compensation of ISP-bound Traffic, making a unilateral approach unrealistic. Such settlements represented a compromise between the carriers in relation to compensation for ISP-bound Traffic as well as other issues between the companies and, thus, a change in compensation structure would be inconsistent with the settlement agreement

Finally, certain CLEC's agreements address changes in law differently and therefore the CLEC may not be entitled to implement the Core Order in accordance with the terms of that CLEC's Interconnection Agreement.

For instance, Section 2.3 of Part A of the General Terms and Conditions of the interconnection agreement between MCI WorldCom

Communications, Inc. ("MCIm") and BellSouth dated July 29, 2002 in the state of Kentucky states that:

MCIm or BellSouth may, on thirty (30) days written notice (delivered not later than thirty (30) days following the date on which such action has become legally binding

1	and effective) require that such terms be renegotiated
2	(Emphasis added)
3	
4	If MCIm, or any company that opted in to the MCIm interconnection
5	agreement, did not provide BellSouth with a request to amend the
6	interconnection agreement within 30 days following the effective date of
7	the Core Order, then such company would not be entitled to amend the
8	interconnection agreement to incorporate the Core Order.
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# Q. WHAT LANGUAGE DOES BELLSOUTH PROPOSE TO IMPLEMENT THIS ORDER?

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BellSouth's proposed language will vary depending upon the CLEC's specific situation due to the fact that, as discussed above, the parties may be prohibited from implementing the Core decision depending on the terms of the current Interconnection Agreement and any settlement agreement between BellSouth and that CLEC. Additionally, if the parties are not prohibited from implementing the Core decision, the mirroring rule still permits the CLEC to choose between two different rate structures. Thus, there is no one set of language that would address each scenario for compensation of ISP-bound Traffic. In the event a CLEC proposes specific language to address this issue in its direct testimony, I will comment on such language in my rebuttal testimony.

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1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

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3 A. Yes, it does.