

4. The February 24, 2006, deposition transcript of Kristy Seagle in *In the Matter of BellSouth Telecommunications, Inc., Complaint of dPi Teleconnect, LLC*, Docket No. P-55, Sub 1577 before the North Carolina Utilities Commission.

1 THE NORTH CAROLINA UTILITIES COMMISSION

2 In the Matter of:

3 Complaint of dPi)
4 Teleconnect, LLC)
5 Against BellSouth)
6 Telecommunications, Inc.) Docket No.
7 Regarding Credit for) P-55, Sub 1577
8 Resale of Services)
9 Subject to Promotional)
10 Discounts)
11 ~~~~~

8 DEPOSITION OF
9 KRISTY SEAGLE

10 10:14 a.m.
11 February 24, 2006

12 675 West Peachtree Street
13 Atlanta, Georgia

14 Valerie N. Almand, CCR-B-531,
15 RPR, CRR

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dPi
AL-7

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19 Also Present: Brian A. Bolinger
20 Vice President Legal Affairs
21 DPi Teleconnect
22 Pam Tipton

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February 24, 2006

10:14 a.m.)

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3 [!WITNESS],

4 having been duly sworn, testified as

5 follows:

6 Q. (By Mr. Malish) Ms. Segal, my name

7 is Chris Malish, I'm a lawyer, I represent

8 dPi and this is Brian Bolinger, he's a

9 employee of dPi's. Have you ever given a

10 deposition before?

11 A. No.

12 Q. This is your very first one?

13 A. Yes.

14 Q. Well, I won't be as mean to you then

15 as I was to --

16 A. Thank you.

17 Q. -- Ms. Tipton. I'm allowed to be

18 mean to her because it's her job. Anyway, if

19 I start to get mean we'll you can tell me and

20 we'll take a break.

21 MR. SHORE: I'll tell him.

22 Q. Let me try to go over -- I'm sure

23 that Andrew, he should have gone over the

24 ground rules with you but I'll go over them

25 with you anyway and that way we're both on

4

1 the same page.

2 Valerie is writing down everything

3 that the two of us say, so one of the first

4 things that we try to make sure that
5 everybody abides by is that I won't speak
6 while you're speaking if you won't speak
7 while I'm speaking, and we had a big problem
8 yesterday with one of my witnesses who just
9 couldn't do that, so Andrew would pause
10 before adding the last two or three words of
11 his question and already my guy would be
12 answering, so I will try to wait for you to
13 say everything that you want to say before I
14 start talking again if you'll try to do the
15 same for me. Is that fair?

16 A. That's fair.

17 Q. If you ever need to take a break for
18 whatever reason we can do that, you just need
19 to let us know because this is not supposed
20 to be a Gestapo type interrogation, it's just
21 a -- supposed to be more civil than that.

22 So if we need to take a break, just
23 let me know and you can and you can go and
24 visit with your attorney or go make a phone
25 call or do whatever you want to do.

5

1 The only exception to that rule is
2 that we can't take a break while a question
3 is up in the air, okay.

4 A. Okay.

5 Q. What else? It may happen during the
6 course of our dialogue that I may say

7 objection, responsiveness and your attorney
8 may say okay, BellSouth's attorney may say
9 objection to form or some other objection,
10 and if we do that it's not because you've
11 done anything wrong, okay, it's just
12 something that we have to preserve for the
13 record later on in case -- because we may
14 have seen a problem or thought we saw a
15 problem and so that's something to preserve
16 for us to deal with later.

17 And if that happens wait for
18 whoever's talking to finish, as usual, and
19 then unless Andrew instructs you not to
20 answer then please go ahead and try and do
21 so. Okay?

22 A. Okay.

23 Q. It's going to happen during the
24 course of this proceeding that I'm going to
25 ask you something that just doesn't make

6

1 sense, and if I do that let me know or tell
2 me why it doesn't make sense, whatever, and
3 I'll try to reask the question in a better
4 way so that it does make sense, and that way
5 we're both on the same page.

6 A. All right.

7 Q. Okay?

8 A. Okay.

9 Q. All right. What else, what else,
10 what else? Oh, this isn't being videotaped
11 so it's important that if you have an answer
12 to my question that you say yes or no as
13 opposed to just a nod or a shake, because
14 that doesn't necessarily make it into the
15 record in the way that you might want it to
16 be, so if you mean no, say no.

17 Also, uh-huh or huh-uh doesn't come
18 through clearly in writing what you may have
19 meant; okay?

20 A. Okay.

21 Q. I think that's everything. You're
22 not on any kind of medicine or anything like
23 that that would make it hard for you to
24 remember things in the past; right?

25 A. No.

7

1 Q. So the answers that you're giving
2 today are going to be the best answers that
3 you would be able to -- you're in as good
4 physical and mental shape today as you would
5 otherwise be on any day; right?

6 A. Yes.

7 Q. Sometimes people aren't, you know.
8 Sometimes they're on --

9 A. Antihistamines or something.

10 Q. Something, yeah. All right. I
11 think I talked plenty about the ground rules.

12 You know we're here to talk about
13 the promotional fight between BellSouth and
14 dPi; right

15 A. Yes.

16 Q. And you were involved in that, at
17 least in some way; right?

18 A. I looked at the credit request, yes.

19 Q. Okay. What is your job with
20 BellSouth?

21 A. I'm a product manager in
22 interconnection services.

23 Q. What does that mean? If you had to
24 describe what you do to like an 8th grader,
25 what would you say it is that you actually

8

1 do?

2 A. I manage several different products.
3 The primary one that involves this testimony
4 is resale, and basically my job is to make
5 sure that what retail offers their customers
6 that is a Telecommunications service we also
7 offer our customers on the wholesale side of
8 the house.

9 Q. Okay. And so when you were using
10 the word they, you were referring to
11 BellSouth retail?

12 A. What BellSouth retail offers, we on
13 the wholesale side of the house offer our

14 resale customers.

15 Q. Okay. How long have you been in
16 that job?

17 A. A little over four years. I've been
18 a product manager for a little over four
19 years. I was -- but I've only been on the
20 resale product management side for, it's
21 almost two years now.

22 Q. And what product manager -- what
23 kind of product manager were you before?

24 A. Daily usage files, DUF, ODUF, ADUF.
25 I don't know if you're familiar with those.

9

1 Q. Sure.

2 A. And I helped out with some of UNE-P
3 product development.

4 Q. That's where I'm most familiar with
5 the DUF files was in the UNE context.

6 A. Uh-huh.

7 Q. It doesn't apply in resale, though.

8 A. We do have ODUF files for resale.

9 Q. And where do you fit in with regards
10 to promotions and promotion credit
11 application and so forth?

12 A. As the resale product manager my
13 responsibility is to look at what promotions
14 are available to our resale customers, review
15 those, look at the qualifications that are
16 set out in the tariff and speak with the

17 retail side of the house to determine what
18 that promotion is in practice, and then offer
19 that to our resale CLECs.

20 Q. Do you have any experience working
21 on the retail side at all?

22 A. Yes.

23 Q. Okay. Can you tell me what that is
24 and when it happened or when it -- when you
25 worked there and what you did and when you

10

1 were on that side of the house?

2 A. I started working for BellSouth in
3 1998, and I was hired as a small business
4 service representative in the incoming call
5 center, and I worked there for a year before
6 I went into interconnection services.

7 Q. Will you tell me how the promotion
8 system or the promotion credit application
9 system works, I'm calling it a system, that's
10 just my word, but the process, how it works
11 from sort of start to finish for a reseller?

12 A. From the reseller perspective?

13 Q. From -- I want more like a global
14 perspective, but we can do it from reseller
15 and then if it's different from BellSouth
16 then we can look at it from both sides.

17 A. Okay. The resale CLEC will look at
18 their end user accounts and determine which

19 of their accounts fall within the
20 qualifications of the promotion set out in
21 the tariff, and then they fill out a
22 spreadsheet of end user account numbers and
23 the date of the service order for that end
24 user account that they're saying that service
25 order matches this promotion.

11

1 And we also ask sometimes for the
2 end user telephone number if it's different
3 from the one they're applying for and the
4 previous end user service address and the
5 amount that was on the bill and the amount
6 that they are requesting credit for. So they
7 do that for every end user telephone account
8 number that they feel qualifies for the
9 promotion.

10 They send that in to my department
11 through e-mail. The system has changed very
12 recently so that there is a mailbox that they
13 can send those promotions directly to instead
14 of just my mailbox or Keith Deason's's
15 mailbox. It's a little more streamlined for
16 the reseller and for BellSouth.

17 Then their entry, just say for that
18 months, for that promotion, for that queue
19 account, goes into our system, our hopper,
20 and as we get to those accounts, you know,
21 whoever sends them in first is the one we

22 check.

23 And as we get to that account we
24 pull out that spreadsheet and then we count
25 how many end user telephone number accounts

12

1 have been submitted, and then we validate a
2 certain percentage of those end user account
3 numbers, and the way we do that is we go to
4 BOCRIS, that's our service order system.

5 MR. SHORE: You may need to tell the
6 court reporter how you spell that.

7 THE WITNESS: All caps B-O-C-R-I-S.
8 And I'm sorry, I don't know what that
9 stands for. There's so many acronyms.

10 A. But we go to BOCRIS or to MOBI, MOBI
11 is MOBI in all caps, and we look up the
12 original service order that was listed on
13 here, and say it's for May 10th. We go to
14 that service order on May 10th and we say for
15 that service order did it meet the
16 qualifications for the promotion for which
17 they are applying, and then if it did it's a
18 yes, if it didn't it's a no. And we go
19 through and validate a certain percentage of
20 every spreadsheet that's sent in.

21 And then -- do you want me to
22 continue?

23 Q. Sure.

24 A. Whatever, like, you know, if we
25 validated 10 and five were correct and five

13

1 were incorrect and they requested \$1,000,
2 they would get \$500 back. They'd get 50
3 percent of what we validated back.

4 MR. MALISH: Go ahead.

5 MR. SHORE: I don't want to
6 interrupt, it's your deposition.

7 MR. MALISH: I don't care. I'm not
8 going to object if you have a --

9 MR. SHORE: I thought that last
10 sentence to me was a little bit
11 confusing, but again, I don't have an
12 objection. I don't want to interrupt.

13 THE WITNESS: I'll be glad to clear
14 up anything.

15 Q. It sounded fine to me. Bowl bowl
16 her last sentence Christy just said?

17 MR. SHORE: Yeah.

18 Q. How long has that system been in
19 place?

20 A. The validation system?

21 Q. Uh-huh. Well, the system that you
22 just described.

23 A. March 2005.

24 Q. And what system was there before
25 that?

1 A. The first part of it was basically
2 the same with the CLEC filling in the
3 spreadsheets for their end user accounts.
4 However, at that point -- at that time we did
5 not validate, prior to October 2004 we did
6 not look at end user accounts and validate.
7 We just assumed that if they were sending
8 them in -- we did check to see that they were
9 customers, you know, like if it was a CLEC
10 turning it in that we made sure it was their
11 customer, but we assumed that what they
12 turned in was correct, so we didn't go into
13 the systems to look at the service order to
14 make sure. We just said okay, it's this
15 CLEC's customer.

16 Q. So there was a certain amount of
17 validate but you didn't vet the whole thing
18 the way you do now.

19 A. We only made sure that it was the
20 correct CLEC.

21 Q. Okay. And how long was that system
22 or process in effect that way?

23 A. When I took over the job in April of
24 2004, that was the system. I don't know how
25 long it had been prior to that.

1 Q. When you worked on the retail side
2 of the house, when you were signing people
3 up, I guess, over the phone -- is that what
4 you were doing? Signing people up over the
5 phone?

6 A. For telephone service, yes.

7 Q. Yeah. I just wanted to make sure I
8 didn't -- I was assuming something and it
9 turns out to be true, but you'd be surprised
10 how many times I get it wrong.

11 The way I understand it from talking
12 to other people at BellSouth is that when
13 somebody calls up to a call center and talks
14 to somebody who does a job which I think is
15 similar to what you were doing before, you're
16 able to tell -- find out what they want and
17 steer them towards one product or another, or
18 we have a good deal on -- we have a good deal
19 on such and such or we have, you know, two
20 features for free if you get whatever.
21 There's promotions. And I'm assuming there's
22 always one promotion or another in effect at
23 any given time, more or less. Is that a fair
24 statement? There's always some kind of
25 promotion going on.

1 MR. SHORE: Are you asking her now or
2 back when she was doing this job?

3 Q. I'm asking about back when you were
4 doing it.

5 A. No, there really weren't that many
6 promotions. When I was doing it back in 1998
7 like Com meet Choice was the big deal, so
8 there weren't a lot of promotions. We were
9 just selling complete Choice.

10 Q. Okay. That's like a discount
11 package when you buy a bunch of things
12 together.

13 A. It's more of a billing package, yes.
14 That's what it is, really, it's a USOC that
15 you put on an account that says you get all
16 these features for free and your basic line
17 costs this much.

18 Q. Right. But the idea behind that is
19 that it's -- by purchasing it that way you
20 pay less than if you took each one of those
21 things a la carte.

22 A. Yes.

23 Q. And if somebody called you up and
24 said I want X, Y and Z, then you would tell
25 them well, you know, if you get -- I can give

17

1 you X, Y and Z if you want it, but I can also
2 give you this intelechoice, whatever --

3 A. Complete Choice.

4 Q. Sorry, where you will get X, Y and Z
5 plus A, B, C and D all for slightly more or
6 slightly less than you were wanting to pay
7 for these things a la carte. You would tell
8 them that; right?

9 A. Yes.

10 Q. And it would make sense from a
11 business perspective to do that and they
12 would sign up and take it; right?

13 A. Some would.

14 Q. Some would, right. But if they did
15 take it, their bill would sort of flow
16 through and they would automatically get the
17 good price.

18 A. Yes.

19 Q. They didn't have --

20 A. Well, I as the rep have to put the
21 USOCs on the order in order for it to flow
22 through. It's not just automatic. I have to
23 put the USOCs on the order.

24 Q. This' a code, though, that you put
25 in and that makes it automatic. In other

18

1 words, the customer doesn't have to come back
2 at the end of the month and make an
3 application for, hey, you told me that this
4 was going to be, you know, ABCDXYZ all for,
5 you know, 10 dollars less than I would have

6 paid a la carte. Why am I being charged too
7 much? I need to have money back. Right? It
8 would all work automatically and they would
9 get the correct price.

10 A. Yes. Once I put the USOC on the
11 order.

12 Q. Why does that not happen for
13 resellers?

14 MR. MALISH: Object to the form.
15 You can answer it.

16 Q. Do you understand my question?

17 A. Why -- well, no. Could you rephrase
18 it, please?

19 Q. A BellSouth retail customer doesn't
20 have to go through a rigmarole to get the
21 benefit of the promotion. It's automatically
22 put in place on its bill. Would you agree
23 with that?

24 A. I would say that a BellSouth end
25 user has to call the service center and has

19

1 to talk to a rep and the rep has to put it in
2 the system, if that's rigmarole.

3 Q. No, no, no. The rigmarole, what I'm
4 calling a rigmarole is what happens to the
5 reseller, which, you know, they put an order
6 through, they're coding in USOCs too; aren't
7 they? When they put a --

8 A. I don't know.

9 Q. You don't know how it works?

10 A. I don't know how it works.

11 Q. If you will assume with me that

12 when -- do you understand that they place

13 orders electronically?

14 A. Yes, yes, on an LSR?

15 Q. Yes.

16 A. Okay.

17 Q. In other words, although they, I

18 suppose in theory could call a BellSouth

19 customer rep and have the BellSouth customer

20 rep type things in, the way it actually works

21 in almost 100 percent of the cases is that

22 the CLEC reseller types an order in and it

23 flows through the system electronically.

24 A. Okay.

25 Q. Do you understand that that's how it

20

1 works?

2 A. Yes, yes.

3 Q. Okay. And, again, that

4 automatically generates a bill based on what

5 they've ordered.

6 A. Yes.

7 Q. However, the difference between a

8 BellSouth retail customer's bill and the

9 reseller's customer's bill, or the reseller's

10 bill, is that the BellSouth retail customer

11 automatically has the promotion showing up on
12 their bill and they get the savings
13 automatically.

14 A. Once they've been screened, yes.

15 Q. All right. What I'm talking about,
16 what I'm calling the rigmarole is this
17 process where they have to get their bill and
18 they have to go through it and figure out
19 what are the parts that -- what are the
20 promotions that they're eligible for, how
21 they have to present the information, what
22 they have to do to vet their information to
23 resubmit the data back to BellSouth. That's
24 what I'm calling the rigmarole.

25 A. Okay.

21

1 Q. Does that make sense?

2 MR. MALISH: Object on be.

3 A. .

4 Q. Do you understand what I'm talking
5 about?

6 A. Yes, I do understand what you're
7 talking about (object to the form).

8 Q. And my question is why do they have
9 to go through that rigmarole, as opposed to
10 just having the bill be generated
11 automatically with the correct charges by
12 BellSouth?

13 MR. MALISH: Object to the form. I
14 think there's not a foundation. I think
15 you need to ask her if she knows if
16 there's a reason why there's a
17 difference, preface that question. But
18 you can answer if you can, Ms. Segal.

19 A. Do I know why there's a difference?
20 I can only -- no.

21 Can you rephrase that again, please?

22 I'm confused.

23 Q. Why does the reseller have to go
24 through these onerous extra steps in order to
25 get the correct pricing?

22

1 MR. MALISH: Object to the form and
2 the characterization.

3 Q. All right. And a retail customer
4 doesn't have to do that?

5 A. We don't -- me as a resale product
6 manager that's going to look at those end
7 user account numbers, I don't have direct
8 contact with a reseller's end user. Only the
9 resale CLEC has contact with that end user
10 and they're the only ones that can determine
11 whether or not that account qualifies for
12 that promotion, so that -- I'm not sure I
13 answered your question.

14 Q. Well, maybe it's as simple as this:
15 When you were -- why is there not a USOC that

16 the reseller, reselling CLEC, can enter on
17 the order in order to have it automatically
18 generate a correct bill?

19 MR. MALISH: Again, object to the
20 form.

21 You can answer, if you know.

22 A. I don't know.

23 Q. Who else is there in your department
24 besides yourself?

25 A. My manager is Jim Maziarz.

23

1 Q. Okay.

2 A. And we've recently hired a
3 promotions credit manager, Keith Deason. My
4 director is Ad, A-D, Allen.

5 Q. So maybe we should spell Jim
6 Maziarz's last name.

7 A. M-A-Z-I-A-R-Z.

8 Q. And he's above you in the chain of
9 command.

10 A. Yes.

11 Q. And Ad --

12 A. Advernall is her name, it's
13 A-D-V-E-R-N-A-L-L, and Allen is A-L-L-E-N.

14 Q. Okay. And AD is also above new the
15 chain of command; is that true?

16 A. Yes.

17 Q. And Keith Deason works for you under

18 you.

19 A. Yes.

20 Q. All right. And was there somebody
21 else as well? That's it?

22 A. No, that's it.

23 Q. In all of BellSouth those are the
24 only people that would be working on
25 promotions for resellers?

24

1 A. There's some LCSC reps that validate
2 the orders for us. There's about five reps
3 in the center that look at the end user phone
4 numbers and look them up in MOBI.

5 Q. Those are basically data processing
6 people, I'm assuming.

7 A. They're service reps for
8 interconnection.

9 Q. But they look for things to validate
10 based on what someone in your position tells
11 them to look for.

12 A. Yes, yes. I tell them what to look
13 for.

14 Q. And Jim Maziarz, does he have other
15 responsibilities besides promotion credits
16 for resellers?

17 A. Yes.

18 Q. Many other responsibilities?

19 A. He's UNE-P portfolio manager.

20 Q. So how much would you say of his job

21 is focused on reselling -- reseller
22 promotions, overseeing that kind of thing,
23 percentagewise?

24 A. Very small percent.

25 Q. And do you mean --

25

1 A. Like 5 percent of his time, maybe,
2 is spent.

3 Q. So it's not his primary
4 responsibility.

5 A. No.

6 Q. That's kind of what I'm getting to.

7 A. No.

8 Q. Can you give me a similar percentage
9 for AD Allen?

10 A. She's a director. A small
11 percentage. It's definitely not her main
12 job.

13 Q. Okay. Is she above Jim?

14 A. Yes.

15 Q. Okay. So she's probably going to
16 have even less than a percentage than Jim.

17 A. Probably.

18 MR. SHORE: Object to the form.

19 Q. And you understand when I ask that
20 question that I'm talking about how much of
21 her time is spent looking at this particular
22 kind of problem, these promotion reseller

23 promotion credits, as opposed to Jim's, the
24 amount of time that Jim would spend.

25 A. Actually, I've worked more with Ad

26

1 than Jim. It's been -- we've worked hard to
2 establish the verification process and to
3 clarify what happens on retail and what
4 happens on resale, so Ad really has been
5 involved in a lot more conference calls and
6 meetings than Jim has.

7 Q. But when there's a problem or
8 there's a -- when they need to know something
9 about it, they come to you to find out
10 what --

11 A. Yes.

12 Q. So you're basically the resource for
13 them.

14 A. Yes.

15 Q. As opposed to them being a resource
16 for you.

17 MR. SHORE: Object to the form. A
18 problem about what? I don't even know
19 what the question is.

20 MR. MALISH: That's okay.

21 MR. SHORE: Do you know what he's
22 talking about, Ms. Segal? Do you
23 understand the question? If you do you
24 can answer it.

25 THE WITNESS: I believe he's saying

1 if a problem occurs in resale product
2 manager they come to me to find out the
3 details as opposed to me going to them
4 to find out the details.

5 Q. Exactly.

6 A. Is that basically what you mean?

7 Q. Yes, ma'am.

8 A. Yes. They are very much a resource
9 for me, though.

10 Q. They're more big picture and you
11 have a problem and you say this is what the
12 problem is, how do you want me to -- which of
13 these options do you want me to exercise to
14 try to fix it, or something like that.

15 A. Yes.

16 Q. All right. So you would tend to be
17 the go to person within BellSouth if somebody
18 had a question or a problem or needed to know
19 more about the -- how the reseller promotion
20 system works.

21 MR. SHORE: Object to the form.

22 A. Myself or Keith Deason. Keith is
23 working hard to catch up with that and get
24 the process, he's doing a good job.

25 Q. Okay. But it would be you or Keith

1 Deason.

2 A. Right.

3 Q. And Keith Deason is the person that
4 you hired recently to help.

5 A. Right.

6 Q. I went through this whole exercise
7 because I want to make sure that -- it may be
8 that no one has perfect knowledge in
9 BellSouth about how this works or how it's
10 supposed to work, but you are the one with
11 the most perfect knowledge.

12 MR. SHORE: Object to the form.

13 Q. Is that a fair statement?

14 MR. SHORE: What is this? Are you
15 talking about the validation process?

16 MR. MALISH: Yeah.

17 A. Yes.

18 Q. And you understood that that that's
19 what I was talking about; right?

20 A. What I'm hearing you ask me, am I
21 the person that has the most knowledge
22 right now about what goes on with resale
23 promotions and other, and the answer to that
24 would be yes.

25 Q. Was there somebody before who had

1 more knowledge than you in the past two
2 years?

3 A. More knowledge than me?

4 Q. On this subject.

5 A. About promotion crediting?

6 Q. Uh-huh.

7 A. No.

8 Q. Okay. So if I had -- earlier I
9 asked the question -- I'm sorry.

10 A. Go ahead. I drink a lot of water.

11 Q. Earlier I asked the question, you
12 know, why is there not a USOC or some other
13 code similar that a reseller can enter when
14 it's sending an order through the system in
15 order to automatically get the benefit of
16 whatever promotion is then currently in
17 effect, and you said you don't know. And
18 there's really nobody else that we could ask
19 that would know.

20 MR. SHORE: Object to the form.

21 You've asked her about -- I mean, you're
22 confusing the issues here and I just
23 want to make sure that the record is
24 very clear. You've asked her about the
25 validation process and she's told you

1 she's the person who knows the most

2 about the validation process, but USOC
3 and ordering, that's not her job. So
4 there probably are people that know that
5 or might know that, but it's getting
6 very confusing and I don't want the
7 witness to be confused. She does the
8 validation process and she's the person
9 that knows the most about it and that's
10 clear and she can certainly answer
11 questions about that, but she's told you
12 she doesn't know why there's not a USOC.
13 You can ask her who might know, I
14 suppose.

15 Q. The answer to my question is you
16 don't know why they can't do it with the --
17 just by inputting some sort of code when they
18 order.

19 A. I really don't know enough about the
20 systems that resellers use or why there's not
21 a USOC for that. I don't know.

22 Q. Okay. When y'all -- you were
23 talking about the validation process.

24 A. Uh-huh.

25 Q. How you take a look at the claims

1 that have been submitted and then a
2 statistical sample is taken of those and
3 those particular claims are subject to
4 scrutiny to see if they actually meet with

5 what y'all think that the promotion requires.

6 A. Uh-huh. (Nods head.)

7 Q. Is that done automatically by a
8 computer?

9 A. Is the validation done automatically
10 by a -- the LCSC service reps look up the
11 account in MOBI.

12 Q. Okay. And do you know what the
13 thing is that they are looking at? Are they
14 looking at a piece of --

15 A. Service order.

16 Q. Is that a piece of paper or is that
17 a piece of electronic data?

18 A. It's electronic data. You can make
19 a print copy of it.

20 Q. But it's primarily stored
21 electronically.

22 A. Right.

23 Q. Do you know what kind of -- and I --
24 I'm assuming that each order is a file, saved
25 separately as a file. Do you know?

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1 A. I don't know.

2 Q. Do you know if they can access
3 orders on an order per order basis?

4 A. Yes.

5 Q. Each order is accessible separately
6 from the others.

7 A. Yes.

8 Q. Do you believe it would be possible
9 to create a program that would look at the
10 data in those orders in order to be able to
11 see if the data matches whatever the
12 qualifying criteria are in the promotion?

13 A. Again, we're in an area that's not
14 my expertise. That would certainly make my
15 job easier, but I don't know. If a program
16 can be developed to look at an order and tell
17 if it qualifies, I don't know.

18 Q. Does it seem plausible to you that
19 that ought to be something that could be
20 done?

21 MR. SHORE: Object to the form.
22 She's already told you she doesn't know.

23 Q. Did you understand my question?

24 A. If it ought to be? I don't know.
25 Really, I don't. There's people above me

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1 that make those decisions about BellSouth
2 systems. I work with what I've got.

3 Q. Do you have any evidence or reason
4 to believe that it is not possible to create
5 a data query which would look through those
6 orders to see if they contain the various
7 parts that BellSouth says entails an order to
8 be treated as a promotion or as being
9 entitled to a promotion discount?

10 A. Do I have evidence that says that
11 that cannot be created?

12 Q. Uh-huh.

13 A. No.

14 Q. And do you have any reason to
15 believe that it cannot be done that way?

16 A. I don't have enough knowledge -- I
17 don't even know what Lenz -- what would
18 happen in Lenz or where you would look or
19 where that program would be created. I just
20 don't have that kind of knowledge.

21 Q. Okay.

22 A. I'm on the back end here.

23 Q. Okay. So you may not be the right
24 person to ask, but --

25 A. Right.

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1 Q. -- you don't know of any reason why
2 it can't be done.

3 A. I have no evidence that says it
4 can't be done.

5 Q. Okay. And I'll be fair, and you
6 also have no evidence why it can be done;
7 right?

8 A. No, I don't.

9 Q. I'm not trying to trick you. I just
10 want to find out.

11 A. No, I know.

12 Q. You've looked at the dPi case.
13 A. Yes.
14 Q. I'm assuming you're as intimately
15 familiar with it as anyone at BellSouth is.
16 MR. SHORE: Object to the form.
17 A. Yes.
18 Q. Nobody at BellSouth is going to know
19 more about the actual facts of the case than
20 you; is that --
21 MR. SHORE: Object to the form.
22 Q. -- fair to say?
23 A. I don't know what other people know.
24 I know -- I'm very close to this case.
25 Q. Okay. Do you know of anybody who's

35

1 closer?
2 A. No.
3 Q. Okay.
4 A. I've worked a lot with Pam Tipton.
5 Q. After the case was filed, though;
6 right?
7 A. Yes.
8 Q. And a lot of what she knows she
9 knows because you've told it to her.
10 MR. SHORE: Object to the form. I
11 don't know what she knows, how she knows
12 it, but if you'd like to answer you can.
13 A. We work together and she looked at
14 the service orders.

15 Q. Back when dPi first submitted its
16 requests for promotions or promotion
17 treatment, promotion credits, they submitted
18 a whole slew of requests; is that correct?

19 A. Lost Key submitted dPi and three
20 other CLECs, eight months worth of three
21 promotions each. Yes.

22 Q. Okay. And y'all have -- I just want
23 to talk about dPi only and not other people.

24 A. Okay.

25 Q. They submitted initially three, and

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1 was it later four promotions, four kinds of
2 promotions.

3 A. I know for sure of three. There was
4 a fourth promotion that was available and I
5 don't remember ever seeing anything that dPi
6 submitted on that. I don't recall.

7 Q. What do you think that -- what is
8 that fourth one that was available?

9 A. It was five dollars off Complete
10 Choice but it was only available -- the
11 promotion was supposed to have ended
12 February 2004. Retail left the notification
13 on the website until July 2004, so I honored
14 it through July. Anything submitted after
15 July I would not have honored, and that would
16 have been dPi because they submitted in

17 September 2004.

18 Q. Okay.

19 A. I just don't remember if I received
20 any and rejected them, I don't remember.

21 Q. Okay. Of the ones that, of the
22 promotions that dPi applied for, one of them
23 was the line connection charge waiver.

24 A. Yes.

25 Q. And there were two others.

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1 A. Yes.

2 Q. I think we don't have to talk about
3 the two others because if there was some
4 debate early on about whether they were
5 entitled to those, I think in the end they
6 got paid the lion's share of those that they
7 applied for. Would you agree with me?

8 A. Yes.

9 Q. So initially we had a fight about
10 however many hundred thousands of dollars,
11 but as we sit here today 99 -- more than 99
12 percent of the dollars that we're fighting
13 about are connected with the line connection
14 charge waiver promotion. Would you agree
15 with that assessment?

16 A. I haven't worked out the percentage,
17 but it's in the 90's for sure.

18 Q. Okay. Do you know when the -- well,
19 can you go back and tell me what the other

20 two promotions were apart from the line
21 connection charge waiver?
22 A. Yes. Secondary service order charge
23 waiver and 1 FR plus 2 free features.
24 Q. Okay. These three -- dPi's
25 application for promotions under each of

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1 these three features, those were all
2 submitted as essentially the same time?
3 A. For January 2004 through August
4 2004, I received them approximately September
5 9th, I think, 2004.
6 Q. Okay. Now, the secondary service
7 charge waiver, did I call it the right thing?
8 A. Yes.
9 Q. When did that one get paid?
10 MR. SHORE: Do you mean that initial
11 batch?
12 MR. MALISH: The initial batch.
13 A. It was on April 8th.
14 Q. April 8th of 2005?
15 A. Yes.
16 Q. Okay. And the 1 FR plus 2 free
17 features, when did that initial batch get
18 paid?
19 A. Same time, April 8th.
20 Q. Okay. So the time frame we're
21 looking at is roughly September 9th when

22 y'all got it to April 8th when y'all paid it.

23 A. Yes.

24 Q. Can you explain to me why it took
25 that long to get the credits?

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1 A. Yes.

2 Q. Okay.

3 A. One, as I stated before, there was
4 thousands of lines that Lost Key submitted at
5 one time, and prior to that we had been
6 verifying that the accounts were like a dPi
7 account, and giving the money back.

8 Steve Watson with Lost Key called me
9 after Hurricane Ivan hit in Pensacola and
10 asked me if I would please give him --
11 process the line connection waiver for Budget
12 phone, so I did that, because he -- his house
13 was destroyed, his business was destroyed, he
14 needed that done. So I did it. And for that
15 eight months and that promotion, all their
16 queue accounts, it equalled something like
17 \$865,000, and I literally went home and
18 couldn't sleep that night because I thought
19 that's just not right, it's almost \$1 million
20 that we gave back in line connection waiver
21 for eight months, and I thought this can't --
22 the way we've been doing it can't be the
23 right way, and that's when I stopped
24 everything that we were doing at that point

25 from October 2004 until April 8th, 2005

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1 nobody was credited for those promotions
2 until dPi was credited, and that's because I
3 stopped everything, I went to retail and I
4 went to legal and Ad Allen and we pulled
5 together a team, I said you've got to tell me
6 everything you're doing over here, everything
7 you're looking at, everything that's going on
8 over here so I can duplicate it on the resale
9 side, and unfortunately that's how long it
10 took.

11 We got bogged down first with the
12 definition of reacquisition or win-over, and
13 we had that established finally in January of
14 2005, and I began to process dPi orders and a
15 correction came through from retail about how
16 they defined reacquisition or win-over, and I
17 basically had to go back and redo all of dPi.

18 And so April 8th was as soon as I
19 could get it on the bill.

20 Q. Okay. I think what you were talking
21 about there sounded to me like you were
22 talking about line connection charge waiver.

23 A. Yes.

24 Q. What about the other two promotions?

25 A. I also -- we also had to go back and

1 determine what retail does for secondary
2 service work charge and what resale was doing
3 with 1 FR. Like it says 1 FR but it really
4 means basic local service. Any basic local
5 service on that promotion would qualify.

6 At first if it wasn't a 1 FR I was
7 denying it, and then I thought well, all of
8 North Carolina is basically I think a PSR for
9 their basic local service, so I had to go
10 back and redo all those. I just had to make
11 sure that what they were doing on retail is
12 what I was doing on resale.

13 So those two promotions also were
14 involved in that process of really
15 determining, factoring out, what are you
16 doing here, how can I match it here.

17 Q. All right. I would appreciate it if
18 you could take me through this process of you
19 had -- the light came on, all right, I was
20 going to use the word epiphany but it's
21 better just to say the light came on for you,
22 whatever, in September, October 2004, and
23 y'all began to look at these things more
24 carefully.

25 And I would like it if you could

1 talk me through that in more -- you've given
2 me an overview now.

3 A. Okay.

4 Q. But I would appreciate it if you
5 could talk me through that more, in a more
6 detailed fashion, when the light came on, who
7 you went to, who you talked to, what was
8 said, and how things were dealt with, in as
9 much detail as you can.

10 A. As I can recall.

11 Q. Yeah.

12 A. Okay. After I came back into work
13 that next day and I started looking at -- I
14 started pulling some of the end user accounts
15 and looking at them, and it really looked
16 like many -- and this was not dPi, this is
17 somebody else. It really looked like many of
18 their accounts were not -- would not qualify
19 under what my definition for reacquisition or
20 win-over would be.

21 So I took this information to my
22 director, Ad Allen, and I told her what I had
23 done, and then the next day that I had come
24 back and started looking at these accounts
25 more carefully, and she suggested that we

1 meet -- we pull a team together with retail
2 and legal and herself and me to -- and also
3 we did a marketing directive which is -- it
4 comes from our department, I send it to a
5 person, I can't remember her name right
6 offhand, but I send a marketing directive
7 saying I need a definition of reacquisition
8 and win-over in this case.

9 It goes through interconnection
10 services and goes to retail, and then once
11 this marketing directive comes out they pull
12 together the players on their team, legal,
13 and our team, and we meet, and we did that.

14 And we had several meetings, several
15 e-mails passing back and forth because how
16 it's defined in the tariff, we wanted to make
17 sure that how it's defined in the tariff is
18 actually what happens in practice, and we're
19 really focusing on reacquisition or win-over
20 at that time because that was the major issue
21 that I saw with the accounts I looked at.

22 Also at the same time we began to
23 ask our data group if they could develop this
24 e-mail system where it would be easier for
25 CLECs to submit in one e-mail box and not

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1 take the chance of getting lost in my e-mail
2 box, so that was also happening at the same
3 time. We were meeting with the data group to

4 establish the mailbox and to search out this
5 reacquisition or win-over.

6 Okay. That brings us to January.

7 We came to the decision for reacquisition or
8 win-over, it was defined by at that time end
9 user telephone number, and that would mean
10 that if I would look up this end user
11 telephone number and it was a brand new
12 number, it had no history on the account,
13 that then I could say that is not a
14 reacquisition or win-over and I could --
15 because it has to come, in order to be a
16 reacquisition you have to be with somebody
17 and go to somebody else, so -- and what the
18 decision was that it was based on end user
19 telephone number.

20 So if I looked at that end user
21 telephone number and it was a new number,
22 then that would mean that it didn't come from
23 anybody else. So that's the way I was first
24 looking at the accounts for dPi in this case.

25 And many did not fit the

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1 qualifications in that case, and I had gone
2 through almost the whole eight months' worth
3 when a flyer came out from retail advertising
4 for reacquisition or win-over customers, it
5 was the 1 FR plus two free features. I got a

6 call from another customer. They said this
7 flyer should be available to everybody. I
8 called retail, I said is it available to
9 everybody? No, it's only available to
10 reacquisition or win-over. How did you know
11 if you're targeting this, how did you know?

12 It turns out that they had mailed it
13 to the service address of end user customers
14 who were considered available for
15 reacquisition and winovers. That means I had
16 to change the qualifications. It's no longer
17 based on end user telephone number, it's now
18 based on service address. So I did not have
19 service addresses for those dPi customers.

20 So at that point in time I put aside
21 reacquisition or win-over, I said it only
22 matters if I can tell for sure that it's not
23 reacquisition or win-over, in other words
24 it's a dPi UNE coming to a dPi resale, that
25 would not qualify. It's a dPi move order or

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1 transfer order, however you want to call it,
2 that would not qualify.

3 Those things that I could definitely
4 tell did not fit the qualifications of
5 reacquisition or win-over, I went with.

6 Okay, then the next step was to look
7 at the basic local service and purchase 2
8 features. So that was --

9 Q. Can I --

10 A. Sure.

11 Q. This is is very helpful, but I want
12 to ask a clarifying question before we go on
13 to the next step in the process, I want to
14 ask a clarifying question about the --

15 A. Sure.

16 Q. -- the win-over, acquisition thing.

17 The way I -- well, first of all,
18 your initial concern I guess when you had
19 this flood of data or promotion request
20 coming in, you're like -- your initial
21 thought was that can't be right, they can't
22 all be win-overs or reacquisitions. Is that
23 why the red flag went off initially?

24 A. The red flag went off for me
25 initially because the dollar amount was so

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1 high. I just -- I guess I don't deal in
2 those large of dollars. It just shocked me,
3 shocked me and made me start looking at what
4 we were doing.

5 Q. And the first thing that you looked
6 at that you thought was incorrect or whatever
7 was it must be that they can't be win-overs
8 or reacquisitions.

9 MR. SHORE: Object to the form and to
10 characterizing her testimony, I don't

11 believe accurately.

12 Ms. Segal, don't let him
13 characterize your testimony. That's why
14 I'm objecting. I want you to be careful
15 that he isn't putting words in your
16 mouth.

17 Q. Is that not what --

18 A. Could you repeat it?

19 Q. Yeah. The first thing that happened
20 to you is you were shocked because the dollar
21 amounts were so high.

22 A. Uh-huh.

23 Q. And the first thing, from my
24 understanding of your testimony what you were
25 saying was the first thing that occurred to

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1 you must be that these are not reacquisitions
2 or winovers and that's what you went to
3 check.

4 MR. SHORE: Same objection.

5 Q. Is that a fair statement?

6 A. What I did was start looking at the
7 end user accounts to verify what was going on
8 with them, and the first thing on that
9 particular CLEC that I noticed is that they
10 were mostly new accounts, which would not
11 qualify for reacquisition or win-over.

12 Q. Okay. And what were you thinking
13 would qualify as a reacquisition or win-over?

14 Basically a conversion?

15 A. An account where I could see -- it's
16 not always a C order, if that's what you mean
17 by a conversion.

18 Q. Uh-huh.

19 A. If you look at the history of the
20 account, you pull up the telephone number and
21 you can call it up by six months' worth of
22 service orders. And so if you look at the
23 date, May 10th of, say, this one was
24 submitted for, if you look back and see on
25 May 9th it belonged to somebody else, it's

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1 clearly a reacquisition or win-over, even if
2 it's an N order, you can see the history of
3 the service orders.

4 Q. That's looking only at the
5 telephone, though, the telephone number.

6 A. Yes. That's how I pulled them up.

7 Q. And I'm assuming that the idea is
8 you really are concerned about the customer
9 and whether the customer is a reacquisition
10 or win-over.

11 Let me give you an example.

12 A. Okay.

13 Q. Let's say I'm a customer of South
14 western Bell -- BellSouth, I'm sorry. I work
15 with both companies, they're both Bells.

16 Let's say I'm a customer of
17 BellSouth. For whatever reason, I stop being
18 their customer, I move to a new house, I
19 become somebody else's customer. Then I move
20 again to another new house. There will be a
21 new telephone number. But I will have been a
22 pre-existing at one time BellSouth customer
23 coming back to BellSouth, if I choose them;
24 right? That might be a reacquisition.
25 Would that customer in that position

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1 be a reacquisition?

2 A. Yes.

3 Q. Okay. And possibly a win-over also,
4 because they've left whoever they were with
5 and they didn't choose to stay with them in
6 their new location, might be a win-over also;
7 true?

8 A. Reacquisition technically,
9 reacquisition means it was with BellSouth
10 retail, it went to somebody else and it came
11 back to BellSouth retail. That's
12 reacquisition.

13 Win-over is if it's with anybody and
14 it comes back to BellSouth -- and it comes to
15 BellSouth, it's a win-over.

16 Q. Okay. The point of my illustration,
17 though, was that by looking just at the
18 history of the phone number, that doesn't

19 necessarily tell you whether the customer is
20 truly a win back or a win-over or
21 reacquisition.

22 A. That's true. That's why we --

23 Q. That's why you did it differently.

24 A. Right.

25 Q. And that's where I interrupted you

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1 when you were getting ready to tell me the
2 next phase of the inquiry which began in
3 January of 2005.

4 A. Yes. It was probably around
5 February before we got the reacquisition or
6 win-over defined clearly, and when I made the
7 decision that we just spoke about to only
8 look at it if it's clearly not.

9 Then we looked at the words in the
10 tariff and it's basic local service. The
11 minimum is basic local service plus two
12 purchase features.

13 I again called my retail co-workers,
14 counterparts, and I said on line connection
15 waiver in practice what does this mean, and
16 they said well, if they have Complete Choice
17 they get it, if they have Preferred Pack they
18 get the line connection waiver. The minimum
19 is basic local service, which can be
20 anything -- 1 FR or area calling or just some

21 sort of basic local service plan, and that
22 you purchase two TouchStar or custom calling
23 features. So that was the next criteria that
24 we looked at.

25 Q. Okay. And how did that play out?

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1 A. Could you rephrase that?

2 Q. Well, you said that's the next thing
3 that you looked at, and so --

4 A. Oh, and that ultimately is what --
5 how we determined credits, the appropriate
6 credit that should be given.

7 Q. Who did you talk to in retail?

8 A. I remember the key players. I don't
9 remember several people that went down the
10 line, but Elizabeth Stockdale, Burt Hogeman,
11 who's an attorney. There were several. I
12 cannot remember their names.

13 Q. What were their jobs?

14 A. Elizabeth Stockdale basically pulled
15 together her group of people and then she
16 would say, you know, especially in the "reac"
17 or win-over, go to your service reps, go to
18 your material that you have written, find out
19 how this works out in practice. And there
20 were three or four people who -- that was
21 their assignment, to find out how it worked
22 out in practice.

23 Q. And did you explain to her what you

24 were doing and why you needed to know?

25 A. Yes.

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1 Q. Okay. And generally what did you
2 say to her?

3 A. I said that we have CLEC customers
4 who are applying for line connection waiver
5 promotion and I am initiating, implementing
6 validation process. I want to make sure that
7 what we do on this side of the house is a
8 mirror for what you do on your side, so we
9 have to be, it's the law. We have to be
10 mirroring each other.

11 Q. Did you ask or did you tell them
12 that you've got people that are applying for
13 this line connection charge waiver that only
14 have basic service and these two blocks?

15 A. After I got into validating dPi and
16 realized that these blocks were on here, I
17 did call Elizabeth Stockdale and said can you
18 run this one down, it's BCR, BRD, HBG. Find
19 out what happens when people order those
20 blocks on their -- with basic local service
21 and that's it. She came back to me and said
22 we do not honor that.

23 Q. Did she say -- can you recall for me
24 her exact words?

25 A. No.

1 Q. Did she say we don't honor that or
2 she may have said something like we don't do
3 that, or that doesn't happen or anything like
4 that?

5 A. I really can't recall her exact
6 words. I questioned her repeatedly, if
7 they're ordering only basic local service and
8 blocks and CREX, do you know? She went to
9 the tariff. It has to be purchased features,
10 that's the only ones we count, and there's no
11 charge for those.

12 Q. Did you ask her if BellSouth
13 customers actually order basic service with
14 those blocks?

15 A. No.

16 Q. Do you know if BellSouth retail
17 customers do that? Have you seen any
18 instance where it's happened?

19 A. When I was in small business I had
20 customers order those blocks, especially for
21 a business phone, you don't want somebody
22 picking it up and do star 69, that feature to
23 be blocked.

24 Q. Right. But that was in -- that's
25 only in small business that you have that

1 experience in; right?

2 A. Yes.

3 Q. That wasn't in residential.

4 A. I've never worked in consumer.

5 Q. Okay. How long did it take

6 Elizabeth Stockdale's people or Elizabeth

7 Stockdale to get back to you with the

8 information that you wanted from her?

9 A. On which question, the reacquisition
10 or the blocks?

11 Q. Well, let's do both.

12 A. Okay. Reacquisition was a couple of
13 months of meetings. There was a lot of other
14 issues being discussed, like secondary
15 service or FR, but it was at least a couple
16 months before we could come to any
17 conclusion, then of course they changed it.

18 With the block -- with the blocks I
19 want to say I don't have perfect recall here,
20 but I want to say the next day, within a day
21 or two.

22 Q. So a very short turnaround compared
23 to --

24 A. Yes. .

25 Q. I had made a note to myself when you

1 were talking to ask why it took so long, and
2 I'm calling -- basically I understand it to
3 have taken October, November, December,
4 January at least, maybe part of February, on
5 this very -- what seems like a basic question
6 to me, what are we going to call a win-over
7 and what are we going to call win back. Why
8 did it take that many months?

9 A. It took several weeks to get all the
10 key players together at the right time. It
11 was several weeks of research and coming back
12 and more questions would come up. It just
13 took that long.

14 Q. Now, on the secondary service charge
15 waiver promotion, is that applicable only to
16 reacquisitions or win backs?

17 A. No.

18 Q. Why did that take so long to get
19 paid off?

20 A. Paid off?

21 Q. Or --

22 A. Well, I just --

23 Q. -- processed or whatever you want to
24 call it.

25 A. It was -- I could have done those --

1 I did do, actually, some of them on the
2 December bill. I did. Not all of those were

3 April 8th. I did process some of the
4 secondary service order charges in December.

5 Q. What about -- well, the way I
6 understand it is that prior to the April
7 payment, do you recall what the April payment
8 was for dPi roughly?

9 A. Dollars and cents?

10 Q. Uh-huh.

11 A. No, sir. No.

12 Q. Does approximately \$250,000 sound in
13 the ballpark?

14 A. For all states?

15 Q. Yes.

16 A. All queue accounts?

17 Q. Yes.

18 A. All promotions?

19 Q. Yes.

20 A. In the ballpark, yes.

21 Q. Give or take 50,000?

22 A. I really don't have recall of that
23 number.

24 Q. Okay.

25 A. I'm trying to pull it back because I

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1 have some things written down and I'm trying
2 to pull it back that way. It seems like it
3 was around \$250,000.

4 Q. And that -- I don't know the number

5 either, but we're going to say it's ballpark
6 250,000. That was paid, and again, sort of
7 BellSouth wide, not just one state, but those
8 were payments just for the secondary service
9 charge waiver and the 1 FR plus two free
10 features; right?

11 A. No.

12 Q. Well, there may have been some
13 amount paid for line connection charge
14 waiver, but that was a small amount.

15 MR. SHORE: Object to the form.

16 A. No. On April 8th we paid through --
17 in North Carolina we paid through January of
18 2005 on line connection waiver. We paid all
19 of 2004 in the rest of the states.

20 Q. Okay.

21 A. On the April 8th bill. Bowl bowl
22 take a break for a minute.

23 MR. MALISH: Yeah, I think we're
24 ships passing in the night. Can we take
25 a break for a second?

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1 (A recess was taken from 11:24 a.m.
2 to 11:33 a.m.).

3 Q. Ms. Segal, I've -- what is that?
4 Tip tip it's the air.

5 MR. SHORE: Either that or a plane is
6 landing.

7 Q. Back on the record. Ms. Segal, I've

8 given you a printout of, at least a portion
9 of it, and the only reason I gave you that is
10 to see if it would help refresh your
11 recollection about the numbers that were paid
12 to dPi in connection with these promotion
13 credit requests in April of 2005. (Portion
14 of an e-mail) you've seen that before?

15 A. Yes.

16 Q. Do those numbers look about right?

17 A. Yes.

18 Q. If you look on the back page, I
19 guess -- mine is another page, the total is
20 241, so that's in the 250 grand ballpark we
21 were talking about.

22 A. Yes.

23 Q. So do you feel better about
24 everything said that now?

25 A. Yes.

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1 Q. Okay. Now, when I look at the
2 secondary service charge waiver, it looks
3 like BellSouth ended up paying out 100
4 percent in April of '08 -- or April 8 of '05.

5 A. Yes.

6 Q. And on the 1 FR plus two free
7 features, they paid that, BellSouth paid that
8 100 percent as well.

9 A. Yes.

10 Q. My question was, or is, were there
11 other amounts paid on those two promotions
12 prior to April 8th?

13 A. Yes, on secondary service order
14 charge I know for sure. I don't recall with
15 1 FR and two free features with there were
16 prior to April 8th or not.

17 Q. What dPi has told me is that they
18 were paid somewhere between seven and nine
19 thousand dollars total promotions between
20 after they submitted in September of '04
21 until April of '05. Does that sound roughly
22 correct?

23 A. I don't know. I don't recall. It
24 was for secondary service order charge, and
25 we've already acknowledged that that's not

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1 one of the largest promotions, so --

2 Q. Well, I was wondering why it took
3 from September to April to pay these two
4 promotions, the secondary service charge and
5 the one R plus two free features.

6 A. We were validating -- we were mostly
7 concentrating on line connection waiver,
8 because it was the biggest promotion, and it
9 just took that long.

10 Q. What was the validation process for
11 these two, the 1 FR plus two free features
12 and the secondary service charge waiver?

13 A. Again, we would look at the end user
14 account number, go into the service order
15 that was stated on the spread sheet that dPi
16 submitted and look at it to see what the
17 activity, like for secondary service order
18 charge you look at for what activity. If it
19 was adding CREX or something like that or
20 adding a feature, that would qualify for
21 secondary service order charge.

22 1 FR is the same thing, go into the
23 end user account. It's establishing an order
24 that would establish that, so you look at
25 what happened on that order, did they have

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1 basic service and two features.

2 Q. There was not the kind of, I don't
3 know, group meeting and trying to figure out
4 what was necessary in order to pay -- what
5 was necessary in order to qualify for those
6 two features like there was for the line
7 connection charge waiver; was there?

8 A. Yes. Reacquisition or win-over is
9 both on line connection and 1 FR plus two
10 free features, so all that discussion about
11 reacquisition or win-over was for both of
12 those promotions.

13 Secondary service order charge is a
14 promotion that has been with BellSouth for

15 years, so it doesn't need as -- it's much
16 more on the top of people's minds, and it's
17 not nearly as difficult to determine.

18 Q. Was there a reason to make the
19 validation of these two promotion requests,
20 was there a reason to make those two
21 applications wait until the line connection
22 waiver had been completed?

23 A. I didn't wait for secondary service
24 order charge. I did that -- I believe I
25 submitted those in December and they were

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1 probably on their January 8th bill.

2 Q. Then this 12,000 that was paid in
3 April, that was for what, additional or
4 follow on requests for the same promotion?

5 A. Without having my -- yes.

6 Q. So the first batch that was
7 submitted in September was paid by, what did
8 you say, December?

9 A. It was probably on their January 8th
10 bill.

11 Q. Okay. And so the remainder of this
12 12,443 is for stuff that was not submitted in
13 the first batch.

14 A. It was for those requests that I did
15 not look at in December.

16 Q. Okay. Were you aware that dPi had
17 filed an informal complaint with the North

18 Carolina commission about its -- we're not
19 getting our promotions and it's taking too
20 long?

21 A. Yes.

22 Q. Do you remember when that happened?

23 A. I don't remember the date.

24 Q. Did it happen before or after this
25 \$250,000 credit was made, \$241,000 credit was

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1 made?

2 A. It was right at that time. I don't
3 recall. I do remember calculating figures
4 after the April 8th date, and I remember
5 answering questions and calculating after the
6 April 8th date. I don't know when the
7 complaint was filed.

8 Q. What were you telling -- I'm
9 assuming that you had conversations or other
10 communications with dPi or Lost Key on behalf
11 of dPi about why their promotions weren't
12 getting paid, why they weren't showing up on
13 the bill, for example, in October of 2004.

14 Did you have such communications
15 with them?

16 A. I recall meeting with Steve Watson
17 after September 2004, and at that time he had
18 not only submitted the four CLECs in
19 September but he had submitted an additional

20 four, and I was at this meeting, I explained
21 to him because of how much he submitted all
22 at once that we could not even begin to
23 process those claims yet and that we were in
24 the process of defining reacquisition and
25 win-over.

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1 Q. And did you give him an estimated
2 time of arrival for the credits?

3 A. Yes.

4 Q. What did you tell him?

5 A. The only date I recall telling him
6 was March 15th.

7 Q. When was the meeting that you had
8 with Steve Watson?

9 A. I don't remember the exact date. It
10 was after September and it was before
11 Christmas. It was October or November 2004.
12 He came to Birmingham.

13 Q. And besides face-to-face meeting,
14 did you have telephone or e-mail
15 communications or any other kind of
16 communications?

17 A. Yes.

18 MR. SHORE: Can I take a short break?
19 The witness is fine, she can stay here,
20 but I need a break, a few minutes.

21 MR. MALISH: Okay.

22 (A recess was taken from 11:44 a.m.

23 to 12:03 p.m.).

24 MR. MALISH: Okay, we're going to

25 let you go.

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1 (Whereupon, the deposition was
2 concluded at 12:03 p.m.)

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