BellSouth Telecommunications, Inc.
Suite 2101
333 Commerce Street
Nashville, Tennessee 37201-3300

615 214-6301
Fax 615 214-7406

Guy M. Hicks
General Counsel

October 25, 1999

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Petition for Arbitration of ITC^DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. pursuant to the Telecommunications Act of 1996*
Docket No. 99-00430

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of rebuttal testimony on behalf of BellSouth Telecommunications, Inc.:

David A. Coon
Keith Milner
Alphonso J. Varner
William Taylor
Ronald M. Pate
Daonne Caldwell

Copies of the enclosed are being provided to counsel of record for all parties.

Very truly yours,

Guy M. Hicks

GMH:ch
Enclosure

FILE

183775

CERTIFICATE OF SERVICE

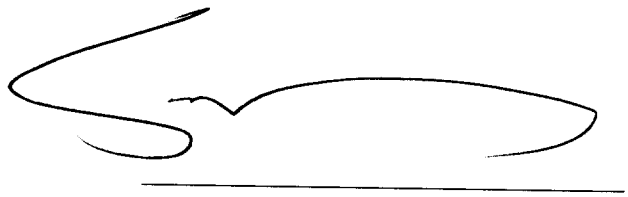
I hereby certify that on October 25, 1999, a copy of the foregoing document was served on the parties of record, via the method indicated:

[ ] Hand
[ ] Mail
[ ] Facsimile
[ ] Overnight

Gary Hotvedt, Esquire
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0500

[ ] Hand
[ ] Mail
[ ] Facsimile
[ ] Overnight

H. LaDon Baltimore, Esquire
Farrar & Bates
211 Seventh Ave. N, # 320
Nashville, TN 37219-1823



FILE

175073

BELLSOUTH TELECOMMUNICATIONS, INC.

REBUTTAL TESTIMONY OF W. KEITH MILNER

BEFORE THE TENNESSEE REGULATORY AUTHORITY

DOCKET NO. 99-00430

OCTOBER 25, 1999

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

A. My name is W. Keith Milner. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am Senior Director - Interconnection Services for BellSouth. I have served in my present role since February 1996, and have been involved with the management of certain issues related to local interconnection, resale, and unbundling.

Q. HAVE YOU PREVIOUSLY FILED DIRECT TESTIMONY IN THIS DOCKET?

A. Yes, I filed direct testimony on October 15, 1999.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. My testimony will rebut portions of the testimony filed by ITC^DeltaCom witnesses Thomas Hyde and Don Wood.

Issue 2, 2(a)(iv) and 2(b)(i): Sub-part (b)(4) - Pursuant to the definition of parity, should BellSouth be required to provide an unbundled loop using IDLC technology?

Q. MR. HYDE STATES ON PAGE 3 OF HIS TESTIMONY THAT BELLSOUTH'S TECHNICAL REFERENCES SHOW THAT TRANSMISSION STANDARDS FOR END-TO-END SERVICE ARE NOT AS STRINGENT AS THOSE TRANSMISSION STANDARDS FOR PORTIONS OF AN END-TO-END SERVICE. HE FURTHER STATES THAT CLECS MUST "RELY ON THE LESSER QUALITY REQUIREMENTS FOR THE END-TO-END SERVICE." PLEASE RESPOND.

A. I assume that Mr. Hyde's use of the term "end-to-end service" refers to a finished service rather than to a UNE. It may be true in some cases that portions of a finished service, when requested separately, have different transmission standards than entire end-to-end services, because of the inter-relatedness of the individual components. For example, various transmission devices may be used to increase or decrease gain over portions of the circuit or over the entire circuit. However, the real issue here is whether ITC^DeltaCom has requested specific transmission parameters for a given UNE. As this Authority is aware, the Bona Fide Request ("BFR") process exists for just such cases about which Mr. Hyde complains. I am unaware of any BFR having been made by ITC^DeltaCom for unique transmission parameters. Should

ITC^DeltaCom choose to issue such a BFR, BellSouth will gladly investigate the technical feasibility of ITC^DeltaCom's request.

Q. ON PAGE 3 OF HIS TESTIMONY, MR. HYDE ASSERTS THAT BELLSOUTH PROVIDES AN INFERIOR SERVICE TO CLECS REQUESTING UNBUNDLED LOOPS WHERE THE CUSTOMER WAS SERVED OVER INTEGRATED DIGITAL LOOP CARRIER ("IDLC") EQUIPMENT. PLEASE RESPOND.

A. Mr. Hyde acknowledges that BellSouth has several methods by which it makes unbundled loops available to CLECs. He names three such methods: (1) the use of a copper loop; (2) moving the loop to Universal Digital Loop Carrier ("UDLC") equipment; and (3) "side door" ports through the central office switch. The methods Mr. Hyde names are three of the six methods BellSouth uses to provide access to loops served by IDLC. I will discuss each of these six methods later in my testimony. IDLC equipment allows the "integration" of loop facilities directly with switch facilities by eliminating interfacing equipment in the central office referred to as central office terminals or "COTs". Obviously, if a CLEC wants to serve an end user customer over the CLEC's own switch and that end user customer was previously served over IDLC equipment, the loop can no longer be "integrated" with the BellSouth switch. Instead, the loop must be removed from BellSouth's switch so that it can be connected to the CLEC's switch. The methods Mr. Hyde names are all methods by which an unbundled loop may be provided such that the CLEC may use

the unbundled loop with its own switch. Mr. Hyde apparently envisions some other method, though he fails to describe what that other method is or how it might be accomplished. Instead, Mr. Hyde opines as to what the technical characteristics and resultant costs associated with providing such an alternative should be. If Mr. Hyde knows of such a new method, he has not described it in his testimony; nor am I aware of any other method than those that BellSouth has already put forward.

Q. WHAT ARE THE TECHNICALLY FEASIBLE METHODS THAT HAVE BEEN IDENTIFIED TO PROVIDE UNBUNDLED LOOPS TO REQUESTING CLECS?

A. The FCC identified several technically feasible methods to unbundle loops served by IDLC (First Report and Order, Paragraph 384). BellSouth utilizes these and other methods in provisioning unbundled loops where those loops are currently served by IDLC. BellSouth also is willing to consider any other technically feasible method proposed by ITC^DeltaCom.

To date, six technically feasible methods have been identified, though not all six are available in a specific location. Briefly, the six methods are:

1. Remove the loop distribution pair from the IDLC and re-terminate the pair to either a spare metallic feeder pair (copper pair) or to a spare universal digital loop carrier facility in the feeder route or

Carrier Serving Area (CSA). For two-wire ISDN loops, the universal digital loop carrier facilities may be made available through the use of Conklin BRITEmux or Fitel-PMX 8uMux equipment.

2. Remove the loop distribution pair from the IDLC and re-terminate the pair to utilize spare capacity of existing Integrated Network Access (INA) systems or other existing IDLC that is terminated on a digital cross-connection system (DCS) equipment. This will allow the unbundled loop channel to be routed to a channel bank where it can be de-multiplexed for delivery to the requesting CLEC or for termination in a Digital Loop Carrier (DLC) channel bank for concentration.

3. Utilize switch functionality referred to as "side-door/hairpin" capabilities if any existing IDLC is terminated on a peripheral with these capabilities. In essence, this method requires the loop to remain terminated directly into the switch and the "side-door/hairpin" capabilities allow the loop to be provided individually to the requesting CLEC. This method does, however, require that the loop be routed through the BellSouth switch (thus consuming switch resources) before being provided to the requesting CLEC.

4. If a given IDLC system is not served by a switch peripheral that is capable of "side-door/hairpin" functionality, move the IDLC system to switch peripheral equipment that is "side-door/hairpin" capable.

5. Install and activate new UDLC facilities or Next Generation Digital Loop Carrier (NGDLC) facilities and move the requested loop from

the IDLC to the new facilities. In the case of UDLC, if growth will trigger activation of additional capacity within two years, activate new UDLC capacity to the distribution area. In the case of NGDLC, if channel banks are available for growth in the CSA, activate NGDLC unless the DLC enclosure is a cabinet already wired for older DLC systems.

6. Convert some existing IDLC capacity to UDLC. If growth will not trigger additional capacity within two years, convert some existing IDLC capacity to UDLC.

Q. ON PAGE 4 OF HIS TESTIMONY, MR. HYDE ASSERTS THAT "THE ONLY WAY FOR A CLEC TO KNOW WHETHER A FEATURE WILL WORK IS TO CONVERT THE CUSTOMER'S SERVICE." DO YOU AGREE?

A. No. Mr. Hyde's complaint that ITC^DeltaCom must convert a customer to determine if certain features will work is true only if ITC^DeltaCom ignores the information regarding functionality which BellSouth provides via technical service descriptions. The inherent capabilities of the various types of loops (that is, copper loops, IDLC loops and UDLC loops) are the same whether used for a BellSouth retail customer or a CLEC's customer. IDLC equipment is not universally available in BellSouth's network. For example, in Tennessee, 67% of loops utilize copper alone, 21% are served by loops utilizing IDLC, and 12% are served by loops utilizing non-IDLC equipment, also referred to as UDLC. Thus, BellSouth's own retail

customers are served from (1) copper loops, (2) loops served by IDLC equipment, and (3) loops served by non-IDLC equipment. Further, BellSouth's retail customers are subject to being moved from one type of serving facility to another as engineers execute loop rearrangements to economically serve particular geographic areas. With regard to the basic issue of nondiscriminatory access, CLEC end-users, and BellSouth retail customers are both subject to being served by a variety of methods, all of which provide service in compliance with published technical service descriptions. Thus, BellSouth is providing CLECs with nondiscriminatory access to all of BellSouth's loops including those loops using IDLC equipment.

Q. MR. HYDE DISCUSSES ON PAGE 4 OF HIS TESTIMONY A FEATURE CALLED "FORWARD DISCONNECT." DOES BELLSOUTH SUPPORT THE USE OF FORWARD DISCONNECT ON ALL UNBUNDLED LOOPS?

A. Not in all cases. For the vast majority of loops, forward disconnect is supported for both CLEC's end-users and BellSouth's retail customers. However, Mr. Hyde correctly notes that BellSouth's technical specifications for unbundled loops clearly explain that forward disconnect may not work on certain UNE loops. Some older digital loop carrier systems still in service in the BellSouth network are not capable of providing forward disconnect signaling. Those systems comprise a very, very small and steadily decreasing portion of the BellSouth network. Therefore, on the small percentage of loops utilizing these older systems,

BellSouth cannot provide forward disconnect regardless of whether the customer is a CLEC end-user or a BellSouth retail customer.

So, Mr. Hyde's complaint that somehow BellSouth should be providing this forward disconnect functionality as a matter of nondiscriminatory treatment in all cases is groundless. His assertion that the CLEC industry is faced with foregoing competition because of the lack of this functionality in every instance is without merit. BellSouth retail customers and the CLEC's end-users are affected on an equal basis. Therefore, there is no issue of discriminatory treatment.

Q. IS MR. HYDE'S REFERENCE TO A RULING BY THE TENNESSEE REGULATORY AUTHORITY ("TRA") APPROPRIATE?

A. No. While Mr. Hyde's quote from the TRA's June 30, 1998, conference is correct, he failed to note that the TRA subsequently decided to reconsider its decision on the IDLC issue. As of the date of this testimony, the TRA has yet to issue a written decision on reconsideration, and thus it is not clear what the TRA will finally decide with respect to IDLC.

Issue 2, 2(a)(iv) and 2(b)(i): Sub-part (b)(5) - Pursuant to this definition, should BellSouth be required to follow the same priority guidelines for repair and maintenance and UNE provisioning?

Q. ON PAGE 9 OF HIS TESTIMONY, MR. HYDE ALLEGES THAT BELLSOUTH DOES NOT PROVIDE ADEQUATE MAINTENANCE OF

THE UNBUNDLED NETWORK ELEMENTS PROVIDED TO ITC^DELTACOM. PLEASE RESPOND.

A. First, I note that Mr. Hyde offers nothing more than anecdotal stories that he alleges somehow apparently portray a pattern of behavior by BellSouth. Although UNEs are, by definition, not analogous to retail services, BellSouth's target for restoration of a 2-wire UNE (2-wire analog voice grade loop non-designed) is 24 hours, as I stated in my direct testimony. This target approximates BellSouth's objective for retail service for basic residence or business lines. An interoffice transport DS1 UNE has a 4-hour target repair interval. This compares to BellSouth's repair interval for retail DS1 services, such as MegaLink, of 6.5 hours.

Second, in the case of unbundled loops, BellSouth's first choice is to re-use the same loop as was used to provide service to the end user customer when BellSouth was the service provider. Thus, in many cases the same loop, along with the same characteristics, is made available to the CLEC for its use in providing service. If ITC^DeltaCom wants a type of loop with specific technical characteristics different from BellSouth's current offering of loop types, ITC^DeltaCom is free to use the BFR process. I am unaware of any such request from ITC^DeltaCom.

Q. HOW DO YOU RESPOND TO MR. HYDE'S ALLEGATIONS ON PAGE 9 OF HIS TESTIMONY THAT BELLSOUTH HAS PROVIDED SERVICE THAT, IN MANY INSTANCES, HAS BEEN SUSCEPTIBLE TO NOISE

PROBLEMS AND HAS PROVIDED UNBUNDLED LOOPS THAT WILL NOT SUPPORT PROPER SIGNALING?

A. BellSouth is unable to respond without further specifics. Although Mr. Hyde attached several exhibits identifying alleged problems with BellSouth's service, these exhibits make no mention of "noise" problems or signaling difficulties. Further, BellSouth's technical designs for unbundled loops provided to CLECs are no different from the designs BellSouth uses in providing services to its own retail customers, which ensures nondiscriminatory treatment.

Q. HOW DO YOU RESPOND TO MR. HYDE'S ALLEGED EXAMPLES ON PAGES 14-15 OF HIS TESTIMONY OF SERVICE ORDERS WHICH SUPPOSEDLY DEMONSTRATE A LACK OF NONDISCRIMINATORY TREATMENT IN THE SERVICE ORDER PROCESS?

A. BellSouth witness Alphonso Varner will address the general issue of nondiscriminatory access. It is important to note, however, that unsuccessful service orders will occur daily in both BellSouth's retail and CLEC processes due to a variety of reasons, such as lack of facilities, unanticipated personnel shortages, and the like. BellSouth continually strives to minimize such occurrences by analyzing examples such as those cited by Mr. Hyde and then taking appropriate corrective actions. Indeed, the very exhibits Mr. Hyde has introduced are a part of an interactive quality improvement process between BellSouth and

ITC^DeltaCom at the working level to reduce the volume of problems by identifying root causes and taking corrective actions. Individual occurrences by themselves do not mean, as Mr. Hyde seems to contend, that BellSouth's processes fail to provide CLECs with an equal opportunity to compete. That problems occur is not unexpected, particularly given the complex nature of the work involved in interconnecting two carriers' networks.

Furthermore, Mr. Hyde's exhibits are misleading to the extent he is attempting to suggest that the orders identified are indicative of BellSouth's overall service to ITC^DeltaCom. First, these orders were selected by ITC^DeltaCom for further analysis by BellSouth. Because it is unlikely that ITC^DeltaCom would ask BellSouth to investigate an order that was delayed by the action or inaction of ITC^DeltaCom, the picture Mr. Hyde's exhibits attempt to portray is skewed.

Second, the problems with the orders identified in Mr. Hyde's exhibits are not representative of BellSouth's performance. It is interesting to note that the number of orders Mr. Hyde listed for analysis dropped from 41 in Exhibit TAH-2 (Jan/Feb orders) to 17 in Exhibit TAH-4 (June/July orders). However, considering that ITC^DeltaCom placed more than 3,100 orders in January and February 1999 and more than 3,500 orders in June and July 1999, it is clear that the examples Mr. Hyde cites in his exhibits represent a very small percentage of ITC^DeltaCom's total orders.

Finally, there is more to the story than Mr. Hyde wants to tell. For example, in reviewing the 17 orders listed in Exhibit TAH-4, none of which involved Tennessee, the due date for several orders was not missed, but only that some minor problem occurred in completing the order, or that the end-user requested a delay, or that the customer's facilities were not ready. For example, in the only Florida order on the list, there was a minor delay while both parties ran tests to identify a jack problem, but the order was completed on the due date. In the last order on the exhibit (for a customer in Greenville, S. C.), the order was completed on the due date, but a minor problem with one of the eleven lines was encountered after the cutover. Seven of the seventeen cases listed could not be worked due to a lack of facilities. While the facility delays on the seven orders are regrettable, they are not a failure of service order processing or evidence of discriminatory treatment of ITC^DeltaCom end-users. Those same end-users would have been similarly treated had they been BellSouth's retail customers.

Issue 2(c)(xiv): Sub-part (a) - Should BellSouth be required to coordinate with ITC^DeltaCom 48 hours prior to the due date of a UNE conversion?

Q. MR. HYDE STATES ON PAGES 16-17 OF HIS TESTIMONY THAT "MANY OF THE CUTOVER PROBLEMS COULD BE ALLEVIATED IF BELLSOUTH COORDINATED WITH ITC^DELTACOM 24 TO 48 HOURS PRIOR TO THE SCHEDULED CUTOVER DATE AND PERFORMED

ANY TESTS AHEAD OF THAT DATE TO INSURE THAT THE CUTOVER WILL WORK SMOOTHLY". HOW DO YOU RESPOND?

A. As I stated in my direct testimony, BellSouth does not agree that coordination 48 hours prior to the due date is necessary on every type of UNE conversion. However, with respect to SL2 type loops only, BellSouth will use its best efforts to schedule a conversion date and time 24 to 48 hours prior to the conversion. In addition, since Mr. Hyde provided no specific information to support his allegations that the cutover problems he alludes to would be alleviated by a coordinated effort prior to scheduled cutover, it is impossible to respond to his concerns.

Issue 2(c)(i) - Should BellSouth be required to provide NXX testing functionality to ITC^DeltaCom at parity? If so, at what rate?

Q. MR. HYDE, ON PAGE 22 OF HIS TESTIMONY, INDICATES THAT BELLSOUTH RESPONDED TO ITC^DELTACOM'S REQUEST FOR NXX TESTING ASSISTANCE BY "RECOMMENDING THAT ITC^DELTACOM PLACE ORDERS FOR FX LINES OR CENTREX SERVICE TO EVERY BELLSOUTH END OFFICE IF IT WANTS TO GAIN ACCESS TO THE BELLSOUTH SWITCHES TO TEST ITS NXX CODES." MR. HYDE INDICATES THAT THIS WOULD NECESSITATE ESTABLISHING FX OR CENTREX SERVICE TO HUNDREDS OF BELLSOUTH END OFFICES, WHICH IS NOT COST EFFECTIVE FOR ITC^DELTACOM AND WOULD

NOT BE COST EFFECTIVE FOR BELLSOUTH IF IT WERE PLACED IN A SIMILAR POSITION. PLEASE COMMENT.

A. First, although BellSouth is not required to provide NXX testing functionality to ITC^DeltaCom, BellSouth has offered to provide an NXX testing option to ITC^DeltaCom that is equivalent to the means by which BellSouth carries out NXX testing for itself. BellSouth will continue to negotiate mutually acceptable language with ITC^DeltaCom.

Second, Mr. Hyde's reference that it is not cost effective establishing service to hundreds of BellSouth end offices is misleading. BellSouth informed ITC^DeltaCom that it could accomplish the desired testing by installing a foreign exchange ("FX") line only to those BellSouth offices in which ITC^DeltaCom wishes to conduct test calls, which would not involve "hundreds of BellSouth end offices".

Third, BellSouth informed ITC^DeltaCom that BellSouth had already responded to CLEC concerns about accurate and timely activation of all its NXX codes by establishing, effective May 15, 1998, an NXX activation Single Point of Contact ("SPOC"). Among other functions, the NXX SPOC coordinates the activation of CLEC NXX codes within BellSouth and provides a trouble-reporting center for CLEC code activation. ITC^DeltaCom recently renewed its request for NXX testing functionality using what ITC^DeltaCom refers to as variable remote call forwarding, and the request is currently undergoing a coordinated review by affected

BellSouth workgroups. Should it be determined that this method is technically feasible, BellSouth will notify ITC^DeltaCom of its findings and discuss the related costs which would be involved in implementing such a testing arrangement.

Issue 4(a): Should BellSouth provide cageless collocation to ITC^DeltaCom 30 days after a firm order is placed?

Q. MR. WOOD STATES ON PAGES 19-20 OF HIS TESTIMONY THAT THE PROVISIONING INTERVAL FOR CAGELESS COLLOCATION IS "SIGNIFICANTLY SHORTER THAN FOR WALLED OR CAGED COLLOCATION" BECAUSE BELLSOUTH WOULD NOT NEED TO DETERMINE IF ROOM EXISTS WITHIN ITS CENTRAL OFFICE FOR THE CONSTRUCTION OF A PHYSICALLY SEPARATED SPACE, NOR DESIGN AND CONSTRUCT AN ENCLOSURE. WHAT IS BELLSOUTH'S POSITION?

A. BellSouth's provisioning interval is not controlled by the time required to construct an arrangement enclosure. Where BellSouth performed the construction of an arrangement enclosure, the activities required to design and construct the enclosure were not the controlling factor in the provisioning interval for collocation. Mr. Wood provides no basis for his claim and does not acknowledge the other critical activities which must be performed to provide for a collocation arrangement, regardless of whether that arrangement is enclosed or unenclosed, such as providing upgrades

to power capacity and supply, heating, ventilation, and air conditioning (HVAC), as well as the cable racking and cross-connect capacity required to serve the collocation space.

Q. ON PAGE 20 OF HIS TESTIMONY, MR. WOOD STATES THAT THE PROVISIONING INTERVAL FOR CAGELESS COLLOCATION SHOULD BE "SHORTER THAN THAT FOR VIRTUAL COLLOCATION, BECAUSE OF THE LACK OF THE ADMINISTRATIVE TASKS ASSOCIATED WITH THE EXCHANGE OF OWNERSHIP OF THE EQUIPMENT." WHAT IS BELLSOUTH'S POSITION?

A. Mr. Wood is not correct. BellSouth does not "exchange ownership" of virtual collocation equipment, but rather executes a virtual collocation equipment lease agreement. This lease agreement is executed with the CLEC after BellSouth has made the virtual collocation space available, and the CLEC's BellSouth-certified vendor has then satisfactorily completed the installation of the CLEC's collocated equipment. BellSouth's provisioning intervals include the time required to make the space available to a virtual collocator, and not the time required to complete the administrative tasks associated with closing out a project. Since this administrative activity is not included in the provisioning interval for virtual collocation, it has no bearing on the length of the provisioning interval.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes.

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 W. Keith Milner, Senior Director-Interconnection Services, BellSouth Telecommunications, Inc., who, being by me first duly sworn deposed and said that:

He is appearing as a witness before the Tennessee Regulatory Authority in Docket No. 99-00430 on behalf of BellSouth Telecommunications, Inc., and if present before the Authority and duly sworn, his testimony would be set forth in the annexed testimony consisting of 17 pages and 0 exhibit(s).

W. Keith Milner

Sworn to and subscribed
before me this 22nd
day of October, 1999

NOTARY PUBLIC

MICHEALE F. HOLCOMB
Notary Public, Douglas County, Georgia
My Commission Expires November 3, 2001