

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter, on the Commission's own motion,)
to review the costs of telecommunications)
services provided by SBC Michigan.) **MPSC CASE NO. U-13531**
)
)

FINAL REPLY TESTIMONY

**AFFIDAVIT OF
STEVEN E. TURNER**

GEORGIA
STATE OF ~~TEXAS~~

COUNTY OF CHEROKEE

The undersigned, being of lawful age and duly sworn on oath, hereby certifies, deposes and states the following:

I have caused to be prepared the attached written testimony in support of AT&T Communications of Michigan, Inc. and TCG Detroit in the above referenced docket. This testimony is true and correct to the best of my knowledge, information, and belief.

Further Affiant sayeth not.

Steven E. Turner

Steven E. Turner, Affiant

Subscribed and Sworn to before me
this 6th day of May, 2004.

[Signature]

Notary Public
Notary Public, Fulton County, Georgia
My Commission Expires June 19, 2006

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REPLY TESTIMONY OF
STEVEN E. TURNER
ON BEHALF OF
AT&T COMMUNICATIONS OF MICHIGAN, INC.
AND
TCG DETROIT
(NONRECURRING COST ISSUES)

MAY 10, 2004

***** PUBLIC VERSION *****

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1 **I. WITNESS INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Steven E. Turner. My business address is Kaleo Consulting, 2031 Gold Leaf
4 Parkway, Canton, Georgia 30114.

5 **Q. ARE YOU THE SAME STEVEN E. TURNER THAT SUBMITTED TESTIMONY**
6 **REGARDING NONRECURRING CHARGES ON JANUARY 20, 2004?**

7 A. Yes I am. I also submitted testimony on March 22, 2004, which responded to SBC
8 Michigan's proposed Batch Hot Cut nonrecurring studies.

9 **II. OVERVIEW AND SUMMARY OF TESTIMONY**

10 **Q. WHAT IS THE PURPOSE OF YOUR REPLY TESTIMONY?**

11 A. AT&T Communications of Michigan, Inc. and TCG Detroit ("AT&T") have asked me to
12 respond to the rebuttal testimonies of Mr. David J. Barch,¹ Ms. Cherylann Bush,²
13 Frederick C. Christensen,³ Stanley D. Cunningham,⁴ Dr. Kent A. Currie,⁵ Vivian Gomez-

¹ State of Michigan, Before the Michigan Public Service Commission, Case No. U-13531, Rebuttal Testimony of David J. Barch (Nonrecurring Costs) on behalf of SBC Michigan, March 22, 2004. (Hereafter referred to as "Barch Rebuttal Testimony.")

² State of Michigan, Before the Michigan Public Service Commission, Case No. U-13531, Rebuttal Testimony of Cherylann Bush (Nonrecurring Costs) on behalf of SBC Michigan, March 22, 2004. (Hereafter referred to as "Bush Rebuttal Testimony.")

³ State of Michigan, Before the Michigan Public Service Commission, Case No. U-13531, Rebuttal Testimony of Frederick C. Christensen on behalf of SBC Michigan, March 22, 2004. (Hereafter referred to as "Christensen Rebuttal Testimony.")

⁴ State of Michigan, Before the Michigan Public Service Commission, Case No. U-13531, Rebuttal Testimony of Stanley D. Cunningham on behalf of SBC Michigan, March 22, 2004. (Hereafter referred to as "Cunningham Rebuttal Testimony.")

⁵ State of Michigan, Before the Michigan Public Service Commission, Case No. U-13531, Rebuttal Testimony of Dr. Kent A. Currie (Non-Recurring Costs and Operator Service Cost Issues) on behalf of SBC Michigan, March 22, 2004. (Hereafter referred to as "Currie Rebuttal Testimony.")

1 McKeon,⁶ Lance McNiel,⁷ Michael D. Silver,⁸ and James R. Smallwood⁹ regarding the
2 unbundled network element (“UNE”) nonrecurring cost studies developed by SBC
3 Michigan. In providing this response, I reviewed the rebuttal testimonies filed by these
4 witnesses, as well as their work papers.

5 **Q. HAS SBC MICHIGAN RESPONDED TO ANY OF YOUR CONCERNS BY**
6 **ACTUALLY MODIFYING THE COST STUDIES IT SUBMITTED IN THIS**
7 **PROCEEDING?**

8 A. Surprisingly no. I will not spend a great deal of time on this issue as it is my
9 understanding that AT&T will make its legal arguments on this point in its Final Reply
10 Comments. However, it is important to note that in many areas, even where SBC
11 Michigan has indicated that it agrees with the positions I took in my Initial Testimony,
12 SBC Michigan only *offered* to correct its prior cost studies. However, SBC Michigan has
13 only offered to do so if this Commission requires them to and during a vaguely described
14 compliance round. There are two points that I would make about the offer made by SBC
15 Michigan. *First*, SBC Michigan’s own testimony acknowledges that the nonrecurring
16 rates that it proposes in its presently filed cost studies are wrong and do not represent

⁶ State of Michigan, Before the Michigan Public Service Commission, Case No. U-13531, Rebuttal Testimony of Vivian Gomez-McKeon on behalf of SBC Michigan, March 22, 2004. (Hereafter referred to as “Gomez-McKeon Rebuttal Testimony.”)

⁷ State of Michigan, Before the Michigan Public Service Commission, Case No. U-13531, Rebuttal Testimony of Lance McNiel on behalf of SBC Michigan, March 22, 2004. (Hereafter referred to as “McNiel Rebuttal Testimony.”)

⁸ State of Michigan, Before the Michigan Public Service Commission, Case No. U-13531, Rebuttal Testimony of Michael D. Silver on behalf of SBC Michigan, March 22, 2004. (Hereafter referred to as “Silver Rebuttal Testimony.”)

⁹ State of Michigan, Before the Michigan Public Service Commission, Case No. U-13531, Rebuttal Testimony of James R. Smallwood (Non-Recurring Cost Issues) on behalf of SBC Michigan, March 22, 2004. (Hereafter referred to as “Smallwood Rebuttal Testimony.”)

1 TELRIC-complaint costs. In short, the Commission cannot rely on the nonrecurring rates
2 that SBC Michigan has proposed in this proceeding because SBC Michigan has now
3 acknowledged numerous errors in its cost studies, which it would be *prepared* to correct
4 but only if the Commission requires that such corrections be made. I find it disingenuous
5 that SBC Michigan would knowingly propound cost studies and proposed rates that it
6 knows to be incorrect. That said, the first point is that SBC Michigan's nonrecurring
7 rates cannot be relied on for comparison purposes, or for any other purpose because SBC
8 Michigan already acknowledges that they do not represent TELRIC rates.

9 *Second*, and perhaps more importantly, the proof of a correction is really in the
10 pudding. SBC Michigan's acknowledgement of an error and its actual method of
11 implementation into a cost study can be two entirely different things. I point out several
12 examples in the following testimony where SBC Michigan indicates that it agrees with
13 me on a point, but will then implement the "solution" in a way that wholly misrepresents
14 or misapplies the position that I took in my testimony. While I will point these out where
15 it is clear, the only way to really know how SBC Michigan would implement all of the
16 corrections that it has identified are necessary in its cost studies is if SBC Michigan were
17 to actually implement them so that I (and other interested parties, such as the
18 Commission Staff) could then know whether the implementation actually corrected the
19 problem or introduced new ones. In short, SBC Michigan has relegated this Commission
20 and the parties to a guessing game. We know that SBC Michigan's studies are flawed by
21 SBC Michigan's own admission, but we really do not know if the Commission were to
22 require SBC Michigan to correct the studies whether those corrections would actually

1 rectify the problems that have been identified in my prior testimony or that of other
2 parties.

3 In short, to the extent that I can, I will review the modifications that SBC
4 Michigan has indicated should be made to its cost studies to provide the Commission
5 with some sense as to whether it appears that the proposed changes would be consistent
6 with the recommendations I have made previously or whether the proposed changes fall
7 short of what would move SBC Michigan's cost studies toward TELRIC compliance.

8 However, it is not possible to know for certain without the filing of cost studies that SBC
9 Michigan is willing to stand behind at least for the duration of this proceeding.

10 **Q. WHAT APPROACH DO YOU TAKE IN YOUR REBUTTAL TESTIMONY?**

11 A. As noted above, SBC Michigan has presented a large number of witnesses in rebuttal that
12 allegedly address my testimony and that of the other parties. To the extent possible,
13 however, I have structured my response to these numerous witnesses based on the cost
14 study topic area as opposed to a witness-by-witness review. My testimony will
15 specifically cite to the criticism by SBC Michigan's witnesses wherever practical to
16 provide the Commission with a roadmap of the alternative positions presented in this
17 proceeding.

18 **Q. COULD YOU SUMMARIZE BRIEFLY THE EXHIBITS THAT YOU HAVE**
19 **ATTACHED TO THIS TESTIMONY?**

20 A. Yes. There is one new exhibit that I have for this round of testimony responding to SBC
21 Michigan's questions regarding the source of my experience with SBC Michigan's cost
22 studies in other parts of the country (Exhibit SET-NRC-9). Further, I have modified the
23 exhibits from my Initial Testimony incorporating three corrections to my cost studies

1 based on further review and my evaluation of SBC Michigan's testimony. The following
2 is a list of those exhibits:

Exhibit SET-NRC-2 (Revised)	Nonrecurring Cost Study Modifications
Exhibit SET-NRC-3 (Revised)	AT&T Rate Element Comparison of Switch Related NRCs
Exhibit SET-NRC-4 (Revised)	AT&T Rate Element Comparison of Loop and Transport Related NRCs
Exhibit SET-NRC-5 (Revised)	AT&T Rate Elements Comparison of Service Order Related NRCs
Exhibit SET-NRC-6 (Revised)	UNE-P Service Order Averaging
Exhibit SET-NRC-7 (Revised)	All of the electronic cost studies are provided on this CD-ROM. However, the following cost studies were actually revised: EXCEL Workbook: r1_Combination ULS and UTS-Ports_N_WhslUNE_MI_02-05_8-1-02_TF~1 EXCEL Workbook: r1_DARK FIBER_N_WhslUNE_MI_02-05_U-13531 EXCEL Workbook: r1_ULS and UTS-Ports_RN_WhslUNE_MI_02-05_4-4-03_Dkt# U-13518

3 **Q. ARE THERE ONLY THREE CHANGES THAT ARE NECESSARY TO THE**
4 **NONRECURRING COST STUDIES YOU ARE PROPOSING THAT THE**
5 **COMMISSION ADOPT IN THIS CASE?**

6 A. Yes. With these three corrections, and as discussed more completely herein, I
7 recommend that the Commission reject SBC Michigan's cost studies and adopt the cost
8 studies I propose (which are restatements of SBC Michigan's studies (*see* Exhibit SET-
9 NRC-2 (Revised)) and the rates derived from those studies.

10 **Q. GIVEN THAT YOU HAVE ONLY IDENTIFIED TWO CORRECTIONS THAT**
11 **NEED TO BE MADE TO YOUR COST STUDIES, WHY HAVE ALL OF THE**
12 **NONRECURRING RATE EXHIBITS BEEN MODIFIED?**

13 A. As explained in the testimony of AT&T witness Mr. Warren Fischer and Mr. Mike
14 Starkey, the common cost factor that AT&T sponsored in my Initial Testimony has been

1 increased somewhat necessitating the updates to the nonrecurring charges that I now
2 sponsor.

3 **Q. ARE THERE ANY OTHER EXHIBITS THAT YOU WANT TO INTRODUCE AT**
4 **THIS TIME?**

5 A. Yes. There is one additional exhibit that I have created (Exhibit SET-NRC-10) which
6 provides the Commission a comparison of my proposed nonrecurring charges to those
7 that currently exist in the Michigan UNE Tariff and finally to those proposed by SBC
8 Michigan. This analysis should aid the Commission in understanding the relate
9 nonrecurring rate recommendations of AT&T and SBC Michigan and how they compare
10 to the current nonrecurring charges in Michigan.

11 **III. CONTINUING SHORTCOMINGS IN SBC'S SWITCH PORT NONRECURRING**
12 **COST STUDIES**

13 **A. CENTREX ATTENDANT CONSOLE LINE PORT**

14 **Q. MR. BARCH AND MR. CUNNINGHAM CRITICIZE YOUR RESTATEMENT**
15 **OF THE CENTREX ATTENDANT CONSOLE LINE PORT BECAUSE THEY**
16 **BELIEVE IT IS REASONABLE TO MULTIPLY THE BASIC LINE PORT COST**
17 **BY THREE TO ACCOUNT FOR THE COST OF THE ATTENDANT CONSOLE**
18 **LINE PORT.¹⁰ DOES THEIR TESTIMONY CHANGE YOUR POSITION AT**
19 **ALL?**

20 A. No. Mr. Barch does point to SBC's cost study documentation that indicates that the
21 Centrex Attendant Console Line Port requires the provisioning of three basic analog
22 terminations at the central office to provision the line. However, this requirement applies
23 only to the equipment end of the Centrex Attendant Console Line Port. This does not
24 mean, however, that every task required to provision a basic analog line port must be

¹⁰ Barch Rebuttal Testimony, p. 6 and Cunningham Rebuttal Testimony, p. 3.

1 multiplied by three simply because SBC Michigan physically requires three line ports to
 2 provision this service.

3 **Q. COULD YOU PROVIDE SOME ADDITIONAL DETAIL ON THIS POINT?**

4 A. Yes. The table below identifies the tasks that are involved in provisioning a Basic Line
 5 Port per the cost study submitted by SBC Michigan in this proceeding:¹¹

6 *****CONFIDENTIAL**

ACTIVITY DESCRIPTION	ORDER OR PORT
XXX XXX XXXX XXXX XXX XX XXXXX XXXXXX XXXXX XXXX XX XXX XXXXX XX XXXXXX XXXXX XXX XXXX XXXX.	XXX
XXXXXXXX XXXXX XXXXXX XXXXX XXXXX XXXXXX XXXXXX	XXX
XXX XX	XXX
XXX XXX	XXX
XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX.	XXX
XXX XXX XXX XXX XXX	XXX
XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX XXX.	XXX
XXX XXX	XXX XX

7 **END CONFIDENTIAL*****

8 The reason I identify these tasks is so that the Commission can actually see those tasks
 9 SBC Michigan claims must be performed three times. There is absolutely no reason that
 10 the receipt of an *order*, or the validation of the USOC/FID (a code the describes the type

¹¹ SBC Michigan Cost Study – “Combination ULS and UTS-Ports_N_WhslUNE_MI_02-05_8-1-02_TF~1” Workbook, “TAB 6.4” Worksheet, Cells B12-B13, B17-B20, and B24-B25.

1 of service being provisioned), or the contact with a service representative to ensure the
2 type of service being ordered, or the processing of the *order* should have to be performed
3 three times simply because the CLEC has ordered a Centrex Attendant Console Line
4 Port, which happens to require three line cards instead of one. The evaluation of the
5 order, contact with the service representative and the like will not occur three times
6 simply because the physical configuration of the service requires three line ports. These
7 activities are “order” related activities that will only occur once, regardless of the number
8 of physical line ports required at the switch. As I indicated in my Initial Testimony, SBC
9 Michigan has not supported its assertion that these costs should arbitrarily be multiplied
10 by three.

11 Based on Mr. Barch’s and Mr. Cunningham’s testimony and my further review of
12 the activities that may occur three times (although this is not a certainty) further
13 discussion is warranted with respect to the last two tasks identified above. SBC
14 Michigan asserts three bases upon which Basic Line Ports could fall out. One of those
15 bases – the one that includes the port related tasks identified above – has a
16 *****CONFIDENTIAL XXX END CONFIDENTIAL***** percent probability of
17 occurrence, according to SBC Michigan.¹² As such, once this type of fallout is accounted
18 for, the costs related to these port related tasks are fairly negligible. Specifically, if I
19 were to increase these costs three-fold as SBC Michigan has indicated should be done,
20 the cost would increase by *****CONFIDENTIAL XXXX END CONFIDENTIAL*****

¹² SBC Michigan Cost Study – “Combination ULS and UTS-Ports_N_WhslUNE_MI_02-05_8-1-02_TF~1” Workbook, “TAB 6.4” Worksheet, Cell A23.

1 even using all of SBC Michigan's cost study assumptions regarding labor rates, fallout,
2 and labor times.¹³

3 **Q. WILL YOU MODIFY YOUR PROPOSED NONRECURRING COST FOR THE**
4 **CENTREX ATTENDANT CONSOLE LINE PORT FOR THIS SMALL COST**
5 **DIFFERENCE?**

6 A. Yes. I have implemented the correction for the Centrex Attendant Console Line Port as
7 described above. Specifically, I have accounted for this correction by multiplying the
8 cost by three for those tasks specifically related to fallout in the physical switch port
9 assignments discussed above. However, with the modifications that I have made to SBC
10 Michigan's cost study, this change to the cost study does not have an effect due to the
11 rounding approach that SBC has taken in all of its cost studies.

12 In addition, I note that when I went to implement this correction, I found one
13 other related correction that also needed to be made. Specifically, SBC Michigan filed
14 both a "combination" ULS Ports cost study and "stand alone" ULS Ports cost study. In
15 this particular instance, my testimony noted that the multiplication by three for the
16 Centrex Attendant Console Line Port should not occur generally for the cost development
17 for this port type. However, in implementing this change in my January 20, 2004 filing,
18 the removal of the multiplication by three did not occur in the "combination" ULS Ports
19 cost study. Accordingly, I will now implement the removal of the multiplication by three
20 in the "combination" ULS Ports cost study, but I will do it consistently with the revision
21 to that approach as described in testimony above. As a result, I will file with the

¹³ See SBC Michigan Cost Study – "Combination ULS and UTS-Ports_N_WhslUNE_MI_02-05_8-1-02_TF~1" Workbook, "TAB 6.4" Worksheet, Cell K26, in which the weighted average cost for these two "port" related tasks is only *****CONFIDENTIAL XXX END CONFIDENTIAL*****.

1 Commission Exhibit SET-NRC-2 (Revised), which documents all of the modifications I
2 made to SBC Michigan’s nonrecurring cost studies. I will also file Exhibit SET-NRC-3
3 (Revised) documenting the revised rates for the unbundled switch ports. Even though the
4 correction that SBC Michigan identified does not lead to a revised rate, my recognition of
5 the need to consistently implement the Centrex Attendant Console Line Port corrections
6 in the “combination” ULS Ports cost study does lead to a reduction in that rate, thereby
7 necessitating the need for this revised exhibit (even when rounded using SBC Michigan’s
8 methodology). Finally, I will provide Exhibit SET-NRC-7 (Revised) containing the
9 electronic versions of the cost studies including these two revised cost studies as
10 documented above.

11 **B. INACCURATE CRITICISM OF UNBUNDLED SWITCH PORTS**
12 **NONRECURRING COST STUDY**

13 **Q. MR. BARCH CRITICIZES YOU FOR REMOVING THE LOG IN AND**
14 **RETRIEVAL TASKS FROM THE UNBUNDLED SWITCH PORTS**
15 **NONRECURRING COST STUDY.¹⁴ IS HIS CRITICISM ACCURATE?**

16 A. No. Mr. Barch specifically claims that my adjustment regarding the removal of the log in
17 and retrieval task relates to the “ports included in the Combination ULS Ports cost
18 study.”¹⁵ In fact, I did not revise the Unbundled Switch Ports Nonrecurring Cost Study in
19 the way Mr. Barch claims. Mr. Barch cites to pages 36-37 of my Initial Testimony, but
20 these page references do not address the unbundled switch port nonrecurring costs at all.
21 Instead, these pages relate to the activation of features on switch ports, which is an
22 entirely different cost study. Moreover, within the context of feature activation, I point

¹⁴ Barch Rebuttal Testimony, pp. 7-8.

¹⁵ *Id.*

1 out that the Recent Change Memory Administration Center (“RCMAC”) personnel as a
2 normal course of their daily operations will already be logged into its systems to access
3 the order because of the ongoing responsibility of provisioning features into switches
4 across its territory. As such, in an efficient process, the selection of the order does not
5 take any measurable time. Mr. Barch does not respond to this specific testimony or cost
6 study at all and instead “rebutts” a change in a cost study that I did not make related to
7 switch ports.

8 **Q. WHAT WAS YOUR RECOMMENDATION REGARDING SWITCHING PORT**
9 **NONRECURRING COSTS?**

10 A. As I noted in my Initial Testimony, SBC Michigan’s switch ports nonrecurring cost study
11 was not developed assuming the use of fully trained technicians. Specifically, SBC
12 Michigan notes the following in its cost study:

13 Time estimates assume an average technician is completing
14 the assigned task. An experienced technician may at times
15 complete the task in less time than reflected in the estimate,
16 but an inexperienced technician would often struggle to
17 achieve the task within the estimated timeframe.¹⁶

18 In my experience having actually managed technicians in a provisioning environment,
19 the vast majority of technicians are either fully trained or will be in a reasonably short
20 time period. Therefore on a forward-looking, efficient basis, the task times should be
21 based on fully trained technicians, rather than average times that include those of
22 “inexperienced technicians.” Consistent with this approach, my recommended time of 30
23 minutes to plan the trunking arrangement (a time that SBC Michigan also utilizes), five

¹⁶ SBC Michigan Cost Study – “Cancellation or Changes_N_WhslUNE_MI_02-05_U-13531”
Workbook, “TAB 8.3” Worksheet, Cell B21.

1 minutes to implement the first trunk (a time SBC Michigan has now modified the cost
2 study to reflect based on my earlier criticisms), and 30 seconds to implement subsequent
3 trunks is based on the use of “experienced” technicians using efficient processes and
4 technology.¹⁷ These times are based on my experience of working with switch
5 provisioning processes as well as discussing the provisioning times currently with
6 personnel who perform these activities on Lucent and Nortel switch types.

7 **Q. DID MR. BARCH PROVIDE ANY REBUTTAL TO YOUR TIME ESTIMATES?**

8 A. Effectively, no. Mr. Barch claims that the proposed times that I provide are “absurd”
9 because his subject matter experts (“SMEs”) provided him with different times.
10 However, even this is not entirely correct. The five minute implementation time I use in
11 my restated studies for the initial trunk port is precisely what SBC Michigan itself used in
12 its allegedly revised cost studies.¹⁸ SBC Michigan assumed the same 30 minutes for the
13 preparation time for the trunking arrangement as I did for the 5ESS switch.¹⁹ The main
14 differences are that SBC Michigan has added a variety of extraneous times that Mr.

¹⁷ I believe my approach is consistent with this Commission’s prior orders on this subject. For example, in Case U-11831, the Commission rejected SBC Michigan’s nonrecurring cost studies because the “study assumes that Ameritech Michigan’s current operations are as efficient as they should be with a forward-looking approach using existing technology. Ameritech Michigan says that it used the standard of its current procedures with any planned efficiency improvements in the next three years, and none were planned.” Opinion and Order, Case No. U-11831, p. 26 (Nov. 16, 1999). In this case (and in other cases I explain below), SBC Michigan has taken a step backward and assumed that on a significant number of occasions its technicians will be inexperienced and inefficient.

¹⁸ See Barch Rebuttal Testimony, Exhibit DJB-R09, TAB 6.1, Line 4, Column A. Please note that this time is highlighted in green indicating an area that SBC Michigan has modified, making it consistent with my recommendation.

¹⁹ See SBC Michigan Cost Study – “Combination ULS and UTS-Ports_N_WhslUNE_MI_02-05_8-1-02_TF~1” Workbook, “TAB 8.3” Worksheet, Cells E12, E14, and E16. The sum of these three (continued)

1 Barch has not defended. Moreover, the additional time I have assumed for adding
2 subsequent trunks to the same trunk group – 30 seconds – is considerably different from
3 what SBC Michigan has assumed, (****CONFIDENTIAL** XXXXX XXXX **END**
4 **CONFIDENTIAL****). Mr. Barch has provided no basis for why my estimate is wrong
5 other than to simply say he does not agree. However, once the planning for the trunk
6 group is complete – the 30 minutes identified earlier – and the implementation of the first
7 trunk in the trunk group is complete – the five minutes that SBC Michigan also uses – the
8 steps associated with the subsequent trunks in the trunk group take very little time. In
9 fact, the information on each trunk is very similar and normally only has one piece of
10 information that must be changed to distinguish the trunks from one another.
11 Accordingly, adding the additional members into the trunk group takes very little time.
12 After the first trunk is implemented, a replication process is used to implement the
13 remaining trunks – a process that takes about 30 seconds per additional trunk. SBC
14 Michigan’s cost studies do not account for the degree of automation possible in this
15 process once the trunk group has been planned, and the automation that is assumed in a
16 forward-looking environment.

17 In short, Mr. Barch only specifically criticizes me for setting the log in and
18 retrieval task times to zero minutes – a change that, as explained in Exhibit SET-NRC-2
19 (Revised) and in my testimony, I did not make. He provides no specific rebuttal to the
20 main inputs that I used for the trunk port nonrecurring costs. As such, Mr. Barch

cells equates to the 30 minutes that SBC Michigan has assumed for this function for the initial set-up of the trunk group.

1 misinterpreted the method that I used to incorporate my time modifications into the SBC
2 Michigan cost study and rebutted “changes” that I did not even make. Specifically, there
3 were some tasks for the various switch types that I set to zero minutes. However, overall,
4 I recommended 30 minutes to plan the trunking arrangement, five minutes to implement
5 the first trunk, and 30 seconds to implement subsequent trunks. All of my modifications
6 to SBC Michigan’s cost study were done consistent with this approach – an approach that
7 Mr. Barch effectively did not rebut.

8 **Q. IS IT POSSIBLE THAT YOU PLACED A ZERO TIME IN THE LOG IN OR**
9 **RETRIEVE ORDER TASK?**

10 A. Yes. That is possible and it could have caused Mr. Barch’s confusion. However, Exhibit
11 SET-NRC-2 (Revised) explains the basis for the changes in detail and explains that the
12 30 minutes to plan the trunking arrangement is sufficient to handle all of the tasks
13 associated with port provisioning, including the time to log in and retrieve orders.²⁰ In
14 fact, even SBC Michigan has not included separate log in and retrieval task for the
15 Lucent switch.²¹ Thus, Mr. Barch’s requirement that the process for provisioning ports
16 must include a log in and retrieval task is not even a valid requirement in the opinion of
17 SBC Michigan’s own SMEs. The bottom line is that I provide reasonable process times
18 based on experience using efficient, forward-looking task times and processes. Mr.

²⁰ See, for example, Exhibit SET-NRC-2, page 12, which expressly notes that the time was not eliminated but was assumed to be in the *****CONFIDENTIAL XX END CONFIDENTIAL***** minutes included in another task.

²¹ See SBC Michigan Cost Study – “Combination ULS and UTS-Ports_N_WhslUNE_MI_02-05_8-1-02_TF~1” Workbook, and Barch Rebuttal Testimony, Exhibit DJB-R09, “Activity Time Estimate – 5ESS Trunk Port Translations (TAB 8.3 when SBC prints the labels properly). Unlike the tasks on Worksheets “TAB 8.4” for the Siemens switch and “TAB 8.5” for the Nortel switch, there is no task on this worksheet related to Login and Retrieval.

1 Barch has provided no practical rebuttal to these changes and has even implemented
2 some of them. I urge the Commission to accept all of my recommendations because they
3 are correct, but particularly in light of SBC Michigan's lack of rebuttal.

4 **C. STANDARDIZATION OF LUCENT, NORTEL, AND SIEMENS SWITCH**
5 **PROVISIONING TIMES**

6 **Q. MR. BARCH TAKES ISSUE WITH YOUR STANDARDIZATION OF SWITCH**
7 **PROVISIONING TIMES AMONG LUCENT, NORTEL, AND SIEMENS**
8 **SWITCHES.²² DO HIS CRITICISMS CHANGE YOUR PRIOR**
9 **RECOMMENDATION?**

10 A. No. Mr. Barch's criticism primarily revolves around his belief that simply because the
11 software is different in the various switches – a point that I do not dispute – the
12 *performance* of the switches must necessarily be different. The point of my testimony is
13 that Lucent and Nortel, in particular, as the predominant suppliers of local switching
14 equipment in the United States, cannot afford to have significantly different performance
15 levels on routine provisioning processes such as switch port provisioning. Moreover,
16 contrary to Mr. Barch's statements, I am not suggesting that SBC Michigan should make
17 its switch selection based solely on the most efficient provisioning time for the switch.
18 This would be only one of the characteristics that would be evaluated for the switch.
19 However, the point of my testimony is that Lucent and Nortel have significant incentives
20 to ensure that they both provide operational environments that are efficient and
21 improving over time. There is no reason to believe that one provider would have
22 materially different provisioning capabilities from the others over the long term. Further,
23 based on my discussions with personnel who actually provision ports on these types of

²² Barch Rebuttal Testimony, pp. 8-9.

1 switches, there is no material difference in the provisioning times between Lucent and
2 Nortel switches. In any event, under a literal implementation of TELRIC, it is not
3 entirely clear to me why one would assume something other than the most efficient
4 method currently available.

5 **Q. MR. BARCH MAKES SOME ATTEMPT TO EXPLAIN THE BASIS FOR HIS**
6 **USE OF “INEXPERIENCED TECHNICIANS” IN THE DEVELOPMENT OF**
7 **THE AVERAGE LABOR TIMES IN HIS SWITCHING NONRECURRING COST**
8 **STUDIES.²³ DO YOU CARE TO RESPOND?**

9 A. Mr. Barch’s testimony does not match what is clearly indicated in the cost study
10 regarding the basis for the task times. Mr. Barch claims in his testimony that “SBCM
11 does in fact assume activity times from employees who are indeed fully trained and
12 experienced on the existing and forward-looking processes they represent in the cost
13 studies.”²⁴ However, as I pointed out above, according to clear documentation within the
14 cost study, the times that were provided to Mr. Barch were not the most efficient labor
15 times, which TELRIC requires. Instead, they were average times that included the time
16 from an “inexperienced technician (that) would often struggle to achieve the task within
17 the estimated timeframe (and) would frequently take longer.”²⁵ In short, Mr. Barch did
18 not develop labor times consistent with TELRIC and has not developed labor times that
19 are consistent with a long-run incremental costing perspective required by the TELRIC
20 methodology. The Commission should instead utilize the times recommended in my cost
21 study revisions and restatements.

²³ Barch Rebuttal Testimony, pp. 10-11.

²⁴ Barch Rebuttal Testimony, p. 10.

1 **Q. DOES YOUR COST STUDY TIME ESTIMATES ASSUME THE USE OF**
2 **“ÜBER” TECHNICIANS AS MR. BARCH ASSERTS?²⁶**

3 A. Absolutely not. In my experience managing large teams of technicians in provisioning,
4 maintenance, and customer service environments, my experience has been that the vast
5 majority of the technicians and clerks in my organizations were fully trained and
6 operated at a higher level of efficiency. This was in large part because the work force
7 available had significant years of experience within AT&T and in the network operations
8 area in specific. That said, this reality does not translate into saying that I believe the
9 labor times should be based on a super-human “über” technician, but rather that labor
10 times should be based on a workforce that is fully trained and operating at an efficient,
11 long-run level of performance. No amount of spin on Mr. Barch’s part changes the fact
12 that his labor times reflect an average that includes time from an “inexperienced
13 technician [that] would often struggle to achieve the task within the estimated timeframe
14 [and] would frequently take longer.” Accordingly, the Commission should simply reject
15 the labor times that have been submitted in the switching nonrecurring cost studies
16 sponsored by Mr. Barch.

17 **Q. MR. CUNNINGHAM ALSO TAKES ISSUE WITH YOUR STANDARDIZATION**
18 **OF LABOR TIMES AMONG THE SWITCH TYPES. DO YOU AGREE WITH**
19 **HIS CRITICISMS?**

20 A. No. Mr. Cunningham’s focus relates specifically to the customized routing nonrecurring
21 costs.²⁷ However, the explanation I provide above with regard to Mr. Barch’s criticisms,

²⁵ SBC Michigan Cost Study – “Cancellation or Changes_N_WhslUNE_MI_02-05_U-13531”
Workbook, “TAB 8.3” Worksheet, Cell B21.

²⁶ Barch Rebuttal Testimony, p. 11.

1 which are fundamentally the same, relate to Mr. Cunningham's criticisms as well. In
2 short, there is no basis in the long run to assume that there would be material differences
3 between the Lucent and Nortel switches from a provisioning standpoint – the only claim
4 that I make in my testimony. Moreover, the only example that Mr. Cunningham has
5 provided is a difference between the Nortel switch and the Siemens switch – the Siemens
6 switch being the switch type that *I did not modify*.²⁸ My recommendation is that the
7 Commission adopt my adjustments of setting the Lucent and Nortel provisioning times
8 equal to the lesser of the two such that on a long-run basis the switch provisioning time
9 simply reflects the reality that, competitively, SBC Michigan has established no basis for
10 assuming that these two dominant US switch manufacturers will offer materially different
11 performance.

12 **D. SERVICE ORDER COMPUTER PROCESSING COSTS**

13 **Q. DO YOU AGREE WITH DR. CURRIE THAT COMPUTER PROCESSING**
14 **COSTS CAUSED BY SERVICE ORDERING SYSTEMS SHOULD BE**
15 **RECOVERED IN THE NONRECURRING SERVICE ORDER CHARGES?**²⁹

16 A. No. Dr. Currie tries to make the case that if service order processing requires additional
17 costs for computer system processing above that required if service orders did not exist,
18 then this cost should be borne on a nonrecurring basis through the service order costs.
19 He then uses this assumption, along with a mischaracterization of my Initial Testimony
20 and my responses to hypothetical questions during cross-examination in the recent
21 Indiana TELRIC case (Cause No. 42393), in an attempt to justify the inclusion of these

²⁷ Cunningham Rebuttal Testimony, pp. 3-4.

²⁸ Cunningham Rebuttal Testimony, p. 4.

1 costs in the nonrecurring service order cost studies. Dr. Currie's argument is based upon
2 a less than accurate view of my testimony combined with an argument that lacks logic.

3 *First*, Dr. Currie mischaracterizes my testimony. He states that I argue in my
4 Initial Testimony that "computer processing costs are fixed costs, and thereby, cannot be
5 caused by nonrecurring activities."³⁰ This is not the argument I make at all and neither
6 this statement nor anything like it appears in my Initial Testimony. My point, which I
7 discuss at pages 181-185 of my Initial Testimony, is that these computer processing costs
8 are already recovered in the recurring rates for UNEs through cost factors.

9 *Second*, Dr. Currie seeks to inappropriately change the issue to his advantage. To
10 be clear, the issue is whether to include the computer processing costs related to service
11 ordering in nonrecurring charges or in recurring rates. There is no dispute over whether
12 or not service ordering systems cost money. These systems clearly have costs, but these
13 costs should be recovered in recurring charges, just as all other computer processing costs
14 are. Using this false premise of whether or not service ordering systems have cost, Dr.
15 Currie then attempts to impeach my testimony using statements I made during cross-
16 examination in the recent Indiana case.³¹ I have not claimed in my Initial Testimony that
17 service orders do not cause computer processing costs. My statements in the Indiana
18 hearing are completely consistent with my Initial Testimony in this proceeding.

²⁹ Currie Rebuttal Testimony, pp. 19-20.

³⁰ Currie Rebuttal Testimony, p. 19.

³¹ Currie Rebuttal Testimony, p. 20.

1 **Q. COULD YOU BRIEFLY SUMMARIZE YOUR POSITION REGARDING HOW**
2 **AND WHERE SERVICE ORDER PROCESSING COSTS SHOULD BE**
3 **RECOVERED?**

4 A. Yes. Efficient OSS costs should be and are recovered through *recurring* rates. In fact,
5 the systems costs that SBC Michigan is attempting to recover through nonrecurring
6 charges are already included in the support assets and overhead loading factors applied
7 generally to all recurring unbundled element charges, as they should be. Moreover, these
8 costs, which SBC Michigan attempts to back out of its cost study factors and separately
9 account for on a nonrecurring basis, have been reincorporated into the cost factors AT&T
10 developed in this proceeding.

11 **Q. HOW ARE THESE OSS COSTS INCURRED?**

12 A. OSS themselves are software packages. Incumbent local exchange carriers typically
13 capitalize the first generic version of any software acquired with hardware, but expense
14 all later versions of that software. Thus, later generations of legacy OSS should be part
15 of the expenses of the incumbent local exchange carrier. SBC Michigan's cost studies
16 use those expense accounts to develop estimates of the recurring costs of unbundled
17 network elements. Thus, these OSS costs are already recovered in the recurring rates for
18 unbundled network elements.

19 The OSS run on various computers. In modeling recurring costs, SBC
20 Michigan's cost studies use the general-purpose computer accounts to build the estimates
21 of recurring costs of unbundled network elements. The computers on which the OSS run
22 are kept operational 24 hours per day, so there is no incremental power cost to perform
23 any of the transactional functions particular to an order placed by a CLEC. The SBC
24 Michigan recurring cost studies use power accounts to build estimates for recurring costs

1 of unbundled network elements. Thus, both the hardware and power costs are already
2 being recovered in recurring rates.

3 In short, a proper restatement of SBC Michigan's OSS costs should assume that
4 the costs of the underlying OSS (hardware, system software, processor costs, updates,
5 and upkeep) are being recovered in SBC Michigan's recurring wholesale and retail rates.

6 Additionally, mechanization in general lowers costs in the long run. Companies such as
7 SBC Michigan have mechanized their processes and systems over the years because it
8 makes good business sense to do so. To look at only half of the equation and
9 meticulously identify every mechanization expenditure without acknowledging the
10 corresponding benefits – as SBC does – overstates costs.

11 **Q. HOW HAVE YOU MODIFIED SBC MICHIGAN'S NONRECURRING COST**
12 **STUDIES FOR OSS COSTS?**

13 A. My restatement of SBC Michigan's service order cost studies removes the OSS cost
14 recovery consistent with the above discussion and consistent with, for example, the
15 conclusions reached by the Illinois Commerce Commission in its Order dated October
16 16, 2001 in ICC Docket No. 98-0396:

17 We also agree with AT&T and MCI WorldCom that Ameritech
18 should eliminate the computer processing costs it applies per
19 service order. These costs are not a direct cost to a CLEC ordering
20 a UNE. Rather, computer processing costs are costs common to all
21 network elements, and are more appropriately recovered through
22 recurring charges. Recovery of computer processing costs via
23 recurring charges is also consistent with the way Ameritech incurs
24 its costs, which is on a monthly basis. Accordingly, we order
25 Ameritech to remove all computer processing costs from its
26 nonrecurring charges and to include these costs in the recurring

1 charges for all UNEs to the extent Ameritech has not done so
2 already.³²

3 This correction affects every service order cost study submitted by SBC Michigan in this
4 proceeding, and they should all be modified accordingly as I have done.

5 **E. RCMAC FALLOUT PROBABILITY**

6 **Q. DOES MR. BARCH OFFER ANY REBUTTAL TO YOUR RECOMMENDATION**
7 **THAT A TWO PERCENT FALLOUT PERCENTAGE SHOULD APPLY TO**
8 **SWITCH PROVISIONING ACTIVITIES IN THE RCMAC?**

9 A. No. However, Mr. Barch does offer new testimony on this issue that is not in rebuttal to
10 any testimony filed by parties in prior rounds and only serves to illustrate how entirely
11 embedded, inefficient, and non-forward-looking SBC Michigan's approach is to
12 electronic provisioning within its nonrecurring cost processes. Specifically, Mr. Barch
13 indicates that "as a result of reviewing suggested changes made by intervening parties"
14 he learned that SBC Michigan's "fallout with respect to Combination ULS ports and ULS
15 port features was significantly understated on a forward-looking basis."³³ Specifically,
16 Mr. Barch reviewed my and other parties' testimony that forward-looking fallout
17 percentages should be used in the development of switch provisioning cost. Here, I
18 recommended the use of a two percent fallout percentage. Mr. Barch, on the other hand,
19 reviewed his recommendation of *****CONFIDENTIAL XXX END**
20 **CONFIDENTIAL***** percent fallout, which was based on the current performance of
21 the RCMAC and replaced it with an increased fallout rate of *****CONFIDENTIAL XX**
22 **END CONFIDENTIAL***** percent, which he claims is also based on the embedded

³² Order, Docket No. 98-0396, October 16, 2001, p. 41.

³³ Barch Rebuttal Testimony, pp. 11-12.

1 performance of the RCMAC. In general, one would anticipate with electronic
2 provisioning capabilities with advanced digital switches that SBC Michigan has in its
3 network and with the general trend towards more efficient utilization of technology so
4 that errors in provisioning do not occur, that the fallout rate in the RCMAC would
5 *improve* – not get worse.³⁴ In fact, this is just what Ms. Gomez-McKeon’s testimony
6 indicates when she makes the following point:

7 SBC Michigan employs the most forward-looking systems
8 available from its vendors, including a new feature that we
9 purchased from our vendor (RMA Reason Code Generator) to help
10 us improve flow-through and with continued monitoring fallout.³⁵

11 My point being that one should anticipate improving fallout percentages based on Ms.
12 Gomez-McKeon’s testimony – not a doubling of fallout as Mr. Barch proposes.

13 In effect, the basis of my testimony is that, based on SBC Michigan’s experience
14 with other electronic processing activities, it has demonstrated that it has the ability to
15 achieve two percent fallout in its electronic provisioning area. It has also demonstrated
16 that it can at least achieve *****CONFIDENTIAL XX END CONFIDENTIAL*****
17 percent fallout in the RCMAC. To now move backwards when the purpose of this
18 proceeding is to develop forward-looking, efficient costs is just wrong. In addition, Mr.
19 Barch provides no explanation for the error rate in the RCMAC to more than double

³⁴ Certainly, the Commission has indicated that SBC Michigan would be wrong to assume that there will be no improvement in efficiency in its operations: “Apparently, Ameritech Michigan has concluded that further improvements are not warranted at this time, even though the systems are capable of doing better. The result is an erroneous assumption that the current extensive manual intervention in numerous operations is the least-cost, forward-looking approach. * * * Taken as a whole, the estimates do not yield reasonable results.” Opinion and Order, Case No. U-11831, p. 27 (Nov. 16, 1999).

³⁵ Gomez-McKeon Rebuttal Testimony, p. 47.

1 since the prior filing made by SBC Michigan in this proceeding. He simply asserts that
2 this is the “new” number and recommends that the Commission order the use of this
3 value when the compliance phase takes place.³⁶ I strongly urge the Commission to not
4 only reject this value in lieu of the two percent fallout percentage that I have
5 recommended, but to recognize SBC Michigan’s filing for what it is – a blatant
6 reproduction of its embedded operations with absolutely no attention to developing
7 forward-looking costs whatsoever.

8 **Q. MR. BARCH ALSO IDENTIFIES SEVERAL OTHER CORRECTIONS TO HIS**
9 **COST STUDIES THAT ALL INCREASE RATES. DO YOU HAVE ANY**
10 **COMMENT ON THESE CORRECTIONS?**

11 A. Yes. It appears that each of these errors was simply an oversight on SBC Michigan’s
12 part in the development of the cost study. It is not clear how these errors really relate to
13 criticisms that were raised by various parties and it is likely that Mr. Barch is simply
14 trying to “shoehorn” these huge increases in costs under the guise of responding to the

³⁶ This failure to explain, much less justify, the resulting increase in cost appears to violate the Commission’s rule that SBC Michigan explain cost study changes that produce increased cost. The Commission dismissed SBC Michigan’s first cost study filing after Case U-11831 *with prejudice*, finding that SBC Michigan had not complied with its requirement that SBC Michigan identify and explain any costs increase greater than 10 percent. *See Order*, Case Nos. U-13518 and U-13531, pp. 3-4 (Sept. 16, 2002) (citing to the November 16, 1999 and May 3, 2000 orders in Case No. U-11831). In the same order dismissing with prejudice SBC Michigan’s Application, the Commission opened this docket (U-13531) on its own motion as an investigation into SBC Michigan’s costs, stating that the company may choose to file cost studies in this docket if it did so “in compliance with the Commission’s prior orders in Case No. U-11831.” *Id.*, p. 4. The Commission noted especially that it was “very aware of the importance of this docket and the potential consequences to both competitors and [SBC Michigan]. Therefore, to assist in the review by the Commission, the Staff, and other interested parties, [SBC Michigan] is directed, in any new filing, to identify cost changes attributable to increases or decreases in costs, changes attributable to changes in cost methodology, and changes attributable to a decision to seek a modification of a prior Commission determination on an issue.” *Id.*, p. 4. Mr. Barch’s late-breaking and unexplained change *increasing* the fall-out percentages flouts the Commission’s requirement.

1 parties' criticisms. Nonetheless, I have no objection to SBC Michigan's proposed
2 correction of these errors where I could find them. Unfortunately, Mr. Barch's
3 description of the errors was so vague in at least one area that AT&T could not even
4 identify what correction he wanted the Commission to order. Specifically, the following
5 testimony by Mr. Barch was impossible to trace:

6 Additionally, when reviewing the Combination ULS port study
7 with respect to intervenor criticisms, a minor spreadsheet
8 referencing error was uncovered. The correction of which is
9 estimated to roughly double the nonrecurring provisioning
10 TELRIC for these UNES.³⁷

11 First, he states that "a minor spreadsheet referencing error was uncovered." Correcting
12 this error, he says, will "roughly double the nonrecurring TELRIC for these UNES." The
13 incredible thing is that Mr. Barch does not give any details on this "minor" error
14 anywhere in his testimony or in his backup workpapers. I would think that if the cost
15 would double because of a correction that he would be very clear about exactly which
16 cell in this cost study contains the error. Given the impact to the cost, I would not call
17 this a "minor" error.

18 The bottom line is that it was not possible to determine from this cryptic and
19 unreferenced correction what Mr. Barch was even describing even though I have
20 attempted to discern from the materials provided by SBC Michigan (both in its filing and
21 through discovery) what the basis of this change is. Once again, SBC Michigan's
22 presentation falls woefully short of the Commission's clearly-articulated expectations
23 with respect to the documentation of cost study changes.

³⁷ Barch Rebuttal Testimony, p. 12.

1 **Q. COULD YOU COMMENT ON THE VAGUE CORRECTIONS THAT YOU**
2 **WERE ABLE TO DECIPHER?**

3 A. Yes. Mr. Barch mentions “a couple of very straightforward and simple spreadsheet link
4 errors (i.e., linking to the wrong spreadsheet cell, which was empty) for Nonrecurring
5 ULS Trunk Port and DS1 Trunk Port Disconnects.”³⁸ Mr. Barch footnotes this statement
6 with the identification of a specific error in the cost study. The error is in a cell formula
7 that sums the tasks above the cell but leaves out two of the tasks. Mr. Barch points out
8 that this cell formula should be corrected and I agree. Amazingly, even though Mr.
9 Barch has identified the error, his backup work papers do not contain the corrected cell.
10 Mr. Barch also described “a couple” of errors, but only detailed one of them in his
11 footnote. We are left to wonder what other errors remain in the cost study. Mr. Barch
12 parenthetically described the errors as “linking to the wrong spreadsheet cell, which was
13 empty.”³⁹ The error that he detailed in this footnote was not this kind of error. Evidently,
14 there is another error somewhere in this cost study where a cell is linked to a blank cell.
15 This other error is also not contained in Mr. Barch’s workpapers nor is it identified in any
16 further detail in his testimony. Nonetheless, to the extent that I was able to decipher the
17 errors that Mr. Barch vaguely described, I have incorporated these corrections into the
18 restated cost studies I have submitted as part of Exhibit SET-NRC-7 (Revised). Mr.
19 Barch, on the other hand, has not made these corrections (as noted above) and has not
20 updated the proposed nonrecurring costs pertaining to these corrections or any others for
21 that matter.

³⁸

Id.

1 In short, while SBC Michigan has failed to provide the Commission with an
2 accurate cost study for the switching elements, my modification to the cost study
3 incorporates these revisions and provides the Commission with a fully up-to-date
4 recommendation for nonrecurring costs that incorporates all known issues for the
5 Commission's review. SBC Michigan's cost study does not.

6 **Q. MS. GOMEZ-MCKEON TAKES ISSUE WITH YOUR MODICATIONS TO THE**
7 **FALLOUT PERCENTAGE FOR THE RCMAC GROUP.⁴⁰ PLEASE RESPOND**
8 **TO HER TESTIMONY.**

9 A. Fundamentally, Ms. Gomez-McKeon's testimony follows the same patter of all of SBC
10 Michigan's fallout testimony – that embedded fallout percentages should be used to
11 establish forward-looking costs for CLECs. My Initial Testimony addresses in great
12 detail the reasons that embedded fallout should not be used. Moreover, I have provided
13 both in my Initial Testimony and here, information from SBC's own witnesses and
14 systems that confirms that the use of my recommended two percent fallout percentage is
15 reasonable for use in SBC Michigan's nonrecurring cost studies.

16 Furthermore, there is one vital concern raised by Ms. Gomez-McKeon's rebuttal
17 testimony that merits further consideration. Ms. Gomez-McKeon indicates that ESOI
18 errors are incorporated into the fallout percentage for the RCMAC. She specifically
19 notes the following:

20 A second issue that causes fallout is a service order being written
21 incorrectly by the CLEC. Between June 2003 and November

³⁹ *Id.*

⁴⁰ Gomez-McKeon Rebuttal Testimony, pp. 47-48.

1 2003, the RCMAC ESOI'ed 10,681 Michigan orders for correction
2 between UNE and retail orders.⁴¹

3 Here is the problem. ESOI fallout *is already accounted for separately in all of the*
4 *service orders.* Therefore, it should not also be incorporated into the provisioning costs
5 for the elements. Specifically, if the Commission looks at the support activities included
6 in each of the service order cost studies, it will note that ESOI is included in every
7 service order cost study.⁴² There is a table later in this testimony that shows all of the
8 support activities probabilities that SBC Michigan includes. The bottom line is that SBC
9 Michigan should not take the same fallout and count it twice – once in all of the service
10 order cost studies and then again in the fallout for the individual elements.

11 **IV. CONTINUING SHORTCOMINGS IN SBC'S INTEROFFICE TRANSPORT**
12 **NONRECURRING COST STUDIES**

13 **Q. MS. BUSH TAKES EXCEPTION TO YOUR LABOR TIME MODIFICATIONS**
14 **AND TASK REMOVALS IN THE INTEROFFICE DEDICATED TRANSPORT**
15 **COST STUDIES.⁴³ COULD YOU RESPOND?**

16 A. Yes. First, it is important to note the limited substance of Ms. Bush's rebuttal. She only
17 points to her direct testimony where she indicates that she relied on "subject matter
18 experts (SMEs) for each workgroup."⁴⁴ This reliance is not sufficient. I personally have
19 managed engineering, provisioning, and maintenance groups responsible for interoffice
20 dedicated transport circuits at AT&T. I have first hand knowledge of how these circuits
21 are constructed as well as the tasks that would be involved in their provisioning.

⁴¹ *Id.*

⁴² SBC Michigan Cost Study – "Serv Ord Existing UNE-P_N_Whsl_MI_02-05_U-13531"
Workbook, "TAB 8.25" Worksheet, Cell I11.

⁴³ Bush Rebuttal Testimony, pp. 7-9.

1 However, while these SMEs may share some of this experience, there is another
2 extremely important aspect to my experience that is necessary in this proceeding – I have
3 worked for the last eight years in the development of unbundled network element costs
4 consistent with TELRIC principles.⁴⁵ In other words, it is not sufficient to simply
5 understand processes, it is important that those processes be specific to the UNE element
6 that is being studied and that the processes and labor times be consistent with the
7 efficient costing principles required by TELRIC. The vast majority of my activity
8 eliminations, for which Ms. Bush provides no rebuttal, relate to problems of including
9 tasks that do not relate to the cost elements that are being studied. I explained this in
10 detail in my Initial Testimony. Ms. Bush’s broad gloss-over rebuttal of my detailed
11 testimony – that she relied on internal experts – does not address the costing issues that I
12 raised. In short, the Commission should accept the testimony that I offered and the
13 interoffice transport nonrecurring charges that I have previously proposed.

14 **Q. MS. BUSH TAKES EXCEPTION TO THE SEPARATION OF NONRECURRING**
15 **COSTS INTO INITIAL AND ADDITIONAL CATEGORIES.⁴⁶ COULD YOU**
16 **PLEASE RESPOND TO HER TESTIMONY?**

17 A. Ms. Bush’s testimony does not address the specific justification that I provided for why it
18 is appropriate in a forward-looking context to separate the costs for circuit provisioning
19 into initial and additional categories. For review, I will summarize those briefly here.

⁴⁴ Bush Rebuttal Testimony, p. 7.

⁴⁵ There is another difference. Unlike Ms. Bush’s SMEs, I have filed testimony that I have sworn under oath is true to the best of my ability and belief.

⁴⁶ Bush Rebuttal Testimony, pp. 8-9.

1 Specifically, when SBC Michigan developed the costs for the interoffice
2 dedicated transport provisioning, SBC Michigan clearly delineated between initial circuit
3 provisioning costs and additional circuit provisioning costs. However, when it developed
4 the cost for the Interoffice Facilities DS1, DS3, OC3, OC12, OC48 Cancellation and
5 Change Service Charges, it did not provide for this separation. As I noted in my Initial
6 Testimony, the provisioning activities are by definition the same between the Interoffice
7 Facilities cost study and the Cancellation and Change Service cost study and therefore
8 SBC Michigan's inclusion of "additional" activities in the prior should have been
9 reflected in the latter. In other words, if SBC Michigan notes that an activity for
10 provisioning an interoffice transport circuit has a distinct time for initial or additional
11 circuits then the cancellation or change to that same circuit should also reflect for
12 virtually identical tasks the distinction between initial and additional times as well. It is
13 for this simple reason that I reflected both categories in SBC Michigan's cost study and
14 ultimately (because of the difference in cost) reflected the result in the proposed rates that
15 I offer.

16 Instead of responding to these specific concerns raised in my testimony, the
17 extent of Ms. Bush's criticism of my separation is that I did not use the rate structure that
18 was included in "M.P.S.C. No. 20R Tariff and approved by the MPSC."⁴⁷ While it is true
19 that the current tariff does not include the cost breakdown that I offer, Ms. Bush's claim
20 that this structure was "ordered" by the Commission is too strong. SBC Michigan's

⁴⁷ Bush Rebuttal Testimony, p. 9.

1 proposed structure for this element was not even challenged in the previous cost
2 proceedings in Michigan.

3 I would also point out that according to the TSLRIC rules for the Michigan
4 Commission, we are instructed to study the basic network functionality at its smallest and
5 most discrete component. In the world of nonrecurring costs, my Initial Testimony has
6 repeatedly demonstrated that there are clear differences in costs between initial and
7 additional orders. These clear differences in costs are caused by specific differences in
8 the activities involved. To conform to this Commission's rules, it is only appropriate to
9 then develop the costs consistent with the cost causation – the separation of initial
10 elements from additional elements where there is a clear distinction in cost.

11 It is for these reasons that in this present cost proceeding I have carefully
12 reviewed the cost development that SBC Michigan has used in developing the
13 nonrecurring costs for interoffice dedicated transport and found that the appropriate
14 structure that should be used is to separate the initial circuit cost from the additional
15 circuit cost for the reasons specified above. Because this is likely new testimony and
16 information for the Commission's review, it is quite possible that the Commission will
17 conclude that such separation should be made. As such, Ms. Bush's only rebuttal being
18 that this is not how it was done in the past is certainly insufficient for this Commission to
19 maintain this structure going forward in light of the information I have presented to the
20 Commission. In short, SBC Michigan's costs by its own admission vary between initial
21 circuits and additional circuits. These cost differences should simply be reflected in the
22 costs and associated rates that are ordered by this Commission.

1 **V. CONTINUING SHORTCOMINGS IN SBC'S DARK FIBER NONRECURRING**
2 **COST STUDIES**

3 **A. SEPARATION OF INITIAL AND ADDITIONAL SEGMENTS IN DARK**
4 **FIBER COSTS**

5 **Q. DOES SBC MICHIGAN DISTINGUISH IN ITS COST DEVELOPMENT**
6 **BETWEEN INITIAL AND ADDITIONAL SEGMENTS OF DARK FIBER?**

7 A. Yes. There are unique activities identified in SBC Michigan's cost study depending on
8 whether the dark fiber is part of an initial segment versus when additional segments
9 (meaning connections between intervening wire centers) are added to the same dark fiber
10 path. These differences are ones that SBC Michigan's subject matter experts identified.
11 Moreover, I agree that there are differences between the two.

12 **Q. WHAT IS THE CONFLICT THEN BETWEEN YOUR RECOMMENDATION**
13 **AND THAT MADE BY SBC MICHIGAN?**

14 A. SBC Michigan wants to assume that every dark fiber purchase made by a CLEC, on
15 average, will contain *****CONFIDENTIAL XX END CONFIDENTIAL***** segments,
16 meaning that the cost would be the sum of an initial segment plus the cost of
17 *****CONFIDENTIAL XXX END CONFIDENTIAL***** additional segments. If there
18 were a high degree of predictability with dark fiber purchases such that SBC Michigan
19 knew with great certainty that *****CONFIDENTIAL XXX END CONFIDENTIAL*****
20 segments per dark fiber facility were the right number, then perhaps it would be
21 reasonable to retain SBC Michigan's cost structure. However, given that dark fiber
22 purchases should be relatively infrequent (only available to certified facilities-based
23 CLECs) and very much customized to the network being constructed, it is unreasonable
24 to anticipate that there would be a high level of predictability in the number of segments
25 that would be included in each request for dark fiber. In fact, SBC Michigan's own data

1 in response to discovery shows a high degree of variability in the number of intermediate
2 offices on the dark fiber routes actually purchased by CLECs in Michigan.⁴⁸ This
3 discovery shows that only *****CONFIDENTIAL X END CONFIDENTIAL***** out of
4 *****CONFIDENTIAL XX END CONFIDENTIAL***** dark fiber routes had
5 *****CONFIDENTIAL XXX END CONFIDENTIAL***** (SBC Michigan's
6 recommendation) or more intermediate offices and the average number of intermediate
7 offices was *****CONFIDENTIAL XXX END CONFIDENTIAL*****. Furthermore, Ms
8 Bush acknowledges that only six CLECs have even purchased dark fiber in the state of
9 Michigan.⁴⁹ As such, I separated the cost and rate structure into the initial and additional
10 segment approach that is already inherent in the cost study provided by SBC Michigan.
11 Moreover, given the current average number of *****CONFIDENTIAL XXX END**
12 **CONFIDENTIAL***** intermediate offices per dark fiber route, there is absolutely no
13 basis for Ms. Gomez-McKeon to continue sponsoring that *****CONFIDENTIAL XXX**
14 **END CONFIDENTIAL***** intermediate offices be used.

15 **Q. IS IT TRUE THAT “IN A RECENT INDIANA UNE DOCKET [THAT] NEITHER**
16 **AT&T NOR MCI HAD REQUESTED ANY CHANGES BE MADE TO ANY OF**
17 **THE NONRECURRING DARK FIBER RATE ELEMENTS?”⁵⁰**

18 **A.** I participated in the most recent UNE cost proceeding in Indiana on behalf of AT&T and
19 prepared restatements of all of the nonrecurring cost studies in that proceeding.⁵¹ There

⁴⁸ See SBC Michigan Response to AT&T 26th Set of Discovery, Request No. ST-58 (ATTSBC 1172), April 2, 2004. The spreadsheet “ATT 26th ST-58(1) CONFIDENTIAL.xls” provided with the response lists *****CONFIDENTIAL XX END CONFIDENTIAL***** dark fiber routes purchased by CLECs in the state of Michigan.

⁴⁹ Bush Rebuttal Testimony, p. 12.

⁵⁰ Bush Rebuttal Testimony, p. 11.

1 was no dark fiber nonrecurring cost study included in the filing provided by SBC Indiana
2 of which I am aware. Moreover, in the post-hearing workshops that ensued, there was no
3 discussion of a dark fiber nonrecurring cost study at that time either. Ms. Bush does not
4 provide a specific citation to the “recent Indiana UNE docket” to which she references,
5 but I am not aware of any such filing made by SBC Indiana in the recent docket in which
6 I participated.

7 **B. SEPARATION OF LOOP AND SUB-LOOP CONNECTION CHARGES**

8 **Q. HAVE YOU CONSIDERED MS. BUSH’S TESTIMONY REGARDING YOUR**
9 **NOT SEPARATING THE COSTS FOR LOOP AND SUB-LOOP CONNECTION?**

10 A. Yes. Much of Ms. Bush’s testimony is simply pointing to the two footnotes that describe
11 what a loop fiber element is versus a sub-loop that has no central office connection in it.
12 However, upon further review of the cost study and Ms. Bush’s comments about
13 attempting to reflect when the Field Operations Group (“FOG”) would and would not be
14 involved in the connection charge, I have reconsidered my cost recommendation. In
15 short, with this testimony I will provide the Commission with a restated Dark Fiber
16 nonrecurring cost study that will retain the distinction between loop and sub-loop dark
17 fiber that was in SBC Michigan’s initial cost study. This cost study is contained in
18 Exhibit SET-NRC-7 (Revised).

⁵¹ State of Indiana, Indiana Utility Regulatory Commission, *In the Matter of the Commission Investigation and Generic Proceeding of Rates and Unbundled Network Elements and Collocation for Indiana Bell Telephone Company, Incorporated d/b/a SBC Indiana Pursuant to the Telecommunications Act of 1996 and Related Indiana Statutes*, Cause No. 42393, Response Testimony of Steven E. Turner on behalf of AT&T Communications of Indiana, G.P. and TCG Indianapolis, August 15, 2003.

1 **C. MODIFICATIONS TO TASK TIMES AND PROBABILITIES OF**
2 **OCCURRENCE**

3 **Q. DID MS. BUSH PROVIDE ANY SUBSTANTIVE REBUTTAL TO YOUR TASK**
4 **TIME AND OCCURRENCE PROBABILITY ADJUSTMENTS?**

5 A. No. As with my earlier discussion regarding her interoffice dedicated transport rebuttal,
6 Ms. Bush has only made reference to SBC Michigan’s reliance on subject matter experts
7 for input. She has not addressed any of the specific changes that I have made and as such
8 there is nothing more to say regarding her rebuttal.

9 **Q. MS. GOMEZ-MCKEON TAKES ISSUE WITH YOUR REDUCTION TO THE**
10 **LABOR TIME FOR THE DISTRIBUTION ENGINEER TO PERFORM ROUTE**
11 **RESEARCH.⁵² DOES HER TESTIMONY CHANGE YOUR POSITION?**

12 A. No. Ms. Gomez-McKeon has provided more explanation of why she believes her time is
13 correct, but that it does is confirm why the Commission should reject her proposed time
14 of *****CONFIDENTIAL XXXX END CONFIDENTIAL***** minutes.⁵³ Nothing that
15 Ms. Gomez-McKeon has added in defense of her labor time changes the fact that
16 virtually all of the tasks (except what I have retained) are required by the engineer to
17 manage the SBC network. Specifically, Ms. Gomez-McKeon has listed a large number
18 of tasks related to identifying the number of working pairs in the network, defective
19 pairs, maintenance pairs, growth pairs, and the like that she believes should be charged to
20 the CLEC as a nonrecurring charge. However, in my experience as an equipment
21 engineer at AT&T, it was part of my ongoing responsibility as an engineer to know all of
22 these attributes about the equipment for which I was responsible as a continuing cost of

⁵² Gomez-McKeon Rebuttal Testimony, pp. 38-39.

⁵³ SBC Michigan Cost Study – “DARK FIBER_N_WhslUNE_MI_02-05_U-13531” Workbook, “TAB 8.4.1-D.ENG” Worksheet, Cells F34-F35.

1 maintaining the network. It is completely improper for these costs to be specifically
2 identified and changed to a CLEC when the knowledge of these attributes is an ongoing
3 responsibility of managing SBC Michigan’s fiber network. As such, the task that I have
4 retained and the labor time that I have included is to determine from this information that
5 the engineer should already have readily available to him/her what the number of
6 available pairs are for the requesting CLEC.

7 **Q. MS. GOMEZ-MCKEON INCLUDES INVESTIGATION TIME FOR**
8 **ADDITIONAL FIBERS IN THE SAME ROUTE AND CONTINUES TO DEFEND**
9 **THAT IN HER REBUTTAL TESTIMONY.⁵⁴ DOES HER TESTIMONY**
10 **CHANGE YOUR POSITION?**

11 A. No. Her recommendation makes absolutely no sense. She indicates that the task that the
12 engineer performs is the “Completion of spare fiber calculation worksheet.”⁵⁵ In other
13 words, the engineer determines how many fibers are available to the CLEC. Once this is
14 done, there is no possible way that it would cost more to find out if an additional fiber is
15 available. If six spare fibers are available in a route segment, it is completely illogical to
16 assume that it would cost the CLEC more to have this inquiry done if they were wanting
17 two fibers or three fibers. The answer under either circumstance is that six fibers are
18 available. In short, my recommendation that the additional time be excluded from this
19 fiber investigation is the only reasonable solution to pursue.

⁵⁴ Gomez-McKeon Rebuttal Testimony, p. 39.

⁵⁵ *Id.*

1 **Q. DOES MS. GOMEZ-MCKEON RESPOND TO YOUR ISSUE REGARDING THE**
2 **“VALIDATE AND RESERVE” TASK IN TIRKS AND HOW TO SET THESE**
3 **TIMES?⁵⁶**

4 A. My Initial Testimony identifies two tasks: a “Validate and Reserve” task when the dark
5 fiber is being provisioned for the CLEC and a “Validate and Release” task when the dark
6 fiber is being turned back to SBC by the CLEC and made available. Both of these
7 processes require the notation in TIRKS of the status of the fibers in question. My Initial
8 Testimony simply indicated that these times should be the same and that the “Validate
9 and Release” time seemed more reasonable. Ms. Gomez-McKeon has provided
10 absolutely no explanation as to why the times are different or why the lower time used
11 for the “Validate and Release” function cannot be used for both.

12 **Q. MS. GOMEZ-MCKEON BELIEVES YOU WERE “CONFUSED” REGARDING**
13 **THE DEVELOPMENT OF SBC MICHIGAN’S TIME FOR THE**
14 **TRANSMISSION ENGINEERING TO PERFORM ROUTE RESEARCH.⁵⁷**
15 **PLEASE COMMENT.**

16 A. My Initial Testimony is quite clear that I understood there to be five segments included in
17 the labor time that SBC Michigan developed. Moreover, my testimony specifically
18 indicated that I would be developing the time based on the use of one segment (this
19 would reduce SBC Michigan’s time to 72 minutes) and that I further believed that the
20 time was excessive based on the description of the task involved. I ultimately
21 recommended 30 minutes. My Initial Testimony was quite clear and Ms. Gomez-
22 McKeon has provided no rebuttal to its substance.

⁵⁶ Gomez-McKeon Rebuttal Testimony, p. 40.

⁵⁷ Gomez-McKeon Rebuttal Testimony, pp. 40-41.

1 I would also point out based on the earlier discussion in this testimony regarding
2 discovery on the average number of intermediate offices was *****CONFIDENTIAL XX**
3 **END CONFIDENTIAL*****. This would yield slightly over two segments per
4 Transmission Engineer study – not the five segments that SBC Michigan has assumed.
5 In short, there is no basis to retain the *****CONFIDENTIAL XXX END**
6 **CONFIDENTIAL***** minute time that SBC Michigan proposed in light of the
7 discovery responses I discussed earlier. Further, in light of the tasks performed as
8 described in my Initial Testimony and the rate structure that I have implemented for this
9 element, I would encourage the Commission to order the use of the 30 minute labor time
10 that I recommend.

11 **Q. MS. GOMEZ-MCKEON AGAIN TAKES ISSUE WITH YOUR TRANSMISSION**
12 **ENGINEERING ADJUSTMENT TO NOT INCLUDE LABOR TIME FOR THE**
13 **ADDITIONAL FIBER INQUIRY.⁵⁸ DOES THIS ISSUE FOLLOW THE SAME**
14 **LOGIC AS YOU DISCUSS PREVIOUSLY?**

15 A. Yes it does. Please see my earlier discussion regarding the dark fiber inquiry costs for
16 additional fibers for my rebuttal on this issue.

17 **Q. YOU POINTED OUT IN YOUR INITIAL TESTIMONY THAT FOR THE**
18 **EXACT SAME TASK – “SUBMIT DARK FIBER ANALYSIS TO LSC” – IS**
19 **PROVIDED WITH TWO TOTALLY DIFFERENT TIMES. DOES MS. GOMEZ-**
20 **MCKEON’S REBUTTAL ON THIS ISSUE ADJUST YOUR THINKING?⁵⁹**

21 A. Absolutely not. Ms. Gomez-McKeon offers nothing substantive on this point. Given
22 that this task is just the written confirmation of what was found in the inquiry, the amount
23 of time that SBC Michigan identified for the Distribution Engineer to perform this task –

⁵⁸ Gomez-McKeon Rebuttal Testimony, p. 41.

⁵⁹ Gomez-McKeon Rebuttal Testimony, pp. 41-42.

1 *****CONFIDENTIAL XX END CONFIDENTIAL***** minutes – should be sufficient
2 for the Transmission Engineer as well.

3 **Q. ARE THERE TELEPHONE NUMBERS ASSIGNED TO DARK FIBER AS MS.**
4 **GOMEZ-MCKEON INDICATES IN HER REBUTTAL OF YOU REGARDING**
5 **THE ORDER ANALYSIS FUNCTION ONLY APPLYING TO THE ORDER –**
6 **NOT ADDITIONAL FIBERS?⁶⁰**

7 A. Of course not. This issue has been discussed in the context of many different order types.
8 However, in the case of dark fiber, there would not be a telephone number associated
9 with the dark fiber. Further, there is simply no basis suggesting that there would be
10 additional cost for the analyzing the order for the second fiber between the same two
11 points that the first fiber also spans. The personnel evaluate the order – not every
12 incremental dark fiber on the order.

13 **Q. WAS THE ISSUE OF TRAVEL TIME FOR THE DOG TECHNICIAN**
14 **DISCUSSED EARLIER IN THIS TESTIMONY THAT MS. GOMEZ-MCKEON**
15 **BRINGS UP AGAIN?⁶¹**

16 A. Yes. It was discussed for the EEL and Loop nonrecurring cost discussions. I will not
17 repeat the same discussion here.

18 **Q. DO YOU AGREE WITH MS. GOMEZ-MCKEON THAT THE HIGHER TIME**
19 **THAT IS ASSIGNED TO THE DOG OVER THAT WHICH IS ASSIGNED TO**
20 **THE SSC FOR TESTING IS “FOR THE DOG TECHNICIAN TO COMPLETE**
21 **ANY STANDARD TESTING PRIOR TO CONTACTING THE SSC TO**
22 **ASSIST?”⁶²**

23 A. No. The only testing that the DOG technician may do is a continuity test prior to the
24 work with the SSC. The SSC controls the testing and Ms. Gomez-McKeon seems to

⁶⁰ Gomez-McKeon Rebuttal Testimony, p. 42.

⁶¹ Gomez-McKeon Rebuttal Testimony, pp. 42-43.

⁶² Gomez-McKeon Rebuttal Testimony, p. 43.

1 agree with this position on my part. The DOG technician, because he is in the field, must
2 remain available for the SSC technician until the test is complete. This normally takes
3 *****CONFIDENTIAL XX END CONFIDENTIAL***** as SBC Michigan has assumed.
4 However, this is all the time that is required – not the significantly overstated time that
5 SBC Michigan has proposed.

6 **Q. MS. GOMEZ-MCKEON BELIEVES THAT SHE HAS FOUND A DISCREPANCY**
7 **IN YOUR LABOR TIME FOR THE “SCREEN ORDER” AND**
8 **“ADMINISTRATIVE CLOSEOUT” FUNCTIONS FOR THE SSC.⁶³ PLEASE**
9 **COMMENT.**

10 A. I have two comments on this issue. *First*, Ms. Gomez-McKeon is correct that I have
11 inadvertently shown in my Initial Testimony that the time that SBC Michigan shows for
12 this task is 10.00 minutes when the actual time that SBC Michigan shows in the cost
13 study is *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes.⁶⁴

14 *Second*, while this is interesting, it completely misses the point of my Initial
15 Testimony. My Initial Testimony was that the additional time should be set to zero
16 minutes because this work is associated with the order once again – not with the
17 individual fibers. Ms. Gomez-McKeon has provided no rebuttal to the substance of my
18 Initial Testimony.

⁶³ Gomez-McKeon Rebuttal Testimony, pp. 43-44.

⁶⁴ SBC Michigan Cost Study – “DARK FIBER_N_WhsIUNE_MI_02-05-U-13531” Workbook, “TAB 8.8.1-SSC” Worksheet, Cells F19-F20.

1 **Q. DO THE FOG TECHNICIANS HAVE TO GO TO A “SECURE LOCATION TO**
2 **REMOVE THE CABLE AND GO BACK TO COMPLETE THE CROSS-**
3 **CONNECT” AS MS. GOMEZ-MCKEON DESCRIBES FOR A DARK FIBER**
4 **CROSS-CONNECT?**⁶⁵

5 A. Not in my experience. I have routinely observed pre-cut, pre-connectorized fiber patches
6 waiting at the LGX for the technician should a cross-connect be required. I have
7 observed this in SBC central offices as well on the tours that I have been on. The travel
8 time for these jumpers is seconds – not the several minutes required by SBC Michigan’s
9 analysis.

10 **VI. CONTINUING SHORTCOMINGS IN SBC’S CLEAR CHANNEL CAPABILITY**
11 **ON DS1 INTEROFFICE NONRECURRING COST STUDY**

12 **Q. DO YOU BELIEVE IT IS NECESSARY FOR THIS COMMISSION TO STILL**
13 **MAKE A FINDING THAT THE CLEAR CHANNEL CAPABILITY**
14 **NONRECURRING CHARGE SHOULD NOT APPLY WHEN ORDERED**
15 **INITIALLY WITH THE DS1?**

16 A. It should certainly not be controversial for the Commission to make this finding since
17 Ms. Bush has acknowledged that this is SBC Michigan’s intent.⁶⁶ My understanding
18 from numerous discussions with CLECs in other cost proceedings is that this is
19 sometimes a point of conflict with SBC. It was for this reason that I identified the issue
20 in my Initial Testimony. I encourage the Commission to make this uncontroversial
21 finding so that there is no issue going forward.

⁶⁵ Gomez-McKeon Rebuttal Testimony, pp. 44-45.

⁶⁶ Bush Rebuttal Testimony, p. 14.

1 **Q. MS BUSH SEEMS TO CONFUSE THE ISSUE BETWEEN THE CLEAR**
2 **CHANNEL CAPABILITY COST STUDY AND THE EEL COST STUDY IN HER**
3 **TESTIMONY.⁶⁷ COULD YOU CLEAR THIS ISSUE UP?**

4 A. Yes. Ms. Bush carefully avoids making clear in her testimony that the comparison I was
5 drawing was between the Clear Channel Capability cost study and the EEL cost study
6 also containing a cost for Clear Channel Capability. In other words, SBC Michigan has
7 studied precisely the same cost in two places in its cost studies and structured the studies
8 differently. In the EEL cost study, the costs for Clear Channel Capability were separated
9 into the costs for an initial circuit and additional circuits. However, in the stand alone
10 Clear Channel Capability cost study, SBC Michigan only developed the costs for initial
11 circuits apparently intended to apply this higher cost to all circuit requests whether they
12 are initial or additional circuit orders.

13 **Q. OTHER THAN THE CONFUSION, IS THERE ANY SUBSTANCE TO MS.**
14 **BUSH'S REBUTTAL?**

15 A. No. Ms. Bush's only response is that the structure that she used is what exists in FCC
16 Tariff No. 2 Section 6.9.3(A) and mirrored in other SBC Michigan MPSC tariffs.⁶⁸ As I
17 indicated earlier when discussing this same issue regarding interoffice transport, it may
18 be true that the FCC tariff and other MPSC tariffs follow this structure. However, it is
19 highly unlikely that SBC Michigan's proposed structure for this element has been
20 challenged in the level of detail that this current proceeding is evaluating. In this present
21 cost proceeding I have carefully reviewed the cost development that SBC Michigan has
22 used in developing the nonrecurring cost for all nonrecurring UNE cost elements

⁶⁷ Bush Rebuttal Testimony, pp. 14-15.

⁶⁸ Bush Rebuttal Testimony, p. 14.

1 including the Clear Channel Capability elements and found that the appropriate structure
2 that should be used is to separate the initial circuit costs from the additional circuit costs.
3 The fact that this has not been done in past is not sufficient grounds to retain the old rate
4 structure when the old rate structure is inconsistent even with SBC Michigan's own
5 representation of how the costs are caused. Again, in the EEL cost study, SBC Michigan
6 readily acknowledges that the costs are different between initial circuits and additional
7 circuits. All that I have done is reflect this in the Clear Channel Capability cost study
8 and carried it through to the proposed rates and rate structure. In short, Ms. Bush's only
9 rebuttal – that this is not how it was done in the past – is certainly insufficient for this
10 Commission to maintain this structure going forward in light of the information I have
11 presented.

12 **Q. DOES MS. BUSH MAKE ANY SUBSTANTIVE REBUTTAL TO YOUR LABOR**
13 **TIME AND PROBABILITY ADJUSTMENTS?**

14 A. No. Ms. Bush indicates that one of my probability adjustments is wrong, but leaves it to
15 Ms. Gomez-McKeon to provide the explanation.⁶⁹ When I discuss Mr. Gomez-
16 McKeon's specific rebuttal it will be clear that SBC Michigan does not offer any
17 consequential rebuttal to the labor time and probability adjustments that I make to SBC
18 Michigan's nonrecurring cost studies.

⁶⁹ Bush Rebuttal Testimony, p. 15.

1 **VII. CONTINUING SHORTCOMINGS IN SBC'S SERVICE ORDER**
2 **NONRECURRING COST STUDIES**

3 **A. SUPPORT ACTIVITIES**

4 **Q. MR. CHRISTENSEN TAKES ISSUE WITH YOUR REDUCTIONS IN THE**
5 **PROBABILITIES OF OCCURRENCE FOR THE SUPPORT ACTIVITIES IN**
6 **THE SERVICE ORDER COST STUDIES. PLEASE SUMMARIZE HIS**
7 **CRITICISMS.**

8 A. My understanding of Mr. Christensen's testimony is that the "Support Activities"
9 probabilities of occurrence are based on "existing LSC tracking reports that are prepared
10 and maintained in the normal course of business."⁷⁰ Mr. Christensen goes on to explain
11 that the probabilities of occurrence are simply the embedded percentages that exist in
12 SBC's work centers and that there is "always a possibility of human error on both the
13 part of SBC and/or the CLEC which would, no doubt, result in a probability of
14 occurrence that is significantly higher than the 2 percent proposed by Mr. Turner in his
15 testimony."⁷¹ In short, Mr. Christensen believes that embedded fallout percentages
16 should be used regardless of what embedded level of fallout SBC Michigan experiences.
17 To the contrary, the TELRIC methodology requires that this Commission establish a
18 fallout percentage that is consistent with efficient, forward-looking processes.

19 **Q. WHAT PROBABILITIES OF OCCURRENCE OR FALLOUT HAS SBC**
20 **MICHIGAN USED FOR THESE SUPPORT ACTIVITIES?**

21 A. First of all, the probability of occurrence or fallout that SBC Michigan has assumed
22 overall for the LSC to provision a UNE-P order, for example, is *****CONFIDENTIAL**

⁷⁰ Christensen Rebuttal Testimony, p. 3.

⁷¹ Christensen Rebuttal Testimony, p. 4.

1 XXX END CONFIDENTIAL*** percent.⁷² This is precisely the fallout percentage that
 2 the Commission previously found should be two percent, rejecting SBC Michigan’s
 3 assertion that embedded fallout should be used.⁷³ However, in addition to this fallout
 4 percentage, SBC Michigan adds fallout-related costs for six Support Activities. The table
 5 below shows the probability of occurrence or fallout percentage SBC Michigan
 6 recommends for each of these functions.⁷⁴

7 ***CONFIDENTIAL

Support Activity	Fallout Percentage
XXXXX	XXXXX
XXXXX	XXXXX
XXXXX	XXXXX
XXXXX	XXXXX
XXXXX	XXXXX
XXXXX	XXXXX

8 END CONFIDENTIAL***

9 Most importantly, each of these fallout percentages **is in addition** to the fallout
 10 percentage that SBC Michigan recommends for the overall process – i.e., in addition to
 11 the ***CONFIDENTIAL XXX END CONFIDENTIAL*** percent for UNE-P orders.

12 In other words, the cumulative fallout that SBC Michigan includes in its cost study is

⁷² SBC Michigan Cost Study – “Serv Ord Existing UNE-P_N_Whsl_MI_02-05_U-13531” Workbook, “TAB 6.12” Worksheet, Cell E14.

⁷³ Opinion and Order, State of Michigan, Before the Michigan Public Service Commission, *In the matter, on the Commission’s own motion, to consider the total service long run incremental cost for access, toll, and local exchange services provided by AMERITECH MICHIGAN*, Case No. U-11831, November 16, 1999, p. 27.

⁷⁴ SBC Michigan Cost Study – “Serv Ord Existing UNE-P_N_Whsl_MI_02-05_U-13531” Workbook, “TAB 8.18” Worksheet, Cell I11, “TAB 8.20” Worksheet, Cell I11, “TAB 8.22”

(continued)

1 *****CONFIDENTIAL XXX END CONFIDENTIAL***** percent for a UNE-P order
2 because of the additional *****CONFIDENTIAL XXX END CONFIDENTIAL*****
3 percent in fallout resulting from these “Support Activities.” This is unsupportable
4 because this process, with rare exception, should be fully mechanized. In short, Mr.
5 Christensen’s claim that all he wants this Commission to do is allow for it recover its
6 embedded fallout leads to the use of a cumulative fallout of *****CONFIDENTIAL XXX**
7 **END CONFIDENTIAL*** XXXXX ***CONFIDENTIAL XXX END**
8 **CONFIDENTIAL***** times what the Commission previously ordered for fallout in
9 Michigan. If this really is SBC Michigan’s embedded fallout, which has not been
10 demonstrated and which I highly doubt, it cannot be adopted because it is inconsistent
11 with the efficient, forward-looking cost development required by fundamental TELRIC
12 principles.

13 **Q. SBC MICHIGAN OFFERS TO CHANGE MANY THINGS IN ITS**
14 **NONRECURRING COST STUDIES. DID IT UPDATE OR MODIFY THESE**
15 **SUPPORT ACTIVITY FALLOUT PERCENTAGES IN ANY WAY?**

16 **A.** No. SBC Michigan did not update these fallout percentages. In fact, these percentages
17 are incredibly dated. The REJECT, SUPP ORDER, PPD, and ESOI Error fallout
18 percentages used by SBC are all based on data from December 2001 through February
19 2002.⁷⁵ These data are over two years old. The 3E Error fallout percentage is based on

Worksheet, Cell I11, “TAB 8.23” Worksheet, Cell I11, “TAB 8.25” Worksheet, Cell I11, and
“TAB 8.27” Worksheet, Cell I11.

⁷⁵ SBC Michigan Cost Study – “Serv Ord Existing UNE-P_N_Whsl_MI_02-05_U-13531”
Workbook, “TAB 8.31” Worksheet.

1 data from January 2002 through March 2002.⁷⁶ These data are also over two years old.

2 Finally, the ACD Coverage fallout percentage is based on data from March 2002. Again,

3 the data are almost two years old. These data are clearly no longer contemporary to the

4 timeframe of this proceeding and should be rejected.

5 **Q. MR. CHRISTENSEN TAKES ISSUE WITH YOUR RESTATEMENT OF THE**
6 **SUPPLEMENTAL ORDER ACTIVITY PROBABILITY TO TWO PERCENT.⁷⁷**
7 **DOES HIS RESPONSE TO YOUR TESTIMONY CAUSE YOU TO AMEND**
8 **YOUR POSITION IN ANY WAY?**

9 A. No. Mr. Christensen again criticizes my position as ignoring real world experience. He
10 does this even though the data used in SBC's own studies are dated as discussed above.

11 A supplemental order should be handled in the same way as the initial order and be
12 programmed to flow-through. My proposal of two percent for Supplemental Activity
13 fallout is consistent with my proposal for an overall two percent fallout.

14 **Q. MR. CHRISTENSEN TAKES ISSUE WITH YOUR TESTIMONY REGARDING**
15 **THE PENDING PAST DUE ACTIVITY IN THE SERVICE ORDER COST**
16 **STUDIES.⁷⁸ DOES HIS TESTIMONY CAUSE YOU TO AMEND YOUR**
17 **POSITION IN ANY WAY?**

18 A. No. However he does present another correction that SBC should make to its own cost
19 studies. Mr. Christensen notes that *****CONFIDENTIAL XX END**

20 **CONFIDENTIAL***** percent of PPD activity is caused by SBC.⁷⁹ Should the

21 Commission decide not to accept my proposal, the PPD fallout percentage should be
22 reduced this percentage.

⁷⁶ *Id.*

⁷⁷ Christensen Rebuttal Testimony, pp. 4-5.

⁷⁸ Christensen Rebuttal Testimony, pp. 5-6.

⁷⁹ Christensen Rebuttal Testimony, p. 6.

1 **B. EEL SERVICE ORDER NONRECURRING COST STUDY**

2 **Q. MR. CHRISTENSEN TAKES ISSUE WITH SEVERAL CORRECTIONS THAT**
3 **YOU MAKE TO THE EEL SERVICE ORDER COST STUDY.⁸⁰ DO YOU HAVE**
4 **ANY COMMENTS ON HIS REBUTTAL TESTIMONY?**

5 A. Yes. I made four modifications to labor times in the EEL Service Order Cost Study. Mr.
6 Christensen’s testimony could be read to indicate that he found problems with all my
7 changes because he generally disparages the basis for the “experience” that I relied on in
8 making the modifications. However, I point out that Mr. Christensen actually
9 acknowledges one of these changes as being appropriate.⁸¹

10 **Q. DO YOU HAVE ANY RESPONSE TO THE THREE CORRECTIONS THAT**
11 **YOU MADE TO WHICH MR. CHRISTENSEN PROVIDES SPECIFIC**
12 **REBUTTAL?**

13 A. Yes. Mr. Christensen takes issue with my modification for the amount of time necessary
14 to “select a reject reason and make notes on the service order.”⁸² Part of his criticism is
15 that he is not aware of the experience that I have drawn on to identify my modified time
16 for this task of one minute. Further, he provides an explanation of the various systems
17 that SBC Michigan allegedly uses simply to reject a service order from the CLEC. I
18 would like to address each of these points.

19 *First*, the experience that I drew on, in part, is managing a large technician and
20 clerical workforce responsible for working maintenance tasks for the service problems of
21 retail long distance customers. Specifically, one of the last tasks that the technicians and
22 clerks are required to perform before closing out the maintenance request is to identify

⁸⁰ Christensen Rebuttal Testimony, pp. 6-7.

⁸¹ Christensen Rebuttal Testimony, p. 9.

1 the code describing the resolution of the trouble and make any notes regarding the
2 customer's service. This is not dissimilar to SBC Michigan's task to identify a reject
3 cause. My technicians and clerks would have evaluated the trouble and resolved it on
4 behalf of the customer and then, finally, identified the trouble resolution code and made
5 their notes. This last task of documenting the closeout code and making notes
6 consistently took less than one minute. I would not anticipate that SBC Michigan's
7 identification of a rejection code and making its notes would – or should – take any
8 longer.

9 *Second*, the systems interface issues that Mr. Christensen identifies do not justify
10 the time SBC Michigan has identified. It only indicates SBC Michigan's clear need to
11 streamline its systems interfaces. In an efficient process and systems environment, SBC
12 Michigan's service order personnel in the LSC should only have to enter the reject code
13 and notes once, and any related systems that require this information should receive it
14 automatically. As such, if LASR is the system where SBC Michigan's service order
15 personnel record the rejection code and notes, then the subsequent interface into EXACT,
16 where the SBC Michigan's service representative is redundantly "required to process the
17 reject, and cancel[s] the Access Service Request ("ASR") and types notes on that service
18 request", is entirely duplicative.⁸² This subsequent interface should happen electronically
19 between LASR and EXACT such that the information entered once by the service order
20 representative would simply flow electronically into EXACT. The manual work would

⁸² Christensen Rebuttal Testimony, p. 7.

⁸³ Christensen Rebuttal Testimony, p. 8.

1 not be required twice. Moreover, Mr. Christensen even notes another unnamed system
2 where apparently this work must be performed yet a third time. In all, this duplicative
3 work is inefficient and unnecessary. I would also point out that Mr. Christensen admitted
4 in the recent Illinois hearing on UNE costs that the information being entered three times
5 was essentially the same information.⁸⁴ According to SBC Michigan, to perform the
6 same work three times, the task time is *****CONFIDENTIAL XXX END**
7 **CONFIDENTIAL***** minutes.⁸⁵ In an efficient process this work would be required
8 only once and my estimate of one minute is reasonable and even consistent with the time
9 estimate provided by SBC Michigan if the process were performed efficiently.

10 **Q. PLEASE ADDRESS THE SECOND AREA MR. CHRISTENSEN CRITICIZES IN**
11 **YOUR SERVICE ORDER MODIFICATIONS.**

12 A. Mr. Christensen provides an extensive explanation of why he believes the
13 *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes that SBC Michigan
14 assumes for the LSC service order personnel to check the EXACT SUPP page is
15 necessary. Effectively, Mr. Christensen has completely redefined the purpose of this task
16 because he states that if the CLEC has filled in the supplemental order properly, there is
17 no meaningful time necessary for SBC Michigan's LSC service order representative to
18 perform the task. However, if the CLEC does not fill out the supplemental order
19 correctly, then Mr. Christensen indicates that the *****CONFIDENTIAL XXX END**
20 **CONFIDENTIAL***** minutes to perform this task is because of having to perform a

⁸⁴ Illinois Commerce Commission, ICC Docket No. 02-0864, *Illinois Bell Filing to Increase Unbundled Loop and Nonrecurring Rates*, Transcript from Hearing on the Merits, March 17, 2004, pp. 1220-1222.

1 “stare and compare” function to identify the change in the order that would not otherwise
2 be required.⁸⁶ In other words, Mr. Christensen, as he often tries to do, blames the CLEC
3 rather than the process for the extra time. Notwithstanding that it would be quite easy to
4 establish edits that require the CLEC to prepare the supplemental order correctly before it
5 is accepted by SBC Michigan’s systems, there is another problem with Mr. Christensen’s
6 recent redefinition of this labor time and process of which the Commission should be
7 made aware. Specifically, the probability that SBC Michigan identifies for this task is
8 the probability that a supplemental order is placed by the CLEC at all, regardless of
9 whether it is done properly or not by the CLEC. However, Mr. Christensen has made it
10 clear that the labor time it identifies applies only when the CLEC has not filled in the
11 supplemental order properly. In other words, the probability of occurrence that SBC
12 Michigan is using is too great for the labor time that has been identified. In an efficient,
13 forward-looking process this task should take no measurable time. But if the
14 Commission opts to allow this task, the probability that SBC Michigan has suggested
15 clearly does not match the labor time that SBC Michigan has incorporated in the cost
16 study.

17 **Q. PLEASE ADDRESS THE THIRD AREA THAT MR. CHRISTENSEN**
18 **CRITICIZES IN YOUR SERVICE ORDER MODIFICATIONS.**

19 A. The final criticism that Mr. Christensen levels in this area relates to the amount of time
20 that it takes to answer the phone for an EEL Service Order. Mr. Christensen’s
21 explanation is that because of the low volume of EEL Service Orders, SBC Michigan has

⁸⁵ *Id.*

1 not set up an automated manner for the CLEC to get to the service order representative
2 working on the EEL Service Orders without going through a *****CONFIDENTIAL XX**
3 **END CONFIDENTIAL***** minute transfer process.⁸⁷ At present, it is true that the
4 volume of service orders for EELs is negligible. Of course, SBC Michigan has also
5 recently participated in a Triennial Review Order (TRO) proceeding where it is trying to
6 eliminate CLECs' ability to have access to unbundled local switching on a going-forward
7 basis. It is possible that SBC Michigan will argue that EELs are one of the options
8 available to CLECs to use in lieu of unbundled switching or collocating in SBC
9 Michigan's wire centers. In effect, SBC Michigan's assumptions regarding the currently
10 low volume of EEL orders may not be consistent with its advocacy in the TRO
11 proceeding.

12 In any event, SBC Michigan's assumption that it takes *****CONFIDENTIAL**
13 **XX END CONFIDENTIAL***** minutes to simply transfer a customer from one service
14 representative to another is patently unreasonable. Anyone who is generally familiar
15 with how SBC's phone system works and how to transfer a call can quickly look up who
16 the representative is for an order and transfer the customer to that representative in no
17 longer than a minute. I have had exactly this experience when I worked on service orders
18 with SBC personnel for a CLEC that I previously owned where SBC chose to transfer me
19 to a customer service representative who was more familiar with my order. Further, Mr.
20 Christensen also explains that "a CLEC can completely avoid using the ACD for

⁸⁶ *Id.*

⁸⁷ Christensen Rebuttal Testimony, p. 9.

1 inquiries related to EEL orders by direct dialing the service representative's number that
2 is listed on the service order."⁸⁸ Since this latter process is currently available there
3 would be no reason to base the time for answering the call on the inefficient process of
4 using the ACD. In short, the *****CONFIDENTIAL XX END CONFIDENTIAL*****
5 minutes that SBC Michigan has assumed is simply unreasonable and should be rejected
6 by the Commission.

7 **Q. WHILE WE ARE ON THE TOPIC OF ACD, HAVE YOU REVIEWED THE NEW**
8 **DATA PROVIDED BY MR. CHRISTENSEN REGARDING THE ACD**
9 **PROBABILITY OF OCCURRENCE?**⁸⁹

10 A. Yes. Mr. Christensen acknowledges that the data that was previously provided to AT&T
11 in response to discovery was in error and that the data attached to his testimony corrects
12 this discovery request. I have reviewed this revised data and need to make two points.
13 *First*, this data effectively responds to footnote 292 in my Initial Testimony where I point
14 out that the ACD calls have been dropping over the time period studied and Mr.
15 Christensen finds fault with this in that I was not looking at correct data. This may be the
16 case. However, while I make this point in footnote 292 of my Initial Testimony, I did not
17 use this data to develop my alternative ACD percentage. Instead, my recommendation,
18 which Mr. Christensen does not rebut in any way, is that if the Commission were to
19 utilize an efficient forward-looking fallout percentage of two percent rather than SBC
20 Michigan's embedded fallout percentage, one would anticipate that the probability for
21 phone calls from the CLEC would decline proportionally. In other words, if SBC

⁸⁸ *Id.*

⁸⁹ Christensen Rebuttal Testimony, pp. 14-15.

1 Michigan's systems process the orders more efficiently, one would anticipate that the
2 number of calls would drop commensurately.

3 *Second*, Mr. Christensen also updates the ACD call volumes for Loop orders for
4 which I calculated an ACD probability of 0.14 percent. He does not update the ACD call
5 volumes for UNE-P orders for which I calculated an ACD probability of 0.36 percent.
6 However, I did not use the 0.14 percent ACD probability instead using the ACD
7 probability of 0.36 percent related to UNE-P. I chose this higher probability because this
8 is the area that SBC had performed the most process improvements in and the area where
9 the majority of order volume was focused. In short, Mr. Christensen's data would affect
10 tangential points that I make in my Initial Testimony, but he does not respond to the main
11 recommendations that I make in any way (as noted above). Further, his corrected
12 discovery response does not change my recommendations regarding the ACD probability
13 in that the new data is unrelated to that recommendation.

14 **C. EXISTING UNE-P SERVICE ORDER NONRECURRING COST STUDY**

15 **Q. MR. CHRISTENSEN TAKES ISSUE WITH SEVERAL OF YOUR LABOR TIME**
16 **MODIFICATIONS TO THE EXISTING UNE-P SERVICE ORDER**
17 **NONRECURRING COST STUDY.⁹⁰ PLEASE COMMENT ON HIS**
18 **TESTIMONY.**

19 A. *First*, Mr. Christensen describes an incredibly detailed and inefficient process by which a
20 LSC service order representative simply selects a service order that requires logging into
21 one system to obtain information that "does not deliver the actual PON to be worked."⁹¹
22 The service order representative is then required to "cut and paste" this first piece of

⁹⁰ Christensen Rebuttal Testimony, pp. 10-11.

⁹¹ Christensen Rebuttal Testimony, p. 10.

1 information into yet another system in order to actually pull the order to be worked on.

2 As I stated earlier, I have worked in many different customer service environments where

3 service representatives must access work orders electronically. I have never seen a

4 process as inefficient as that described by Mr. Christensen. The service representative

5 needs to have delivered to him or her a set of work orders to be completed from which

6 the next in line would be selected. The service representative need not go through a trail

7 of systems to simply select the next order to be worked. If this is what SBC Michigan

8 has actually implemented in its LSC, CLECs should not be required to pay for this

9 inefficiency. The TELRIC methodology requires that efficient, forward-looking

10 processes be implemented when developing costs, and nothing less is acceptable or

11 lawful. If CLECs are required to pay the costs of these inefficient processes, the

12 Commission will effectively be implementing a system that purposefully burdens CLECs

13 with inefficient costs and unreasonable barriers to entry. SBC Michigan does not have to

14 bear such costs when it provides service to its own customers. TELRIC prevents this

15 type of discriminatory treatment by requiring that efficient, forward-looking technology

16 be assumed. Mr. Christensen's testimony does nothing more than confirm that SBC

17 Michigan has implemented an inefficient ordering system to serve CLECs. That fact is

18 not sufficient to justify the labor times recommended by SBC Michigan resulting from

19 inefficient, labor intensive processes.

20 *Second*, Mr. Christensen criticizes my adjustments to other labor times (reject

21 activity process and ACD process), stating that he does not know what the basis of my

22 experience is in making the proposed time input changes. My preceding testimony

1 provides insight into the basis for my changes. However, because Mr. Christensen has
2 made no specific criticisms regarding the labor times I have implemented, my only
3 response is to cite to the extensive experience that I have working in service order
4 environments and my past eight years of experience preparing and evaluating TELRIC
5 cost studies. Both are required to prepare a properly constructed cost study consistent
6 with TELRIC – an understanding of efficient processes and how to translate these
7 processes into cost studies.

8 **Q. MR. SILVER TAKES ISSUE WITH YOUR TESTIMONY REGARDING THE**
9 **WEIGHTING OF EXISTING UNE-P SERVICE ORDER COSTS WITH DIAL**
10 **TONE AND WITHOUT DIAL TONE.⁹² PLEASE COMMENT ON HIS**
11 **TESTIMONY.**

12 A. For all practical purposes, Mr. Silver did not respond to my testimony in any meaningful
13 way. All that Mr. Silver responds to is that, while it is true that the Existing UNE-P
14 without dial tone option does not happen much (****CONFIDENTIAL XXX END**
15 **CONFIDENTIAL***** percent probability), it is still appropriate to weight this cost into
16 the overall Existing UNE-P Service Order.⁹³ The problem with his rebuttal is that the
17 percentage probability of the without dial tone option was only a small part of why I
18 believed that the Existing UNE-P Service Order should be developed exclusively based
19 on the with dial tone option. As I noted in my Initial Testimony, my understanding is
20 that SBC is unable to distinguish between a service order for a new UNE-P combination
21 where everything is already wired but where there is no dial tone from a service order for

⁹² Silver Rebuttal Testimony, p. 11.

⁹³ SBC Michigan Cost Study – “Serv Ord Existing UNE-P_N_Whsl_MI-02-05_U-13531”
Workbook, “TAB 6.2” Worksheet, Cells E29-E30.

1 a new UNE-P combination where everything is not already wired. As such, it is likely
2 SBC Michigan will charge the CLEC for a New UNE-P Combination rather than an
3 Existing UNE-P Combination simply because SBC is unable to distinguish between the
4 two. As a result, the most prudent approach is to simply use the New UNE-P Service
5 Order cost to represent all service orders where no dial tone exists regardless of whether
6 the wiring is already in place or not. This then applies the Existing UNE-P Service Order
7 to those situations where an existing customer (with dial tone) is simply migrating to the
8 CLEC as a customer. I have therefore assigned the “with dial-tone option” probability
9 the value of 100.0 percent and I have assigned the “without dial-tone option” probability
10 a value of 0.0 percent. The important point here is that Mr. Silver has not addressed this
11 testimony at all. I believe this is because what I have said here is incontrovertible. As
12 such, I simply recommend that the Commission accept my approach for the weighting in
13 the Existing UNE-P Service Order cost study and allow SBC’s current process (because
14 it cannot help to do otherwise) of charging a New UNE-P Service Order for those
15 situations where dial-tone does not exist to continue. In so doing, the costs for the
16 Existing UNE-P Service Order will not be negatively impacted by a situation where SBC
17 Michigan does not have a process to even charge the Existing UNE-P Service Order (a
18 new UNE-P arrangement that is already wired).

19 **D. UNBUNDLED LOOP SERVICE ORDER COST STUDY**

20 **Q. DOES MR. CHRISTENSEN OFFER ANY SPECIFIC REBUTTAL REGARDING**
21 **THE UNBUNDLED LOOP SERVICE ORDER COST STUDY?**

22 **A.** No. Mr. Christensen indicates that he has a problem with the changes that I made to the
23 “reject activity, the supplemental order activity, and the ACD coverage activity

1 processes.”⁹⁴ However, he indicates that he disagrees with these changes for the same
2 reasons that he criticized the “EEL and Existing UNE-P Service Order Cost Studies.”⁹⁵ I
3 have addressed these issues previously and will not repeat the discussion here. The
4 problem is that Mr. Christensen’s approach does not make sense.

5 Mr. Christensen already explained that the reason he had a problem with my labor
6 time change for the EEL Service Order Cost Study was that EEL service orders occur in
7 such low volume. As I noted, it may be true presently that EELs occur in low volume,
8 but unbundled loop orders occur in significantly greater volume than EEL orders. Mr.
9 Christensen’s rebuttal testimony cannot be logically extended, in my opinion, from EEL
10 orders to unbundled loop orders. Nonetheless, Mr. Christensen offers no specific rebuttal
11 on this cost study.

12 **E. SPECIAL ACCESS TO UNE CONVERSION – PROJECT**
13 **ADMINISTRATIVE CHARGE COST STUDY**

14 **Q. PLEASE EXPLAIN WHY YOUR USE OF 30 SECONDS PER ORDER IN THE**
15 **SPECIAL ACCESS TO UNE CONVERSION – PROJECT ADMINISTRATIVE**
16 **CHARGE COST STUDY IS REASONABLE.**

17 **A.** I provided a detailed explanation of this issue in my Initial Testimony, but Mr.
18 Christensen believes I did not explain the basis for my time estimates – 30 minutes in
19 total for the project – anywhere in my testimony.

20 The Special Access to UNE Conversion (SA2UNE) – Project Administrative
21 Charge Cost Study is part of a *project*. SBC Michigan has already indicated in the cost
22 study that it assumes that 60 orders will be done at one time and that this assumption is

⁹⁴ Christensen Rebuttal Testimony, p. 11.

⁹⁵ *Id.*

1 “applied in this study.”⁹⁶ With this assumption, SBC Michigan would have us believe
2 that it requires *****CONFIDENTIAL XXX XXX XXX XXX END**
3 **CONFIDENTIAL***** just to match up the orders. SBC Michigan notes that only one
4 circuit can be placed on an order.⁹⁷ Accordingly, when there are multiple circuits to a
5 single location that would likely have very similar circuit identifications, each of these
6 will, according to SBC, require its own service order. I have not sought to change these
7 assumptions in SBC Michigan’s cost study. However, because 60 of these orders are
8 assumed to be done at one time (and therefore 60 circuits are provisioned at one time), I
9 have set out a reasonable time of 30 minutes to match these circuits up in EXACT
10 because many of the orders will have very similar information on them.

11 Mr. Christensen does not seem to be aware that only one circuit will appear on
12 each order. His testimony is as follows: “For each circuit ID on the Local Service
13 Request (“LSR”), the service representative retrieves the circuit information from
14 EXACT and verifies that each circuit on the LSR is also located on the spreadsheet.”⁹⁸
15 Mr. Christensen’s reference to “each” in his testimony demonstrates that he believes
16 there will be multiple circuits on a single service order (LSR). In other words, Mr.
17 Christensen believes that the *****CONFIDENTIAL XXX END CONFIDENTIAL*****
18 minutes will apply to multiple circuits on a single order. I would agree with Mr.
19 Christensen if this were the way SBC’s cost study was set up. However, SBC Michigan

⁹⁶ SBC Michigan Cost Study – “Serv Ord SPCL ACC to UNE AdminChargePerReq_N_WhlsUNE_MI_02~1” Workbook, “TAB 1.0” Worksheet, Cell A48.

⁹⁷ SBC Michigan Cost Study – “Serv Ord SPCL ACC to UNE AdminChargePerReq_N_WhlsUNE_MI_02~1” Workbook, “TAB 1.0” Worksheet, Cell A47.

1 makes it quite clear that the charge it has developed in this cost study is to be applied per
2 circuit. My time estimates take this reality into account. Mr. Christensen's time
3 estimates do not.

4 **Q. DOES MR. CHRISTENSEN'S OR MS. GOMEZ-MCKEON'S EXPLANATION**
5 **REGARDING THE PROCESS THAT THE LSC USES TO REVIEW THE**
6 **ORDER IN EXACT CAUSE YOU TO MODIFY YOUR TIME ESTIMATE?⁹⁹**

7 A. No. The processes that SBC Michigan identifies are unnecessary because, by definition,
8 these circuits being converted from special access to UNEs are already working circuits.
9 The CLEC has ordered the migration of a working special access circuit to now be
10 provisioned using UNEs. Mr. Christensen says that "the fact that the circuits are already
11 working does not have an impact on the tasks performed by the LSC."¹⁰⁰ If Mr.
12 Christensen acknowledges that the circuits must be working, then it is wholly illogical
13 that the first task that SBC Michigan must perform is to log into the "CABS system to
14 verify that the circuit is a working circuit."¹⁰¹ This is entirely unnecessary, of course, as
15 are the other checking and validation steps that SBC Michigan incorporates into its
16 process. In short, the two minute time that I recommend (two hours across all of the
17 circuits in a project) is a reasonable time estimate for an efficient, forward-looking
18 process.

⁹⁸ Christensen Rebuttal Testimony, p. 13.

⁹⁹ Christensen Rebuttal Testimony, pp. 12-14; Gomez-McKeon Rebuttal Testimony, p. 46.

¹⁰⁰ Christensen Rebuttal Testimony, p. 13.

¹⁰¹ *Id.*

1 **Q. DR. CURRIE TAKES ISSUE WITH YOUR REMOVAL OF THE ASC**
2 **“DISCONNECT” TIME, CLAIMING THAT IT IS NOT REALLY INVOLVED**
3 **WITH THE DISCONNECTION OF THE SPECIAL ACCESS CIRCUIT.¹⁰² DO**
4 **YOU AGREE?**

5 A. No. Dr. Currie claims that I am “confused” about what tasks the ASC performs. In
6 reality, I believe that Dr. Currie may be the one who is confused. First, let me remind the
7 Commission of the task in question. SBC Michigan’s study includes ASC labor times for
8 the billing functions related to the disconnection of the special access service being
9 converted to UNEs.¹⁰³ This cost is a complete double count of the disconnect cost. In the
10 Special Access environment, the telecommunications carrier that paid to install the
11 Special Access circuits has already paid upfront nonrecurring charges for these circuits
12 that *already include* the special access disconnection functions. There is no separate
13 nonrecurring charge assessed to disconnect a Special Access arrangement; that cost is
14 already included in the nonrecurring charge assessed when the arrangement is put in
15 place in the first instance. As such, permitting SBC Michigan to charge for the
16 disconnect cost here as part of the SA2UNE Project Administrative Charge would
17 explicitly double count these costs. To avoid this, I have reset the Work Group
18 Occurrence Factor to 0.00 percent for these ASC functions.

19 Now Dr. Currie’s rebuttal indicates that the ASC tasks “do not generate any order
20 that should remove an active circuit from service.” Of course, I knew this already. This
21 element is for a Special Access to UNE *Conversion* process. Conversion, by its very

¹⁰² Currie Rebuttal Testimony, pp. 35-36.

¹⁰³ SBC Michigan Cost Study – “Serv Ord SPCL ACC to UNE
AdminChargePerReq_N_WhslUNE_MI_02~1” Workbook, “Tab 8.4” Worksheet.

1 nature, implies that there will be no physical disconnection. However, it still necessary
2 to logically disconnect the special access circuit from the prior systems within which it
3 was documented prior to being provisioned as UNEs. This is the disconnect cost that is
4 at question here. In fact, Ms. Gomez-McKeon in her rebuttal testimony confirms what I
5 indicate here: “First, one should understand that when a CLEC chooses to move from
6 Special Access (SA) DS1/DS3 to a UNE DS1/DS3, SBC Michigan must remove the SA
7 information from all billing systems and modify the inventory system.”¹⁰⁴ This work in
8 question is the disconnect of the logical information in the special access systems that
9 SBC would have previously used to bill for and inventory the special access circuit.

10 My testimony, which Dr. Currie and Ms. Gomez-McKeon do not rebut, is that
11 this disconnect cost should be part of the disconnection of the special access circuit and is
12 therefore already recovered through the upfront nonrecurring charges paid in that special
13 access environment. The UNE charge should not include costs for the disconnection of a
14 special access circuit. Doing so constitutes an inappropriate double-count of those costs.

15 **Q. MS. GOMEZ-MCKEON MAKES THE STATEMENT THAT HER**
16 **ELIMINATION OF THE RETAGGING PROCESS IN THE SA2UNE**
17 **CONVERION COST STUDY SHOULD ELIMINATE THE CONCERNS THAT**
18 **YOU HAVE EXPRESSED REGARDING THIS COST STUDY.¹⁰⁵ DOES IT?**

19 **A.** No. As can be seen in my ongoing disputes with various SBC Michigan witnesses
20 regarding the SA2UNE nonrecurring cost study, there are other issues that are not
21 resolved by the retagging policy change SBC Michigan has implemented. While this
22 does address some of the concerns with SBC Michigan’s cost study, others remain.

¹⁰⁴ Gomez-McKeon Rebuttal Testimony, p. 46.

1 **F. DISCUSSION OF PROPOSED FALLOUT PERCENTAGE**

2 **Q. MR. MCNIEL TAKES ISSUE WITH YOUR RELIANCE ON THE FALLOUT**
3 **PERCENTAGE THAT SBC REPRESENTED COULD BE ACHIEVED**
4 **THROUGH THE USE OF THE EASE SYSTEM.¹⁰⁶ COULD YOU EXPLAIN**
5 **AGAIN WHY YOU BELIEVE THIS TO BE RELEVANT?**

6 A. Yes. As indicated in my Initial Testimony, EASE is a system that is used to provision
7 loop-port combinations that are used to serve SBC's own retail customers. EASE is also
8 used to provide a service order interface for resale service orders, including loop-port
9 combinations. In many regards, the capability of EASE to provide for 98 percent flow
10 through (two percent fallout) is indicative of the performance that SBC Michigan should
11 be able to achieve on a forward-looking basis in its wholesale system interfaces for
12 UNEs. EASE is provisioning precisely the same elements (and combinations) that would
13 be required through wholesale ordering of UNE-P.

14 **Q. ARE THE STATEMENTS BY SBC IN TEXAS REGARDING EASE THE ONLY**
15 **DATA THAT YOU RELY UPON FOR THE FALLOUT PERCENTAGE IN**
16 **MICHIGAN?**

17 A. No. According to John M. Mitchell of SBC, SBC's own performance data indicate that
18 its resale flow-through rate is approximately two percent – the same value as that ordered
19 by this Commission in Case No. U-11831.¹⁰⁷ Specifically, SBC's own publicly available
20 performance data indicate that its flow-through of resale CLEC orders exceeds 98

¹⁰⁵ Gomez-McKeon Rebuttal Testimony, pp. 45-46.

¹⁰⁶ McNiel Rebuttal Testimony, pp. 2-4

¹⁰⁷ Opinion and Order, State of Michigan, Before the Michigan Public Service Commission, *In the matter, on the Commission's own motion, to consider the total service long run incremental cost for access, toll, and local exchange services provided by AMERITECH MICHIGAN*, Case No. U-11831, November 16, 1999, p. 27.

1 percent.¹⁰⁸ Additionally, many states have actually ordered two percent fallout
2 percentages across the SBC territory, including Michigan as well as Illinois, Missouri,
3 Ohio and Wisconsin. Further, California ordered an end-to-end fallout percentage of four
4 percent. When one looks at the fallout that might occur in a two-stage provisioning
5 process (one for the service order and one for provisioning of the element), this translates
6 into approximately a two percent fallout per stage as well.

7 **Q. MR. MCNIEL OFFERS SOME INFORMATION INDICATING THAT SBC**
8 **MICHIGAN'S CURRENT PERFORMANCE WITH RESALE ORDERS IS**
9 **DOING QUITE POORLY. COULD YOU COMMENT ON THIS?**

10 A. Yes. First of all, the fallout percentage provided by Mr. McNiel in Michigan is
11 completely inconsistent with the fallout data reported in other states. Moreover, the
12 public data that I cited in my Initial Testimony and recalled above from John M. Mitchell
13 of SBC is that the resale order flow through (an order that combined and loop with a
14 port) is more in the range of 98 percent. In short, it appears that the data that Mr. McNiel
15 references must be an anomaly.

16 **Q. COULD YOU COMMENT ON WHETHER PM 13 SHOULD BE USED AS**
17 **RECOMMENDED BY MR. MCNEIL OR WHETHER PM 13.1 SHOULD BE**
18 **USED?**¹⁰⁹

19 A. Mr. McNiel provides in his rebuttal testimony the basis for why PM 13 should not be
20 used. Mr. McNiel points out the following: "PM 13 only measures UNEs that are

¹⁰⁸ Testimony of John M. Mitchell Adopting Previously Filed Rebuttal Testimony of Robin L. Jacobson, Before the Public Utilities Commission of Ohio, *In the Matter of the Review of Ameritech Ohio's Economic Costs for Interconnection, Unbundled Network Elements, and Reciprocal Compensation for Transport and Termination of Local Telecommunications Traffic*, Case No. 96-922-TPP-UNE/00-1368-TP-ATA, p. 21, January 31, 2001.

¹⁰⁹ McNiel Rebuttal Testimony, pp. 4-5.

1 programmed to flow through; not the universe of service order requests being studied.”¹¹⁰

2 SBC Michigan has significant control over the types of orders that are “programmed to
3 flow through.” Moreover, over the long run, it is reasonable to anticipate that SBC will
4 incorporate the same probability of flow through into its wholesale systems as it has
5 incorporated into its retail and resale operations. As a result, PM 13 provides the best
6 illustration of the fallout that is achievable with an efficient and mature OSS platform.

7 As an example, SBC Michigan has an average flow through percentage for UNE
8 Loops of *****CONFIDENTIAL XXX END CONFIDENTIAL***** percent for the past
9 12 months – the period from April 2003 through March 2004.¹¹¹ This most recent actual
10 flow through data from SBC Michigan’s OSS confirms my testimony that the forward-
11 looking fallout percentage should be two percent.

12 **Q. IS THERE ANY STATISTICAL SUPPORT FOR YOUR VIEW THE PM 13 IS A**
13 **BETTER LONG RUN CHOICE THAN PM 13.1?**

14 A. Yes. Actually there is excellent statistical support for the choice of PM13 as the long run
15 basis for fallout percentage determination. Specifically, one can take the performance
16 measurement data and find the most appropriate line that will fit through the data using a
17 least-squares methodology.¹¹² SBC Michigan currently has data available from April
18 2002 up through March 2004. However, I did not use all of this data in that there was an
19 obvious point in the November 2002 to January 2003 time frame when the performance

¹¹⁰ McNiel Rebuttal Testimony, p. 5.

¹¹¹ Data from SBC CLEC Online Performance Measures website <https://pm.sbc.com/pm/pm.cfm>.

¹¹² From a layman’s standpoint, the least-squares methodology evaluates the distance each point would be from a line passing through all of the points and identifies the line that minimizes those
(continued)

1 data began to trend in a downward direction.¹¹³ The reason this is important is that if one
2 attempts to fit a least-squares line through data where there are two obvious opposing
3 trends (an up line averaged with a down line), the resulting analysis will be largely
4 meaningless. I chose to start my analysis in November 2003.

5 Based on this starting point, one can calculate the statistic best fit line that will
6 pass through this data for PM 13 and PM 13.1 for UNE-P. The following equations
7 express for formulas for these two lines.

$$8 \quad \text{Fallout}_{UNE-P}^{13.1} = 0.1875 - 0.008015t$$

$$9 \quad \text{Fallout}_{UNE-P}^{13} = 0.05234 - 0.002296t$$

10 These are several vital elements that can be gleaned from these formulas.¹¹⁴ *First*, the
11 slope for both lines is negative. A negative slope indicates that the fallout percentage is
12 getting lower, on average, which each passing month (the “t” in the formulas above).
13 This means over the long term there is statistical validity to my testimony that one should
14 not use embedded current fallout percentages to represent forward-looking fallout in that
15 it is clear from the data that SBC Michigan’s fallout is decreasing over time. *Second*, and
16 this is the most vital element in these formulas, the slope for PM 13.1 is larger (and larger
17 by a great margin) than the slope for PM 13. Specifically, the slope for PM 13.1 is 3.5
18 times greater than for PM 13. In other words, the fallout percentage is improving *much*

distances. It is this minimum distance to the points that represents the best-fitting line through the data.

¹¹³ Please see Exhibit SET-NRC-11 which represents the PM 13 data from April 2002 through March 2004 for UNE-P orders. Also, please see Exhibit SET-NRC-12 which represents that PM 13.1 data from April 2002 through March 2004 for UNE-P orders.

1 *faster* for PM 13.1 than it is for PM 13. *Third*, and this is also extremely important, with
2 the PM 13.1 data improving at a much faster rate than the PM 13, it is reasonable to
3 anticipate that these curves would intersect in the near future.¹¹⁵ In other words, over the
4 long term, the PM 13.1 performance for fallout is converging on the PM 13 performance
5 for fallout.

6 **Q. COULD YOU TRANSLATE THIS STATISTIC DISCUSSION INTO WHAT IS**
7 **OCCURRING IN THE OSS ENVIRONMENT?**

8 A. The curve for PM 13 is flatter but still improving representing that SBC Michigan is
9 continuing to make incremental improvement in its fallout performance even given the
10 current capability of its OSS. Said another way, given that PM 13 represents those orders
11 that are already designed to flow through, PM 13 indicates that SBC is continuing to
12 make steady improvement even among those orders that are currently designed to flow
13 through such that SBC should anticipate to get better.

14 The curve for PM 13.1 is much steeper indicating a significantly greater rate of
15 improvement for this performance measurement. A reasonable interpretation for this line
16 equation is that SBC Michigan is making large strides in incorporating more order types
17 into its electronic provisioning environment such that large improvements in SBC
18 Michigan's PM 13.1 fallout performance actually represents large strides in mechanizing
19 the service order environment.

¹¹⁴ The R² factors for these two formulas are 0.6230 and 0.6448, respectively.

¹¹⁵ If one solves for the "t" when the two curves would be equal, the value would be approximately 23.6 years.

1 Finally, the slopes of the curves illustrate that SBC Michigan's performance for
2 PM 13 is representative of where SBC Michigan will ultimately arrive at with PM 13.1 if
3 it continues to improve its systems to achieve more order flow through capability. It is
4 important that SBC Michigan not abandon that improvement prematurely in that there is
5 every indication that SBC Michigan can ultimately achieve the PM 13 performance
6 levels.

7 **Q. IS YOUR ULTIMATE RECOMMENDATION THEN THAT FOR STATISTICAL**
8 **REASONS, THERE IS EVERY JUSTIFICATION TO SELECT PM 13 AS THE**
9 **LONG RUN REFLECTION OF SBC MICHIGAN'S FALLOUT PERCENTAGE?**

10 A. Yes. But, the Commission should make this determination in the context that even with
11 PM 13, SBC Michigan's overall provisioning performance is continuing to improve such
12 that the average performance of these last 12 months will likely be exceeded given no
13 other unforeseen difficulties. I would therefore encourage the Commission to accept the
14 two percent fallout percentage that I recommended for simple orders consistent with this
15 analysis and that contained in my Initial Testimony and Batch Hot Cut Testimony.

16 **Q. WHAT FLOW THROUGH PERCENTAGE IS SBC MICHIGAN CURRENTLY**
17 **EXPERIENCING IN PM 13?**

18 A. As noted above, SBC Michigan has an average fallout percentage for UNE Loops of
19 *****CONFIDENTIAL XXX END CONFIDENTIAL***** percent for the period of April
20 2003 through March 2004.¹¹⁶ Further, SBC has an average flow through rate for UNE-P
21 in PM 13 for these same 12 months of *****CONFIDENTIAL XXX END**
22 **CONFIDENTIAL***** percent. This most recent actual flow through data from SBC

¹¹⁶ Data from SBC CLEC Online Performance Measures website <https://pm.sbc.com/pm/pm.cfm>.

1 Michigan’s OSS confirms my testimony that the forward-looking fallout percentage
2 should be two percent.

3 **Q. MR. MCNIEL INDICATES THAT FLOW THROUGH NEVER OCCURS FOR**
4 **COMPLEX ORDERS.¹¹⁷ IS THIS REFLECTED IN SBC MICHIGAN’S COST**
5 **STUDIES?**

6 A. Yes. SBC Michigan’s own cost studies are set up to account for flow-through of
7 complex UNE products such as DS1 loops, DS3 loops and EELs.¹¹⁸ Mr. McNiel
8 effectively provides no rebuttal to my proposed complex fallout because he has argued
9 for 100 percent fallout, a completely unreasonable position that is inconsistent with SBC
10 Michigan’s original filing.

11 **VIII. CONTINUING SHORTCOMINGS IN SBC’S FEATURES NONRECURRING**
12 **COST STUDIES**

13 **A. UNBUNDLED CENTREX SYSTEM FEATURE COST STUDY**

14 **Q. DOES MR. CUNNINGHAM’S TESTIMONY CONFLICT WITH YOUR**
15 **TESTIMONY REGARDING THE ABILITY TO FLOW THROUGH CERTAIN**
16 **CENTREX FEATURES, AS WITH BASIC LINE PORTS?**

17 A. No. Mr. Cunningham states: “Line assigned features, whether they be against Centrex
18 or POTS lines, do often utilize a flow through process.”¹¹⁹ This is principally what my
19 testimony also indicates. Mr. Cunningham’s testimony actually supports my Initial
20 Testimony, in which I point out that there is a fundamental mismatch between the cost
21 study filed by SBC Michigan (and now Mr. Cunningham’s testimony) for Centrex

¹¹⁷ McNiel Rebuttal Testimony, p. 5.

¹¹⁸ See SBC Michigan Cost Studies “Serv Ord Loops_N_Whsl_MI_02-05_U-13531” Workbook, “TAB 8.7 Worksheet and “Serv Ord EEL_N_Whsl_MI_02-05_Dkt_U-13531” Workbook, “TAB 8.6, TAB 8.8, TAB 8.10, TAB 8.12, TAB 8.14” Worksheets where fallout is specified for complex UNEs.

¹¹⁹ Cunningham Rebuttal Testimony, p. 2.

1 Feature Activation and the types of features to which SBC Michigan intends to apply this
2 feature charge. Specifically, SBC Michigan assumed that 100 percent of Centrex System
3 feature activations fallout for manual processing, regardless of the feature being
4 activated.¹²⁰ This assumption directly contradicts Mr. Cunningham’s testimony that
5 Centrex features “often utilize a flow through process.” My experience reviewing
6 Centrex feature activation in other jurisdictions, including other SBC states, has been that
7 the incumbent normally distinguishes between features that are simple features that can
8 be provisioned electronically and complex features that have to be provisioned manually.
9 Again, SBC Michigan has failed to recognize this distinction in its filing.

10 **IX. RESPONSE TO DR. CURRIE’S MISREPRESENTATIONS OF TESTIMONY**
11 **REGARDING GENERAL COSTING ISSUES**

12 **Q. DR. CURRIE STATES THAT YOU “MAKE CLAIM AFTER CLAIM THAT**
13 **CANNOT BE INDEPENDENTLY VERIFIED?”¹²¹ PLEASE RESPOND.**

14 A. Every modification I made to SBC Michigan’s nonrecurring cost studies is documented
15 in Exhibit SET-NRC-2 (Revised) to my Initial Testimony. Moreover, I have provided
16 extensive testimony regarding the modifications I made to SBC Michigan’s cost studies.
17 Further, I have been available for discovery and depositions for any further discussion of
18 the basis of my modifications. In many instances I have actually cited to discovery
19 information from SBC to support the times and values I used in my restatements of SBC
20 Michigan’s cost studies. In short, it is patently unreasonable for Dr. Currie to make the

¹²⁰ See SBC Michigan Cost Study – “CenSysFeatures_N_WhslUNE_MI_02-05_U-13531”
Workbook, “TAB 8.3.1” Worksheet, Column H which shows the Fallout as “N/A” and the
Probability of Occurrence for all tasks at 100%. Similar information can be found on all tabs
from TAB 8.3.1 through TAB 8.3.8.

¹²¹ Currie Rebuttal Testimony, p. 4.

1 claim that I have not provided support for my modifications to SBC Michigan’s cost
2 studies.

3 **Q. DR. CURRIE CLAIMS THAT YOU “IMPLICITLY VIEW THE LONG RUN AS**
4 **GOING BEYOND RELIANCE ON CURRENT KNOWLEDGE, AND INSTEAD**
5 **SPECULATING ON FUTURE TECHNOLOGIES.”¹²² IS THIS A VALID CLAIM?**

6 A. Absolutely not. My modifications assume the use of efficient, forward-looking processes
7 and labor times that I know to exist presently or are reasonable presently. Further, in my
8 discussion of fallout, which appears to be the main area that Dr. Currie’s testimony
9 addresses, I have explicitly documented my assumed use of existing SBC Michigan OSS,
10 operated in an efficient manner. Moreover, my testimony references specific testimony
11 from SBC witnesses noting that the fallout percentage that I recommend is consistent
12 with SBC’s own anticipation of the efficient use of its OSS. In short, Dr. Currie provides
13 no specific examples from my testimony to support his claims that I have relied on
14 futuristic technologies, and the facts in my testimony provide him no such support.

15 **Q. IS DR. CURRIE’S CLAIM THAT YOU HAVE NO SUPPORT FOR YOUR**
16 **MODIFICATIONS TO SBC MICHIGAN’S COST STUDIES BELIED BY THE**
17 **PROPOSED MODIFICATIONS SBC MICHIGAN ITSELF HAS MADE TO ITS**
18 **COST STUDIES IN ITS REBUTTAL TESTIMONY?**

19 A. Yes. Many of the corrections SBC has made to its own cost studies in its rebuttal
20 testimony actually address specific criticisms I raised in my Initial Testimony. As such,
21 it is both false and unreasonable for SBC to contend that my testimony is filled with
22 unsupported modifications because SBC Michigan has responded to many of them, and
23 implemented some of them.

¹²² Currie Rebuttal Testimony, p. 7.

1 **Q. DO YOU AGREE WITH ALL OF THE MODIFICATIONS THAT DR. CURRIE**
2 **IDENTIFIES IN HIS REBUTTAL TESTIMONY?**

3 A. No. There are many changes that are clearly inefficient and inconsistent with SBC
4 Michigan's past practices regarding the provisioning of unbundled elements. However,
5 Dr. Currie provides only a summary of these modifications. I will address the details
6 regarding the modifications in the context of the witnesses that identify the changes in
7 more detail.

8 **Q. DR. CURRIE TAKES ISSUE WITH YOUR MODIFICATION TO THE**
9 **FALLOUT PERCENTAGES IN SBC'S COST STUDIES FOR NON-COMPLEX**
10 **PRODUCTS, CLAIMING INSTEAD THAT EMBEDDED ACTUAL DATA**
11 **SHOULD BE USED.¹²³ PLEASE RESPOND.**

12 A. As I discuss in detail in my Initial Testimony, embedded wholesale fallout data cannot be
13 used in establishing efficient, forward-looking fallout for the processes in SBC
14 Michigan's cost studies, contrary to Dr. Currie's assertions. Using performance data
15 from SBC Michigan embedded systems may simply reflect the inefficiencies resulting
16 from erroneous data in current databases and inefficient processes currently in use.
17 Further, as again discussed in detail in my Initial Testimony, OSS technology currently
18 employed by SBC Michigan can support the two percent fallout that I propose.

19 For example, Performance Report 13 provides the Order Process Percent Flow
20 Through for a variety of order types. As mentioned earlier in this testimony, SBC
21 Michigan has an average fallout percentage for UNE Loops of *****CONFIDENTIAL**
22 **XXX END CONFIDENTIAL***** percent for the period of April 2003 through March

¹²³ Currie Rebuttal Testimony, pp. 21-29.

1 2004.¹²⁴ As another example, PM 13 also shows the average fallout percentage for UNE-
2 P orders to have been *****CONFIDENTIAL XXX END CONFIDENTIAL***** percent
3 for the period of April 2003 through March 2004 – value very close to the two percent
4 fallout that I recommend.¹²⁵

5 **Q. DR. CURRIE TAKES GREAT EXCEPTION TO YOUR NOT**
6 **ACKNOWLEDGING THAT SBC PERSONNEL HAVE DISAVOWED SBC’S**
7 **SYSTEMS CAPABILITIES TO ACTUALLY ACHIEVE 98 PERCENT FLOW**
8 **THROUGH.¹²⁶ DO YOU HAVE A RESPONSE?**

9 A. Yes. Dr. Currie is focused on a self-serving affidavit written by SBC in California
10 approximately six years ago about how SBC’s systems would not be able to provide the
11 flow through claimed by SBC in Texas. However, this is not the only evidence that I rely
12 upon for the two percent fallout. I provide more recent data from Ohio and above from
13 Michigan that also support the use of a two percent fallout. I have also seen other data in
14 other states in the SBC Midwest region that support the use on a forward-looking basis of
15 a two percent fallout. In short, Dr. Currie may want to focus on a very old affidavit
16 written by SBC personnel in California, but the reality is that SBC’s systems do have the
17 capability to provide two percent fallout for simple orders and, in fact, function at this
18 level. SBC Michigan should use this capability to develop its forward-looking costs
19 where fallout is at issue.

¹²⁴ Data from SBC CLEC Online Performance Measures website <https://pm.sbc.com/pm/pm.cfm>.

¹²⁵ *Id.*

¹²⁶ Currie Rebuttal Testimony, pp. 22-23.

1 **X. CONTINUING SHORTCOMINGS IN SBC'S SERVICE COORDINATION FEE**
2 **COST STUDY**

3 **Q. DR. CURRIE TAKES ISSUE WITH YOUR TESTIMONY REGARDING THE**
4 **SERVICE COORDINATION FEE COST STUDY.¹²⁷ DO YOU CARE TO**
5 **COMMENT?**

6 A. Yes. If the Commission reviews Dr. Currie's testimony, the main point that he makes is
7 how various Commissions have previously ordered Service Coordination Fee rate
8 elements. Michigan is not one of those states. I do not know what costs are included in
9 the Service Coordination Fee costs in Illinois, Ohio, and Wisconsin as I was not retained
10 to review these cost studies. However, I know with precision that the *only* costs that are
11 included in the Service Coordination Fee cost study in Michigan are collections costs.
12 My Initial Testimony provides a thorough explanation of why these costs should not be
13 included as a separate element in Michigan. Dr. Currie does not rebut any of these points
14 other than to say that I am wrong. However, Dr. Currie's assertion is rebutted already by
15 specific references I made in my Initial Testimony that I will review here again.

16 The traditional approach used by SBC to recover its collections costs is through
17 its shared and common cost factor. In fact, SBC Michigan acknowledges this in its
18 collections cost study:

19 Contractor Services represents the costs paid to outside consultants
20 involved directly with the CLEC collections area. This represents
21 the total expenses for 2001.¹²⁸

¹²⁷ Currie Rebuttal Testimony, pp. 45-46.

¹²⁸ SBC Michigan Cost Study - "Svc Coord Fee_R_WhlsUNE_MI_02-05" Workbook, "TAB 8.0" Worksheet, Cells A34-A35.

1 While this quote only references contractor labor, this represents the general approach
2 SBC uses to develop its shared and common cost factor. It is simply not appropriate to
3 take costs that are not caused by a viable, on-going CLEC enterprise and force that
4 business to bear a disproportionate share of the cost for those entities that go out of
5 business. The more appropriate means to recover this cost is through the shared and
6 common cost factor because these costs are a general cost of doing business.

7 The documentation provided by SBC Michigan in discovery confirms that costs
8 for collection activities are recovered through its shared and common cost factor.
9 Specifically, SBC Michigan noted in response to discovery that Ameritech Services, Inc.
10 performs the collection services for SBC Michigan. Also in discovery, SBC Michigan
11 indicated that the Corporate Support function includes collection activities, which means
12 that SBC Michigan is recovering these costs through its shared cost factor. Specifically,
13 these expenses are found in Account 6610 (Marketing); SBC Michigan included the
14 expenses in this account in its shared cost factor.

15 **Q. WHAT THEN IS YOUR RECOMMENDATION FOR THE SERVICE**
16 **COORDINATION FEE?**

17 A. Based on the fact that these costs are already being recovered through the shared and
18 common cost factor, this rate element should be eliminated completely.

1 **XI. CONTINUING SHORTCOMINGS IN SBC'S UNBUNDLED LOOP**
2 **NONRECURRING COST STUDIES**

3 **A. INTERMEDIATE DISTRIBUTION FRAME USAGE**

4 **Q. MR. SMALLWOOD ADDRESSES THE USE OF IDFS IN SBC MICHIGAN'S**
5 **CENTRAL OFFICES.¹²⁹ DOES HIS TESTIMONY CAUSE YOU TO MODIFY**
6 **ANY OF YOUR RECOMMENDATIONS?**

7 A. No. First of all, Mr. Smallwood's response is literally only one sentence long:
8 "Intermediate Distribution Frames ("IDFs") are part of SBC's forward-looking network
9 design and are properly considered in TELRIC cost studies." There is not a whole lot to
10 respond to here. Further, Mr. Smallwood is not an engineer and has never engineered
11 telecommunications equipment on behalf of SBC Michigan or any other
12 telecommunications provider to my knowledge. As such, he has no practical experience
13 on which to base this claim other than to simply state what he must say in light of the
14 issue in SBC Michigan's cost study. Normally, SBC uses Mr. William Deere to testify
15 on this issue where he notes that: "In a large or multi-floor central office, an IDF is often
16 used to consolidate circuits that are to be connected to the MDF."¹³⁰ This is precisely the
17 situation that I describe in my Initial Testimony. Typically, it is the older central offices
18 that were sized for analog equipment; they are large and were constructed using multiple
19 floors. These central offices do often have IDFs. However, this holdover from an age
20 when multi-floor central offices were more the norm (which is not the case presently with
21 more modern digital equipment) does not represent forward-looking engineering

¹²⁹ Smallwood Rebuttal Testimony, p. 5.

¹³⁰ Before the Illinois Commerce Commission, ICC Docket No. 02-0864, Rebuttal Testimony of William C. Deere on behalf of SBC Illinois, SBC Illinois Exhibit 16.0, January 20, 2004, p. 6.

1 assumptions for interconnection and cross-connect arrangements. It is this detail that was
2 included in my Initial Testimony that Mr. Smallwood fails to respond to entirely.

3 **Q. DOES MR. SMALLWOOD’S TESTIMONY IN ANY WAY CHANGE THE**
4 **PERCENTAGE OF IDFS THAT YOU RECOMMEND?**

5 A. No. My recommendation is that on a forward-looking basis the IDF percentage should
6 be 0.00 percent. I also provided the Commission with an alternative maximum value in
7 my Initial Testimony. At minimum, then, SBC Michigan’s assumption that 100 percent
8 of its central offices contain IDFs should be rejected by this Commission because it is not
9 forward-looking.

10 **B. SPECIFIC LABOR TIME ADJUSTMENTS FOR LINE CONNECTION**
11 **CHARGES**

12 **Q. MS. GOMEZ-MCKEON TAKES ISSUE WITH YOUR TESTING TIMES FOR**
13 **THE CP&M-DOG RELATED TO BOTH UNBUNDLED LOOPS AND EELS.¹³¹**
14 **COULD YOU PLEASE RESPOND TO HER TESTIMONY?**

15 A. Yes. First, I believe there may be some confusion on Ms. Gomez-McKeon’s part as to
16 the specifics of my modifications related to the Digital Operations Group (“DOG”)
17 testing times in the field. A review of my cost study revisions clearly demonstrates that I
18 actually blacked out virtually all of the work functions on this tab because it is my belief
19 that the costs for a loop used as part of an EEL combination should be no different from
20 the costs for a loop used in another configuration. If Ms. Gomez-McKeon perhaps just
21 looked at the changes in the EEL cost study, she may have concluded that my
22 recommendations for testing time was two minutes across the board, as her testimony
23 indicates. This is not the case. In fact, when she reviews my loop-specific testing times

¹³¹ Gomez-McKeon Rebuttal Testimony, pp. 21, 27-28.

1 she makes a different set of criticisms that I discuss below. In any event, I do not assert
2 two minute testing times for all loop types with EELs, as Ms. Gomez-McKeon
3 erroneously assumes in her testimony.

4 For analog loops, my recommendation is that there would only be a two minute
5 continuity check for the cross-connect placed at the SAI/FDI. This position relates to
6 analog loops regardless of whether they are used as part of UNE-P, stand alone, or part of
7 an EEL. The issue is not whether testing of the loop plant occurs or not for analog loops.

8 The issue is whether such testing should be included in the nonrecurring costs of the
9 analog loop. When SBC personnel deploy loop plant, the loop plant is tested to ensure
10 that it meets the design standards for the distribution or feeder plant that is implemented
11 in SBC's network. This is the appropriate point in the process to perform testing because
12 it streamlines the turn-up of unbundled loops.

13 It is true that the loop plant could develop trouble between the time it is accepted
14 as part of the initial plant installation and the time service is eventually provisioned
15 across that plant. However, this repair of the facility would not be a provisioning
16 activity, but a maintenance activity on the plant. In short, the loop plant that SBC
17 purchased and installed either is accepted as working at the time of its installation, or its
18 failure to work should be recovered as a maintenance activity on that plant. It should not
19 be included as a nonrecurring cost of provisioning.

20 The discussion up to now relates to analog loops. However, I have taken a very
21 different approach regarding the DOG testing time for digital loops. That fact is not
22 discernable from Ms. Gomez-McKeon's broad-brush rebuttal with respect to EELs. For

1 digital loops, my Initial Testimony notes that the SSC is in control of the testing that
2 must occur on these loops. The DOG may be required to work with the SSC for this
3 testing time. As a result, I have matched the testing time that the SSC identifies for each
4 of the loop types to the testing time for the DOG. This generally results in testing times
5 of between *****CONFIDENTIAL XXXXX END CONFIDENTIAL***** minutes.

6 **Q. IN THE LOOP SECTION OF MS. GOMEZ-MCKEON'S TESTIMONY, DOES**
7 **SHE NOT TAKE ISSUE WITH YOUR REDUCTIONS TO THESE TIMES**
8 **IDENTIFIED ABOVE FOR TESTING DS1 AND DS3 LOOPS?¹³²**

9 A. Yes. When Ms. Gomez-McKeon first addresses this issue with respect to EELs, she
10 appears to believe that I am recommending two minutes in all cases for this testing when
11 in fact I am not. Accordingly, she provides no specific rebuttal to my actual proposed
12 times of between *****CONFIDENTIAL XXXXXX END CONFIDENTIAL*****
13 minutes. However, in the loop section of her rebuttal she specifically disagrees with my
14 modifications.

15 Ms. Gomez-McKeon indicates that "additional time is necessary so that the
16 CP&M-DOG can complete the conductive circuit testing."¹³³ She then provides the
17 specific tests that she believes characterize the tests performed by the CP&M-DOG.
18 However, these are the tests that I actually understand to be performed by the SSC in
19 conjunction with the CP&M-DOG. Given that Ms. Gomez-McKeon's earlier testimony
20 is that it only takes *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes to
21 perform this test, the fact that I have included two to three times this amount for the

¹³² Gomez-McKeon Rebuttal Testimony, pp. 27-28.

¹³³ Gomez-McKeon Rebuttal Testimony, p. 28.

1 CP&M-DOG to set up this testing and do other related work in the field is extremely
2 reasonable. In other words, I have included the extra time over and above the testing
3 time that Ms. Gomez-McKeon has identified already. The bottom line is that Ms.
4 Gomez-McKeon's assumptions regarding the SSC testing time and the testing time in the
5 field simply do not correlate, and her proposed CP&M-DOG testing times must be
6 reduced.

7 **Q. MS. GOMEZ-MCKEON INDICATES THAT SHE AGREES WITH YOU AT**
8 **LEAST IN PART REGARDING A MODIFICATION OF THE LOG, SORT,**
9 **MATCH, AND DISTRIBUTE FUNCTION.¹³⁴ HAS SHE IMPLEMENTED THE**
10 **MODIFICATION IN THE MANNER THAT YOU RECOMMEND?**

11 A. No. I set the time for the Log, Sort, Match, and Distribute function to 0.00 minutes
12 based, in part, on the fact that in Missouri, as Ms. Gomez-McKeon acknowledges, this
13 task is handled electronically as SBC documented in discovery in that state. Ms. Gomez-
14 McKeon now acknowledges in Michigan (and in Illinois as well) that the process is also
15 handled electronically. However, this was not the only basis for my changing the time to
16 0.00 minutes. Specifically, I noted in Initial Testimony that the "Log, Sort, Match,
17 Distribute" task includes "administrative functions," "matching service order and word
18 document," "checking that all required information is complete," "forward order to the
19 installation supervisor," and "updating of log to reflect estimated time and technician
20 assigned to order."¹³⁵ Just by reading the description of the activities, it is clear that these
21 activities have to do with the order itself and have absolutely nothing to do with the

¹³⁴ Gomez-McKeon Rebuttal Testimony, p. 24.

¹³⁵ SBC Michigan Cost Study – "Loops_N_WhslUNE_MI_02-05_U-13531" Workbook, "TAB 8.4-CP&M-DOG" Worksheet, Cells C10-C14.

1 number of circuits being provisioned. At a minimum, therefore, the “additional” time for
2 this activity has been set to zero. Further, the work that is described here, according to
3 discovery, is actually done in “Order Analysis” such as “matching service order to word
4 document.” This is the next function in SBC Michigan’s list for which I have left the
5 initial time unchanged.

6 The bottom line is that Ms. Gomez-McKeon indicates that she agrees with me at
7 least in part, thus making it appear as if this topic is no longer at issue between the
8 parties. She does not address the numerous other reasons I identify as to why this labor
9 time should be set to 0.00 minutes. She has simply added a new fallout percentage of
10 *****CONFIDENTIAL X END CONFIDENTIAL***** percent, for which she has
11 provided no support. But she has left all of the labor times the same, without responding
12 to any of my testimony regarding them. In short, Ms. Gomez-McKeon’s agreement is a
13 first step, but ultimately this task should be eliminated for all of the reasons identified
14 above and in my Initial Testimony.

15 **Q. MS. GOMEZ-MCKEON STATES THAT SHE BELIEVES YOUR REDUCTION**
16 **FOR THE “ADDITIONAL” TIME TO PERFORM ORDER ANALYSIS IS**
17 **WRONG.¹³⁶ WILL YOU RESPOND TO HER COMMENTS?**

18 A. Yes. Ms. Gomez-McKeon indicates that “the technician will review each item
19 individually on the service order, including the assignment and equipment information
20 which is unique to each telephone number/circuit id within the service order.” She
21 believes that the appropriate time to observe this assignment and equipment information
22 is *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes for UNE-P and

¹³⁶ Gomez-McKeon Rebuttal Testimony, p. 24.

1 *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes for UNE-Loops. I
2 have not eliminated the time for DOG – the group to which this task time applies – to
3 investigate additional loops on an order. Instead, I have included 0.50 minutes for each
4 additional loop. The reality is that when a CLEC orders multiple loops on a single order,
5 the work that the DOG will perform on the subsequent loops will be virtually identical to
6 the work on the initial loop. I retained the *****CONFIDENTIAL XXXX END**
7 **CONFIDENTIAL***** minutes that SBC Michigan included for the initial loop.¹³⁷
8 However, with respect to any additional loops on the same order, the need for additional
9 review is minimal, at best. For example, such minimal review would be required in the
10 event that there are additional equipment requirements on the order, and even these will
11 be similar to the initial loop. If there were 10 stand-alone loops on the order, Ms.
12 Gomez-McKeon would anticipate that the CP&M-DOG technician would spend
13 *****CONFIDENTIAL X END CONFIDENTIAL***** minutes just reviewing the order,
14 with *****CONFIDENTIAL X END CONFIDENTIAL***** minutes of that time used
15 just to review the additional loops containing equipment and assignment information
16 which is similar to that of the initial loop. In my experience, this amount of time is
17 simply required. Using my approach, this same 10 loop order would incorporate a total
18 of *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes for Order Analysis
19 – a time that is much more reasonable given the fact that the focus of this work activity

¹³⁷ SBC Michigan Cost Study – “Loops_N_WhslUNE_MI_02-05_U-13531” Workbook, “TAB 8.4-CP&M-DOG” Worksheet, Cells E45-E48.

1 will be on the order – not on the slight differences that may exist for subsequent loops on
2 the same order.

3 **Q. MS. GOMEZ-MCKEON TAKES ISSUE WITH YOUR ADJUSTMENT TO THE**
4 **TRAVEL TIME TO THE SAI/FDI FOR THE CP&M/DOG FOR UNBUNDLED**
5 **LOOPS.¹³⁸ PLEASE COMMENT ON HER TESTIMONY.**

6 A. Ms. Gomez-McKeon disputes my position regarding whether the technician, upon
7 arriving as the SAI/FDI, will perform more than one task. In my experience and as
8 discussed with managers who have overseen these processes in incumbent LEC
9 territories, when technicians are dispatched to the SAI/FDI, they regularly do other work
10 orders while at the site. My restatement of SBC Michigan’s cost study assumes that the
11 technician performs an average of two work orders when dispatched to the SAI/FDI. The
12 combination of these considerations leads to my recommendation of
13 *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes per dispatch to the
14 SAI/FDI. Ms. Gomez-McKeon’s rebuttal testimony does not in any way refute this
15 alternative value.

16 Ms. Gomez-McKeon also complains about my adjustment for the DOG’s travel
17 times for DS1 and DS3 loops. First, SBC’s estimates of the travel time are significantly
18 different between these two technician groups. The CP&M has a travel time to the
19 SAI/FDI of *****CONFIDENTIAL XX END CONFIDENTIAL***** minutes and the
20 DOG has a travel time to the SAI/FDI (at least in some instances) of
21 *****CONFIDENTIAL XX END CONFIDENTIAL***** minutes. This is a large
22 difference; in fact, according to SBC, the DOG takes 80 percent longer than the CP&M

¹³⁸ Gomez-McKeon Rebuttal Testimony, p. 25-27.

1 Group to get to the same location. The only rebuttal that Ms. Gomez-McKeon offers is
2 that the DOG serves a larger geographic area than the CP&M, therefore contributing to
3 its longer travel times. Notwithstanding that there is absolutely no support in the record
4 for this asserted difference in geographic area, that still does not reasonably explain such
5 a great difference. The relevant factor to evaluate is the distance that one technician
6 would travel from his or her first work assignment of the day to the next work assignment
7 of the day. While it is true that larger geographic areas could contribute to this time
8 difference in some small part (if this is in fact the case), SBC Michigan almost has to
9 assume that the distance between assignments is 80 percent greater – not just that the
10 geographic areas for the DOG are larger than the geographic areas of the CP&M group.
11 Given the availability of scheduling technology to plan the daily technician work
12 assignments, it is reasonable that Dr. Ankum, Mr. Morrison, and I would all conclude
13 that this time difference is simply unjustifiable. In short, Ms. Gomez-McKeon’s
14 unsupported assertion that the work assignment areas are different does not de facto lead
15 to a conclusion that the travel times between job activities should be 80 percent greater
16 for one technician group than for another. For this reason, my estimates are more
17 appropriate.

18 **Q. DOES MS. GOMEZ-MCKEON CORRECTLY CHARACTERIZE YOUR**
19 **TESTIMONY REGARDING THE ORDER COMPLETION AND CLOSEOUT**
20 **FUNCTION TIME?¹³⁹**

21 **A.** No. Ms. Gomez-McKeon indicates that I have proposed the use of one minute for this
22 task and make no distinction between analog loops (Line Connection Charge) and DS1

¹³⁹ Gomez-McKeon Rebuttal Testimony, p. 28-29.

1 and DS3 loops. For the DS1 and DS3 loop types, I used a labor time of five minutes –
2 not the one minute that Ms. Gomez-McKeon asserts.

3 **Q. DOES MS. GOMEZ-MCKEON REBUT THE LABOR TIMES THAT YOU HAVE**
4 **USED?**

5 A. No. Ms. Gomez-McKeon does not provide any rebuttal. Instead she uses this section of
6 her testimony to generally reduce the labor times for the Order Completion and Closeout
7 function to bring them closer to the task times that I recommended, although not as low.
8 She has neither identified problems with my recommended times (but she has found
9 problems with her own) nor has she provided support for the alternative times she has
10 offered.

11 **Q. WHAT WAS THE BASIS FOR YOUR RECOMMENDED LABOR TIMES?**

12 A. The basis for my labor times was the use of values that SBC has used in other cost
13 proceedings for precisely the same task. Again, Ms. Gomez-McKeon has reduced her
14 proposed labor times considerably. However, SBC actually uses labor times in other
15 proceedings that are even lower than those that Ms. Gomez-McKeon incorporates. There
16 is no reason on an efficient, forward-looking basis for a higher labor time to be used by
17 SBC Michigan. The specific support for these other state values can be found in Exhibit
18 SET-NRC-9.

19 **Q. DOES MS. GOMEZ-MCKEON’S TESTIMONY REGARDING THE RETRIEVAL**
20 **OF THE NEXT ORDER FROM PAWS CHANGE YOUR DECISION TO SET**
21 **THE TIME FOR THIS TASK TO ZERO MINUTES?**

22 A. Absolutely not. In fact, Ms. Gomez-McKeon’s testimony actually supports my
23 contention that the time should be set to zero minutes. Specifically, Ms. Gomez-McKeon
24 testifies that: “This request (for the next service order) requires a series of keystrokes or

1 *a click on the icon and takes less than one minute to complete.*¹⁴⁰ It is this latter process
2 that is efficient. Anyone who has clicked on an icon also knows that it does not just take
3 less than a minute, it barely takes any time at all. Given Ms. Gomez-McKeon's
4 acknowledgement of the process the CPC uses, it is only reasonable to follow this up
5 with a zero time for this task because it is not practical to apply a measurable time to a
6 task that is only as simple as clicking on an icon.

7 **Q. MS. GOMEZ-MCKEON PROVIDES SOME REACTION TO YOUR CHANGE IN**
8 **TRAVEL TIMES FOR THE CENTRAL OFFICE TECHNICIAN TO**
9 **UNMANNED CENTRAL OFFICES.¹⁴¹ DO YOU HAVE ANY RESPONSE?**

10 A. Yes. Ms. McKeon's primary rebuttal to this point appears in her discussion of EELs. I
11 will respond to her comments on travel time adjustments in my section regarding EELs
12 as well. In short, her testimony actually supports the modifications that I have made in
13 total.

14 **Q. DOES MS. GOMEZ-MCKEON PROVIDE ANY MEANINGFUL REBUTTAL TO**
15 **YOUR TESTIMONY REGARDING THE LOGIN AND COMPLETENESS**
16 **CHECK FUNCTIONS?¹⁴²**

17 A. No. My Initial Testimony indicated that SBC typically uses the values that I provided.
18 Ms. Gomez-McKeon should be aware of the specific references to SBC's cost studies
19 because I provided them to SBC in the Indiana UNE TELRIC proceeding (Cause No.
20 42393) in response to SBC discovery where SBC asked about the specific experience
21 with SBC's cost studies that I referenced. Specifically, I have observed shorter labor
22 times for the Login and Completeness Check function in multiple SBC cost studies in

¹⁴⁰ Gomez-McKeon Rebuttal Testimony, pp. 6-7. Parenthetical and emphasis added.

¹⁴¹ Gomez-McKeon Rebuttal Testimony, p. 29.

1 Missouri.¹⁴³ Ms. Gomez-McKeon provides no rebuttal as to why SBC would find it
2 reasonable for its central office technicians in Missouri to be able to perform the Login
3 and Completeness Check function so much more quickly than its central office
4 technicians in Michigan. This is not reasonable. Moreover, in an efficient, forward-
5 looking cost study, SBC Michigan should identify the most efficient process (i.e., best
6 practices) for performing a function, and include that time in its cost study.

7 **Q. MS. GOMEZ-MCKEON TAKES ISSUE WITH YOUR MODIFICATIONS TO**
8 **THE CROSS-CONNECT TIMES USED BY THE FIELD OPERATIONS GROUP,**
9 **OR FOG.¹⁴⁴ PLEASE RESPOND TO HER TESTIMONY.**

10 A. First of all, Ms. Gomez-McKeon begins by arguing that a DS1 may actually require wire-
11 wraps rather than pre-connectorized cross-connects. This is not my understanding, if the
12 cross-connect is made on a DSX frame. However, even if the cross-connect were made
13 on a wire-wrap basis, I have consistently seen SBC and other incumbents use a labor time
14 of approximately five minutes for the time to perform a four-wire, wire-wrapped cross-
15 connect – not the *****CONFIDENTIAL X END CONFIDENTIAL***** minutes Ms.
16 Gomez-McKeon assumes. Further, for DS3 cross-connects, Ms. Gomez-McKeon
17 acknowledges that connectorized jumpers are used, but claims that these jumpers may not

¹⁴² Gomez-McKeon Rebuttal Testimony, pp. 29-30.

¹⁴³ Specifically, SBC used times similar to those I proposed in the following cost studies: Loop Cross Connect Cost Study – 4-Wire Loop to Multiplexer, Loop Cross Connect Cost Study – 2-Wire Analog Loop to DCS, Loop Cross Connect Cost Study – 4-Wire Loop to Multiplexer, Loop Cross Connect Cost Study – 2-Wire Digital Loop to DCS, Loop Cross Connect Cost Study – 2-Wire Analog Loop to Switch Port, Loop Cross Connect Cost Study – 2-Wire Digital Loop to Switch Port, SS7 Links Cross Connects to Collocation – DS0, SS7 Links Cross Connects to Collocation – DS1, and others. These cost studies were identified publicly to SBC in response to SBC-Indiana's 4th Discovery Request Nos. 94-F and 94-G. AT&T's response to this discovery request is provided as Exhibit SET-NRC-9.

¹⁴⁴ Gomez-McKeon Rebuttal Testimony, pp. 30-31.

1 be readily available at the DSX frame where the cross-connects would be placed. In my
2 experience, this is not the case. These pre-connectorized jumpers are purchased and
3 available at the frame, waiting for the technicians to place the jumpers. There is no need
4 to incorporate additional time for obtaining the connectorized jumper cable. In short, my
5 proposal of two minutes both for the DS1 and DS3 cross-connects is reasonable.

6 **Q. DOES MS. GOMEZ-MCKEON PROVIDE ANY REBUTTAL TO YOUR TWO-**
7 **WIRE CROSS-CONNECT TIME OF THREE MINUTES?**

8 A. No. She claims that 2-wire cross-connects on the MDF allow “for quicker wiring (than
9 DS1 or DS3 cross-connects) because of the way that it is designed.”¹⁴⁵ However, other
10 than this vague comparison to her own proposed times for DS1 and DS3 cross-connects,
11 which I believe to be significantly overstated, she simply reasserts her proposed time of
12 *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes for this task.¹⁴⁶

13 However, this time is considerably longer than even SBC typically uses in other states,
14 and considerably longer than the three minute time I have proposed based on my
15 experience with this task.

16 **Q. IS THIS THE EXTENT OF YOUR EXPERIENCE IN THIS REGARD?**

17 A. No. I provided an extensive discussion of my direct experience with SBC’s provisioning
18 of central office cross-connects, continuity testing, cross-connect removal, dial-tone and
19 ANI testing and the like in the Batch Hot Cut cost testimony that I filed in this same
20 proceeding. I will not repeat that testimony here, but in this specific context, I have

¹⁴⁵ Gomez-McKeon Rebuttal Testimony, p. 31. Parenthetical added.

¹⁴⁶ *Id.*

1 directly observed SBC cross-connect times that are extremely consistent with the times
2 that I have proposed in this proceeding even prior to my observation of these tasks.

3 **Q. MS. GOMEZ-MCKEON TAKES ISSUE WITH YOUR MODIFICATIONS TO**
4 **THE FOG PRE-SERVICE/ACCEPTANCE TESTING TIMES.¹⁴⁷ PLEASE**
5 **RESPOND TO HER TESTIMONY.**

6 A. Amazingly, Ms. Gomez-McKeon and I agree that all that is being done is a continuity
7 test. That is all that she describes by referring to placing the “tone box” on one end of the
8 cross-connect and then returning to the other end of the cross-connect and listen for that
9 tone. The distance between these points is normally only a few feet and it takes very
10 little time to place the “tone box” or a loop-back equivalent on one end and test for
11 continuity on the other. I have observed this test being done including in my tour of an
12 SBC office in Indiana and spoken with technicians who have performed this test
13 (including SBC technicians) and it is universally described as around a two minute
14 activity. With the DS1 and DS3 testing, a loop-back plug will be placed in one end of the
15 cross-connect port and a continuity test will be conducted across the cross-connect.
16 Again this testing time should take no more than two minutes.

17 **Q. MS. GOMEZ-MCKEON TAKES ISSUE WITH YOUR MODIFICATIONS TO**
18 **THE FOG CIRCUIT COMPLETION AND ORDER CLOSE-OUT FUNCTION.¹⁴⁸**
19 **DO YOU AGREE WITH ANY OF HER CRITICISMS?**

20 A. No. First of all, much of her rebuttal in this particular area is contained in her discussion
21 of the same issue in the EEL portion of her testimony. I address her testimony in a
22 subsequent section of this testimony. However, in brief, Ms. Gomez-McKeon mistakenly

¹⁴⁷ Gomez-McKeon Rebuttal Testimony, pp. 31-32.

¹⁴⁸ Gomez-McKeon Rebuttal Testimony, p. 32.

1 focuses on the closeout activity on the individual loops on the order, but the focus of the
2 activity should be the order itself. The technician has completed the cross-connect work
3 and must note that the work has been completed. There is no reason that this close-out
4 function cannot simply occur at the order level just as SBC Michigan's cost study states.
5 Further, part of the basis for my modifications, as I identified in my Initial Testimony, are
6 the labor times that SBC assumes for similar tasks in other jurisdictions. SBC asked for
7 information on my labor times in discovery in Indiana. I have provided these responses
8 in Exhibit SET-NRC-9.

9 **Q. PLEASE EXPLAIN MS. GOMEZ-MCKEON'S SUPPOSED AGREEMENT WITH**
10 **YOU REGARDING THE CORRECTIVE ACTION SOAC/SORD FUNCTION?¹⁴⁹**

11 A. This particular area illustrates very well how what SBC characterizes as "agreement"
12 actually masks poorly documented and unsupported SBC cost study modifications, as I
13 will explain. The previous times for this function were *****CONFIDENTIAL XX END**
14 **CONFIDENTIAL***** minutes for the initial element (connect or disconnect),
15 *****CONFIDENTIAL XXX END CONFIDENTIAL***** minute for the additional
16 element (connect) and *****CONFIDENTIAL XX END CONFIDENTIAL***** minutes
17 for the additional element (disconnect).¹⁵⁰ My testimony was that, because of the nature
18 of these tasks, there was no reason for there to be a difference in times between the
19 connect and disconnect. This was the case for the initial element but not the additional
20 element. In order to treat both initial and additional elements consistently, I modified the

¹⁴⁹ Gomez-McKeon Rebuttal Testimony, p. 34.

¹⁵⁰ SBC Michigan Cost Study – "Loops_N_WhslUNE_MI_02-05_U-13531" Workbook, "TAB 8.6-HPC" Worksheet, Cells E27-F29 and E169-F171.

1 additional disconnect time to be *****CONFIDENTIAL XXX END**
2 **CONFIDENTIAL***** minute, consistent with SBC Michigan's own cost study.

3 Ms. Gomez-McKeon coyly says that she agrees with me stating: "I agree; the
4 work tasks should be the same regardless of installation or disconnect."¹⁵¹ One would
5 expect that Ms. Gomez-McKeon, based on that representation, would modify the
6 additional disconnect time to *****CONFIDENTIAL XXX END CONFIDENTIAL*****
7 minute, just as I had proposed. However, while Ms. Gomez-McKeon *said* she agrees
8 with me, she actually radically changed *all* of the times. SBC Michigan now
9 recommends *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes for the
10 initial element (connect or disconnect) and *****CONFIDENTIAL XXX END**
11 **CONFIDENTIAL***** minutes for the additional element (connect or disconnect).¹⁵²

12 *With virtually no testimony explaining the change, and with the premise that she*
13 *agrees with my modification, Ms. Gomez-McKeon has increased the time for this task*
14 *by 150 percent for the initial element and 250 percent for the additional elements.*

15 There has been no change in the subtasks identified to justify this increase of 150 to 250
16 percent in the labor time. Most troubling is the fact that this case is dealing with 35
17 nonrecurring cost studies and hundreds of issues. Ms. Gomez-McKeon starts off
18 testifying as if we agree, implying that no one needs to be concerned with this difference
19 any longer. But instead of reconciling our differences, she has introduced an even greater
20 problem with absolutely no supporting documentation or explanation. It is impossible to

¹⁵¹ Gomez-McKeon Rebuttal Testimony, p. 34.

¹⁵² *Id.*

1 know how many of these types of situations exist in SBC's cost studies. This dismaying
2 situation is particularly poignant in light of the Commission's requirements related to
3 documentation of cost study changes, particularly those exceeding 10 percent. This very
4 questionable SBC presentation should provide the Commission additional rationale for
5 discarding SBC's allegedly "revised" cost studies and universally adopting my
6 straightforward, well-documented cost study restatements.

7 **Q. MS. GOMEZ-MCKEON THAT SHE "CANNOT FIND A CIRCUIT**
8 **ORDER/ADMINISTRATION TASK WITHIN THE PROVISIONING SECTION**
9 **FOR THE FOG" AND THEREFORE REJECTS YOUR PROPOSED**
10 **MODIFICATION.¹⁵³ PLEASE RESPOND.**

11 A. In many regards, this simply illustrates how unfamiliar Mr. Gomez-McKeon may be with
12 her own cost studies. I did not say in my Initial Testimony that the tasks were titled in
13 the same way. I indicates that the comparable times used for the same activity in the
14 connection and disconnection of the elements should be used. In the connection costs for
15 the Line Connection Charge, SBC Michigan titled the task "Log-in and Completeness
16 Check."¹⁵⁴ However, in the disconnect costs for the Line Connection Charge, SBC
17 Michigan titled the task "CIRCUIT ORDER/ADMINISTRATION."¹⁵⁵ These are the
18 titles for the function, but there are really two important points that should have been
19 obvious to Ms. Gomez-McKeon. SBC Michigan used *exactly* the same task times for all
20 types of Line Connection Charges for the connection task ("Log-in and Completeness

¹⁵³ Gomez-McKeon Rebuttal Testimony, pp. 32-33.

¹⁵⁴ SBC Michigan Cost Study – "Loops_N_WhslUNE_MI_02-05_U-13531" Workbook, "TAB 8.5-FOG" Worksheet, Cell B33.

¹⁵⁵ SBC Michigan Cost Study – "Loops_N_WhslUNE_MI_02-05_U-13531" Workbook, "TAB 8.5-FOG" Worksheet, Cell B151.

1 Check”) and for the disconnection task (“CIRCUIT ORDER/ADMINISTRATION”).
2 The reason for this is that both of these tasks are performing the same work – evaluating
3 and administering the order for the Line Connection Charge. In other words, while it is
4 true that SBC Michigan did not name these tasks the same thing, it is also true that SBC
5 Michigan used exactly the same times for both tasks because both tasks are effectively
6 performing the same work even though the name is different.¹⁵⁶ In short, my testimony is
7 that the changes that I have proposed for the “Log-in and Completeness Check” for the
8 times in that task should be incorporated into the “CIRCUIT
9 ORDER/ADMINISTRATION” function as well in that the tasks are the same. Ms.
10 Gomez-McKeon’s inability to understand this relationship should not cause the
11 Commission to reject my recommendation in that I have only proposed that the
12 Commission do what SBC Michigan’s cost study does – make the times the same
13 between these two parts of the cost study for the FOG.

14 **C. SPECIFIC PROBABILITY OF OCCURRENCE ADJUSTMENTS FOR**
15 **LINE CONNECTION CHARGES**

16 **Q. MS. GOMEZ-MCKEON AND MR. SMALLWOOD TAKE ISSUE WITH**
17 **WHETHER YOUR DIP AND DOP PERCENTAGES ACCOUNT FOR THE**
18 **EXISTENCE OF MIGRATION ORDERS.¹⁵⁷ PLEASE RESPOND.**

19 A. Ms. Gomez-McKeon claims that the “probability of dispatch to the field has been
20 appropriately represented in SBC’s study for both UNE Loop and Port and stand alone

¹⁵⁶ If the reader was not pondering the costs for nonrecurring elements, this discussion should bring to mind thoughts of the great William Shakespeare and his words regarding roses and the names we might place to them.

¹⁵⁷ Gomez-McKeon Rebuttal Testimony, pp. 21-22; and Smallwood Rebuttal Testimony, p. 5.

1 loops.”¹⁵⁸ This is absolutely not the case. SBC Michigan’s cost studies only account for
2 embedded DIP or DOP and do not account for the fact that many loops or switch ports or
3 combinations of the two will already be working making DIP and DOP moot. In other
4 words, as my Initial Testimony explains in detail, the probabilities of occurrence for field
5 work must account for DIP and DOP, but they must also account for migration. If
6 migration of a working loop, port, or combination occurs, SBC Michigan cannot then
7 assume that its technicians must perform field work.

8 **Q. DOES MS. GOMEZ-MCKEON ACKNOWLEDGE THAT MIGRATION**
9 **ORDERS DO OCCUR?**

10 A. Yes. Ms. Gomez-McKeon acknowledges that for CLECs, the percentage of migration
11 UNE-P orders over a 12 month period in 2003 was *****CONFIDENTIAL XXX END**
12 **CONFIDENTIAL***** percent.¹⁵⁹ Ms. Gomez-McKeon uses this value to criticize my
13 assumption of 90 percent migration for simple UNE-P combinations. However, the key
14 point for the Commission to recognize is that Ms. Gomez-McKeon has not incorporated
15 migration percentages at all into her probability of occurrence percentages. If Ms.
16 Gomez-McKeon believes that 90 percent is wrong and that a value of
17 *****CONFIDENTIAL XXX END CONFIDENTIAL***** percent would be more
18 appropriate, then she should modify her cost studies accordingly since they presently do
19 not account for migration at all. Moreover, I do not know exactly how Ms. Gomez-
20 McKeon pulled the data and therefore cannot comment on their veracity. Nonetheless,
21 the point is that migrations occur and should be reflected in the cost study.

¹⁵⁸ Gomez-McKeon Rebuttal Testimony, p. 21.

1 **Q. DID YOU PERFORM ANY DISCOVERY TO IDENTIFY WHAT THE BASIS OF**
2 **MS. GOMEZ-MCKEON'S ANALYSIS WAS?**

3 A. Yes. Please note that Ms. Gomez-McKeon claims that her value of
4 *****CONFIDENTIAL XXX END CONFIDENTIAL***** percent migration of loops is
5 based on data from a 12-month period in 2003.¹⁶⁰ However, when AT&T asked
6 discovery on this issue, SBC Michigan's response was that it only had data available
7 from August 2003 through January 2004.¹⁶¹ It is for this reason that I stated above that I
8 do not know exactly how Ms. Gomez-McKeon pulled the data. Nonetheless, based on
9 the data that SBC Michigan did provide in this discovery response, the data actually
10 supports my representation that 90 percent of the loops for UNE-P would be migrations.
11 My value was an estimate based on my experience in the industry, but SBC Michigan's
12 data bears out that my experience is very accurate. Specifically, SBC Michigan's data
13 from August 2003 through January 2004 shows that the total number of new and
14 migration UNE-P loops was *****CONFIDENTIAL XXXXXX END**
15 **CONFIDENTIAL*****.¹⁶² Of this total, SBC Michigan's data shows that
16 *****CONFIDENTIAL XXXX END CONFIDENTIAL***** where for migration UNE-P

¹⁵⁹ *Id.*

¹⁶⁰ *Id.*

¹⁶¹ SBC Michigan Response to AT&T 26th Set of Discovery, Request No. ATTSBC-1176, April 19, 2004.

¹⁶² See SBC Michigan Response to AT&T 26th Set of Discovery, Request No. ATTSBC-1177, April 19, 2004. Please note that the two activity codes used for this analysis are "N" (New UNE-P Loops) and "V" (Conversion with Change UNE-P Loops).

1 loops.¹⁶³ This data demonstrates that *****CONFIDENTIAL X END**
2 **CONFIDENTIAL***** percent of the UNE-P loops from August 2003 through January
3 2004 were for migrations. While this is not exactly the 90 percent that I recommend, it is
4 off by so little, I would encourage the Commission to retain my recommendation.

5 **Q. MS. GOMEZ-MCKEON HAS FOUND THAT THE MIGRATION PERCENTAGE**
6 **FOR STAND ALONE LOOPS IS LOWER THAN FOR UNE-P.¹⁶⁴ DO YOU**
7 **BELIEVE THAT THE COMMISSION SHOULD UTILIZE THIS LOWER**
8 **PERCENTAGE ON A FORWARD-LOOKING BASIS?**

9 A. No. It is important to understand that SBC Michigan currently provisions very few stand
10 alone loops and consequently does not have a good sense of what the forward-looking
11 percentage for element will be. Specifically, over the past six months for the data that
12 SBC Michigan provided, SBC Michigan has provisioned only 93,076 new and migration
13 Stand Alone loops where as it has provisioned 1,410,141 new and migration UNE-P
14 loops during the same time frame. Clearly, UNE-P is the dominant provisioning
15 approach presently.

16 That said, based on the data by SBC Michigan provided in discovery using the
17 same approach as I have used above for UNE-P loops, the migration percentage is
18 currently *****CONFIDENTIAL X END CONFIDENTIAL***** percent.¹⁶⁵ Ms. Gomez-
19 McKeon has not even incorporated this level of migration into her calculation of DOP as

¹⁶³ See SBC Michigan Response to AT&T 26th Set of Discovery, Request No. ATTSBC-1177, April 19, 2004. Please note that the activity code used for this analysis is “V” (Conversion with Change UNE-P Loops).

¹⁶⁴ Gomez-McKeon Rebuttal Testimony, p. 22.

¹⁶⁵ See SBC Michigan Response to AT&T 26th Set of Discovery, Request No. ATTSBC-1176, April 19, 2004. Please note that the two activity codes used for this analysis are “N” (New Loops) and “V” (Conversion with Change Loops).

1 I described in detail in my Initial Testimony. However, I do not believe this current
2 Stand Alone migration percentage is representative of the long-run migration percentage
3 that would exist for Stand Alone loops. For this, I would encourage the Commission to
4 still use the 90 percent value which I have shown above to be well supported by SBC
5 Michigan's data for UNE-P Migrations. The reason for this is that the use of loops for
6 UNE-P today is more representative of the usage of loops long term in that over the
7 longer term more loops will be served in a facilities-based environment. As such, as the
8 volume of Stand Alone loop provisioning increases, it should look more like the UNE-P
9 Loop provisioning that is occurring today, which is currently representative of the CLEC
10 market as a whole. In short, I would continue to encourage the Commission to utilize a
11 90 percent migration percentage both for UNE-P and for Stand Alone loops.

12 **Q. MS. GOMEZ-MCKEON OFFERS TO MAKE A CORRECTION TO HER WORK**
13 **GROUP OCCURRENCE FACTOR TO INCORPORATE MIGRATION FOR DS1**
14 **AND DS3 LOOP PROVISIONING.¹⁶⁶ COULD YOU PLEASE COMMENT?**

15 A. Yes. First of all, there are what appear to be some simple math errors throughout this
16 section of SBC's discussion regarding migration percentages. In the area of stand alone
17 analog loop migrations, Ms. Gomez-McKeon notes that *****CONFIDENTIAL XXX**
18 **END CONFIDENTIAL***** percent of circuits require a dispatch. The remainder of the
19 100.00 percent (*****CONFIDENTIAL XXX END CONFIDENTIAL***** percent)
20 should be the percentage that does not require a dispatch, but SBC Michigan shows the

¹⁶⁶ Gomez-McKeon Rebuttal Testimony, pp. 22-23.

1 percentage as being only *****CONFIDENTIAL XXX END CONFIDENTIAL*****
2 percent dropping the first “4” in the value.¹⁶⁷

3 These math errors carry through to the next portion of Ms. Gomez-McKeon’s
4 testimony. Ms. Gomez-McKeon notes that for DS1 loops, *****CONFIDENTIAL XX**
5 **END CONFIDENTIAL***** percent of the loops would require a dispatch. However,
6 the remainder of the 100 percent should have been those that would not require a
7 dispatch – *****CONFIDENTIAL XX END CONFIDENTIAL***** percent – but for
8 some reason Ms. Gomez-McKeon came up with a value of only *****CONFIDENTIAL**
9 **XX END CONFIDENTIAL***** percent.¹⁶⁸

10 Assuming that Ms. Gomez-McKeon corrects the data in her testimony, the
11 resulting information is that for DS1 Loops the probability of field work is
12 *****CONFIDENTIAL XX END CONFIDENTIAL***** percent and for DS3 Loops the
13 probability of field work is *****CONFIDENTIAL XX END CONFIDENTIAL*****
14 percent. My Initial Testimony recommended that the Commission utilize an average
15 migration percentage of 50 percent or an average field work percentage of 50 percent for
16 both loop types. Assuming an equivalent number of loops in the order volume with SBC
17 Michigan, the average of the values above would lead to an average field work
18 percentage of 47.5 percent – virtually identical to the value I recommended.

¹⁶⁷ Gomez-McKeon Rebuttal Testimony, p. 22.

¹⁶⁸ Gomez-McKeon Rebuttal Testimony, p. 23.

1 **Q. EVEN THOUGH MS. GOMEZ-MCKEON ACKNOWLEDGES THAT THERE IS**
2 **AN ERROR IN THE DOP PERCENTAGE FOR DS1 AND DS3 LOOPS, DOES**
3 **SHE OFFER TO MAKE THIS CORRECTION?**

4 A. Actually the answer is yes and no. At page 22 of her testimony she states the following:

5 **Q14. WOULD YOU AGREE THAT CHANGES ARE**
6 **NEEDED TO THE STUDY TO REPRESENT THE**
7 **DOP PERCENTAGES FOR DS1 AND DS3**
8 **MIGRATION?**

9 A14. Yes. I have concluded that the DOG technician will not
10 dispatch out in 100% of cases.¹⁶⁹

11 However, by the time she gets to page 23 she has provided an entirely opposite answer to
12 the same question.

13 **Q15. DO YOU AGREE THAT IT IS NECESSARY TO**
14 **MODIFY THE DIP/DOP RATES AS PROPOSED BY**
15 **MR. TURNER, DR. ANKUM, AND MR. MORRISON?**

16 A15. No. Mr. Turner, Dr. Ankum, and Mr. Morrison have
17 questioned the DIP/DOP rate. For the reasons stated
18 above, the DIP and DOP factors in the study are an
19 appropriate representation of the facility make-up of the
20 outside plant.¹⁷⁰

21 Given that she contradicts herself in the space of a single question and that SBC
22 Michigan did not file restated cost studies, I literally do not know which position Ms.
23 Gomez-McKeon is actually asking that this Commission adopt. I, of course, cannot rebut
24 what is incomprehensible – nor should the Commission rely on such information.
25 Regardless of which position Ms. Gomez-McKeon holds, I encourage the Commission to

¹⁶⁹ Gomez-McKeon Rebuttal Testimony, p. 22.

¹⁷⁰ Gomez-McKeon Rebuttal Testimony, p. 23.

1 use the average probability of migration of 50 percent that I recommend and that this
2 probability apply to both DIP and DOP.

3 **D. STRUCTURAL ADJUSTMENTS TO THE LINE CONNECTION**
4 **CHARGE FOR STAND ALONE AND UNE-P LOOPS**

5 **Q. WHAT STRUCTURAL CHANGE HAS SBC MICHIGAN MADE TO THE LINE**
6 **CONNECTION CHARGE?**

7 A. Previously, SBC Michigan's cost studies combined three different types of Line
8 Connection Charges: (1) New UNE-P Unbundled Loops; (2) New Stand Alone UNE
9 Loops; and (3) Migration Stand Alone UNE Loops. In my restatement of SBC
10 Michigan's cost studies, I provided a logical disaggregation, making New UNE-P
11 Unbundled Loop Line Connection Charges distinct from Stand Alone UNE Loops
12 because the processes between these two are quite different. The Stand Alone UNE
13 Loops go to the CLECs' collocation arrangements whereas the UNE-P loops go to the
14 SBC Michigan switch. As Mr. Silver briefly explains, SBC Michigan has now taken the
15 same approach that I proposed. While I support the need for making this modification
16 structurally to the Line Connection Charge, the Commission should note that there are
17 significant problems still remaining in the inputs to the revised cost studies submitted by
18 SBC Michigan. Moreover, SBC Michigan has introduced new fundamentally different
19 approaches to developing the costs for stand alone loops that I will discuss later in this
20 testimony.

1 **Q. MR. SMALLWOOD ALSO ADDRESSES THIS ISSUE.¹⁷¹ IS HIS TESTIMONY**
2 **CONSISTENT WITH THAT OF MR. SILVER?**

3 A. No. Mr. Smallwood offers testimony that is completely inconsistent with that provided
4 by Mr. Silver. While Mr. Silver indicates that the cost studies will be modified to reflect
5 the structural change that I propose in my Initial Testimony, Mr. Smallwood indicates
6 that no change will be made because the “costs are correctly computed and are consistent
7 with the rate design reflected in SBC Michigan’s tariff” and that the “cost simply reflects
8 the average cost to provision UNE loops given two different provisioning scenarios.”¹⁷²
9 This is just another illustration of the general sloppiness in SBC Michigan’s filing in
10 response to my Initial Testimony. Ultimately Mr. Silver and Mr. Smallwood need to get
11 on the same page but, of course, it is too late for that now. My Initial Testimony stands
12 in response to Mr. Smallwood’s rebuttal that I am wrong, but I certainly believe that the
13 direction indicated by Mr. Silver in agreement with my testimony is how the Commission
14 should resolve the matter – it should adopt my recommendations.

¹⁷¹ Smallwood Rebuttal Testimony, pp. 3-4.

¹⁷² Smallwood Rebuttal Testimony, p. 4.

1 **E. SBC MICHIGAN HAS CREATED UTTER CONFUSION OVER ITS**
2 **POSITION OF WHETHER THE LOOP COST STUDY SHOULD BE**
3 **MODIFIED TO MAKE THE LINE CONNECTION CHARGE REFLECT**
4 **THE DESIGNED PROCESS**

5 **Q. CAN YOU DESCRIBE IN A SIMPLIFIED MANNER WHAT SBC MICHIGAN’S**
6 **POSITION IS REGARDING WHETHER ITS LINE CONNECTION CHARGE**
7 **STUDY SHOULD BE MODIFIED?**

8 A. No. Quite simply, this is yet another situation where it is virtually impossible to know
9 what is going on in SBC Michigan’s cost filing and in this particular area, it is vital that
10 SBC Michigan be clear.

11 SBC Michigan in its initial May 2, 2003 cost filing filed a Line Connection
12 Charge Cost Study when it is part of an EEL that used a designed process. As the
13 Commission knows, I provided extensive Initial Testimony on this point. Moreover, Ms.
14 Gomez-McKeon raised this issue in her rebuttal testimony and I have provided further
15 comments herein on this point.

16 However, Mr. Smallwood in his rebuttal testimony indicates that SBC Michigan
17 now – at this incredibly late point in the proceeding – intends to modify its cost studies in
18 compliance to use the designed process for stand alone loops generally.¹⁷³ As part of this
19 testimony he notes that the support for this change is found in the Rebuttal Testimony of
20 Ms. Gomez-McKeon.

21 The problem is that Ms. Gomez-McKeon at no point indicates that she believes
22 that the stand alone Line Connection Charge should be changed to reflect the designed

¹⁷³ Smallwood Rebuttal Testimony, p. 9.

1 process. This omission leaves a gaping hole in SBC Michigan's proposal that, to put it
2 mildly, is difficult to understand.

3 **Q. PUTTING ASIDE THIS COMPLETE CONFUSION, DO YOU AGREE WITH**
4 **THIS CHANGE?**¹⁷⁴

5 A. Absolutely not. *First*, this is a fundamental change to the Unbundled Loops cost study
6 that represents additional direct testimony from SBC Michigan. Making this change is
7 not simply correcting the cost study. SBC Michigan is filing a completely different cost
8 study for the 2-Wire Line Connection Charge. The changes required to the Unbundled
9 Loops cost study to add the tasks necessary to make the 2-wire line connection designed
10 are extensive. This supplemental filing of direct testimony should not be allowed.

11 *Second*, I will not review here all of the reasons that it is inappropriate to use a
12 designed process for 2-wire analog loops. I explained this in detail regarding EELs
13 (where SBC Michigan used a designed process in its initial filing of cost studies) in my
14 Initial Testimony. The principles related to why the designed process is wrong for EEL
15 2-wire analog loops also relates to stand alone 2-wire analog loops. Further, I provide
16 rebuttal testimony in the following EEL section regarding the design of 2-wire analog
17 loops that equally relates to this late-filed change on SBC Michigan's part for stand alone
18 unbundled loops.

¹⁷⁴ See Currie Rebuttal Testimony, p. 21 and Gomez-McKeon Rebuttal Testimony, p.4.

1 **F. STRUCTURAL ADJUSTMENTS TO THE LINE CONNECTION**
2 **CHARGE FOR INITIAL AND ADDITIONAL LOOPS**

3 **Q. MR. SMALLWOOD TAKES EXCEPTION TO YOUR SEPARATION OF**
4 **INITIAL AND ADDITIONAL COSTS FOR LINE CONNECTION CHARGES.¹⁷⁵**
5 **IS THERE A DIFFERENCE IN THE COST?**

6 A. Yes. SBC Michigan’s cost study clearly calculates separate costs for initial loops and
7 additional loops because there is a difference in cost. Inexplicably, however, SBC
8 Michigan then combines the costs into a single nonrecurring charge element. Mr.
9 Smallwood’s only explanation in response to my Initial Testimony is that this is
10 “consistent with the simplified rate structure that SBC Michigan offers.”¹⁷⁶ We all knew
11 before Mr. Smallwood filed his testimony that this is what SBC Michigan “offers.” SBC
12 offers other states different rates for initial and additional loops and Mr. Smallwood does
13 not note that. However, the important point here is that there is a significant difference in
14 the cost between initial and additional loops and this cost differential should be reflected
15 in the rate structure offered by SBC Michigan.

16 **XII. SBC MICHIGAN’S CONTINUING SHORTCOMINGS IN ITS EEL**
17 **NONRECURRING COST STUDIES**

18 **A. LIMITATIONS IN EEL ARRANGEMENTS**

19 **Q. SBC MICHIGAN’S GENERAL TESTIMONY THEME REGARDING EELS IS**
20 **THAT SERVICE SPECIFIC UNE COMBINATIONS LEADS TO COST**
21 **EFFICIENCIES. DO YOU AGREE WITH SBC MICHIGAN ON THIS POINT?**

22 A. Absolutely not. *First*, and I explain this in detail in my Initial Testimony, SBC’s attempt
23 to limit the definition of an EEL combination precludes CLECs from having access to

¹⁷⁵ Smallwood Rebuttal Testimony, p. 4.

¹⁷⁶ *Id.*

1 combinations that are necessary to efficiently provide service to their customers.
2 Specifically, the combinations of interoffice transport and entrance facilities that SBC
3 Michigan has priced in pre-combined configurations do not encompass all of the
4 arrangements that a CLEC would want to order in an efficient network configuration.
5 For example, with SBC Michigan's DS1 Dedicated Transport Non-Collocated rate
6 element, SBC Michigan assumes that if the CLEC purchases DS1 Interoffice Dedicated
7 Transport, the CLEC must also purchase a DS1 Entrance Facility.¹⁷⁷ This is nonsense
8 and thoroughly inefficient, contrary to SBC Michigan's testimony. The CLEC may have
9 a situation where it is bringing DS1 Interoffice Dedicated Transport circuits from various
10 SBC Michigan wire centers within a metropolitan area – perhaps 24 or 25 DS1 circuits to
11 a single CLEC wire center. The CLEC may not want to purchase an equivalent number
12 of DS1 Entrance Facilities, as SBC Michigan's cost study assumes and requires. Instead,
13 using elements that already exist in the UNE tariff, the CLEC could purchase DS3 to
14 DS1 Multiplexing to aggregate the 24 or 25 DS1 circuits coming from multiple SBC
15 Michigan wire centers and purchase only one DS3 Entrance Facility. This is not
16 permitted under SBC Michigan's EEL transport element definitions. But this scenario is
17 completely permissible pursuant to the definition of Interoffice Dedicated Transport as
18 found in a different section of the SBC Michigan's tariff. In short, SBC Michigan claims

¹⁷⁷ See SBC Michigan Cost Study – “EEL_N_WhslUNE_MI_02-05_U-13531” Workbook, “TAB 1.7” Worksheet. This diagram illustrates that if a CLEC purchases “DS1 Dedicated Transport Non-Collocated,” the CLEC must also purchase DS1 Interoffice Dedicated Transport and a DS1 Entrance Facility. Both of these limitations must be ascertained from the diagram showing that the cross-connect to the CLEC on the left side of the diagram is at a DSX1, which is a DS1 cross-connect frame. The DS1 Interoffice Dedicated Transport limitation is also noted with the DSX1 at the right side of the same diagram.

1 that the pre-defined combinations that are included in the cost studies provide efficiencies
2 to CLECs. However, in my opinion and as illustrated above, all that SBC Michigan's
3 approach does is to remove legitimate options by which CLECs can efficiently provide
4 connectivity into wire centers.

5 **Q. MR. SILVER AND MR. SMALLWOOD SPECIFICALLY ADDRESS THIS SAME**
6 **ISSUE OF RESTRICTING ACCESS TO EEL TRANSPORT TYPES.¹⁷⁸ PLEASE**
7 **COMMENT ON THEIR TESTIMONY.**

8 A. Mr. Silver's testimony is internally self-contradicting. On one hand, Mr. Silver says that
9 SBC's pre-defined EEL combinations are not intended to limit the ways in which CLECs
10 can combine loops and transport into service arrangements. However, in this same
11 section of testimony, Mr. Silver indicates that if the CLEC wishes to use EEL
12 combinations that are not included in SBC Michigan's proposal, it may submit either a
13 Bona Fide Request ("BFR") or Bona Fide Request for Ordinarily Combined
14 Combinations ("BFR-OC"). My experience with these processes and my discussions
15 with CLECs who have attempted (in vain) to use these processes is that it is a "death by a
16 thousand cuts" type of process. The CLEC should not be forced to file a BFR to simply
17 combine elements that the Commission has already approved and priced as normal or
18 "ordinarily combined" combinations – elements that SBC Michigan itself routinely
19 combines. That is the point of my testimony. The costs for the elements should be set in
20 such a way that when they are combined (which will typically happen with transport or
21 multiplexing elements), SBC Michigan recovers its costs and does not systematically
22 over-recover costs. Further, by setting costs for the elements appropriately, SBC

¹⁷⁸ Silver Rebuttal Testimony, pp. 5-8; Smallwood Rebuttal Testimony, pp. 8-9.

1 Michigan should not then require that a CLEC file a BFR, which can often take an
2 inordinate amount of time and money to process, to simply combine elements that are
3 already defined and priced in the tariff.

4 **Q. MR. SILVER CLAIMS THAT THE COSTS FOR THE INDIVIDUAL**
5 **ELEMENTS THAT MAKE UP AN EEL ARE DIFFERENT FROM WHEN THEY**
6 **ARE COMBINED.¹⁷⁹ COULD YOU COMMENT ON HIS TESTIMONY?**

7 A. Yes. This cost difference claimed by Mr. Silver defies reality. Under the terms of the
8 UNE tariff in Michigan, loops and transport can be combined. As a result, the costs of
9 the loop, which is defined to end at a cross-connect frame in the central office, should be
10 properly and individually identified, regardless of whether that loop is ultimately cross-
11 connected to a collocation arrangement or cross-connected to transport (as part of an EEL
12 or otherwise). The element is the unbundled loop and the costs for this element should
13 be able to be identified solely within its context as an unbundled loop.

14 I have identified instances in my testimony where SBC Michigan makes the
15 mistake of including the same testing or cross-connect costs – inappropriately – in
16 multiple elements that are logically connected together – even when SBC Michigan is
17 studying the element within the context of an EEL. My position that the costs for
18 individual elements should be determinable does not mean that SBC Michigan can ignore
19 the way in which these elements are routinely connected into other interconnection
20 arrangements (such as collocation) or with other elements (such as transport). However,
21 the costs for these elements should be determined independently. This will allow CLECs
22 to combine them in ways that make sense to the CLECs as opposed to being combined in

¹⁷⁹ Silver Rebuttal Testimony, p. 4.

1 the restricted manner that SBC Michigan proposes. I have already responded to these
2 restrictions generally when responding to SBC Michigan's testimony above.

3 **Q. MR. SILVER IS CONCERNED THAT STANDALONE TRANSPORT, IF PRICED**
4 **IN THE SAME WAY AS TRANSPORT USED FOR AN EEL, WILL CAUSE SBC**
5 **MICHIGAN TO UNDER-RECOVER ITS COSTS FOR STANDALONE**
6 **TRANSPORT.¹⁸⁰ IS THIS TRUE?**

7 A. No. I have carefully developed the costs for the transport so that, if it were purchased in
8 a standalone environment, SBC Michigan would fully recover its costs. I discuss this in
9 my Initial Testimony, but will briefly summarize my position here. I have included all of
10 the testing costs for the design work groups involved with the transport element because
11 this is the point (or element) that will drive the need for the special testing arrangements.
12 It is interoffice transport either in a standalone environment or in combination with other
13 elements that will necessitate special testing to ensure that there is end-to-end service
14 capability provided by the transport and related elements. By including this testing with
15 the transport element (and not duplicating it in other cost studies), I have ensured that
16 SBC Michigan will recover its transport costs regardless of whether it is purchased in a
17 standalone environment or in combination with other elements.

18 **Q. MR. SILVER INDICATES THAT PRICING ENTRANCE FACILITIES EVEN**
19 **FOR EELS MAY BE A NON-ISSUE BECAUSE OF LANGUAGE IN THE**
20 **TRIENNIAL REVIEW ORDER RELATED TO ENTRANCE FACILITIES.¹⁸¹**
21 **COULD YOU COMMENT?**

22 A. This Commission has set up proceedings to specifically address the FCC's *Triennial*
23 *Review Order* and its effects on unbundling. It is not appropriate at this point to predict

¹⁸⁰ Silver Rebuttal Testimony, pp. 4-5.

¹⁸¹ Silver Rebuttal Testimony, pp. 8-9.

1 the results of these separate proceeding by ignoring the cost of entrance facilities at this
2 time. Moreover, SBC's UNE tariffs specifically address entrance facilities. In short, my
3 recommendation is that the Commission use this proceeding to establish the cost and
4 rates for entrance facilities. The Commission can then decide on the availability of
5 entrance facilities in its *TRO* proceedings or other related proceedings if SBC chooses to
6 challenge the availability of entrance facilities.

7 **B. DESIGNED CIRCUITS FOR UNBUNDLED EEL LOOPS**

8 **Q. DID MS. GOMEZ-MCKEON ADDRESS THE POINTS YOU MADE IN YOUR**
9 **INITIAL TESTIMONY REGARDING WHY UNBUNDLED 2-WIRE ANALOG**
10 **LOOPS USED IN EELS SHOULD NOT BE DESIGNED?**

11 A. Surprisingly, no. Ms. Gomez-McKeon simply restates SBC's original testimony on this
12 point. Just to briefly summarize my testimony here again, I pointed out several reasons
13 why the use of designed loops for EELs is unreasonable. *First*, it is discriminatory for
14 SBC Michigan to require that designed loops be used in conjunction with EELs. When a
15 CLEC orders an unbundled POTS loop today and connects it with a collocation
16 arrangement, the CLEC provides the transport capability for this unbundled loop back to
17 the CLEC's central office. Effectively, the CLEC provides the equivalent of an EEL by
18 combining the POTS loop with the CLEC's own transport. *It is important to note that*
19 *when the CLEC orders this stand-alone POTS loop, this unbundled loop is non-designed*
20 *– as it should be.*¹⁸²

¹⁸² It appears that SBC Michigan may be changing this position from its prior cost study filing in Michigan. Nonetheless, this testimony is still accurate regarding the current Line Connection Charge and, as I will explain *infra*, should continue to be the case for the Line Connection Charge.

1 However, when the CLEC orders an unbundled POTS loop and connects it with
2 SBC Michigan transport to create an EEL combination, SBC Michigan requires that the
3 CLEC pay for the cost of a *designed* loop. There is absolutely no difference, however,
4 between the transport function the CLEC itself provides in transporting the loop back to
5 its switch and the same transport function that SBC Michigan provides in transporting the
6 loop, yet SBC Michigan proposes multiple times more cost for the loop that is connected
7 to SBC Michigan transport than the loop that is connected to CLEC transport. This is
8 clearly discriminatory and unnecessary. If a stand-alone (non-designed) POTS loop is
9 able to readily work with the CLEC's transport, there is no reason SBC Michigan should
10 not also be able to connect a non-designed loop to its own transport element.

11 *Second*, SBC Michigan's proposed costs for designed loops include costs that
12 SBC Michigan will not incur. In other words, SBC Michigan will recover costs for
13 activities that it will not perform. This is particularly true with respect to the issue of
14 migrating loops from working service at an SBC Michigan customer premises to an EEL
15 arrangement for delivery to a CLEC that will provide service to the same customer over
16 the same loop. SBC Michigan's cost filing assumes that the CLEC must pay the cost for
17 designing and testing the loop in a designed environment even though the loop is already
18 working to the customer's premises and simply requires a cross-connect to the EEL
19 Interoffice Dedicated Transport. Said another way, with a working loop, there is no
20 justification for SBC Michigan to do anything other than to simply migrate this working
21 loop over to the transport element. SBC Michigan would not do anything more if the
22 loop were migrating to a collocation arrangement. The only difference between a cross-

1 connect to a collocation arrangement and a cross-connect to Dedicated Interoffice

2 Transport is the main distribution frame assignment where the cross-connect is placed.

3 As a result, it is simply unreasonable to require the CLEC to pay several times the cost to

4 obtain a designed loop in one instance (EEL) than in another (stand-alone connection to

5 collocation) when the work activities SBC Michigan performs in both cases are identical.

6 In short, Ms. Gomez-McKeon provides absolutely no response to these legitimate
7 reasons why SBC Michigan should not impose a design process on CLECs for unbundled
8 loops used with EELs.

9 **Q. DOES THE FACT THAT AN UNBUNDLED LOOP USED AS PART OF AN EEL**
10 **COMBINATION TERMINATES INTO TRANSPORT, WHEREAS A**
11 **STANDALONE LOOP TERMINATES INTO A COLLOCATION**
12 **ARRANGEMENT NECESSITATE DIFFERENT LOOP NONRECURRING**
13 **COSTS AS MS. GOMEZ-MCKEON INTIMATES?¹⁸³**

14 A. Absolutely not. The unbundled loop, whose nonrecurring cost ends with the cross-
15 connect performed on the frame where the termination appears (the MDF), has a cost that
16 is *exactly* the same for both the standalone loop and the loop used as part of an EEL
17 combination. As such, this nonrecurring cost should be the same for both loops because
18 there is no difference in the work that is performed for the two. The difference between a
19 standalone arrangement and an EEL occurs at the point where loops are cross connected
20 to the transport elements. This is where the designed process costs start and legitimately
21 should be included. However, the costs for the unbundled loops should be the same and
22 should not follow the designed process.

¹⁸³ Gomez-McKeon Rebuttal Testimony, pp. 3-4.

1 **Q. DOES MR. SMALLWOOD’S REBUTTAL TESTIMONY ON THIS POINT ADD**
2 **ANYTHING TO THE DISCUSSION?**¹⁸⁴

3 A. No. He only wrote two lines of testimony on the issue saying that Ms. Gomez-McKeon
4 is right and that I am wrong. I stand by my original testimony.

5 **C. SPECIFIC LABOR TIME ADJUSTMENTS FOR UNBUNDLED LOOPS IN**
6 **EELS**

7 **Q. IS IT YOUR POSITION THAT TESTING DOES NOT OCCUR IN THE LOOP**
8 **PLANT?**

9 A. No. The issue is not whether testing of the loop plant occurs or not. The issue is whether
10 such testing should be included in the nonrecurring cost of the loop. When SBC deploys
11 loop plant, it is tested to ensure that it meets the design standards for the distribution or
12 feeder plant that is implemented in SBC’s network. This is the appropriate point in the
13 process at which to include the testing because it streamlines the turn-up of unbundled
14 loops.

15 Ms. Gomez-McKeon’s testimony that for 4-wire analog loops, “design and testing
16 costs should be included as an activity time in the cost study, as they are a requirement to
17 complete the provisioning of the 4-wire analog loop ordered as part of an EEL or any
18 other unbundled loop product ordered by a CLEC (including stand-alone loops)”
19 ultimately leads to duplicative charges for testing of the loop plant.¹⁸⁵ While it is true that
20 the loop plant could develop trouble between the time it is accepted as part of the initial
21 plant installation and the time service is eventually provisioned over that plant, this repair
22 of the facility would not be a provisioning activity, but a plant maintenance activity. In

¹⁸⁴ Smallwood Rebuttal Testimony, p. 9.

¹⁸⁵ Gomez-McKeon Rebuttal Testimony, p. 4.

1 short, the loop plant that SBC purchased and installed either is accepted as working at the
2 time of its installation, or its failure to work ought be recovered as a maintenance activity
3 on that plant. It should not be included as a nonrecurring cost of provisioning.

4 **Q. DOES MS. GOMEZ-MCKEON'S TESTIMONY REGARDING THE RETRIEVAL**
5 **OF THE NEXT ORDER FROM "PAWS" CHANGE YOUR OPINION TO SET**
6 **THE TIME FOR THIS TASK TO ZERO MINUTES?**

7 A. Absolutely not. In fact, Ms. Gomez-McKeon's testimony actually supports my
8 contention that the time should be set to zero minutes. Specifically, Ms. Gomez-McKeon
9 testifies that: "This request (for the next service order) requires a series of keystrokes or
10 *a click on the icon and takes less than one minute to complete.*"¹⁸⁶ It is this latter process
11 that is efficient. Anyone who has clicked on an icon knows that it does not just take less
12 than a minute, it barely takes any time at all. Given Ms. Gomez-McKeon's
13 acknowledgement of the process the CPC uses, it is only reasonable to follow this up
14 with a zero time for this task. It is simply not practical to attribute a measurable time to a
15 task that is done virtually instantaneously.

16 **Q. PLEASE EXPLAIN MS. GOMEZ-MCKEON'S SUPPOSED AGREEMENT WITH**
17 **YOU REGARDING THE CORRECTIVE ACTION SOAC/SORD FUNCTION?**

18 A. This particular area illustrates very well how what SBC characterizes as "agreement"
19 actually masks poorly documented and unsupported SBC cost study modifications, as I
20 will explain.¹⁸⁷ The previous times for this function were *****CONFIDENTIAL XXX**
21 **END CONFIDENTIAL***** minutes for the initial element (connect or disconnect),
22 *****CONFIDENTIAL XXX END CONFIDENTIAL***** minute for the additional

¹⁸⁶ Gomez-McKeon Rebuttal Testimony, p. 6. Parenthetical and emphasis added.

1 element (connect) and *****CONFIDENTIAL XX END CONFIDENTIAL***** minutes
2 for the additional element (disconnect).¹⁸⁸ My testimony was that, because of the nature
3 of these tasks, there was no reason for there to be a difference in times between the
4 connect and disconnect. This was the case for the initial element but not the additional
5 element. In order to treat both initial and additional elements consistently, I modified the
6 additional disconnect time to be *****CONFIDENTIAL XXX END
7 CONFIDENTIAL***** minute, consistent with SBC Michigan’s own cost study.

8 Ms. Gomez-McKeon coyly says that she agrees with me stating: “I agree; the
9 work tasks should be the same regardless of whether it is an installation or disconnect.”¹⁸⁹

10 One would expect that Ms. Gomez-McKeon, based on that representation, would modify
11 the additional disconnect time to *****CONFIDENTIAL XXX END
12 CONFIDENTIAL***** minute, just as I had proposed. However, while Ms. Gomez-
13 McKeon *said* she agrees with me, she actually radically changed *all* of the times. SBC
14 Michigan now recommends *****CONFIDENTIAL XXX END CONFIDENTIAL*****
15 minutes for the initial element (connect or disconnect) and *****CONFIDENTIAL XXX
16 END CONFIDENTIAL***** minutes for the additional element (connect or
17 disconnect).¹⁹⁰ *With virtually no testimony explaining the change, and with the premise
18 that she agrees with my modification, Ms. Gomez-McKeon has increased the time for this*

¹⁸⁷ Gomez-McKeon Rebuttal Testimony, pp. 10-11.

¹⁸⁸ SBC Michigan Cost Study – “EEL_N_WhslUNE_MI_02-05_U-13531” Workbook, “TAB 8.6-HPC” Worksheet, Cells E28-F30 and E153-F155.

¹⁸⁹ Gomez-McKeon Rebuttal Testimony, p. 10.

¹⁹⁰ Gomez-McKeon Rebuttal Testimony, pp. 10-11.

1 *task by 150 percent for the initial element and 250 percent for the additional elements.*

2 There has been no change in the subtasks identified to justify this increase of 150 to 250
3 percent in the labor time. Most troubling is the fact that this case is dealing with 35
4 nonrecurring cost studies and hundreds of issues. Ms. Gomez-McKeon starts off
5 testifying as if we agree, implying that no one needs to be concerned with this difference
6 any longer. But instead of reconciling our differences, she has introduced an even greater
7 problem with absolutely no supporting documentation or explanation. It is impossible to
8 know how many of these types of situations exist in SBC's cost studies. This very
9 questionable SBC presentation should provide the Commission additional rationale for
10 discarding SBC's allegedly "revised" cost studies and universally adopting my
11 straightforward, well-documented cost study restatements.

12 **Q. MS. GOMEZ-MCKEON PROVIDES SOME RESPONSE TO YOUR CHANGE IN**
13 **TRAVEL TIMES FOR THE CENTRAL OFFICE TECHNICIAN TO**
14 **UNMANNED CENTRAL OFFICES. DO YOU HAVE ANY RESPONSE?**

15 A. Yes. Once again, Ms. Gomez-McKeon essentially agrees with me, but refuses to modify
16 her proposed labor times. Ms. Gomez-McKeon agrees that the technician may perform
17 other work while at the central office, but she believes this would not occur in a majority
18 of cases.¹⁹¹ Of course, she provides no percentage of the time multiple activities would
19 be performed or the average number of activities that would be performed per trip. These
20 two pieces of information would allow Ms. Gomez-McKeon to develop an average travel
21 time per activity quite easily – contrary to her testimony that it cannot be done.
22 However, I quoted extensive testimony from other SBC personnel indicating that the

¹⁹¹ Gomez-McKeon Rebuttal Testimony, p. 11.

1 performance of multiple functions when deployed to an unmanned central office is not an
2 uncommon occurrence. In fact, my experience working with central office technicians,
3 including those assigned to unmanned central offices, indicates that technicians virtually
4 always work on multiple activities when dispatched to one of their central offices. Ms.
5 Gomez-McKeon has described the classic situation where one technician will be assigned
6 as a rover to 3-4 central offices.¹⁹² When the technician goes to one of the central offices,
7 that technician will perform all of the work for the office at that time to be maximally
8 efficient. The technician will then travel to the next office. If the rover has only 3-4
9 central offices as Ms. Gomez-McKeon has suggested, even if the technician went to
10 every office every day with travel time in between, the technician would have between
11 1.5 and 2.2 hours to spend in each office. There is simply no reasonable way to expect
12 that the technician would have 1.5 to 2.2 hours in the office and *average* only one task, as
13 Ms. Gomez-McKeon would have us believe. I have properly utilized an approach that
14 reflects the fact that the technician will perform on average four tasks. This is very
15 reasonable given the number of offices that Ms. Gomez-McKeon has indicated are
16 assigned to each rover technician. Accordingly, my approach of dividing the travel time
17 among four tasks should be adopted.

¹⁹² Gomez-McKeon Rebuttal Testimony, p. 12.

1 **Q. DOES MS. GOMEZ-MCKEON REBUT YOUR POSITION THAT CROSS-**
2 **CONNECTS ARE DOUBLE-COUNTED IN THE INTEROFFICE TRANSPORT**
3 **ELEMENT?**

4 A. No. The extent of her rebuttal is an unsupported assertion that I am wrong.¹⁹³ I provided
5 many detailed instances of where the cross-connects would be double-counted, yet Ms.
6 Gomez-McKeon did not respond to any of them. I will very briefly repeat the problems
7 here to point out that Ms. Gomez-McKeon has not rebutted or corrected the fundamental
8 problem in her study. Specifically, take DS1 Interoffice Dedicated Transport as an
9 example. SBC Michigan assumes that in all cases the Field Operations Group (“FOG”)
10 technician must perform cross-connects on both ends of the DS1 Interoffice Dedicated
11 Transport circuit.¹⁹⁴ To identify the double count that these tasks represent requires a
12 careful review of the cost studies relating to the connections involving DS1 Interoffice
13 Dedicated Transport. For example, a DS1 Loop can be connected to an end of the DS1
14 Interoffice Dedicated Transport. According to SBC Michigan’s DS1 Loop Cost Study,
15 the FOG is already compensated to perform a cross-connect within the central office.¹⁹⁵
16 Including costs for the FOG to also perform a cross-connect on a DS1 Interoffice
17 Dedicated Transport facility will completely duplicate the cross-connect cost that is
18 already included in the cost of a DS1 Loop. As an additional example, the DS1
19 Interoffice Dedicated Transport can also be connected to the DS1 side of Central Office
20 Multiplexing – DS1 to Voice. According to the cost study filed by SBC Michigan, the

¹⁹³ Gomez-McKeon Rebuttal Testimony, pp. 12-13.

¹⁹⁴ SBC Michigan Cost Study – “EEL_N_WhslUNE_MI_02-05_U-13531” Workbook, “TAB 6.2” Worksheet, Rows 442-443.

1 Central Office Multiplexing – DS1 to Voice already includes the cross-connect work by
2 the FOG on the DS1 side of the multiplexer.¹⁹⁶ These are examples of the scenarios that I
3 have considered. The only appropriate, TELRIC-compliant approach is to eliminate the
4 cross-connects from the Interoffice Dedicated Transport elements altogether so as to
5 avoid double counting the FOG costs when elements are cross-connected to one another.

6 **Q. DOES MS. GOMEZ-MCKEON PROVIDE ANY MEANINGFUL REBUTTAL TO**
7 **YOUR TESTIMONY REGARDING THE LOGIN AND COMPLETENESS**
8 **CHECK FUNCTION?**¹⁹⁷

9 A. No. My Initial Testimony indicated that SBC typically uses the values I propose. Ms.
10 Gomez-McKeon should be aware of the specific references to SBC’s cost studies because
11 I provided them to SBC in the Indiana UNE TELRIC proceeding (Cause No. 42393) in
12 response to SBC discovery where SBC asked about the specific experience with SBC’s
13 cost studies that I referenced. I more recently provided those responses to SBC in the
14 pending Illinois TELRIC proceeding. Specifically, I have observed shorter labor times
15 for the Login and Completeness Check function in multiple SBC cost studies in
16 Missouri.¹⁹⁸ Ms. Gomez-McKeon provides no rebuttal as to why SBC’s central office

¹⁹⁵ SBC Michigan Cost Study – “Loops_N_WhslUNE_MI_02-05_U-13531” Workbook, “TAB 6.3” Worksheet, Rows 43-44.

¹⁹⁶ See SBC Michigan Cost Study – “EEL_N_WhslUNE_MI_02-05_U-13531” Workbook, “TAB 6.2” Worksheet, Row 391. This Row references the cross-connect work. The conclusion that this cross-connect is on the DS1 side of the Central Office Multiplexing can be found on TAB 1.2, which shows that the only cross-connect included in this element is on the DS1 side of the multiplexer. The DS0 side multiplexing is included in the loop costs that are connected to the multiplexer, as also illustrated in TAB 1.2.

¹⁹⁷ Gomez-McKeon Rebuttal Testimony, pp. 13-14.

¹⁹⁸ Specifically, SBC used times similar to those that I have proposed in the following cost studies: Loop Cross Connect Cost Study – 4-Wire Loop to Multiplexer, Loop Cross Connect Cost Study – 2-Wire Analog Loop to DCS, Loop Cross Connect Cost Study – 4-Wire Loop to Multiplexer, Loop Cross Connect Cost Study – 2-Wire Digital Loop to DCS, Loop Cross Connect Cost Study
(continued)

1 technicians in Missouri are able to perform the Login and Completeness Check function
2 so much more quickly than its central office technicians in Michigan. It is simply
3 unreasonable to assume that it takes much longer in Michigan than in Missouri, and this
4 is a classic case of SBC refusing to import its best, most efficient practices from state to
5 state. In an efficient, forward-looking cost study, SBC Michigan should identify the most
6 efficient process for performing a function, and should include this time in its cost study.

7 **Q. DO YOU HAVE ANY OTHER BASIS FOR WHY YOU BELIEVE YOUR**
8 **SHORTER TIMES SHOULD BE USED FOR THE LOGIN AND**
9 **COMPLETENESS CHECK FUNCTION?**

10 A. Yes. As I indicated in my testimony filed on March 22, 2004, regarding the Batch Hot
11 Cut Cost Study from SBC Michigan, I recently had the opportunity to observe SBC
12 technicians performing cross connect activities within a large central office in Indiana.
13 We did not have the opportunity to actually observe the Login and Completeness Check
14 function in that tour. However, what I did observe is precisely what my experience has
15 been when I worked in a central office – the FOG technicians do not take the time to
16 login to their systems to retrieve orders for each time that they have a circuit to provision
17 as if they are not aware of the next activity that they will perform. Instead, the
18 technicians in Indiana (just as I have seen in my experience working at AT&T) print out
19 a large number of the cross connect orders that they have in the day all at one time and
20 clip them together in a binder such that they can more efficiently utilize their time within

– 2-Wire Analog Loop to Switch Port, Loop Cross Connect Cost Study – 2-Wire Digital Loop to Switch Port, SS7 Links Cross Connects to Collocation – DS0, SS7 Links Cross Connects to Collocation – DS1, and others. These cost studies were identified publicly to SBC in response to SBC-Indiana 4th Discovery Request Nos. 94-F and 94-G. AT&T's response to this discovery request is provided as Exhibit SET-NRC-9.

1 the central office. In other words, the *real* process that is used by the technicians is to
2 login to the order system once, print out all of the cross connect activities that will occur
3 for that technician either for the entire day or at least for a large portion of it and then go
4 about the activities of their day. Individual logins to the order system after the
5 completion of each circuit cross connect absolutely does not happen and should not be
6 reflected in the time that is ultimately used for this function. In short, the recommended
7 time that I have offered is what the Commission should rely upon.

8 **Q. MS. GOMEZ-MCKEON CLAIMS THAT YOU HAVE NOT PROVIDED ANY**
9 **SUPPORT FOR YOUR CLAIM THAT SBC TYPICALLY USES A SHORTER**
10 **CROSS-CONNECT TIME FOR 4-WIRE CROSS-CONNECTS THAN THE**
11 **CROSS CONNECT TIME SBC ASSUMES IN MICHIGAN.¹⁹⁹ CAN YOU**
12 **PROVIDE THIS SUPPORT TO MS. GOMEZ-MCKEON?**

13 A. Yes. Just as with the question above, Ms. Gomez-McKeon already has this information
14 because I was asked for precisely this type of information in Indiana (where Ms. Gomez-
15 McKeon was a witness) and I provided it to SBC. Specifically, in response to SBC's 4th
16 Discovery Request No. 94 to AT&T in Indiana, I provided information about my
17 experience with the appropriate time for a 4-wire cross-connect as follows: As a Project
18 Manager/System Engineer, I was responsible for the cross-connects between incumbent
19 LEC facilities and carrier facilities at interface points. These cross-connects typically
20 required five minutes when four-wire cross-connects were made. I have also seen cross
21 connect times in Missouri that are consistent with what I recommend here. Because Ms.
22 Gomez-McKeon has challenged the basis for my support in this proceeding, I identified

¹⁹⁹ Gomez-McKeon Rebuttal Testimony, p. 14.

1 the specific cost studies in a footnote.²⁰⁰ In short, Ms. Gomez-McKeon is – or should
2 have been – well aware of the basis for my experience in this regard, yet simply chose
3 not to provide any meaningful rebuttal to the fact that SBC Michigan has chosen to
4 inflate its labor times over those that it uses in other SBC states.

5 **Q. IS THIS THE EXTENT OF YOUR EXPERIENCE IN THIS REGARD?**

6 A. No. I provided an extensive discussion of my direct experience with SBC’s provisioning
7 of central office cross-connects, continuity testing, cross-connect removal, dial-tone and
8 ANI testing and the like in the Batch Hot Cut cost testimony that I filed in this same
9 proceeding. I will not repeat that testimony here, but in this specific context, I have
10 directly observed SBC cross-connect times that are extremely consistent with the times
11 that I have proposed in this proceeding even prior to my observation of these tasks.

12 **Q. MS. GOMEZ-MCKEON TAKES ISSUE WITH YOUR DS1 CROSS-CONNECT**
13 **TIME.²⁰¹ COULD YOU PLEASE COMMENT?**

14 A. Yes. This is yet another of the many situations where Ms. Gomez-McKeon agrees with
15 many of the facts that I present in my testimony, yet refuses to acknowledge that a
16 change should be made to her cost study. Specifically, my testimony is that a two-minute
17 time can be used for DS1 cross-connects because pre-connectorized cables are used to
18 provide these cross-connects. With pre-connectorized cables, no wire wrapping is
19 required. Rather, the cable is placed on a post and “twisted” down into place normally

²⁰⁰ Specifically, SBC used times similar to those that I have proposed in the following cost studies: Loop Cross Connect Cost Study – 4-Wire Loop to Multiplexer, Loop Cross Connect Cost Study – 4-Wire Loop to DCS, and others. These cost studies were identified publicly to SBC in response to SBC-Indiana 4th Discovery Request No. 94-G. I have also attached that same information to this testimony as Exhibit SET-NRC-9.

²⁰¹ Gomez-McKeon Rebuttal Testimony, pp. 14-15.

1 with about a quarter-turn of the connector. Ms. Gomez-McKeon agrees that these types
2 of connectors exist by noting that: “The *majority* of the time SBC Illinois FOG
3 technicians have to wire wrap the termination, meaning the cable is not pre-
4 connectorized as suggested by Mr. Turner.”²⁰² Of course, while I do not agree with Ms.
5 Gomez-McKeon’s statement, the fact that she acknowledges that this occurs the *majority*
6 of time means that at least some of the time, the more efficient pre-connectorized jumpers
7 should be used, and are used. Ms. Gomez-McKeon further states that: “The additional
8 time for this (wire wrapping), however, is not included in the NRC study.”²⁰³ In other
9 words, the very time consuming task that she is relying on to try to justify her higher
10 cross-connect time is actually not included in the cost study (according to Ms. Gomez-
11 McKeon), leading me to conclude that pre-connectorized times are the ones included in
12 the cost study, and should be valued at two minutes, as I recommend.

13 **Q. WHY DO YOU INSIST THAT THE FOG PRE-SERVICE TESTING TIMES FOR**
14 **4-WIRE ANALOG AND DS1 UNE EEL LOOPS SHOULD BE SET AT A SIMPLE**
15 **CONTINUITY TEST TIME?**²⁰⁴

16 **A.** Ms. Gomez-McKeon takes issue with this change, but she seems to misunderstand the
17 fundamental premise that leads to the changes that I propose and she does not, therefore,
18 meaningfully respond. Specifically, the FOG is the workgroup responsible for
19 performing cross-connects within the central office.²⁰⁵ This is the workgroup’s primary

²⁰² *Id.* Emphasis added.

²⁰³ Gomez-McKeon Rebuttal Testimony, p. 15. Parenthetical added.

²⁰⁴ Gomez-McKeon Rebuttal Testimony, pp. 15-16.

²⁰⁵ SBC Michigan Cost Study – “EEL_N_WhslUNE_MI_02-05_U-13531” Workbook, “TAB 8.7-FOG” Worksheet, Rows 60-77.

1 responsibility and the testing that is performed on cross-connects is a continuity test – not
2 end-to-end testing as Ms. Gomez-McKeon seems to believe. End-to-end testing is
3 performed by other work groups and is done on the entire circuit, not just on a cross-
4 connect.

5 **Q. MS. GOMEZ-MCKEON TAKES ISSUE WITH YOUR MODIFICATIONS TO**
6 **THE FOG CIRCUIT COMPLETION AND ORDER CLOSE-OUT FUNCTION.²⁰⁶**
7 **DO YOU AGREE WITH ANY OF HER CRITICISMS?**

8 A. No. First of all, Ms. Gomez-McKeon actually seems to confuse the actual changes that I
9 made in this area of the cost study because her testimony states that all of the changes
10 were made to the additional loops on a service order. While Ms. Gomez-McKeon
11 mistakenly focuses on the closeout activity for the individual loops on the order, my
12 testimony appropriately focuses on the order activity itself. The technician has
13 completed the cross-connect work and is noting that the work has been completed. There
14 is no reason that this close-out function cannot simply occur at the order level, just as
15 SBC Michigan's cost study states.

16 The area where Ms. Gomez-McKeon is confused relates to the order level time
17 adjustment that I made. My modification is also to the *initial* loop on the order – not just
18 to the additional loop. Moreover, as my testimony indicates, the basis for this is that the
19 work involved in closing out an order is quite simple and is supported by my observation
20 of SBC times for similar tasks in other states. This information is contained in AT&T's
21 response to SBC's 4th Discovery Request No. 94-H in Indiana. I have included this
22 response in Exhibit SET-NRC-9.

²⁰⁶ Gomez-McKeon Rebuttal Testimony, pp. 16-17.

1 **Q. PLEASE RESPOND TO THE CRITICISM THAT MS. GOMEZ-MCKEON**
2 **MAKES REGARDING THE SSC TESTING TIME FOR THE DS1 CKL TEST.²⁰⁷**

3 A. As with so many of Ms. Gomez-McKeon’s responses to my changes she appears to agree
4 with my approach conceptually, yet stops short of making an appropriate reduction.

5 Ms. Gomez-McKeon wants this Commission to approve an SSC testing time of
6 *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes.²⁰⁸ By way of
7 comparison, I have proposed an SSC testing time of five minutes. I based my time
8 estimate on working with technicians and the testing processes for DS1 circuits used in
9 signaling networks. The work group with which I have experience actually performed
10 DS1 testing in much the same manner as the SSC would perform testing for SBC
11 Michigan’s DS1 circuits. As I described in my Initial Testimony, the SSC does not
12 perform all of its tasks sequentially. The running of the tests actually takes some time
13 and, while the test is running, the SSC technician would perform other work. My
14 testimony was that the test set-up and evaluation time should be a total of five minutes –
15 not the *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes proposed by
16 SBC Michigan.

17 Ms. Gomez-McKeon’s testimony actually supports my position in Initial
18 Testimony directionally, if not in terms of the final times to be incorporated into the cost
19 study. Ms. Gomez-McKeon notes that the actual test running time is
20 *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes.²⁰⁹ Accordingly, if

²⁰⁷ Gomez-McKeon Rebuttal Testimony, p. 17.

²⁰⁸ *Id.*

²⁰⁹ *Id.*

1 she proposes a total time of *****CONFIDENTIAL XXX END CONFIDENTIAL*****
2 minutes, but the test runs for *****CONFIDENTIAL XXX END CONFIDENTIAL*****
3 minutes, then according to Ms. Gomez-McKeon's assumptions, the set-up and evaluation
4 time for the SSC – the only time that should be included in the cost study – is the
5 difference between these two times, or *****CONFIDENTIAL XXX END**
6 **CONFIDENTIAL***** minutes. In other words, Ms. Gomez-McKeon acknowledges that
7 there is an extended period of time during which the test actually runs (and during which
8 the SSC would be performing other work), yet she does not provide any rebuttal to my
9 position that the SSC is able to perform work in parallel. As a result, at a minimum, SBC
10 Michigan should reduce its time to *****CONFIDENTIAL XXX END**
11 **CONFIDENTIAL***** minutes. I stand by my proposal of five minutes because it is
12 based on how long I know the set-up and evaluation time to be for DS-1 testing. But
13 from a costing perspective, if Ms. Gomez-McKeon would simply implement what her
14 testimony advocates, she would reduce her provisioning time by half.

15 **Q. IS MS. GOMEZ-MCKEON CORRECT THAT MULTIPLEXING WOULD BE**
16 **ORDERED SEPARATELY OR IN ISOLATION?**²¹⁰

17 A. No. Ms. Gomez-McKeon is fundamentally confused about why a CLEC would ever
18 order multiplexing. Multiplexing is of absolutely no use to a CLEC unless it is ordered
19 in connection with another element (as I have discussed earlier in this testimony) such as
20 high speed loops, entrance facilities or, most likely, interoffice transport (as with an
21 EEL). If one orders multiplexing by itself, as Ms. Gomez-McKeon recommends, it is

²¹⁰ Gomez-McKeon Rebuttal Testimony, pp. 17-18.

1 incapable of even being tested by the SSC in a meaningful way because it would not be
2 connected to a circuit – it would just be sitting in isolation. This makes absolutely no
3 sense. However, given that multiplexing is always ordered as part of a larger circuit such
4 as in combination with interoffice transport, I have eliminated the testing in the SSC,
5 knowing that the circuit level testing performed by the SSC will be picked up in the cost
6 of the element to which the multiplexing is connected. In other words, I know that the
7 SSC must test the interoffice transport. If multiplexing is connected to the interoffice
8 transport, the SSC will simply test both in combination, likely using the multiplexer as a
9 loop-back point in the testing of the circuit just as the technicians did in my operational
10 experience.

11 In short, Ms. Gomez-McKeon provides no effective rebuttal on this point because
12 she fails to understand the fundamental principle that multiplexing is not ordered in
13 isolation – it will always be ordered in combination with some other element to form a
14 circuit. It is those other elements that contain the testing costs that I believe should
15 remain for the SSC.

16 This identical issue relates to the Administrative Close Out and Screen Order
17 tasks and I will not repeat that discussion here.²¹¹

²¹¹ Gomez-McKeon Rebuttal Testimony, p. 18.

1 **Q. MS. GOMEZ-MCKEON INDICATES THAT SHE AGREES WITH YOU**
2 **REGARDING THE MODIFICATION OF THE LOG, SORT, MATCH, AND**
3 **DISTRIBUTE FUNCTION.²¹² HAS SHE IMPLEMENTED THE MODIFICATION**
4 **IN THE MANNER THAT YOU RECOMMEND?**

5 A. No. I set the time for the Log, Sort, Match, and Distribute function to 0.00 minutes
6 based, in part, on the fact that in Missouri, as Ms. Gomez-McKeon acknowledges, this
7 task is performed electronically. SBC acknowledged this fact in discovery in Missouri.
8 Ms. Gomez-McKeon now also acknowledges in Michigan (and she did as well in
9 Illinois) that this process is performed electronically. However, this was not the only
10 basis for my changing the time to 0.00 minutes. Specifically, I noted in Initial Testimony
11 that the “Log, Sort, Match, Distribute” task includes “administrative functions,”
12 “matching service order and word document,” “checking that all required information is
13 complete,” “forward order to the installation supervisor,” and “updating of log to reflect
14 estimated time and technician assigned to order.”²¹³ Just by reading the descriptions, it is
15 clear that these activities have to do with the order itself and have absolutely nothing to
16 do with the number of circuits being provisioned. At a minimum, therefore, the
17 “additional” time for this activity has been set to zero. Further, the work that is described
18 here, according to discovery, is actually done in “Order Analysis” such as “matching
19 service order to word document.” This is the next function in SBC Michigan’s list for
20 which I have left the initial time unchanged.

²¹² *Id.*

²¹³ SBC Michigan Cost Study – “EEL_N_WhslUNE_MI_02-05_U-13531” Workbook, “TAB 8.9-DOG” Worksheet, Cells C10-C14.

1 The bottom line is that Ms. Gomez-McKeon indicates that she agrees with me,
2 making it appear as if this is no longer an issue between the parties. She does not address
3 all of the other reasons that I identify as to why this labor time should be set to 0.00
4 minutes. She has simply added a new fallout percentage of *****CONFIDENTIAL X**
5 **END CONFIDENTIAL***** percent, for which she has provided no support. Yet she
6 has left all of the labor times the same without responding to any of the testimony that I
7 introduced. Based on her apparent agreement with me, it is appropriate to eliminate this
8 task as I have done.

9 **Q. MS. GOMEZ-MCKEON STATES THAT SHE BELIEVES YOUR REDUCTION**
10 **FOR THE “ADDITIONAL” TIME TO PERFORM ORDER ANALYSIS IS**
11 **WRONG.²¹⁴ COULD YOU RESPOND TO HER COMMENTS?**

12 A. Yes. Ms. Gomez-McKeon indicates that “the technician must review each circuit
13 individually on the service order, including the assignment and equipment information.”
14 She believes that the appropriate time to review or observe this assignment and
15 equipment information is *****CONFIDENTIAL XXX END CONFIDENTIAL*****
16 minutes. I have not eliminated the time to investigate additional loops on an order for
17 DOG – the group to which this task time applies. Instead, I have included 0.50 minutes
18 for each additional loop. The reality is that when a CLEC orders multiple loops on a
19 single order, the work that the DOG will perform on the subsequent loops will be
20 virtually identical to the work it performs on the initial loop. I retained the
21 *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes that SBC Michigan

²¹⁴ Gomez-McKeon Rebuttal Testimony, p. 19.

1 assumed for the initial loop.²¹⁵ However, with the additional loops on the same order,
 2 there may only be a need for a minimal review, at most, in the event there are additional
 3 equipment requirements on the order, and even these will be similar to the initial loop
 4 requirements. If there were 10 loops on the order, Ms. Gomez-McKeon assumes that the
 5 DOG technician would spend *****CONFIDENTIAL XXXX END**
 6 **CONFIDENTIAL***** simply reviewing the order, with *****CONFIDENTIAL X END**
 7 **CONFIDENTIAL***** minutes of that time attributable to just the review of additional
 8 loops with equipment and assignment information on them similar to that of the initial
 9 loop. In my experience, this amount of review simply need not and does not occur.
 10 Using my approach, this same 10 loop order would incorporate a total of
 11 *****CONFIDENTIAL XX END CONFIDENTIAL***** minutes for Order Analysis – a
 12 time that is much more reasonable given the fact that the focus of this work activity will
 13 be on the order – not on the slight differences that may exist for subsequent loops on the
 14 same order.

15 **Q. MS. GOMEZ-MCKEON CLAIMS THAT THE DIFFERENT SIZED**
 16 **TERRITORIES SERVED BY THE CP&M AND DOG TECHNICIANS WILL**
 17 **CAUSE THEIR TRAVEL TIMES TO THE SAI/FDI TO VARY**
 18 **SIGNIFICANTLY.²¹⁶ COULD YOU COMMENT ON HER TESTIMONY?**

19 A. First, it might help the Commission to know just how different the travel time is between
 20 these two technician groups. The CP&M has a travel time to the SAI/FDI of
 21 *****CONFIDENTIAL X END CONFIDENTIAL***** minutes while the DOG has a

²¹⁵ SBC Michigan Cost Study – “EEL_N_WhslUNE_MI_02-05_U-13531” Workbook, “TAB 8.9-DOG” Worksheet, Cells E43-E47.

²¹⁶ Gomez-McKeon Rebuttal Testimony, pp. 19-20.

1 travel time to the SAI/FDI of *****CONFIDENTIAL X END CONFIDENTIAL*****
2 minutes. This is a large difference; according to SBC, it takes the DOG 52 percent
3 longer to travel to the same location. The only rebuttal that Ms. Gomez-McKeon offers
4 is that the DOG serves a larger geographic area than does the CP&M, therefore
5 contributing to its longer travel times. Notwithstanding that there is absolutely no
6 support in the record for this difference in the geographic areas allegedly served by these
7 two groups, this still fails to explain such a significant difference in travel times. The
8 relevant time to evaluate is the distance that one technician would travel from the first
9 work assignment of the day to the next work assignment in the day. While it is true that
10 larger geographic areas could contribute to this time difference in some small way (if this
11 is, in fact, the case), SBC Michigan's study must also assume that the distance between
12 assignments is 52 percent greater – not just that the geographic areas are larger than one
13 another. Given the availability of scheduling technology to plan the daily work
14 assignments of the technicians, it is reasonable that Dr. Ankum, Mr. Morrison, and I
15 would all conclude that this time difference is unjustifiable. In short, Ms. Gomez-
16 McKeon's unsupported assertion that the work assignment areas are different does not de
17 facto lead to a conclusion that the travel times between job activities should be 52 percent
18 greater for one technician group than they are for the other.

19 In a related matter, Ms. Gomez-McKeon challenges my position on whether the
20 technician, upon arriving as the SAI/FDI, will perform more than one task. However, in
21 my experience and as discussed with managers who have overseen these processes in
22 incumbent territories, when technicians are dispatched to the SAI/FDI, they regularly do

1 other work orders while at the site. My restatement of SBC Michigan's cost study
2 assumes that the technician performs an average of two work orders when dispatched to
3 the SAI/FDI. The combination of these inputs leads to my recommendation of
4 *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes per dispatch to the
5 SAI/FDI – a recommendation unaffected by Ms. Gomez-McKeon's attempted rebuttal.²¹⁷

6 **D. SPECIFIC PROBABILITY OF OCCURRENCE ADJUSTMENTS FOR**
7 **UNBUNDLED LOOPS IN EELS**

8 **Q. THERE IS A DISPUTE BETWEEN YOU AND MS. GOMEZ-MCKEON**
9 **REGARDING THE APPROPRIATE FALLOUT TO USE FOR THE LOOP**
10 **ASSIGNMENT CENTER (LAC).²¹⁸ COULD YOU PLEASE COMMENT ON THIS**
11 **DISPUTE?**

12 **A.** Yes. The fundamental difference between us appears to be that the LAC fallout is
13 presently different among standalone loops, EEL-related loops and loops that are used as
14 part of the UNE-Platform. Apparently, SBC Michigan is willing to change its position to
15 use the fallout position that I recommend for the loops that are used for UNE-P, but
16 wants to use a higher fallout percentage for standalone loops and loops ordered as part of
17 an EEL configuration. The problem, of course, is that there is no legitimate basis for a
18 position that loops that are used by CLECs with their own switches should experience
19 fallout at twice the level as that experienced by CLECs that purchase UNE-P. Moreover,
20 this is discriminatory because the UNE-P fallout should be the same as that for the

²¹⁷ Ms. Gomez-McKeon's testimony at page 20 notes that I lowered the travel time to 2.5 minutes. This is not the case. My recommendation for the travel time is 10 times higher – 25 minutes. However, I then divide this time in half to account for performing two work activities upon arrival – 12.5 minutes. I do not know whether Ms. Gomez-McKeon meant to write 12.5 minutes (failing to include the "1" at the beginning of the time) or mean to write 25 minutes (inadvertently including a "." where one should not be included. Either way, her travel time is not what is included in my testimony or restated cost study.

1 process SBC Michigan uses for its own service (combining a loop and a switch port).
2 Providing (and charging) CLECs that use their own switches with fallout at twice the
3 level as SBC Michigan itself enjoys is inappropriate on a forward-looking basis. In short,
4 I see no basis to change from the modification that I previously recommended, which is
5 to use the UNE-P based LAC fallout percentage for *all* unbundled loops.

6 **Q. MS. GOMEZ-MCKEON INDICATES THAT SHE AGREES WITH YOU AND**
7 **OTHERS REGARDING A CHANGE TO THE PROBABILITY OF**
8 **OCCURRENCE OF DOP FOR 2-WIRE AND 4-WIRE ANALOG LOOPS WITH**
9 **EELS.²¹⁹ DO YOU AGREE WITH HER MODIFICATION?**

10 A. No. Her modification in this area is certainly a move in the right direction, but it does not
11 fully address the DOP issue I raised in my Initial Testimony across all of the loop types
12 where DOP can exist. Further, her implementation of the DOP percentage still fails to
13 account for the probability of migration as has been discussed earlier in this testimony as
14 well as in my Initial testimony in detail.

15 **XIII. SBC MICHIGAN'S CONTINUING SHORTCOMINGS IN ITS SUB-LOOPS**
16 **NONRECURRING COST STUDY**

17 **Q. MS. GOMEZ-MCKEON TAKES ISSUE WITH YOUR PROPOSED CROSS-**
18 **CONNECT TIMES FOR THE CPM/DOG TECHNICIAN.²²⁰ IS THIS THE SAME**
19 **ISSUE THAT YOU HAVE ADDRESSED PREVIOUSLY IN YOUR**
20 **TESTIMONY?**

21 A. Yes. I have already addressed this issue previously regarding the basis for my shorter
22 task times than those that Ms. Gomez-McKeon proposes in the unbundled loop and EEL
23 sections of this testimony. For the sake of brevity, I will not repeat that discussion here.

²¹⁸ Gomez-McKeon Rebuttal Testimony, pp. 7-8.

²¹⁹ Gomez-McKeon Rebuttal Testimony, pp. 18-19.

²²⁰ Gomez-McKeon Rebuttal Testimony, pp. 34-35.

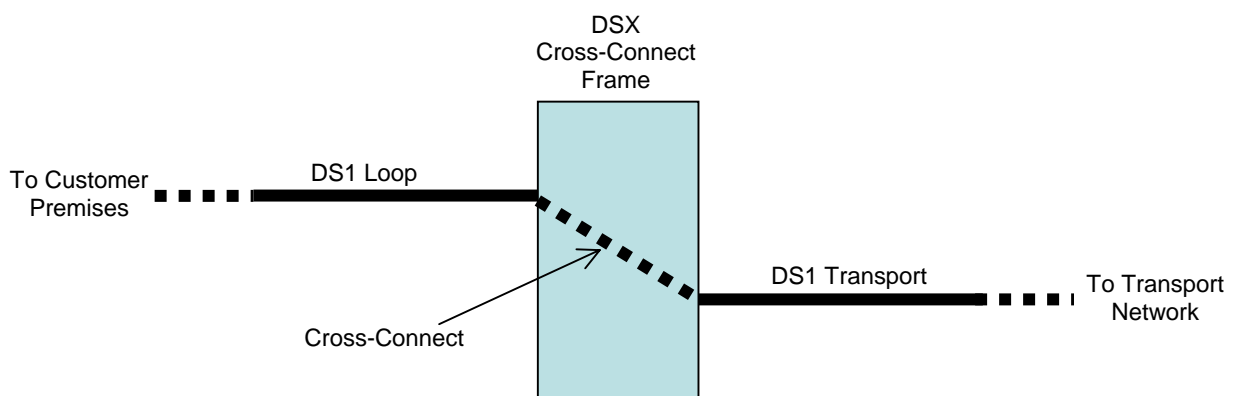
1 **XIV. SBC MICHIGAN’S CONTINUING SHORTCOMINGS IN ITS DEDICATED**
2 **TRANSPORT INTEROFFICE NONRECURRING COST STUDY**

3 **Q. MS. GOMEZ-MCKEON CLAIMS THAT THE BASIS FOR YOUR REMOVAL**
4 **OF THE INSTALLATION AND TESTING TIMES FOR CROSS-CONNECTS IN**
5 **THE TRANSPORT COST STUDY IS THAT THEY ARE ALREADY INCLUDED**
6 **IN THE ENTRANCE FACILITY COST STUDY.²²¹ DOES THIS FAIRLY**
7 **CHARACTERIZE YOUR TESTIMONY?**

8 A. No. Ms. Gomez-McKeon has completely misrepresented my testimony to try to create a
9 position that she has a chance of rebutting. The reality is that the full context of my
10 discussion of the issue of cross-connects is clearly something that SBC Michigan cannot
11 rebut and therefore their witnesses resort to distorting my positions.

12 **Q. COULD YOU PLEASE BRIEFLY SUMMARIZE YOUR CONCERN**
13 **REGARDING CROSS-CONNECTS AND THEIR ASSOCIATED TESTING?**

14 A. Yes. The issue is really quite straightforward. A cross-connect is nothing more than the
15 jumper wires or cables that must be placed on a cross-connect frame to make a
16 connection between two network elements. The diagram below illustrates what I am
17 describing.



²²¹ Gomez-McKeon Rebuttal Testimony, pp. 35-36.

1 As can be seen in this diagram, there are two elements that are being connected together
2 – an unbundled DS1 Loop and DS1 Interoffice Dedicated Transport. This is a connection
3 that would routinely be made in operational practice. SBC Michigan includes the cross-
4 connect cost within the central office as part of the DS1 Loop. I do not have a problem
5 with this in that a cross-connect will be required either to extend this element to the
6 collocation arrangement, the low-speed side of a multiplexer, or interoffice dedicated
7 transport as in the example I have illustrated. However, *there is only one cross-connect*
8 *that is established between the DS1 Loop and the DS1 Interoffice Dedicated Transport* as
9 is illustrated in my diagram. The trouble is that SBC Michigan has also included a cross-
10 connect on both ends of the interoffice dedicated transport including the end depicted
11 here terminating at the DSX. In this situation, when the cross-connect is made from the
12 unbundled loop to the unbundled transport, in SBC Michigan's cost studies, two cross-
13 connects will be paid for – one for the loop and one for the interoffice transport – where
14 only one cross-connect is provisioned. This is clearly wrong and cannot be permitted.
15 Ms. Gomez-McKeon has not responded to the crux of this argument instead trying to
16 mislead the Commission into believing that this is an issue of whether the CLEC can
17 purchase entrance facilities separate from dedicated transport. However, I would point
18 out that this same difficulty exists when an Entrance Facility (which includes the cross-
19 connect cost as well) are connected to Interoffice Dedicated Transport. I am trying to
20 address the real world situations where elements are connected together and to ensure
21 that when that happens that there is no double-count of cost.

1 **Q. IS THERE A COMPREHENSIVE SOLUTION THAT WOULD ADDRESS THIS**
2 **ISSUE IN EVERY CIRCUMSTANCE?**

3 A. Yes. I have actually discussed this issue with SBC in this region and they have been
4 reluctant to implement the solution I will describe in that through the SBC Midwest
5 region the inclusion of cross-connects has generally been included with certain
6 unbundled elements. I have stayed true to that approach, but I have attempted to ensure
7 that obvious double-counts of the cross-connect cost are excluded.

8 However, the precise solution to this problem would be to create a separate
9 element for the cross-connect itself. These cross-connect elements could be created at
10 the 2-Wire, 4-Wire, DS1, DS3, and OC-n levels. If this were done then all cross-connect
11 costs would be removed from all elements in that the cross-connect costs would be
12 separately identified in its own element. With this approach, if the DS1 Loop were
13 connected to the DS1 Interoffice Transport, then one DS1 cross-connect cost would
14 apply in the diagram I displayed above.

15 **Q. HAS THIS SOLUTION BEEN IMPLEMENTED IN ANY SBC STATES?**

16 A. Yes. Texas, Missouri, Oklahoma, Kansas, and Arkansas all use this approach.

17 **Q. ARE YOU RECOMMENDING THIS APPROACH IN MICHIGAN?**

18 A. No. I have prepared cost studies to incorporate the cross-connect costs in a manner that
19 will largely eliminate the problem of double-counting cross-connects for connecting
20 elements. This is my primary recommendation in that it stays true to the approach that
21 has been implemented throughout this region. Nonetheless, Ms. Gomez-McKeon would
22 like to retain this structure and retain the consistent over-recovery of cross-connect costs.

1 This cannot be permitted. As such, I would urge the Commission to utilize the restated
2 cost studies that I have presented that address this issue comprehensively.

3 **Q. MS. GOMEZ-MCKEON ALSO RAISES AN ISSUE WITH REGARDS TO THE**
4 **SSC COORDINATE/CONDUCT PRE-SERVICE TESTING TIME.²²² COULD**
5 **YOU RESPOND?**

6 A. Yes. This issues as I explained in my Initial Testimony is precisely the same issue as
7 with the cross-connect just discussed above. SBC Michigan includes the SSC testing in
8 all of the elements that would commonly be connected together. An approach must be
9 devised that ensures that when these elements are connected that the costs for testing are
10 not duplicated. I have eliminated this testing time from the Interoffice Transport element
11 so that when high speed loops, entrance facilities, multiplexing or the like are connected
12 to the transport, the cost will not be double-counted.

13 **Q. FINALLY, MS. GOMEZ-MCKEON RAISES AN ISSUE WITH REGARDS TO**
14 **THE SSC COORDINATE/CONDUCT CKL TESTING TIME.²²³ COULD YOU**
15 **RESPOND?**

16 A. As I discussed in my Initial Testimony, SBC Michigan has documented that the SSC
17 takes *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes for the
18 “Coordinate/Conduct CKL Tests.”²²⁴ The testing that is done by the SSC does not require
19 the time that SBC Michigan has indicated. The testing is not done sequentially.
20 Moreover, the technician would not coordinate this test with the CLEC in that this is a
21 test of Interoffice Dedicated Transport that runs between two SBC Michigan central

²²² Gomez-McKeon Rebuttal Testimony, p. 36.

²²³ *Id.*

²²⁴ SBC Michigan Cost Study, “Int Off Fac_N_WhslUNE_MI_02-05_U-13531” Workbook, “TAB 8.6-SSC” Worksheet, Cell E65.

1 offices – it does not go to the CLEC. The technician is able to set up the test and then do
2 other activities. The actual activity on this task would be approximately five minutes.

3 **XV. SBC MICHIGAN’S CONTINUING SHORTCOMINGS IN ITS HIGH**
4 **FREQUENCY PORTION OF THE LOOP (HFPL) NONRECURRING COST**
5 **STUDY**

6 **Q. IS THE CROSS-CONNECT LABOR TIMES FOR THE HFPL COST STUDY**
7 **MUCH THE SAME AS YOU HAVE PREVIOUSLY DISCUSSED FOR EELS**
8 **AND LOOPS?**

9 A. Yes. However, Ms. Gomez-McKeon has not actually provided any rebuttal at all on this
10 issue in the HFPL discussion. Instead, Ms. Gomez-McKeon has used her HFPL rebuttal
11 testimony as an opportunity to increase the non-TELRIC labor times for the cross-
12 connects in this cost study even further. Specifically, prior to her testimony in this round,
13 the labor times for the cross-connects were *****CONFIDENTIAL XXX END**
14 **CONFIDENTIAL***** for the initial cross-connect and *****CONFIDENTIAL XXX**
15 **END CONFIDENTIAL***** for the additional cross-connect.²²⁵ These cross-connect
16 times were actually already “corrected” once in response to discovery. Now, Ms.
17 Gomez-McKeon changes the times again increasing them (initial and additional) to
18 *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes. No justification is
19 provided. She just increases these times by 14 percent for the initial time and 33 percent
20 for the additional time without any justification. She does not even seem to understand
21 when the current times of *****CONFIDENTIAL XXX END CONFIDENTIAL***** or
22 *****CONFIDENTIAL XXX END CONFIDENTIAL***** minutes are used thinking that

²²⁵ SBC Michigan Response to Request No. ATTSBC 448 (ST-28) corrects the cross-connect times within the study to be those I reference.

1 it depends on slitter ownership.²²⁶ However, these times are dependent on whether the
2 HFPL cross-connect is for an initial or additional cross-connect. In short, Ms. Gomez-
3 McKeon has dramatically increased the labor times without and justification and with an
4 apparent misunderstanding of how the current times are even used in the cost study.

5 **Q. MS. GOMEZ-MCKEON CLAIMS THAT YOUR PROPOSAL OF TWO**
6 **MINUTES FOR THE WALL TO WALL CONTINUITY TESTING IS**
7 **UNSUPPORTED.²²⁷ IS THIS TRUE?**

8 A. Absolutely not. In my Initial Testimony I explained that I had personally observed this
9 type of continuity testing and that it typically required only two minutes to perform. In
10 my Batch Hot Cut testimony, I further explained that I had toured an SBC central office
11 in Indiana where SBC demonstrated the actual time required to perform a hot. Part of
12 this activity was to perform a continuity check. This was a difficult multi-floor
13 continuity check and it only took two minutes on average. In short, I have good basis for
14 the labor time that I have recommended. Ms. Gomez-McKeon's only rebuttal is that I am
15 wrong. I have explained how this continuity test is performed and observed it both inside
16 and outside of SBC's central office. The Commission should reject SBC Michigan's
17 proposed labor time for this task.

²²⁶ Gomez-McKeon Rebuttal Testimony, p. 37.

²²⁷ Gomez-McKeon Rebuttal Testimony, p. 38.

1 **XVI. DISCUSSION OF GENERAL COSTING ISSUES**

2 **A. SEPARATION OF INITIAL AND ADDITIONAL CHARGES FOR LOOPS**

3 **Q. MR. SILVER’S TESTIMONY IS THAT SBC MICHIGAN HAS NOT**
4 **TRADITIONALLY SEPARATED THE COST BETWEEN INITIAL AND**
5 **ADDITIONAL ELEMENTS.²²⁸ COULD YOU RESPOND?**

6 A. Yes. Mr. Silver actually has very little to say on this issue (four lines of testimony). I
7 have addressed this issue at length in my Initial Testimony and will not repeat the
8 discussion here. I simply point out that there are many states where SBC does
9 distinguish between initial and additional loop costs and other elements as well. Further,
10 as my Initial Testimony points out, there are significant differences in the costs of initial
11 and additional loops as well as other elements. Accordingly, it is appropriate to account
12 for these differences in the rate structures adopted in this proceeding.

13 **B. RESPONSE TO QUESTION OF EXPERIENCE**

14 **Q. MR. SMALLWOOD TAKES EXCEPTION TO YOUR EXPERIENCE IN THE**
15 **INDUSTRY AND YOUR CONSEQUENT RESTATEMENTS OF SBC**
16 **MICHIGAN’S COST STUDIES?²²⁹**

17 A. I have already addressed this question in another context in detailed earlier in this
18 testimony. However, while I have not been employed by an incumbent, I have extensive
19 experience working in processes or provisioning or engineering circuits that are virtually
20 identical to those that are involved in these cost proceedings. Mr. Smallwood’s blanket
21 assessment that my recommendations are unsupported is belied by the fact that I not only
22 filed 254 pages of Initial Testimony regarding nonrecurring charges on January 20, 2004,

²²⁸ Silver Rebuttal Testimony, p. 13.

²²⁹ Smallwood Rebuttal Testimony, pp. 2-3.

1 regarding my proposed modifications, but I also provided Exhibit SET-NRC-2 (Revised)
2 – a 149 page document providing a description of every modification that I made to every
3 cell in SBC Michigan’s cost study. These modifications are not unsupported, but are
4 based on the facts that I have introduced into this record and my extensive industry
5 experience as well as the last eight years of experience specifically related to the
6 development and restatement of TELRIC-compliant cost studies in this industry. The
7 Commission has found my expertise acceptable in the past and I do not believe Mr.
8 Smallwood has provided any reason for the Commission to doubt my expertise now.

9 **XVII. COMMENT ON THE DIFFICULTIES WITH THE SPICE MODEL**

10 **Q. SBC MICHIGAN’S WITNESSES (SEE BUSH-ARCHER-HOFFMAN**
11 **REBUTTAL, P. 10) HAVE MADE REFERENCE TO YOU NOT FINDING**
12 **FAULT WITH THE SPICE MODEL AND WHETHER IT COMPLIES WITH**
13 **TELRIC PRINCIPLES. COULD YOU PLEASE COMMENT?**

14 A. AT&T retained Michael Baranowski and Julie Murphy to evaluate the SPICE model in
15 this proceeding. However, in light of SBC Michigan’s misrepresentations regarding my
16 earlier testimony, I felt it would be appropriate to briefly comment on the SPICE model.

17 Specifically, in the cases where I have been asked to address this issue, I have
18 generally found SBC’s utilization of the SPICE model not to be in compliance with
19 TELRIC principles. I have made this finding based on extensive review of the
20 algorithms associated with SPICE (and its predecessors at SBC) and have made filings
21 regarding the SPICE model in Texas (in multiple proceedings), Oklahoma, and Missouri.

22 Fundamentally, the primary TELRIC-based issue that I have found with SPICE is that it
23 fails the Total Demand test associated with TELRIC. SPICE requires that SBC load a set
24 of circuits into the model such that the model then apply its algorithms to identify the

1 least cost route through the network. Of course, as Mr. Baranowski and Ms. Murphy also
2 find in their review in this case, this “least cost route” is based almost exclusively on the
3 existing network design that SBC has in place. Nonetheless, the primary concern that I
4 have raised repeatedly is that SBC refuses to load the entirety of its circuit demand. I
5 have confirmed through discovery in these cases that SBC has the ability to load this
6 demand (in the sense that it has access to this information), but it chooses not to include
7 total demand.

8 The failure to include total demand in the analysis of transport costs is
9 particularly troubling in that the specific type of demand that SBC traditionally excludes
10 are the facilities that are used to connect SBC’s own switches together. These circuits
11 typically represent lower cost, short distance connections that are high in volume. SBC’s
12 failure to include these circuits denies CLECs the scale economies that SBC itself enjoys.
13 This failure is a primary shortcoming of SPICE in meeting the standards of TELRIC.

14 SBC is well aware of my concerns in this regard in that I have consistently
15 identified this problem. In light of that knowledge, SBC’s claim that I do not find
16 TELRIC violations with SPICE and SBC’s operation of that model defies reason.

17 There are many more details that I could provide regarding this issue and other
18 issues that I have found with SBC’s transport cost study filings. However, I primarily
19 wanted to clarify that SBC Michigan’s representation of my testimony in this case is
20 inaccurate.

21 **Q. DOES THIS CONCLUDE YOUR FINAL REPLY TESTIMONY?**

22 A. Yes, it does.

CD Containing Excel Versions of Restated Nonrecurring Cost Studies

r_BillEstablish_NR_WhslUNE_MI_02-05_U-13531
r_Cancel Change Int Off Fac_N_WhslUNE_MI_02-05_U-13531
r_Cancel Change UNE Loops_N_WhslUNE_MI_02-05_U-13531
r_Cancellation or Changes_N_WhslUNE_MI_02-05_U-13531
r_CenSysFeatures_N_WhslUNE_MI_02-05_U-13531
r_Clear Channel DS1 IO_N_WhslUNE_MI_02-05_U-13531
r1_Combination ULS and UTS-Ports_N_WhslUNE_MI_02-05_8-1-02_TF~1
r_Custom Routing_N_WhslUNE_MI_02-05_U-13531
r1_DARK FIBER_N_WhslUNE_MI_02-05_U-13531
r_DS1 Tandem Trunk Port Cancellation or Changes_N_WhslUNE_MI~1
r_EEL_N_WhslUNE_MI_02-05_U-13531
r_Ent Fac_N_WhslUNE_MI_02-05_U-13531
r_HFPL Cross-connects_N_WhslUNE_MI_02-05_U-13531
r_Int Off Fac_N_WhslUNE_MI_02-05_U-13531
r_Loops_N_WhslUNE_MI_02-05_U-13531
r_SA2UNE CONVERSION_N_WhslUNE_MI_02-05_U-13531
r_Serv Ord Cancel or Change_N_Whsl_MI_02-05_U-13531
r_Serv Ord Dark Fiber_N_Whsl_MI_02-05_U-13531
r_Serv Ord Due Date Change_N_Whsl_MI_02-05_U-13531
r_Serv Ord EEL_N_Whsl_MI_02-05_Dkt_U-13531
r_Serv Ord Existing UNE-P_N_Whsl_MI_02-05_U-13531
r_Serv Ord HFPL_N_Whsl_MI_02-05_U-13531
r_Serv Ord LIDB Query_N_Whsl_MI_02-05_U-13531
r_Serv Ord Loops_N_Whsl_MI_02-05_U-13531
r_Serv Ord New Combinaton UNE-P_N_Whsl_MI_02-05_U-13531
r_Serv Ord SPCL ACC to UNE AdminChargePerReq_N_WhslUNE_MI_02~1
r_Serv Ord SS7_N_Whsl_MI_02-05_U-13531
r_Serv Ord Sub-Loop_N_Whsl_MI_02-05_U-13531
r_Serv Ord ULS Ports_N_Whsl_MI_02-05_U-13531
r_Serv Ord Unbundled Trans_N_Whsl_MI_02-05_U-13531
r_Serv Ord UTS Port_N_Whsl_MI_02-05_U-13531
r_Sub-Loops_N_WhslUNE_MI_02-05_U-13531
r1_ULS and UTS-Ports_RN_WhslUNE_MI_02-05_4-4-03_Dkt# U-13518
r_ULS Port Features_N_WhslUNE_MI_02-05_U-13531
r_UNE_SWITCH_PORT_CROSS_CONNE.XLS

Confidential

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE COMMISSION)	
INVESTIGATION AND GENERIC PROCEEDING)	
OF RATES AND UNBUNDLED NETWORK)	
ELEMENTS AND COLLOCATION FOR INDIANA)	CAUSE NO. 42393
BELL TELEPHONE COMPANY, INCORPORATED)	
d/b/a SBC INDIANA PURSUANT TO THE)	<u>Served: 8/29/03</u>
TELECOMMUNICATIONS ACT OF 1996 AND)	
RELATED INDIANA STATUTES)	

**AT&T RESPONSE TO INDIANA BELL TELEPHONE COMPANY'S
FOURTH SET OF DATA REQUESTS TO JOINT CLECS**

AT&T Communications of Indiana GP and TCG Indianapolis (“AT&T”), hereby respond to Indiana Bell Telephone Company (“SBC”) Fourth Set of Data Requests to Joint CLECs as directed to AT&T.

GENERAL OBJECTIONS

1. AT&T objects to SBC’s data requests insofar as they seek disclosure of information that is protected by the attorney-client privilege and/or attorney work-product doctrine.

2. AT&T objects to SBC’s data requests that seek information concerning AT&T’s business plans and strategy in Indiana. This information is clearly irrelevant to SBC’s forward-looking TELRIC costs and, as such, SBC’s requests are not reasonably calculated to lead to the discovery of admissible evidence.

3. AT&T objects to this set of requests as premature, as discovery is continuing and a hearing has yet to be conducted, AT&T reserves its right to use information disclosed in discovery and in hearing to support its case.

Dated: August 29, 2003

Respectfully submitted,

/s/ Clark Stalker /

Clark Stalker

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Request No. 94. (AT&T)

Describe with particularity the experience to which Mr. Turner refers in each of the references in the table above. Indicate for each item above where and when Mr. Turner obtained the experience to which he refers, including the name of his employer, his job title and his job responsibilities at the time(s) when he obtained the experience to which he refers.

Response:

Subject to its objections, AT&T responds as follows:

Request A: The experience Mr. Turner refers to here is his general experience in working with Lucent and Nortel switch manufacturers and their mutual interest in selling products that have equivalent provisioning capabilities. Specifically, Mr. Turner has contacted provisioning experts who have operated both switches to inquire as to whether the provisioning times for these switches vary significantly. The information provided was that they do not. In addition, in his capacity as a consultant, Mr. Turner has independently worked on projects evaluating whether to purchase Lucent and Nortel switches for a CLEC. In this evaluation, Mr. Turner did not find that provisioning differences existed in any significant degree between the two switch types. The experience gained was primarily while Mr. Turner was a consultant with Kaleo Consulting, although Mr. Turner's general knowledge of switching is also based on his work experience at AT&T as detailed in Attachment SET-1.

Request B: Please see the response to Request A above. In addition, Mr. Turner's specific reference to "my experience" in this context is also related to a TELRIC requirement that in the long run, the most efficient switch technology will be used. Mr. Turner's experience is based on evaluating, modifying, and testifying on TELRIC costing issues in approximately 30 states over the last seven years.

Request C: Mr. Turner has obtained his experience related to trunk port provisioning from four different sources. *First*, Mr. Turner has discussed this provisioning issue with experts in switch provisioning to confirm his understanding of the process related to trunk port provisioning and the times involved. Mr. Turner has observed this process while a Departmental Quality Manager at AT&T and, specifically, as part of his responsibilities to identify efficient processes and improve upon them. Mr. Turner also confirmed his observations with provisioning experts as well. *Second*, Mr. Turner ran a CLEC – ALT Communications – that sold UNE-P arrangements to business and residential customers. One of the products ALT Communications sold was DID Trunk Port provisioning arrangements. Mr. Turner specifically discussed the provisioning of these arrangements with SBC Texas personnel and confirmed that the provisioning of the first port required the most time, but that subsequent ports would require minimal additional time into the DID arrangement. *Third*, Mr. Turner has reviewed provisioning cost studies in numerous states and the arrangement Mr. Turner discusses is typical of how the initial DID port is distinguished in time from that of the additional DID ports. *Fourth*, please note that in this particular reference SBC Indiana’s own time estimate is confirmation of Mr. Turner’s experience in that Mr. Turner did not modify the time estimate for the Lucent switch that SBC Indiana made for the initial port.

Request D: Please see the response to Request C above. However, the specific reference to experience here is to Mr. Turner’s selling and provisioning of DID Trunk Port Arrangements to customers of ALT Communications.

Request E: As a manager at AT&T, Mr. Turner observed that when dispatches were made to unmanned locations the technician would typically perform more than one activity when

dispatched to that office. This experience was gained as a Departmental Quality Manager, Project Manager/System Engineer, and as a District Manager. Moreover, Mr. Turner has participated in cost proceedings with SBC (referenced in the Response Testimony) where SBC has acknowledged that its personnel do perform multiple activities when dispatched to a central office.

Request F: The experience referred to here is in part based on Mr. Turner's review of SBC's nonrecurring cost studies filed in Missouri Public Service Commission Case No. TO-2001-438. Given that SBC Indiana has asked for the support of Mr. Turner's experience, Mr. Turner has provided the references to the SBC cost studies in Missouri. Specifically, SBC uses a *****CONFIDENTIAL 2.00 END CONFIDENTIAL***** minute time for the "Login and Completeness Check" function in multiple cost studies in Missouri. This is the identical function to that used in SBC Indiana's EEL Cost Study which is also entitled the "Login and Completeness Check" by SBC Indiana. Some of the specific SBC Missouri cost studies that use the *****CONFIDENTIAL 2.00 END CONFIDENTIAL***** minute time for the "Login and Completeness Check" are as follows:

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F38 – This particular time is for the 4-Wire Loop to Multiplexor Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F92 – This particular time is for the 2-Wire Analog Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F143 – This particular time is for the 4-Wire Analog Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F178 – This particular time is for the 2-Wire Digital Loop to DCS Cross-Connect function

performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F244 – This particular time is for the 2-Wire Analog Loop to Switch Port Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F272 – This particular time is for the 2-Wire Digital Loop to Switch Port Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

SS7 LINKS XCONN_N_WhslUNE_MO_01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F37 – This particular time is for the STP to Collocation Cage – DS0 Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

SS7 LINKS XCONN_N_WhslUNE_MO_01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F95 – This particular time is for the STP to Collocation Cage – DS1 Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F21 – This particular time is for the Voice Grade 2-Wire Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F55 – This particular time is for the Voice Grade 4-Wire Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F483 – This particular time is for the DS1 to Voice Grade Multiplexing function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

Request G: There are two references to “experience” in these lines identified in the SBC Indiana request. The first reference relates, in part, to Mr. Turner’s experience in reviewing SBC’s cost studies as documented in response to Request F above. Given that SBC Indiana has asked for the support of Mr. Turner’s experience, Mr. Turner has provided the references to the SBC cost studies in Missouri. Specifically, SBC uses a *****CONFIDENTIAL** 0.50 **END CONFIDENTIAL***** minute time for the “Login and

Completeness Check” function in multiple cost studies in Missouri for the additional activities. This is the identical function to that used in SBC Indiana’s EEL Cost Study which is also entitled the “Login and Completeness Check” by SBC Indiana. Some of the specific SBC Missouri cost studies that use the *****CONFIDENTIAL 0.50 END** **CONFIDENTIAL***** minute incremental time for the “Login and Completeness Check” are as follows:

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F38 – This particular time is for the 4-Wire Loop to Multiplexor Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F92 – This particular time is for the 2-Wire Analog Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F143 – This particular time is for the 4-Wire Analog Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F178 – This particular time is for the 2-Wire Digital Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F244 – This particular time is for the 2-Wire Analog Loop to Switch Port Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F272 – This particular time is for the 2-Wire Digital Loop to Switch Port Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

SS7 LINKS XCONN_N_WhslUNE_MO_01-03_TFA Workbook, TAB 6.2 Worksheet, Cell G37 – This particular time is for the STP to Collocation Cage – DS0 Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

SS7 LINKS XCONN_N_WhslUNE_MO_01-03_TFA Workbook, TAB 6.2 Worksheet, Cell G95 – This particular time is for the STP to Collocation Cage –

DS1 Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhsIUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell G21 – This particular time is for the Voice Grade 2-Wire Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhsIUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell G55 – This particular time is for the Voice Grade 4-Wire Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhsIUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell G483 – This particular time is for the DS1 to Voice Grade Multiplexing function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

The second reference in this request relates to Mr. Turner's experience related to the time to perform a 4-wire cross-connect. As a manager at AT&T (Project Manager/System Engineer), Mr. Turner was responsible for the cross-connects between incumbent LEC facilities and AT&T facilities at interface points. These cross-connects typically required five minutes when four-wire cross-connects were made. Mr. Turner also makes reference in his testimony to observing this same cross-connect time in cost studies. Specifically, Mr. Turner has observed this cross-connect time in SBC cost studies in Missouri. Given that SBC Indiana has asked for the support of Mr. Turner's experience, Mr. Turner has provided the references to the SBC cost studies in Missouri. Specifically, SBC uses a *****CONFIDENTIAL 5.00 END CONFIDENTIAL***** minute time for the 4-Wire Cross-connect in multiple cost studies in Missouri. Some of the specific SBC Missouri cost studies that use the *****CONFIDENTIAL 5.00 END CONFIDENTIAL***** minute time for the 4-Wire Cross-connect time are as follows:

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E41 – This particular time is for the 4-Wire Loop to Multiplexor Cross-Connect function

performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F41 – This particular time is for the 4-Wire Loop to Multiplexor Cross-Connect additional function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E145 – This particular time is for the 4-Wire Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F145 – This particular time is for the 4-Wire Loop to DCS Cross-Connect additional function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN, DCS, MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F56 – This particular time is for the 4-Wire Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN, DCS, MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell G56 – This particular time is for the 4-Wire Loop to DCS Cross-Connect additional function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

Request H: The experience referred to here is in part based on Mr. Turner’s review of SBC’s nonrecurring cost studies filed in Missouri Public Service Commission Case No. TO-2001-438. Given that SBC Indiana has asked for the support of Mr. Turner’s experience, Mr. Turner has provided the references to the SBC cost studies in Missouri. Specifically, SBC uses a *****CONFIDENTIAL 1.00 END CONFIDENTIAL***** minute time for the “Circuit Completion and Order Close-out” function in multiple cost studies in Missouri. This is the identical function to that used in SBC Indiana’s cost studies which is also entitled the “Order Completion and Closeout” by SBC Indiana. Some of the specific SBC Missouri cost studies that use the *****CONFIDENTIAL 1.00 END**

CONFIDENTIAL*** minute time for the “Circuit Completion and Order Close-out” are

as follows:

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E45 – This particular time is for the 4-Wire Loop to Multiplexor Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E96 – This particular time is for the 2-Wire Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E147 – This particular time is for the 4-Wire Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E181 – This particular time is for the 2-Wire Digital Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E250 – This particular time is for the 2-Wire Analog Loop to Switch Port Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E275 – This particular time is for the 2-Wire Digital Loop to Switch Port Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

SS7 LINKS XCONN_N_WhslUNE_MO_01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F44 – This particular time is for the STP to Collocation Cage – DS0 Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

SS7 LINKS XCONN_N_WhslUNE_MO_01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F100 – This particular time is for the STP to Collocation Cage – DS1 Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F24 – This particular time is for the Voice Grade 2-Wire Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F58 – This particular time is for the Voice Grade 4-Wire Cross-

Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhsIUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F489 – This particular time is for the DS1 to Voice Grade Multiplexing function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

Request I: The experience referred to here is based in part on Mr. Turner’s experience running ALT Communications where the vast majority (more than 90 percent) of the lines ordered were migrations from SBC’s network to a UNE-P platform for ALT Communications. Mr. Turner’s recommendation that 90 percent of line-port combinations are migrations is also confirmed by his industry experience working with numerous CLECs across the country. Further, Mr. Turner’s view that 90 percent of lines are migrations was supported by the findings of the Wisconsin Public Service Commission as documented in Mr. Turner’s Response Testimony at pages 71-72.

Request J: Please see the response to Request H.

Request K: The experience referred to here is in part based on Mr. Turner’s review of SBC’s nonrecurring cost studies filed in Missouri Public Service Commission Case No. TO-2001-438. Given that SBC Indiana has asked for the support of Mr. Turner’s experience, Mr. Turner has provided the references to the SBC cost studies in Missouri. Specifically, SBC uses a *****CONFIDENTIAL 5.00 END CONFIDENTIAL***** minute time for the “Circuit Completion and Order Close-out” function in multiple cost studies in Missouri for DS1 and DS3 related activities. This is the identical function to that used in SBC Indiana’s cost studies which is also entitled the “Order Completion and Closeout” by SBC Indiana for DS1 and DS3 related activities. Some of the specific SBC

Missouri cost studies that use the *****CONFIDENTIAL** 5.00 **END**

CONFIDENTIAL*** minute time for the “Circuit Completion and Order Close-out” are as follows:

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E214 – This particular time is for the 4-Wire Digital Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E301 – This particular time is for the 4-Wire Digital Loop to Switch Port Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E334 – This particular time is for the DS3 Loop Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F94 – This particular time is for the DS1 cross-connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F140 – This particular time is for the DS1 cross-connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F185 – This particular time is for the DS3 cross-connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F548 – This particular time is for the DS3 to DS1 multiplexing function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F618 – This particular time is for the OC3 to DS1 multiplexing function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F688 – This particular time is for the OC3 to DS3 multiplexing function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F757 – This particular time is for the OC3 to EC1 multiplexing function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F826 – This particular time is for the OC12 to DS3 multiplexing function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F895 – This particular time is for the OC12 to EC1/STS1 multiplexing function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

Request L: The experience referred to here is in part based on Mr. Turner’s review of SBC’s nonrecurring cost studies filed in Missouri Public Service Commission Case No. TO-2001-438. Given that SBC Indiana has asked for the support of Mr. Turner’s experience, Mr. Turner has provided the references to the SBC cost studies in Missouri. Specifically, SBC uses a *****CONFIDENTIAL 2.00 END CONFIDENTIAL***** minute time for the “Login and Completeness Check” function in multiple cost studies in Missouri. This is the identical function to that used in SBC Indiana’s cost studies which is also entitled the “Log-in and Completeness Check” function by SBC Indiana. Some of the specific SBC-Missouri cost studies that use the *****CONFIDENTIAL 2.00 END CONFIDENTIAL***** minute time for the “Login and Completeness Check” are as follows:

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E38 – This particular time is for the 4-Wire Loop to Multiplexor Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E92 – This particular time is for the 2-Wire Analog Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E143
– This particular time is for the 4-Wire Analog Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E178
– This particular time is for the 2-Wire Digital Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E244
– This particular time is for the 2-Wire Analog Loop to Switch Port Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell E272
– This particular time is for the 2-Wire Digital Loop to Switch Port Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

SS7 LINKS XCONN_N_WhslUNE_MO_01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F37 – This particular time is for the STP to Collocation Cage – DS0 Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

SS7 LINKS XCONN_N_WhslUNE_MO_01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F95 – This particular time is for the STP to Collocation Cage – DS1 Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F21 – This particular time is for the Voice Grade 2-Wire Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F55 – This particular time is for the Voice Grade 4-Wire Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell F483 – This particular time is for the DS1 to Voice Grade Multiplexing function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

Request M: The experience referred to here is in part based on Mr. Turner’s review of SBC’s nonrecurring cost studies filed in Missouri Public Service Commission Case No. TO-2001-438. Given that SBC Indiana has asked for the support of Mr. Turner’s experience, Mr. Turner has provided the references to the SBC cost studies in Missouri. Specifically, SBC uses a *****CONFIDENTIAL 0.50 END CONFIDENTIAL***** minute additional time for the “Login and Completeness Check” function in multiple cost studies in Missouri. This is the identical function to that used in SBC Indiana’s cost studies which is also entitled the “Log-in and Completeness Check” function by SBC Indiana. Some of the specific SBC Missouri cost studies that use the *****CONFIDENTIAL 0.50 END CONFIDENTIAL***** minute additional time for the “Login and Completeness Check” are as follows:

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F38 – This particular time is for the 4-Wire Loop to Multiplexor Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F92 – This particular time is for the 2-Wire Analog Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F143 – This particular time is for the 4-Wire Analog Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F178 – This particular time is for the 2-Wire Digital Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F244 – This particular time is for the 2-Wire Analog Loop to Switch Port Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F272 – This particular time is for the 2-Wire Digital Loop to Switch Port Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

SS7 LINKS XCONN_N_WhslUNE_MO_01-03_TFA Workbook, TAB 6.2 Worksheet, Cell G37 – This particular time is for the STP to Collocation Cage – DS0 Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

SS7 LINKS XCONN_N_WhslUNE_MO_01-03_TFA Workbook, TAB 6.2 Worksheet, Cell G95 – This particular time is for the STP to Collocation Cage – DS1 Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell G21 – This particular time is for the Voice Grade 2-Wire Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell G55 – This particular time is for the Voice Grade 4-Wire Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell G483 – This particular time is for the DS1 to Voice Grade Multiplexing function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

Request N: The experience referred to here is based in part of Mr. Turner's discussions with personnel who have actually performed two-wire cross-connects. Further, the experience referred to here is in part based on Mr. Turner's review of SBC's nonrecurring cost studies filed in Missouri Public Service Commission Case No. TO-2001-438. Given that SBC Indiana has asked for the support of Mr. Turner's experience, Mr. Turner has provided the references to the SBC cost studies in Missouri. Specifically, SBC uses a *****CONFIDENTIAL 3.00 END CONFIDENTIAL***** minute time for

additional 2-wire cross-connects in multiple cost studies in Missouri. This is the identical function to that used in SBC Indiana's cost studies, which is also referred to as 2-wire cross-connects by SBC Indiana. Please note that although this is the time for the "additional" cross-connect, there is no cost basis for the time for an initial cross-connect to be greater in time. Some of the specific SBC Missouri cost studies that use the ***CONFIDENTIAL 3.00 END CONFIDENTIAL*** minute time for the 2-wire cross-connects are as follows:

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F94 – This particular time is for the 2-Wire Analog Loop to DCS Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

MO Loop Cross Connects_01 Workbook, TAB 6.2 Worksheet, Cell F245 – This particular time is for the 2-Wire Analog Loop to Switch Port Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

UDTXCONN,DCS,MUX_N_WhslUNE_MO-01-03_TFA Workbook, TAB 6.2 Worksheet, Cell G22 – This particular time is for the Voice Grade 2-Wire Cross-Connect function performed by the COF technician, which is the SBC-Missouri name for the LFO-IN technician in SBC Indiana.

Request O: Mr. Turner has personally observed the provisioning of DS1 and DS3 cross-connects as a 4ESS Switch Engineer in that he was personally involved in a project to shorten the installation time for 4ESS switching components. Part of this project involved performing detailed task time reviews of various functions within the central office including DS1 cross-connects. Mr. Turner further reviewed these processes as a Departmental Quality Manager. Finally, as part of Mr. Turner's responsibilities as a consultant evaluating TELRIC cost studies, Mr. Turner has personally observed during

incumbent LEC central office tours, and consulted with experts, DS1 and DS3 cross-connect provisioning, confirming the facts identified in his Response Testimony.

Request P: Please see the response to Request H above.

Request Q: Please see the response to Request K above.

Request R: As an Operations Supervisor with AT&T, Mr. Turner managed a team of 20 associates who managed over 2000 customer trouble reports per month. Part of this process was to identify a code for the trouble once cleared and to make comments in the trouble log for the customer trouble. From personal observation of this similar process to the process referenced by SBC Indiana, and from performing this work personally, Mr. Turner estimated the time required at one minute.

Request S: As with the response to Request R above, Mr. Turner's experience is based on his responsibilities as an Operations Supervisor with AT&T. Specifically, efficient OSS provide the associates with a log of open work activities that the associate is simply able to electronically select. This function takes virtually no time, as Mr. Turner noted in his Response Testimony.

Request T: Please see the response to Request R above.

Request U: Please see the response to Request R above.

Request V: Please see the response to Request S above.

Request W: Please see the response to Request R above.

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
ULS Billing Establishment, per carrier		\$3,467.69	\$1,919.05
ULS Usage Billing & Trunk Order Development Charge - per switch	\$163.82		
Centrex System Charges.			
Centrex Common Block Establishment, each Connect	\$80.04	\$633.64	\$81.24
Centrex Common Block Establishment, each Disconnect	\$62.08	\$213.70	\$56.66
Centrex System Features Change or Rearrangement, per feature, per occasion	\$66.91	\$74.21	\$35.71
Centrex System Feature Activation, per feature, per occasion Connect	\$210.62	\$74.21	\$35.71
Centrex System Feature Activation, per feature, per occasion Disconnect	\$64.65	\$78.07	\$34.94
Custom Routing			
Custom Routing, via LCC - New LCC, per LCC, per switch	\$225.97	\$377.50	\$173.81
Custom Routing, via LCC - New Network Routing, per Route, per Switch - Connect	\$14.03	\$87.42	\$23.81
Custom Routing, via LCC - New Network Routing, per Route, per Switch - Disconnect			\$23.38
Custom Routing, via AIN, of OS / DA per route, per switch Connect	\$84.28	\$96.30	\$23.81
Custom Routing, via AIN, of OS / DA per route, per switch Disconnect	\$27.14	\$96.36	\$23.81
ULS and UTS Ports			
Basic Port, Per Port - Connect	\$11.89	\$35.23	\$5.46
Basic Port, Per Port - Disconnect	\$6.63	\$20.02	\$3.65
Ground Start Port, per Port - Connect	\$11.89	\$35.23	\$5.46
Ground Start Port, per Port - Disconnect	\$6.63	\$20.02	\$3.65
ISDN Direct Port, per Port - Connect	\$40.72	\$54.40	\$11.75
ISDN Direct Port, per Port - Disconnect	\$21.78	\$32.80	\$9.95
ISDN Prime Port, per Port per Port - Connect	\$40.72	\$348.84	\$67.48
ISDN Prime Port, per Port per Port - Disconnect	\$21.78	\$190.86	\$36.05
ISDN Prime - Add/Rearrange Channels, per Port - Initial	\$14.03	\$83.49	\$12.29
ISDN Prime - Add/Rearrange Channels, per Port - Additional			\$0.39
Direct-In-Dialing (DID) Trunk Port, per Port - Connect - Initial	\$8.13	\$150.07	\$33.09
Direct-In-Dialing (DID) Trunk Port, per Port - Connect - Additional			\$4.06
Direct-In-Dialing (DID) Trunk Port, per Port - Disconnect - Initial	\$11.89	\$97.40	\$19.03
Direct-In-Dialing (DID) Trunk Port, per Port - Disconnect - Additional			\$2.86
Direct-In-Dialing (DID) Trunk Port, Add/Rearrange Termination, per Port - Initial	\$6.63	\$76.87	\$12.29
Direct-In-Dialing (DID) Trunk Port, Add/Rearrange Termination, per Port - Additional			\$0.39
Digital Trunking Trunk Port, per Port - Connect	\$40.72	\$195.91	\$48.60
Digital Trunking Trunk Port, per Port - Disconnect	\$21.78	\$83.52	\$18.63
Unbundled Local Switching Trunk Port, per Port - Connect	\$92.79	\$195.91	\$48.60
Unbundled Local Switching Trunk Port, per Port - Disconnect	\$73.63	\$83.52	\$18.63
DS1 Tandem Trunk Port, per Port - Connect (with features)	\$115.83	\$120.92	\$48.60
DS1 Tandem Trunk Port, per Port - Disconnect	\$82.83	\$43.63	\$18.63
DS1 Tandem Trunk Port Change, per Port (subsequent change - per trunk group)	\$14.03	\$89.31	\$15.93
Centrex Basic Port, per Port - Connect	\$11.89	\$35.23	\$5.46
Centrex Basic Port, per Port - Disconnect	\$6.63	\$20.02	\$3.65
Centrex ISDN BRI Port, per Port - Connect	\$40.72	\$54.40	\$11.75
Centrex ISDN BRI Port, per Port - Disconnect	\$21.78	\$33.78	\$9.95
Centrex EKL Line Port, per Port - Connect	\$40.72	\$48.03	\$8.63
Centrex EKL Line Port, per Port - Disconnect	\$21.78	\$26.94	\$6.83
Centrex Attendant Console Line Port, per Port - Connect	\$40.72	\$105.68	\$5.46
Centrex Attendant Console Line Port, per Port - Disconnect	\$21.78	\$60.05	\$3.65

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Port Conversion Cost, per Port		\$0.50	\$0.13
Conversion Charge, change from basic port to ground start or vice versa	\$11.89		
Combination ULS and UTS Ports			
DID Trunk Port Connect Cost, per Port - Initial		\$115.53	\$27.74
DID Trunk Port Connect Cost, per Port - Additional			\$0.40
DID Trunk Port Disconnect Cost, per Port - Initial		\$77.35	\$15.36
DID Trunk Port Disconnect Cost, per Port - Additional			\$0.40
ISDN PRI (ISDN Prime) Port Connect Cost, per Port		\$273.29	\$55.54
ISDN PRI (ISDN Prime) Port Disconnect Cost, per Port		\$149.89	\$29.69
ULS (DS1) Trunk Port Connect Cost, per Port		\$122.33	\$36.93
ULS (DS1) Trunk Port Disconnect Cost, per Port		\$42.80	\$20.75
Digital Trunking Trunk Port (DS1) Connect Cost, per Port		\$122.33	\$36.93
Digital Trunking Trunk Port (DS1) Disconnect Cost, per Port		\$42.80	\$20.75
DS1 Tandem Trunk Port Connect Cost, per Port		\$122.33	\$36.93
DS1 Tandem Trunk Port Disconnect Cost, per Port		\$42.80	\$20.75
Basic Analog Line Port Connect Cost, per Port		\$0.46	\$0.12
Basic Analog Line Port Disconnect Cost, per Port		\$0.49	\$0.12
Ground Start Port Connect Cost, per Port		\$0.46	\$0.12
Ground Start Port Disconnect Cost, per Port		\$0.49	\$0.12
ISDN BRI (ISDN Direct) Port Connect Cost, per Port		\$13.29	\$6.42
ISDN BRI (ISDN Direct) Port Disconnect Cost, per Port		\$14.28	\$6.42
Centrex Basic Line Port Connect Cost, per Port		\$0.46	\$0.12
Centrex Basic Line Port Disconnect Cost, per Port		\$0.49	\$0.12
Centrex ISDN Direct Line Port Connect Cost, per Port		\$13.29	\$6.42
Centrex ISDN Direct Line Port Disconnect Cost, per Port		\$14.28	\$6.42
Centrex EKL Line Port Connect Cost, per Port		\$7.00	\$3.33
Centrex EKL Line Port Disconnect Cost, per Port		\$7.51	\$3.33
Centrex Attendant Console Line Port Connect Cost, per Port		\$1.38	\$0.12
Centrex Attendant Console Line Port Disconnect Cost, per Port		\$1.46	\$0.12
Unbundled Port Features			
Basic Port Feature Add/Change Translation Charge - CONNECT	\$0.00	\$0.34	\$0.08
Basic Port Feature Add/Change Translation Charge - DISCONNECT	\$0.00	\$0.38	\$0.08
Ground Start / PBX Port Feature Add/Change Translation Charge - CONNECT	\$0.00	\$0.34	\$0.07
Ground Start / PBX Port Feature Add/Change Translation Charge - DISCONNECT	\$0.00	\$0.38	\$0.07
ISDN Direct Port Feature Add/Change Translation Charge - CONNECT	\$65.73	\$0.47	\$0.12
ISDN Direct Port Feature Add/Change Translation Charge - DISCONNECT	\$22.69	\$0.53	\$0.12
ISDN Prime Port Feature Add/Change Translation Charge - CONNECT	\$32.69	\$31.51	\$11.08
ISDN Prime Port Feature Add/Change Translation Charge - DISCONNECT	\$11.19	\$33.08	\$10.75
Digital Trunking Port Feature Add/Change Translation Charge - CONNECT	\$32.69	\$19.79	\$6.99
Digital Trunking Port Feature Add/Change Translation Charge - DISCONNECT	\$8.37	\$21.29	\$6.99
ULS Trunk Port Feature Add/Change Translation Charge - CONNECT	\$32.69	\$19.79	\$6.99
ULS Trunk Port Feature Add/Change Translation Charge - DISCONNECT	\$8.37	\$21.29	\$6.99
Ports and Routing Cancellation or Changes			
<u>Basic Line Port</u>			
Design Layout Report Date	\$3.16	Not Applicable	
Records Issue Date	\$7.53	Not Applicable	

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Designed, Verified and Assigned Date	\$14.91	\$34.77	\$5.34
Plant Test Date	\$14.91	\$35.23	\$5.46
<u>Complex Line Port</u>			
Design Layout Report Date	\$30.22	Not Applicable	
Records Issue Date	\$36.01	Not Applicable	
Designed, Verified and Assigned Date	\$50.84	\$41.14	\$5.34
Plant Test Date	\$70.80	\$65.66	\$17.20
<u>Trunk Port</u>			
Design Layout Report Date	\$18.90	Not Applicable	
Records Issue Date	\$150.74	Not Applicable	
Designed, Verified and Assigned Date	\$156.80	\$73.80	\$11.65
Plant Test Date	\$156.80	\$195.93	\$48.60
<u>New Line Class Code</u>			
Interdepartmental Meeting	\$67.79	Not Applicable	
Line Class Code Assignment	\$180.78	Not Applicable	
Translations: writing, accepting, and testing	\$214.67	\$377.06	\$177.62
Plant Test Date	\$225.97	\$377.06	\$177.62
<u>New Network Routing</u>			
Interdepartmental Meeting	\$4.21	Not Applicable	
Line Class Code Assignment	\$11.23	Not Applicable	
Translations: writing, accepting, and testing	\$13.35	\$49.52	\$23.79
Plant Test Date	\$14.03	\$49.52	\$23.79
DS1 Tandem Trunk Port Cancellation or Change Service Charges			
<u>DS1 Tandem Trunk Port</u>			
Plant Test Date	\$156.80	\$122.13	\$36.95

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Enhanced Extended Loops (EEL) Cost Study			
2-WIRE ANALOG LOOP CONNECTION			
Install			
Initial		\$353.06	\$6.22
Additional		\$216.97	\$3.45
Disconnect			
Initial		\$35.82	\$3.63
Additional		\$23.19	\$2.15
4-WIRE ANALOG LOOP CONNECTION			
Install			
Initial		\$359.73	\$12.89
Additional		\$223.65	\$6.77
Disconnect			
Initial		\$35.82	\$6.35
Additional		\$23.19	\$4.43
2-WIRE DIGITAL LOOP CONNECTION			
Install			
Initial		\$378.19	\$6.22
Additional		\$215.54	\$3.45
Disconnect			
Initial		\$41.20	\$3.63
Additional		\$28.58	\$2.15
4-WIRE DS1 DIGITAL LOOP CONNECTION			
Install			
Initial		\$530.13	\$57.16
Additional		\$308.87	\$37.09
Disconnect			
Initial		\$79.87	\$12.13
Additional		\$52.51	\$6.84
CENTRAL OFFICE MULTIPLEXING -			
DS1 TO VOICE			
Install			
Initial		\$203.93	\$8.69
Additional		\$99.07	\$7.47
Disconnect			
Initial		\$49.63	\$3.70
Additional		\$37.39	\$2.08
DS1 INTEROFFICE DEDICATED TRANSPORT			
Install			
Initial		\$333.46	\$49.82
Additional		\$219.32	\$37.35
Disconnect			
Initial		\$127.90	\$19.80
Additional		\$85.27	\$11.37
DS1 DEDICATED TRANSPORT NON-COLLOCATED			
Install			
Initial		\$632.94	
Additional		\$365.98	
Disconnect			
Initial		\$127.90	
Additional		\$85.27	
DS1 ENTRANCE FACILITY			
Install			
Initial		Not in Study	\$140.17
Additional		Not in Study	\$83.47
Disconnect			
Initial		Not in Study	\$55.91
Additional		Not in Study	\$13.77

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
4-WIRE DS1 DIGITAL LOOP TO			
DS1 INTEROFFICE DEDICATED TRANSPORT COLLOCATED			
Install			
Initial		\$635.30	
Additional		\$366.27	
Disconnect			
Initial		\$127.90	
Additional		\$85.27	
4-WIRE DS1 DIGITAL LOOP TO			
DS1 DEDICATED TRANSPORT NON-COLLOCATED			
Install			
Initial		\$912.92	
Additional		\$510.41	
Disconnect			
Initial		\$127.90	
Additional		\$85.27	
DS3 INTEROFFICE DEDICATED TRANSPORT			
Install			
Initial		\$333.46	\$65.54
Additional		\$169.34	\$30.27
Disconnect			
Initial		\$127.90	\$19.80
Additional		\$85.27	\$11.37
DS3 DEDICATED TRANSPORT NON-COLLOCATED			
Install			
Initial		\$639.53	
Additional		\$314.23	
Disconnect			
Initial		\$127.90	
Additional		\$85.27	
DS3 ENTRANCE FACILITY			
Install			
Initial		Not in Study	\$143.01
Additional		Not in Study	\$36.59
Disconnect			
Initial		Not in Study	\$55.91
Additional		Not in Study	\$13.77
CLEAR CHANNEL CAPABILITY			
Install			
Initial		\$154.65	\$63.26
Additional		\$56.87	\$22.57
Disconnect			
Initial		Not Applicable	
Additional		Not Applicable	

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Unbundled Loops Cost Study			
LINE CONNECTION CHARGE			
Install	\$17.82	\$64.53	
Disconnect	\$5.85	\$14.97	
LINE CONNECTION CHARGE-Stand Alone POTS			
Install			
Initial	Not Applicable	Not Applicable	\$6.22
Additional	Not Applicable	Not Applicable	\$3.45
Disconnect			
Initial	Not Applicable	Not Applicable	\$3.63
Additional	Not Applicable	Not Applicable	\$2.15
LINE CONNECTION CHARGE-UNE-P New Combination POTS			
Install			
Initial	Not Applicable	Not Applicable	\$1.09
Additional	Not Applicable	Not Applicable	\$0.29
Disconnect			
Initial	Not Applicable	Not Applicable	\$0.23
Additional	Not Applicable	Not Applicable	\$0.14
DS1			
Install			
Initial	\$548.36	\$514.56	\$57.16
Additional			\$12.13
Disconnect			
Initial	\$109.42	\$77.88	\$37.09
Additional			\$6.84
DS3			
Install			
Initial	\$699.55	\$544.54	\$81.84
Additional			\$13.84
Disconnect			
Initial	\$70.71	\$85.49	\$28.02
Additional			\$7.69

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Sub-Loops Cost Study			
2-Wire Analog Sub-Loop			
Install	\$0.00	\$125.39	
Disconnect	\$0.00	\$66.01	
2-Wire Analog Sub-Loop - CO Originating			
Install			
Initial	Not Applicable	Not Applicable	\$20.03
Additional	Not Applicable	Not Applicable	\$6.23
Disconnect			
Initial	Not Applicable	Not Applicable	\$17.15
Additional	Not Applicable	Not Applicable	\$3.97
2-Wire Analog Sub-Loop - Non-CO Originating			
Install			
Initial	Not Applicable	Not Applicable	\$28.25
Additional	Not Applicable	Not Applicable	\$3.83
Disconnect			
Initial	Not Applicable	Not Applicable	\$13.50
Additional	Not Applicable	Not Applicable	\$1.79
4-Wire Analog Sub-Loop			
Install	\$0.00	\$131.63	
Disconnect	\$0.00	\$72.17	
4-Wire Analog Sub-Loop - CO Originating			
Install			
Initial	Not Applicable	Not Applicable	\$22.28
Additional	Not Applicable	Not Applicable	\$8.48
Disconnect			
Initial	Not Applicable	Not Applicable	\$19.40
Additional	Not Applicable	Not Applicable	\$6.22
4-Wire Analog Sub-Loop - Non-CO Originating			
Install			
Initial	Not Applicable	Not Applicable	\$29.27
Additional	Not Applicable	Not Applicable	\$4.85
Disconnect			
Initial	Not Applicable	Not Applicable	\$14.52
Additional	Not Applicable	Not Applicable	\$2.81
2-Wire DSL Sub-Loop			
Install	\$0.00	\$159.84	
Disconnect	\$0.00	\$66.01	
2-Wire DSL Sub-Loop - CO Originating			
Install			
Initial	Not Applicable	Not Applicable	\$20.03
Additional	Not Applicable	Not Applicable	\$6.23
Disconnect			
Initial	Not Applicable	Not Applicable	\$17.15
Additional	Not Applicable	Not Applicable	\$3.97
2-Wire DSL Sub-Loop - Non-CO Originating			
Install			
Initial	Not Applicable	Not Applicable	\$28.25
Additional	Not Applicable	Not Applicable	\$3.83
Disconnect			
Initial	Not Applicable	Not Applicable	\$13.50
Additional	Not Applicable	Not Applicable	\$1.79
4-Wire DSL Sub-Loop			
Install	\$0.00	\$200.02	
Disconnect	\$0.00	\$72.17	

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
4-Wire DSL Sub-Loop - CO Originating			
Install			
Initial	Not Applicable	Not Applicable	\$24.75
Additional	Not Applicable	Not Applicable	\$8.48
Disconnect			
Initial	Not Applicable	Not Applicable	\$19.40
Additional	Not Applicable	Not Applicable	\$6.22
4-Wire DSL Sub-Loop - Non-CO Originating			
Install			
Initial	Not Applicable	Not Applicable	\$29.27
Additional	Not Applicable	Not Applicable	\$4.85
Disconnect			
Initial	Not Applicable	Not Applicable	\$14.52
Additional	Not Applicable	Not Applicable	\$2.81
2-Wire ISDN Sub-Loop			
Install			
Initial			\$20.03
Additional	\$0.00	\$153.94	\$6.23
Disconnect			
Initial	\$0.00	\$83.60	\$17.15
Additional			\$3.97
DS1 Sub-Loop			
Install			
Initial			\$127.63
Additional	\$0.00	\$484.11	\$78.54
Disconnect			
Initial	\$0.00	\$211.01	\$46.33
Additional			\$12.22
DS3 Sub-Loop			
Install			
Initial	\$0.00	\$544.64	\$144.70
Additional			\$38.31
Disconnect			
Initial	\$0.00	\$263.01	\$57.59
Additional			\$15.44

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Dedicated Transport Entrance Facilities			
ENTRANCE FACILITIES DS1			
Install			
Initial			\$140.17
Additional		\$522.84	\$83.47
Disconnect			
Initial			\$55.91
Additional		\$246.63	\$13.77
ENTRANCE FACILITIES DS3			
Install			
Initial			\$143.01
Additional		\$544.55	\$36.59
Disconnect			
Initial			\$55.91
Additional		\$262.76	\$13.77
ENTRANCE FACILITIES OC3			
Install			
Initial			\$153.13
Additional		\$608.00	\$39.01
Disconnect			
Initial			\$55.91
Additional		\$255.59	\$13.77
ENTRANCE FACILITIES OC12			
Install			
Initial			\$153.13
Additional		\$608.00	\$39.01
Disconnect			
Initial			\$55.91
Additional		\$255.59	\$13.77
ENTRANCE FACILITIES OC48			
Install			
Initial			\$153.13
Additional		\$608.00	\$39.01
Disconnect			
Initial			\$55.91
Additional		\$255.59	\$13.77

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Dedicated Transport Interoffice Facilities			
INTEROFFICE FACILITIES DS1			
Install			
Initial			\$49.82
Additional	\$548.36	\$349.46	\$37.35
Disconnect			
Initial	\$109.42	\$125.18	\$19.80
Additional			\$11.37
INTEROFFICE FACILITIES DS3			
Install			
Initial	\$593.43	\$330.53	\$65.54
Additional			\$30.27
Disconnect			
Initial	\$154.96	\$125.18	\$19.80
Additional			\$11.37
INTEROFFICE FACILITIES OC3			
Install			
Initial	\$981.48	\$352.27	\$75.66
Additional			\$32.69
Disconnect			
Initial	\$4.99	\$125.18	\$19.80
Additional			\$11.37
INTEROFFICE FACILITIES OC12			
Install			
Initial	\$981.48	\$352.27	\$75.66
Additional			\$32.69
Disconnect			
Initial	\$4.99	\$125.18	\$19.80
Additional			\$11.37
INTEROFFICE FACILITIES OC48			
Install			
Initial	\$981.48	\$352.27	\$75.66
Additional			\$32.69
Disconnect			
Initial	\$4.99	\$125.18	\$19.80
Additional			\$11.37
CLEAR CHANNEL CAPABILITY			
<i>(per circuit on Existing DS1)</i>			
Rearrangement - Initial	\$158.00	\$151.13	\$63.82
Rearrangement - Additional			\$22.99

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
HFPL Cross-Connects			
SBC OWNED SPLITTER CROSSCONNECT			
Install			
Initial			\$13.50
Additional	\$10.00	\$73.05	\$11.40
Disconnect			
Initial	\$10.00	\$73.00	\$11.03
Additional			\$8.93
CLEC OWNED SPLITTER CROSSCONNECT			
Install			
Initial	\$10.00	\$70.49	\$10.42
Additional			\$8.32
Disconnect			
Initial	\$10.00	\$66.14	\$9.18
Additional			\$7.08
Dark Fiber Cost Study			
INQUIRY			
Dark Fiber Loop	\$69.49	\$102.04	\$17.30
Dark Fiber Sub-Loop	\$69.49	\$102.04	\$17.30
Dark Fiber Interoffice	294.87		
Initial Segment			\$18.51
Additional Segment		\$467.43	\$7.83
CONNECTION CHARGE			
Dark Fiber Loop/Sub-Loop, CO to RT/CEV/Hut; CO to Premises, per strand			
Install	\$320.58	\$405.16	\$40.73
Disconnect	\$138.06	\$101.53	\$14.07
Sub-Loop RT/CEV Hut to Premises, per strand			
Install	\$335.02	\$375.02	\$46.89
Disconnect	\$138.63	\$84.39	\$13.69
Dark Fiber Interoffice			
Install	\$413.66		
Initial Segment		\$527.63	\$33.08
Additional Segment			\$0.66
Disconnect	\$137.30		
Initial Segment		\$190.29	\$7.62
Additional Segment			\$0.27
CROSS-CONNECTS (Per Fiber Strand)			
Dark Fiber Loop/Sub-Loop, CO to RT/CEV/Hut; CO to Premises, per strand			
Install		\$92.36	\$2.87
Disconnect		\$55.58	\$2.88
Sub-Loop RT/CEV Hut to Premises, per strand			
Install		\$118.00	\$3.23
Disconnect		\$53.80	\$3.23
Dark Fiber Interoffice			
Install			
Initial Segment		\$133.44	\$3.23
Additional Segment			\$0.81
Disconnect			
Initial Segment		\$114.74	\$3.23
Additional Segment			\$0.81

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Special Access to UNE (SA2UNE) Conversion Cost Study			
Channelized DS3 - Design & Coordination (with mileage)		\$148.55	\$3.75
Channelized DS3 - Demarcation Re-tag (with mileage)		\$693.92	\$0.00
Channelized DS1 - Design & Coordination (with mileage)		\$146.34	\$3.68
Channelized DS1 - Demarcation Re-tag (with mileage)		\$720.81	\$0.00
Non-Channelized DS3 - Design & Coordination (with mileage)		\$93.30	\$0.96
Non-Channelized DS3 - Demarcation Re-tag (with mileage)		\$66.37	\$0.00
Non-Channelized DS1 - Design & Coordination (with mileage)		\$93.30	\$0.96
Non-Channelized DS1 - Demarcation Re-tag (with mileage)		\$60.98	\$0.00
Non-Channelized DS0 - Design & Coordination (with mileage)		\$93.30	\$0.96
Non-Channelized DS0 - Demarcation Re-tag (with mileage)		\$60.98	\$0.00
Channelized DS3 - Design & Coordination (without mileage)		\$150.75	\$3.83
Channelized DS3 - Demarcation Re-tag (without mileage)		\$765.63	\$0.00
Channelized DS1 - Design & Coordination (without mileage)		\$146.34	\$3.68
Channelized DS1 - Demarcation Re-tag (without mileage)		\$720.81	\$0.00
Non-Channelized DS3 - Design & Coordination (without mileage)		\$93.30	\$0.96
Non-Channelized DS3 - Demarcation Re-tag (without mileage)		\$66.37	\$0.00
Non-Channelized DS1 - Design & Coordination (without mileage)		\$93.30	\$0.96
Non-Channelized DS1 - Demarcation Re-tag (without mileage)		\$60.98	\$0.00
Non-Channelized DS0 - Design & Coordination (without mileage)		\$93.30	\$0.96
Non-Channelized DS0 - Demarcation Re-tag (without mileage)		\$60.98	\$0.00

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Unbundled Loops Cancellation or Changes Cost Study			
LINE CONNECTION CHARGE			
Design Layout Report Date	\$4.03	\$0.00	
Records Issue Date	\$17.90	\$0.00	
Designed, Verified and Assigned Date	\$35.78	\$31.61	
Plant Test Date	\$45.60	\$64.53	
LINE CONNECTION CHARGE - STAND ALONE			
Design Layout Report Date			
Initial	Not Applicable	Not Applicable	\$0.00
Additional	Not Applicable	Not Applicable	\$0.00
Records Issue Date			
Initial	Not Applicable	Not Applicable	\$0.00
Additional	Not Applicable	Not Applicable	\$0.00
Designed, Verified and Assigned Date			
Initial	Not Applicable	Not Applicable	\$10.09
Additional	Not Applicable	Not Applicable	\$6.25
Plant Test Date			
Initial	Not Applicable	Not Applicable	\$11.60
Additional	Not Applicable	Not Applicable	\$6.40
LINE CONNECTION CHARGE - UNE-P POTS New Combination Loop			
Design Layout Report Date			
Initial	Not Applicable	Not Applicable	\$0.00
Additional	Not Applicable	Not Applicable	\$0.00
Records Issue Date			
Initial	Not Applicable	Not Applicable	\$0.00
Additional	Not Applicable	Not Applicable	\$0.00
Designed, Verified and Assigned Date			
Initial	Not Applicable	Not Applicable	\$6.70
Additional	Not Applicable	Not Applicable	\$4.14
Plant Test Date			
Initial	Not Applicable	Not Applicable	\$8.21
Additional	Not Applicable	Not Applicable	\$4.30
DS1			
Design Layout Report Date			
Initial			\$13.01
Additional	\$327.96	\$57.87	\$9.09
Records Issue Date			
Initial	\$423.21	\$57.87	\$13.01
Additional			\$9.09
Designed, Verified and Assigned Date			
Initial	\$439.33	\$224.89	\$39.32
Additional			\$25.80
Plant Test Date			
Initial	\$685.18	\$514.56	\$57.29
Additional			\$33.59
DS3			
Design Layout Report Date			
Initial			\$13.92
Additional	\$119.71	\$61.10	\$9.07
Records Issue Date			
Initial	\$546.17	\$61.10	\$13.92
Additional			\$9.07
Designed, Verified and Assigned Date			
Initial	\$569.87	\$219.21	\$38.19
Additional			\$15.16
Plant Test Date			
Initial	\$714.50	\$544.54	\$58.59
Additional			\$20.07

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Interoffice Facilities Cancellation or Changes Cost Study			
Interoffice Facilities DS1			
Design Layout Report Date			
Initial			\$17.97
Additional	\$327.96	\$38.56	\$16.54
Records Issue Date			
Initial	\$423.21	\$38.56	\$17.97
Additional			\$16.54
Designed, Verified and Assigned Date			
Initial	\$439.33	\$299.43	\$26.90
Additional			\$25.48
Plant Test Date			
Initial	\$685.18	\$349.48	\$51.04
Additional			\$37.55
Interoffice Facilities DS3			
Design Layout Report Date			
Initial			\$17.37
Additional	\$119.71	\$36.89	\$15.95
Records Issue Date			
Initial	\$546.17	\$36.89	\$17.37
Additional			\$23.47
Designed, Verified and Assigned Date			
Initial	\$569.87	\$288.84	\$46.64
Additional			\$28.35
Plant Test Date			
Initial	\$714.40	\$330.56	\$66.76
Additional			\$37.99
Interoffice Facilities OC3			
Design Layout Report Date			
Initial			\$23.47
Additional	\$478.36	\$50.29	\$15.95
Records Issue Date			
Initial	\$569.37	\$50.29	\$23.47
Additional			\$15.95
Designed, Verified and Assigned Date			
Initial	\$569.37	\$302.24	\$52.74
Additional			\$20.82
Plant Test Date			
Initial	\$1,057.84	\$352.29	\$76.87
Additional			\$32.89
Interoffice Facilities OC12			
Design Layout Report Date			
Initial			\$23.47
Additional	\$478.36	\$50.29	\$15.95
Records Issue Date			
Initial	\$569.37	\$50.29	\$23.47
Additional			\$15.95
Designed, Verified and Assigned Date			
Initial	\$569.37	\$302.24	\$52.74
Additional			\$20.82
Plant Test Date			
Initial	\$1,057.84	\$352.29	\$76.87
Additional			\$32.89
Interoffice Facilities OC48			
Design Layout Report Date			
Initial			\$23.47
Additional	\$478.36	\$50.29	\$15.95
Records Issue Date			
Initial	\$569.37	\$50.29	\$23.47
Additional			\$15.95
Designed, Verified and Assigned Date			

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Initial			\$52.74
Additional	\$569.37	\$302.24	\$20.82
Plant Test Date			
Initial			\$76.87
Additional	\$1,057.84	\$352.29	\$32.89

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Enhance Extended Loops (EEL) Service Order Cost Study			
Electronic - Analog/2-Wire Digital Loop - Establish Service Ordering Charge, Per Service Request, ASR or LSR			
Installation		\$41.84	\$0.21
Disconnect		\$30.41	\$0.21
Electronic Subsequent Order - Analog/2-Wire Digital EEL Loop		\$38.30	\$0.21
Manual - Analog/2-Wire Digital Loop - Establish Service Ordering Charge, Per Service Request, ASR or LSR			
Installation		\$89.61	\$40.02
Disconnect		\$68.14	\$26.74
Manual Subsequent Order - Analog/2-Wire Digital EEL Loop		\$84.64	\$37.49
Electronic - DS1 Loop - Establish Service Ordering Charge, Per Service Request, ASR or LSR			
Installation		\$46.26	\$3.00
Disconnect		\$30.54	\$1.80
Electronic Subsequent Order - DS1 EEL Loop		\$38.30	\$2.51
Manual - DS1 Loop - Establish Service Ordering Charge, Per Service Request, ASR or LSR			
Installation		\$98.01	\$44.29
Disconnect		\$68.14	\$26.74
Manual Subsequent Order - DS1 EEL Loop		\$84.64	\$37.49
Electronic - DS1, DS3 Transport - Establish Service Ordering Charge, Per Service Request, ASR or LSR			
Installation		\$48.21	\$2.66
Disconnect		\$30.41	\$1.80
Manual - DS1, DS3 Transport - Establish Service Ordering Charge, Per Service Request, ASR or LSR			
Installation		\$101.75	\$46.19
Disconnect		\$68.14	\$26.74
Electronic - Non-channelized DS1 EEL - Establish Service Ordering Charge, Per Service Request, ASR or LSR			
Installation		\$46.26	\$3.00
Disconnect		\$30.41	\$1.80
Manual - Non-channelized DS1 EEL - Establish Service Ordering Charge, Per Service Request, ASR or LSR			
Installation		\$98.01	\$44.29
Disconnect		\$68.14	\$26.74
Electronic - Central Office Multiplexing - DS1 to Voice - Establish Serv. Ord. Chg, Per Service Request, ASR or LSR			
Installation		\$48.21	\$3.37
Disconnect		\$30.41	\$1.64
Manual - Central Office Multiplexing - DS1 to Voice - Establish Serv. Ord. Chg, Per Service Request, ASR or LSR			
Installation		\$101.75	\$46.19
Disconnect		\$68.14	\$26.74

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
UNE-P Service Order Charges (Averaged, See Exh. SET-NRC-6)			
Electronic UNE-P POTS, per LSR			
Installation		\$8.01	\$0.39
Disconnect		\$5.67	\$0.15
Manual UNE-P POTS, per LSR			
Installation		\$40.53	\$19.63
Disconnect		\$22.56	\$9.64
Electronic UNE-P Non-POTS, per LSR			
Installation		\$15.14	\$3.48
Disconnect		\$7.42	\$1.18
Manual UNE-P Non-POTS, per LSR			
Installation		\$63.17	\$30.75
Disconnect		\$29.10	\$12.83
Loops Service Orders Cost Study			
request (LSR)			
Installation	\$3.16	\$23.21	\$0.21
Disconnect	\$1.54	\$18.69	\$0.21
Subsequent Order	\$3.02	\$23.21	\$0.21
Record Work Only	\$1.86	\$17.81	\$0.20
DS1 Loop - Administrative Charge, per service request (LSR)			
Installation	\$136.82	\$23.21	\$3.00
Disconnect	\$74.33	\$18.69	\$1.80
DS3 Loop - Administrative Charge, per service request (LSR)			
Installation	\$145.27	\$23.21	\$3.00
Disconnect	\$45.78	\$18.69	\$1.80
Special Access to UNE Conversion Service Order Cost Study			
Project Administrative Charge, Per Circuit		\$39.26	\$3.64
ULS Line Port and Trunk Port Service Order Cost Study			
Service Order - Basic Line Port, per Occasion			
Installation Initial	\$3.02	\$65.91	\$0.49
Disconnect	\$1.54	\$31.19	\$0.29
Subsequent	\$3.18	\$13.11	\$0.37
Records Only	\$1.86	\$24.15	\$0.27
Service Order - Complex Line Port, per Occasion			
Installation Initial	\$30.09	\$94.09	\$4.27
Disconnect	\$7.50	\$37.80	\$1.49
Subsequent		\$94.09	\$4.27
Records Only	\$1.86	\$24.15	\$0.27
Service Order - Trunk Port, per Occasion			
Installation Initial	\$64.01	\$94.09	\$4.27
Disconnect	\$39.57	\$37.80	\$1.49
Subsequent		\$94.09	\$4.27
Records Only	\$1.86	\$24.15	\$0.27
Unbundled Tandem Switching (UTS) Ports Service Order Cost Study			
Unbundled Tandem Switching - Installation Service Order Charge, per			
Installation	\$45.97	\$60.23	\$2.56
Disconnect	\$45.51	\$40.28	\$1.49
Sub-Loop Service Order Cost Study			
Sub-Loop Service Order, per Occasion (LSR)			
Installation Initial	\$3.16	\$23.21	\$3.00
Disconnect	\$1.54	\$18.69	\$1.80
Add/Change	\$3.02	\$23.21	\$3.00

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Unbundled Transport Service Order Cost Study			
DS1 Installation and Rearrangement - Administration Charge, per order (ASR), Zone 1, Zone 2, Zone 3			
Installation	\$136.32	\$21.55	\$2.66
Disconnect	\$74.33	\$18.69	\$1.80
DS3 Installation and Rearrangement - Administration Charge, per order (ASR), Zone 1, Zone 2, Zone 3			
Installation	\$120.93	\$21.55	\$2.66
Disconnect	\$78.65	\$18.69	\$1.80
OC3 Installation and Rearrangement - Administration Charge, per order (ASR), Zone 1, Zone 2, Zone 3			
Installation	\$76.37	\$21.55	\$2.66
Disconnect	\$19.66	\$18.69	\$1.80
OC12 Installation and Rearrangement - Administration Charge, per order (ASR), Zone 1, Zone 2, Zone 3			
Installation	\$76.37	\$21.55	\$2.66
Disconnect	\$19.66	\$18.69	\$1.80
OC48 Installation and Rearrangement - Administration Charge, per order (ASR), Zone 1, Zone 2, Zone 3			
Installation	\$76.37	\$21.55	\$2.66
Disconnect	\$19.66	\$18.69	\$1.80
HFPL Service Order Cost Study			
High Frequency Portion of the Loop Service Order, per LSR			
Installation Initial	\$3.16	\$21.67	\$0.47
Disconnect	\$1.54	\$16.14	\$0.30
Subsequent	\$3.02	\$19.64	\$0.42
Record Work Only	\$1.86	\$17.97	\$0.22
Cancel or Change Service Order Cost Study			
<u>Cancel or Change Service, per Last Critical Date</u>			
Unbundled Tandem Switching - Trunk Port	\$14.03	\$41.06	\$1.74
Unbundled Local Switching - Basic Line Port	\$3.18	\$32.23	\$0.22
Unbundled Local Switching - Complex Line Port		\$64.46	\$2.87
Unbundled Local Switching - Trunk Port		\$64.46	\$2.87
Unbundled Loops - Analog Loop	\$3.02	\$48.39	\$0.30
Unbundled Loops - Digital DS0		\$48.39	\$0.30
Unbundled Loops - Digital DS1		\$48.39	\$2.01
Unbundled Loops - Digital DS3		\$48.39	\$2.01
Unbundled Sub-Loops - Analog Sub-Loops	\$3.02	\$48.39	\$0.30
Unbundled Sub-Loops - Digital Sub-Loops - DS1		\$48.39	\$2.01
Unbundled Sub-Loops - Digital Sub-Loops - DS3		\$48.39	\$2.01
Unbundled Transport - Digital DS1		\$42.72	\$1.76
Unbundled Transport - Digital DS3		\$42.72	\$1.76
Unbundled Transport - OC-3, OC-12, OC-48		\$42.72	\$1.76
Dark Fiber Administrative Charge Cost Study			
INQUIRY, per request (LSR)			
Dark Fiber Loop or Sub-loop		\$18.91	\$1.98
Dark Fiber Interoffice Transport		\$18.91	\$1.98
ADMINISTRATIVE, per order (LSR)			
Dark Fiber Loop or Sub-loop			
Installation	\$12.52	\$20.74	\$2.26
Disconnect	\$14.12	\$18.69	\$1.58
Dark Fiber Interoffice Transport			
Installation	\$12.52	\$20.74	\$2.26
Disconnect	\$14.12	\$18.69	\$1.58

	Current Tariff	SBC Michigan Proposed	AT&T Proposed
Due Date Change Service Order Cost Study			
Due Date Change, per Order, per Occasion			
Unbundled Tandem Switching - Trunk Port		\$13.84	\$0.48
Unbundled Local Switching - Basic Line Port	\$3.02	\$17.49	\$0.23
Unbundled Local Switching - Complex Line Port	\$30.09	\$17.49	\$0.64
Unbundled Local Switching - Trunk Port	\$18.76	\$17.49	\$0.64
Unbundled HFPL - Analog Loop		\$15.09	\$0.22
Unbundled Loops - Analog Loop	\$3.16	\$14.13	\$0.22
Unbundled Loops - Digital DS0	\$18.76	\$14.13	\$0.22
Unbundled Loops - Digital DS1	\$18.76	\$14.13	\$0.47
Unbundled Loops - Digital DS3	\$18.76	\$14.13	\$0.47
Unbundled Sub-Loops - Analog Sub-Loops	\$3.16	\$14.13	\$0.22
Unbundled Sub-Loops - Digital Sub-Loops - DS1	\$18.76	\$14.13	\$0.47
Unbundled Sub-Loops - Digital Sub-Loops - DS3	\$18.76	\$14.13	\$0.47
Unbundled Transport - Digital DS1	\$18.76	\$11.65	\$0.36
Unbundled Transport - Digital DS3	\$18.76	\$11.65	\$0.36
Unbundled Transport - OC-3, OC-12, OC-48	\$23.59	\$11.65	\$0.36
Service Order Cost Study for Query Access to LIDB Database			
Query Access to LIDB Database - Service Order Charge, per Request		\$45.69	\$2.35
Service Order Cost Study for SS7			
SS7 Links - Service Order Charge, per Request			
Establish - SS7 Links - Service Order Charge, per Request		\$183.99	\$9.64
Disconnect - SS7 Links - Service Order Charge, per Request		\$84.81	\$4.11

