PALMER & DODGE LLP

ONE BEACON STREET, BOSTON, MA 02108-3190

KENNETH W. SALINGER
(617) 573-0561
ksalinger@palmerdodge.com

TELEPHONE: (617) 573-0100
FACSIMILE: (617) 227-4420

August 27, 2001

By Messenger

Mary Cottrell, Secretary
Department of Telecommunications and Energy
Commonwealth of Massachusetts
One South Station
Boston, MA 02110

Re: D.T.E. 01-20 – UNE Rates

Dear Secretary Cottrell:

On behalf of AT&T Communications of New England, Inc. ("AT&T") and WorldCom, I have enclosed the Revised Rebuttal Testimony of Catherine E. Pitts. Attachments 2, 3 and 4 are proprietary and will be filed with the Hearing Officer under separate cover. Attachment 7 is being provided in electronic format only due to its voluminous nature.

This revised rebuttal testimony and attachments replace the original rebuttal of Ms. Pitts that we filed on July 18, 2001. It was made necessary by Verizon's filing on July 27, 2001, of a new electronic version of a key portion of its direct case.

Verizon – like all other parties – filed its direct case on May 8, 2001. Verizon's switch cost analysis is based on inputs from a proprietary Switch Cost Investment System ("SCIS") model owned by Telcordia. Verizon filed electronic copies of the SCIS model(s) that it used as inputs to its switch cost workpapers, though it did not make useable copies of the SCIS model available to us until May 18, 2001.

In working with the electronic models provided by Verizon, our switch cost expert eventually discovered that those electronic models were producing results that did not match the paper switch cost workpapers filed by Verizon. We first discovered this discrepancy on June 26, 2001, and notified Verizon of it the same day. At Verizon's request our switch cost expert (Cathy Pitts) spoke with a Verizon staffer with responsibility for their use of the SCIS model in this proceeding (Robert Beyer). Mr. Beyer confirmed the existence of the discrepancy. Specifically, he confirmed that we had received the correct version of the SCIS model from Verizon, that the electronic version sent to us was properly loaded with the inputs selected and used by Verizon, and that the Getting Started costs produced by the SCIS model were indeed substantially lower than the numbers shown in Verizon's workpapers. He was able to confirm that the results of the SCIS model provided by Verizon to us match the results calculated by the SCIS model when he ran it at Verizon.

I confirmed these facts in writing on July 3, 2001, in a letter to Verizon's attorney Bruce Beasejour. At the end of that letter I stated as follows:

> Since this SCIS model is what Verizon filed as part of the backup for its switching cost study, and since Verizon has confirmed that we have the correct version which produces results matching those obtained by Verizon itself from SCIS, we will rely upon Verizon's representations that this is the correct electronic backup for the material investments in Verizon's switch cost study. In particular, we will rely upon these representations as we prepare rebuttal testimony for filing in less than two weeks.

At no time between June 26, when we first notified Verizon of the discrepancy between the electronic model it provided and its own workpapers, and July 18, when all parties were required to file their surrebuttal testimony, did Verizon give us any indication that it was doing anything further with respect to this discrepany.

Therefore, our expert proceeded to analyze Verizon's switch cost submission using the electronic model that Verizon had provided to us. The SCIS model provided by Verizon was part of the basis of the restated switch costs developed by Catherine Pitts in her rebuttal testimony filed on behalf of AT&T and WorldCom on July 18, 2001.

On July 27, 2001, with no advance notice and no leave from the Department, Verizon revised its direct case by filing a new electronic version of the SCIS model. Verizon stated that its previous electronic filing had contained a "fragmented" and therefor corrupted database, which "caus[ed] inconsistent output results." Verizon apparently intends for this new submission to supercede the materials provided to the Department and parties in May 2001 as backup for Verizon's direct case.

As a result, Ms. Pitts has been forced to revise all of the numbers contained in and underlying her rebuttal testimony. The enclosed revised rebuttal testimony and attachments, and the accompanying electronic workpapers, reflect the same analysis that was contained in Ms. Pitt's original rebuttal testimony. However, that analysis has now been based on the revised SCIS model that was submitted by Verizon on July 27.

Very truly yours,

Kenneth W. Salinger

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