1   SAN FRANCISCO, CALIFORNIA, JANUARY 21, 2005 - 9:25 A.M.

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3   ADMINISTRATIVE LAW JUDGE ECONOME: The Commission

4   will come to order.

5   This is the time and place for further

6   evidentiary hearings in Case 04-08-026, which is the

7   complaint of AT&T, et al., versus Verizon, and it's

8   consolidated with two other cases, Case 04-09-001 and

9   Case 04-09-010.

10   I think most of you know I'm Administrative

11   Law Judge Econome.

12   Commissioner Brown was unable to be here

13   today, but his advisor, Aram Shumavon, is up here on the

14   bench with me, and he may also ask questions.

15   I have an additional appearance for Verizon,

16   Mr. Petersen.

17   MR. PETERSEN: Yes.

18   ALJ ECONOME: Welcome.

19   MR. PETERSEN: Good morning, your Honor. Thank

20   you.

21   ALJ ECONOME: Good morning.

22   Are there any other additional changes to the

23   appearances, or additions?

24   (No response)

25   ALJ ECONOME: Okay. Before we begin -- we've got

1   (Off the record)   ]

2   ALJ ECONOME: Let's be back on the record.

3   We've already marked the January 7th

4 Supplemental Declaration of Danny Peeler as Exhibit 204.

5   Mr. Peeler also has a declaration that was

6 filed with respect to the Cross Motions For Summary

7 Judgment on December 20th, 2004, which is already in

8 the record.

9   And we have both Mr. Peeler and Mr. Lipchock

10 here today as a panel as I've asked Verizon to have

11 someone most knowledgeable about the Verizon system also

12 available.

13   Gentlemen, if both of you could stand and

14 raise your right hand, please.

15   DANNY PEELER and MICHAEL LIPCHOCK,
    called as witnesses by Verizon, having
16   been sworn, testified as follows:

17   ALJ ECONOME: Thank you.

18   Can you each state your name and business

19 address and employer for the record.

20   WITNESS PEELER: My name is Danny Peeler,

21 P-e-e-l-e-r. I'm employed by Nortel Networks. And the

22 business address is 35 Davis Drive, RTP, North Carolina.

23   ALJ ECONOME: All right.

24   WITNESS LIPCHOCK: My name is Michael Lipchock,

25 L-i-p-c-h-o-c-k. I'm employed by Verizon. My business

26 address is 1 East Pratt Street, 2E, Baltimore, Maryland.

27   ALJ ECONOME: Okay. Mr. Petersen.

28   MR. PETERSEN: Thank you, your Honor. I would

1 We'll address the individual circumstances as they

2 arise.

3   MS. TAFF-RICE: Q Let me direct the question to

4 Mr. Peeler first, then.

5   Mr. Peeler, have you been involved in advising

6 Verizon on the deployment of the local VoIP solution

7 that we're discussing in this proceeding?

8   A Yes, I have.

9   Q And has it been your advice to Verizon that

10 they should standardize the deployment that they plan to

11 do in California?

12   A I don't make -- you have to -- I personally

13 don't make advice to whether they standardize or not.

14 That's not my role, no.

15   Q So Mr. Lipchock, is it the case that Verizon

16 is planning to standardize its deployment of the local

17 VoIP solution that right now we're talking about in two

18 central offices here in California?

19   WITNESS LIPCHOCK: A It is our intention and we

20 have gone through the process of standardizing

21 the network deployment that was shown in the first slide

22 marked 201.

23   Q So is it fair to assume that if Verizon were

24 to deploy more Nortel Succession switches in California

25 beyond the one at Red Hawk and the one at Baldwin Park,

26 that Verizon intends to deploy them in exactly the same

27 configuration as we see in Exhibit 201?

28   A Within the variations of the plant that exist

1 in the local wire centers that would be converted, yes,

2 we would try to stick to the basic configuration and

3 strategies that we plan to use here in California.

4   Q   Okay. So specifically in each of

5 the deployments, there would be an XA core; is that

6 correct?

7   A   Correct.

8   Q   And in each of the deployments there would be

9 an ENET?

10   A   Correct.

11   Q   And in your responsibilities or in the answer

12 you're giving me about standardization, would it be true

13 that Verizon wants to standardize its deployment not

14 only within California, but anywhere where you deployed

15 the Nortel product?

16   A   That is our goal, yes.

17   Q   And you're aware that -- I suspect you're

18 aware that MCI has had some discussions with Verizon

19 about a similar deployment in Washington State of

20 the Nortel Succession switch; is that correct?

21   A   I am aware of the deployment, yes.

22   Q   And to the best of your knowledge, Verizon's

23 planning to standardize deployment between California

24 and that Washington central office, for example?

25   A   Yes. But again, there are some differences in

26 Washington that had to be accommodated.

27   Q   But there would still be an XA core and an

28 ENET at that central office in Washington?

1   A   You are correct.

2   Q   We don't have to go through every state, but

3   as a general matter, if you were going to deploy

4   the Nortel Succession switch in Maryland or somewhere on

5   the East Coast, it would also be your intention to

6   deploy the XA core as well as the ENET?

7   A   As long as that element is required as part of

8   the switch matrix to do the functions that we're

9   deploying it for specifically, we would deploy it.

10   Q   Now Mr. Peeler, I'd like to start asking you

11   some questions about the declaration that you submitted

12   on December 20, just because it's first in time and it's

13   a bit easier to go through it in that order.

14   WITNESS PEELER: A Okay.

15   Q   You mentioned in this declaration that your

16   title is solution architect; is that correct?

17   A   Yes, ma'am.

18   Q   And could you just describe for the Commission

19   what that entails generally.

20   A   A major carrier -- Verizon Sprint -- as we

21   start introducing Succession into a customer's network,

22   when we came up with the idea of Succession in doing

23   this for five years, a lot of time is spent up front

24   working with customers, understanding their requirements

25   for their network. You need soft switches, you need

1 Nortel who might have specific knowledge about these

2 deployments, precisely how Verizon is going to

3 accomplish this deployment?

4   A I don't know whether ENETs were to be reused

5 or a new ENET. I don't think that was one of the

6 technical issues I looked at. So I never asked anyone

7 questions about that.

8   Q Do you happen to know the capacity of the

9 ENETs that are currently deployed at the central office?

10   A No, I do not.

11   Q Mr. Lipchock, do you know the current capacity

12 of the ENETs that are deployed at the central offices?

13   WITNESS LIPCHOCK: A I know what the maximum

14 capacity of the ENETs are. I believe we have upgraded

15 the ones that we are going to keep for the maximum size,

16 and the others of course are JNETs.

17   ALJ ECONOME: Let me interrupt. I don't know if

18 you are going to ask particular numbers, if those are

19 confidential?

20   MR. PETERSEN: The particular numbers are

21 confidential, your Honor.

22   ALJ ECONOME: I don't know how we want to deal

23 with that.

24   WITNESS LIPCHOCK: We avoided those numbers

25 earlier.

26   MS. TAFF-RICE: Q What if we just try for a range

27 like we did Mr. Haltom, see if that works. You were in

28 the courtroom when Mr. Haltom testified, weren't you?

[LIPCHOCK CONT.]

1   Q   Okay. Why did Verizon choose to deploy an

2   ENET of this size?

3   A   That is the standard. That is

4   the standardized deployment that we have tested in the

5   lab and are going to field deployments with.

6   Q   But there are smaller ENETs than this;

7   correct?

8   A   It's the number of cards you put into it,

9   the amount of memory and processing that you put into

10 it.

11   Q   And these are going to be new ENETs; right?

12   A   No, they are not. They are upgrades from

13 the existing ENETs that have been placed in the office.

14   Q   Okay. What motivated Verizon to upgrade

15 the capacity of the existing ENETs?

16   A   Well, we wanted to get it up to the latest

17 generic, which I believe was also part of the criteria,

18 to jump off into the Succession translation load. So to

19 get to that NAO17, we needed to be on the largest size

20 ENET, load the software, and then start to add on

21 the CS2K elements and load the softswitch software.

22   Q   If Verizon proceeds with a plan that's

23 currently in place, which is Exhibit No. 201, the only

24 traffic that you will be supporting on the ENET would be

25 ISDN BRI customers; right?

26   A   The only customer traffic that we would be

27 supporting would be that generated by ISDN BRI

28 customers. And there's a very particular reason that

1 we've left them up there. That being that the D-channel

2 piece of the ISDN BRI, the data calling, could not be

3 handled by the packet infrastructure of the softswitch.

4   Q   Okay. And are you expecting rapid growth in

5 the ISDN BRI demand?

6   A   No. In fact, between the two locations,

7 the numbers that we have to serve are less than

8 the number of fingers and toes I have on my body.

9   Q   Okay. Assuming that's a standard count.

10   (Laughter)

11   WITNESS LIPCHOCK: Thank you.

12   MS. TAFF-RICE: Q And I will not ask for a

13 demonstrative exhibit on this.

14   A   I did not anticipate that. Sorry.

15   Q   It would be fair to conclude that there will

16 be excess capacity on the ENET, right; the BRI traffic

17 will not fill the capacity of the ENET?

18   A   There is no doubt that that ENET has

19 horsepower that will go unused.

20   Q   And if you were to take the total number, just

21 as an example for Red Hawk, the total number of UNE-P

22 lines -- and I won't say the number because I don't --

23   Counsel, is it confidential?

24   MR. PETERSEN: Well, it's CLEC confidential.

25   MR. DEANHARDT: Well, the number was disclosed,

26 was disclosed in the hearings for the Temporary

27 Restraining Order.

28   MS. DUNCAN: Individual polices.

1   WITNESS PEELER: Yes, ma'am.

2   ALJ ECONOME: Okay.

3   MS. TAFF-RICE: Q You say here that the Red Hawk

4 and Baldwin Park switches as deployed cannot perform TDM

5 circuit switching for the POTS lines.

6   ALJ ECONOME: What page?

7   MR. PETERSEN: Excuse me.

8   MS. TAFF-RICE: I'm sorry. Page 3.

9   ALJ ECONOME: 3. Okay, number 6, first bullet;

10 right?

11   MS. TAFF-RICE: We're on number 5, paragraph five,

12 first bullet.

13   ALJ ECONOME: Oh, okay. Okay. I'm sorry.

14   WITNESS PEELER: You're on paragraph 5?

15   MS. TAFF-RICE: Q I'll just read it again.

16 The Red Hawk and Baldwin Park switches as deployed

17 cannot perform TDM circuit switching for the POTS lines;

18 right?

19   A Yes, ma'am, that is correct.

20   Q When you say as deployed, you mean as Verizon

21 chose to deploy it?

22   A The "as deployed" being the diagram in

23 Exhibit 201, yes.

24   Q It's not that the switches at Red Hawk and

25 Baldwin Park cannot support TDM circuit switching for

26 POTS; it's that Verizon chose not to deploy it that way?

27   A With modifications or a different design, yes,

28 they could perform TDM circuit switching for some other

1 POTS customers, yes.

2   Q And in your job responsibilities at Nortel, do

3 you have clients other than Verizon?

4   A Yes, ma'am.

5   Q And given your experience with clients other

6 than Verizon, are you aware of instances where a client

7 might choose, for whatever reason, to support some of

8 their POTS traffic upon packet switch and some other

9 POTS traffic on an ENET?

10   A I believe I have seen customers -- I know I've

11 seen customers support some of the POTS traffic that was

12 terminated in the central office on the ENET. I have

13 never seen a customer disperse POTS line to TDM across

14 an entire Succession network.

15   Q Do you know why that is?

16   A If the lines are at the TDM office, they have

17 access to the ENET. In the collapsed offices, they

18 don't. So it creates a problem that no one's ever

19 wanted to do that for any reason before.

20   Q So what's creating this problem is the fact

21 that three offices are going to be collapsed into two

22 larger offices?

23   A What problem?

24   Q The one you just testified to.

25   A The problem of a customer trying to take in

26 collapsed offices, if you try to switch some lines out

27 there using TDM, that would be a problem.

28   Did that answer your question?