

**Statement of Rod Odom
Hurricane Katrina Status
Before the Federal Communications Commission
September 15, 2005**

I. Introduction

My name is Rod Odom, and I am President of Network Services for BellSouth. BellSouth is a full-service communications company providing service to customers in the nine southeastern states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, and Tennessee. I have worked with AT&T and BellSouth for 33 years, and in my current position I am responsible for network operations and planning, interconnection services, and network technology.

The purpose of my testimony today is to address the impact of hurricane Katrina on BellSouth's network, the status of the network based on restoration completed to date, and where we expect to go from here as we continue to restore communications to the hard hit Gulf Coast area. What I will give you today is a snapshot – the situation is still changing rapidly, as power is restored, flood waters are pumped out, field surveys occur, and repairs are made. Furthermore, because we are still assessing the full impact of the storm on our network and our customers, damage estimates are preliminary. It will take some additional time for us to know with certainty the total magnitude of the destruction caused by hurricane Katrina. Given the force of the hurricane, however, we are very pleased with the resiliency of our network, and with the significant progress that our employees, working with the larger communications industry, have made to restore service to date.

II. Impact on Network Operations

As is our standard operating procedure, we activated our Emergency Operations Centers and began tracking Tropical Depression 12 on August 23, then located over the southeastern Bahamas with 35 mph winds, moving northwest at 10 mph. We continued monitoring the storm as the days progressed and began our extensive preparations. Prior to Katrina making landfall in Florida, we activated our standard hurricane procedures.

These include ensuring that our 1000+ mobile generators are in working order and staged at the sites needed, fuel tanks are filled for our central offices and key administrative office generators and vehicles, network supplies are relocated (including tents in the event tent cities need to be established for the safety and shelter of our employees), and support personnel are staged in nearby locations. As a note, as a part of our prior overall network planning and preparation, BellSouth had located six switches in low lying areas of the New Orleans bowl on the second floor or above in those buildings. The tropical depression became Hurricane Katrina and first made landfall in South Florida as a Category 1 hurricane on Thursday evening, August 25, causing considerable damage to the area.

Given where our network is located, BellSouth has dealt with hurricanes for years, and has been proud of the resiliency our network has demonstrated from Camille to Andrew. As will unfold in this Statement though, at this point no one could predict the extent of the devastation that was to follow. Hurricane Katrina, which developed into a Category 5 hurricane and then dropped to a Category 4 just before making her second landfall in our operating area at about 2 p.m. on Monday, August 29, east of New

Orleans. As the storm made landfall, it had sustained winds in excess of 145 miles per hour and storm surges reported from 25-40 feet.

Operations in Florida, Alabama, Mississippi and Louisiana, all have been impacted by hurricane Katrina. Nevertheless, we have made significant strides towards restoration of communications capabilities. As I will describe in more detail below, we have three different types of restoration efforts underway. In places like Gulfport and Biloxi, Mississippi and New Orleans, the impact on our customers, our employees and our network have been catastrophic and basic restoration is still encumbered by flooding, debris and security issues. In other parts of Louisiana, Mississippi and Alabama, we are well into our restoration efforts and progressing rapidly. In Florida, we are wrapping up our restoration efforts, and freeing up resources like generators and technicians to move to the other areas where they are needed. Here are some damage survey results to date that shed light on the magnitude of the storm's impact:

- 27,044 Damage Surveys Completed
- 11,089 Poles Down
- 26,003 Cable Spans Down
- 21,427 Drops Down

III. Network Status

In the Gulf region of Mississippi, Alabama, and Louisiana, BellSouth has 4.9 million access lines. A snapshot on August 30 after the second landfall estimated that 2.475 million lines, a little more than half of those in the area, were actually affected by the

storm. As of the morning of Wednesday, September 14, approximately 15% of the original 2.475 million lines remained impacted.

BellSouth had 1591 central office buildings across its region. 578 of these central office buildings were located in Alabama, Louisiana and Mississippi. Throughout the storm, 545 of the 578 central offices in Alabama, Louisiana and Mississippi never lost service. As the loss of commercial power was widespread, many of these offices were running on batteries, supported by generators. Today, eight central offices are still running on batteries, supported by generators. Generators require fuel, and in the past, our network personnel have had access to the central offices where the generators are housed in order to ensure their proper fueling and operations. This was not true with Katrina.

Katrina was different from any hurricane BellSouth has faced previously. It had three distinct phases – the Florida hurricane, the Gulf Coast hurricane, and the New Orleans flooding. Severe damage was associated with the storm's landfall, but the flooding that followed when the levees broke created significant additional disruption. Generally, hurricanes have an initial surge, the water recedes, power restoration begins, and then we follow the power company with telecom restoration forces. When the levees broke in New Orleans, the water did not recede. Because of the continued flooding, and the unprecedented security issues, generator power was lost at several central offices due to our inability to refuel. The flooding also caused extensive damage to buildings and other structures in the flooded areas.

We lost service at various times in a total of 33 of BellSouth's central offices in the impacted area since August 29. Today, there are 16 central offices that have not been

restored to service. Of the 16, 10 are small offices along the coastal area with severe devastation. We have already begun restoring service in some of those areas using digital loop carrier systems. The remaining six offices are in the New Orleans flooded area. Five of these offices are currently being restored and one is still inaccessible due to flood waters.

We are continuing to work around the clock to restore service. As a part of our restoration efforts, we conduct damage surveys throughout the area. Overall, the surveys are approximately 80% complete, as we have completed 27,044 surveys to date (approximately 95% complete in areas where we have access). Initially, we concentrate on restoration of highest priority circuits, specifically those which support public safety including hospitals, E911 centers and law enforcement. Then we focus on supporting other carriers, including the wireless industry. I have listed these sequentially, but they are often worked simultaneously.

In terms of restoration priority, we have been and continue to focus our support on public safety concerns, including hospitals, E-911 centers and law enforcement. Following the storm, in Florida and Alabama, there were no E-911 centers that incurred outages. For Mississippi, service was impacted to 43 out of 138 E-911 centers, and service to all 43 centers has been restored on site or by re-routing the calls to other centers. Many 911 centers required the re-routing of traffic, and in most instances these re-routes were accomplished within hours after contact with the 911 center officials. All of these centers were back in service by September 4.

In Louisiana, 35 of 91 E-911 centers were impacted, and 30 of these are back in service, either partially on site or through re-routing of calls to other centers. Of the five

E 911 centers that remain out of service, all are the New Orleans area. Three of the centers are located in Plaquemine and St. Bernard parishes, low lying parishes along the Mississippi River. The remaining two are located in New Orleans. BellSouth is in contact with the E 911 officials in the five Louisiana 911 centers that remain out of service and we are working with them to implement plans to re-route traffic to alternate sites and restore E 911 service to these areas.

BellSouth has also been extremely focused on the wireless industry in its network restoration efforts. Prior to the storm's landfall, we invited several key carriers to collocate at our emergency command center, recognizing the critical role that wireless plays in today's communications and also knowing the key role we play in enabling wireless service. Together with members of the wireless industry, we developed a joint wireless restoration plan, focused on interoffice rings, prioritizing cell site restoration, and the placement of microwave facilities. These carriers provided input for restoration priorities together with our team. We also conduct two daily calls – one with wireless carriers and one with wireline carriers. These collaborative efforts have been a very important of the restoration effort.

I am also proud of our efforts to reroute traffic from New Orleans to Texas, or to Florida, or to switches and locations requested by the carriers in order to create communications capacity and restore service for wireless and wireline customers.

Efforts are ongoing as we search collectively to overcome the unique problems caused by flood waters that blocked access to switches and cellular sites in need of restoration. Escorted teams traveled by boat to several of the sites to survey accessibility and status to determine what equipment was needed to restore service. Microwave

antennas have already been placed to enable communications from two of these sites. The first one at Florida Boulevard serves T-Mobile, AllTel, and Sprint/Nextel; the second at Franklin Road near Lake Airport serves Verizon, Sprint/Nextel and Cingular. And a third microwave antenna is being placed in Biloxi, MS.

The significant progress towards restoration is due to the tireless and often heroic efforts of our employees on the ground who are working around the clock with a single minded mission of restoring communications to these hard hit areas, and to the efforts of our wireless and wireline industry colleagues who have partnered with us with an unwavering commitment to enable communications.

Our experience in the New Orleans Main Central Office at 840 Poydras Street gives a sense of the situation on the ground. BellSouth employees began staffing an Emergency Operations Center (EOC) on the 12th Floor of the building on Sunday, August 28. The office lost power and engaged generators when the storm hit on Monday, but occupants breathed a sigh of relief that there was no flooding. Then, the levee broke and conditions rapidly deteriorated on Tuesday. Technicians and engineers in the office were trying to re-establish service and maintain power by keeping the generators fueled and running. As the situation in New Orleans deteriorated with violence and looting, the New Orleans police and the Louisiana State Police told us to evacuate the building. There was gunfire in the area and we were told it was unsafe for our employees to remain in the area. At 3:00 p.m. CST, the Louisiana State Police arrived and provided us with an armed escort so we could leave the building. We moved to Baton Rouge and, concerned for the security of the building, we arranged for FBI agents to take occupancy of the building at approximately 9:00 that evening. By Friday morning, the Louisiana State Police and the

FBI occupied the building. At that time, we began armed and escorted caravans to the building to bring fuel for the generator, water for the chillers, BellSouth personnel, as well as personnel from other carriers (at BellSouth's open invitation) . In spite of these harrowing facts, this key switch, which serves as a regional hub for multiple carriers, remained in operation. And, of course, some of the Poydras Street personnel, as well as personnel assisting in restoration efforts across the impacted area, are putting forth Herculean efforts in trying circumstances. Many of them have lost everything. Some of them are now residents, with their families, of the BellSouth tent cities. Yet they continue to demonstrate commitment and resolve to rebuild the communications network expected by their fellow citizens.

Another heroic story rises out of the coastal town of Gulfport, MS. On September 3, a brick wall protecting the main generator keeping the central office alive started to give way. Nine workers from that central office ran from the basement, where they had been working while riding out the storm, to the rooftop room and fortified the walls with whatever they could find – plastic tarps, plywood and even the cardboard from a science project of one worker's son. The main wall in the office collapsed, yet their efforts to protect the switch were successful.

IV. Government Cooperation and Needs

The cooperation and assistance from local, state and federal agencies overall has been good. The FCC, along with its Staff members, has been extraordinarily helpful. The FCC has reached out to offer assistance in many areas: waiving rules that will help customers who are without service; taking actions that have and will allow for the quick restoration of network facilities (including the emergency routing of traffic over whatever

facilities are available for use); and helping with the publication of "find me" numbers to help locate BellSouth employees. Because of this, BellSouth has been able to make its interLATA corporate communications network available to companies like Sprint and Telapex, a Mississippi wireless carrier, for use in emergency routing of their traffic impacted by Hurricane Katrina. BellSouth has also been in constant communication with other federal agencies and has received strong support from the White House Executive Office of the President.

We will continue to need this type of help, particularly related to the efforts to restore communications in Louisiana and the Mississippi Gulf Coast areas. The magnitude of the damage will present unique issues that will need to be resolved quickly and efficiently in order to restore service.

The Louisiana and Mississippi Public Service Commissions have also stepped up to provide assistance to the industry in efforts to assess damage, maintain the operation of the remaining network, and restore service to impacted areas.

As we continue to restore service to the area, several things are critical. First, we need safe access to our network facilities. This will require the abatement of the flooding in New Orleans, which is underway. Now and when the flood waters have receded, we need adequate security measures to ensure the safety of our technicians trying to assess and conduct repairs.

Second, we will need flexibility and patience. It will take many months for the services and residents in the area to permanently repair the damage caused by Katrina. We will continue to work around the clock to restore service to our customers as they have rebuilt and are ready to be served. BellSouth has experienced 22 hurricanes since

1992, storms such as Andrew, Hugo and now Katrina. Congress and the private sector alike should be cautious about building unrealistic expectations about how long it takes to fully recover from a storm packing the furor of a Katrina. Also a key difference in this storm is the amount of social dislocation experienced by the fact that nearly one million people have been moved because of the storm. Many of the population patterns may never return as they were. Cities like Baton Rouge, Memphis, and LaFayette have experienced significant population growth with the attendant stress on all infrastructures, including the communications. Building capacity will take time.

Third, the government needs to recognize that the cost to BellSouth to restore the communications infrastructure will be significant. BellSouth has estimated that the cost to restore our network as a result of hurricane Katrina will be between \$400 and \$600 million. By comparison, the cost to BellSouth of the damage caused by the four hurricanes that hit Florida last year was approximately \$200 million. And, of course, we're still in the middle of the hurricane season, and the long term impacts of the flooding in New Orleans are hard to estimate.

Restoration of our near ubiquitous infrastructure will demand that we deploy capital, not as a cost plus utility, but as a company in a very competitive industry. We will be expected to rebuild without knowing what our ultimate demand will be. And, we will rebuild this network in an environment where many companies depend on our network for providing service to their customers, but policy doesn't equally distribute the burden of restoration among all players. The FCC has been very helpful in waiving rules that hamper restoration. We will need continued focus from the policy community on rules and regulations that hamper access to capital. Timely restoration requires that we

technology in the more remote parts of the network (remote terminals, DLC systems), these systems require power to operate, and thus introduce more potential points of failure in the event of an extended power outage. Consumers are using more cordless phones, which also require commercial power to operate. And the vast proliferation of cellular phones, which could potentially use automobile batteries for recharging, also becomes an issue when your automobile is 6 feet under water. As a result, many “communications” failures flow from the loss of power to CPE and other power driven applications, not from a fundamental loss of connectivity in the telecommunications network.

Second, the communications industry and government bodies need to work more closely together to establish, well in advance, multiple alternate retreat points and paths for the routing of E 911 traffic in the case of a catastrophe. BellSouth has a proud history of service to E 911 centers and will continue its commitment to find new and better ways to ensure that emergency traffic can be successfully routed and handled during emergencies.

Third, first-responders to emergencies need radio equipment that can access a common frequency. Many of the first responder issues in Katrina arise from the use of dedicated radio emergency communications equipment by first responders. As we saw in 9/11 oftentimes different departments, i.e. police and fire, or different jurisdictions, i.e. state and city or Louisiana and Arkansas, have equipment based on different frequencies and thus can not communicate with each other. This needs to be resolved, probably by the promulgation of national standards.

Fourth, carriers should be mindful of, and plan for flooding when locating their switch equipment in flood prone areas, locating them, where practical, above flood lines. As I previously mentioned, BellSouth has taken this step in the vast bulk of its offices, locating both switches and generators on upper floors of buildings. In addition, the location and availability of fuel needs to be addressed in a way that ensures that fuel can be available for emergency generators no matter the circumstance. This likely will have some environmental questions attendant to it which will require flexibility and engagement to resolve.

Finally, industry cooperation throughout the recovery from Hurricane Katrina has been extraordinary. This should be used as a template to build industry wide emergency response and restoration plans for future catastrophes of this kind.

I would like to close by thanking you for your interest and help and by thanking my colleagues here at BellSouth. As Commissioner Copps noted last week after seeing our response efforts, we have mobilized this company from top to bottom. We will continue to serve the over 8400 meals a day to our employees impacted by the storm. I am please to say that we have located all of our 6500 plus employees in the impacted area. They are all alive and safe. The same can not be said, regrettably about all of their family members in several cases. And many, many of them have lost all or a significant portion of the home and possessions. Our BellSouth family of employees has stepped forward with over \$770,000 in contributions to aid the impacted families. Our company will match these on a 2 to 1 basis. In addition, we have started an adopt a family program which matches employees willing to help with those needing help. And we have announced a \$5million grant to the Departments of Education in Louisiana and

Mississippi to facilitate elearning, to ensure that those high school students displaced by the storm can continue with their studies, through the use of technology, and graduate onetime. We will restore and rebuild, as we always do. That's what we expect of ourselves. That's what we do.