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SCANNED

HOPPING GREEN SAMS & SMITH
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS
123 SOUTH CALHOUN STREET
POST OFFICE BOX 6526
TALLAHASSEE, FLORIDA 32314
(904) 222-7500
FAX (904) 224-8551
FAX (904) 425-3415

JAMES S. ALVES
BRIAN H. BIBEAU
KATHLEEN BLIZZARD
ELIZABETH C. BOWMAN
RICHARD S. BRIGHTMAN
PETER C. CUNNINGHAM
RALPH A. DEMEO
THOMAS M. DEROSE
WILLIAM H. GREEN
WADE L. HOPPING
FRANK E. MATTHEWS
RICHARD D. MELSON
DAVID L. POWELL
WILLIAM D. PRESTON
CAROLYN S. RAEPPLE
GARY P. SAMS
ROBERT P. SMITH
CHERYL G. STUART

KRISTIN M. CONROY
CONNIE C. DURRENCE
JONATHAN S. FOX
JAMES C. GOODLETT
GARY K. HUNTER, JR.
JONATHAN T. JOHNSON
ROBERT A. MANNING
ANGELA R. MORRISON
GARY V. PERKO
KAREN M. PETERSON
MICHAEL P. PETROVICH
DOUGLAS S. ROBERTS
LISA K. RUSHTON
R. SCOTT RUTH
JULIE R. STEINMEYER

OF COUNSEL
CARLOS ALVAREZ
W. ROBERT FOKES

Writer's Direct Dial No.
(904) 425-2313

September 1, 1995

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Ms. Blanca S. Bayó
Director, Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. ~~950737~~

Dear Ms. Bayó:

Enclosed for filing on behalf of MCI Metro Access Transmission Services, Inc. in the above referenced docket are the original and 15 copies of the direct testimony of Don Price. Copies have been furnished to parties of record as indicated on the attached service list.

Very truly yours,

Richard D. Melson

RDM/cc
Enclosure
cc: Parties of Record

ACK ✓
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APP ____
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following by hand delivery (**) or next business day delivery by UPS (*) this 1st day of September, 1995.

Robert G. Beatty
J. Philip Carver
c/o Nancy H. Sims**
Southern Bell Telephone & Telegraph Company
150 S. Monroe St., Suite 400
Tallahassee, FL 32301

Anthony P. Gillman
Kimberly Caswell
c/o Richard M. Fletcher**
GTE Florida Incorporated
106 East College Ave., Ste. 1440
Tallahassee, FL 32301-7704

Lee L. Willis**
J. Jeffry Wahlen
Macfarlane Ausley Ferguson & McMullen
227 S. Calhoun Street
Tallahassee, FL 32301

F. B. (Ben) Poag*
Sprint/United - Florida
Sprint/Centel - Florida
555 Lake Border Drive
Apopka, FL 32703

Jerry Johns*
Sprint/United Telephone
555 Lake Border Drive
Apopka, FL 32703

C. Everett Boyd, Jr.**
Ervin, Varn, Jacobs, Odom & Ervin
305 S. Gadsden St.
P.O. Box 1170
Tallahassee, FL 32302

Tony H. Key, Director*
State Regulatory - South
Sprint
3100 Cumberland Circle
Atlanta, GA 30339

Timothy Devine*
MFS Communications Company, Inc.
6 Century Drive, Suite 300
Parsippany, NJ 07054

Richard M. Rindler*
James C. Falvey
Swidler & Berlin, Chartered
3000 K Street, N.W., Suite 300
Washington, DC 20007

Marsha Rule**
Wiggins & Villacorta, P.A.
501 East Tennessee St.
Tallahassee, FL 32301

Patrick K. Wiggins**
Wiggins & Villacorta, P.A.
501 East Tennessee St.
Tallahassee, FL 32301

Floyd Self**
Messer Law Firm
215 S. Monroe St., Suite 701
Tallahassee, FL 32301

Angela Green**
Florida Public Telecommunications Assoc.
125 S. Gadsden St., #200
Tallahassee, FL 32301-1525

Laura Wilson**
Charles F. Dudley
Florida Cable Telecommunications Association, Inc.
310 N. Monroe Street
Tallahassee, FL 32301

Michael Tye**
AT&T Communications of the Southern States, Inc.
106 E. College Ave., Suite 1410
Tallahassee, FL 32301-7733

Robin D. Dunson*
1200 Peachtree St., NE
Promenade I, room 4038
Atlanta, GA 30309

Peter M. Dunbar**
Charles W. Murphy
Pennington Law Firm
215 S. Monroe St., 2nd Floor
Tallahassee, FL 32302

Jill Butler**
Digital Media Partners/
Time Warner Communications
2773 Red Maple Ridge
Tallahassee, FL 32301

Winston Pierce**
DMS - Division of Communications
4050 Esplanade Way
Tallahassee, FL 32399

Charles Beck**
Office of Public Counsel
111 West Madison St., #812
Tallahassee, FL 32399-1400

Vicki Gordon Kaufman**
McWhirter Reeves, McGlothlin,
Davidson, Rief & Bakas
117 S. Gadsden Street
Tallahassee, FL 32301

Ken Hoffman**
Rutledge, Ecenia, et al.
215 S. Monroe St., Suite 420
Tallahassee, FL 32302

Monica Barone**
Division of Legal Services
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

The following interested parties have been served by regular U. S. Mail this 1st day of September, 1995.

Thomas M. Beard
Beard & Associates (Indiantown)
5364 Appledore Lane
Tallahassee, FL 32308

Harriett Eudy
ALLTEL Florida, Inc.
Post Office Box 550
Live Oak, FL 32060-0550

Florida Interexchange Carriers
Association
c/o J. P. Gillan & Associates
15080 Big Horn Road
Huson, MT 59846

Attorney

DIRECT TESTIMONY OF DON PRICE
ON BEHALF OF
MCI METRO ACCESS TRANSMISSION SERVICES, INC.
DOCKET NO. 950737-TP
SEPTEMBER 1, 1995

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Don Price, and my business address is 701 Brazos, Suite 600, Austin, Texas, 78701.

Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

A. I am employed by MCI Telecommunications Corporation as Executive Staff Member, State Regulatory and Governmental Affairs, Southern Region.

Q. WHAT ARE YOUR PROFESSIONAL QUALIFICATIONS AND EXPERIENCE?

A. I have provided as Exhibit ___ (DGP-1) to this testimony a listing of my professional qualifications and experience.

Q. HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE THIS COMMISSION?

A. Yes. Also, I have testified in a number of regulatory proceedings in various states in the BellSouth and Southwestern Bell regions. Included in Exhibit ___ (DGP-1) is a list of proceedings in which I have presented testimony.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. My testimony will describe the temporary number portability mechanism that was agreed to by the industry. It will identify

certain disadvantages of that mechanism (issue #3), certain costs that are associated with that mechanism (issue #4), and will present a recommendation as to how those costs should be recovered and what factors should be taken into account in establishing a reasonable price for the temporary number portability mechanism (issue #6).

Q. WOULD YOU PLEASE PROVIDE A BRIEF SUMMARY OF YOUR TESTIMONY?

A. Yes. The industry participants to the number portability standards group have reached agreement that Remote Call Forwarding will be offered as a temporary service provider number portability mechanism. Remote Call Forwarding was designed as a retail end user service, however, and not as a means of providing temporary number portability. Used as a temporary number portability mechanism, Remote Call Forwarding has a number of shortcomings which drive up the cost of providing service of all telephone service providers, adversely impact customers' services, and create other distortions. As a result, Remote Call Forwarding is totally unsuitable as an appropriate permanent solution to providing customers the ability to retain their existing telephone numbers at their existing locations when changing local telephone service providers. As a matter of sound public policy, whatever costs a local telephone service provider (LEC or ALEC) incurs as a result of using remote call forwarding as a temporary number portability mechanism should be recovered from its own end users.

However, if the Commission accepts the parties' stipulation, which provides for a reciprocal per-line, per-month rate, the Commission should set a rate equal to the incremental direct cost of providing the Remote Call Forwarding function, which is substantially below the retail rate(s) in the LECs' subscriber tariffs.

Q. WHAT IS YOUR UNDERSTANDING OF THE PURPOSE OF THIS PROCEEDING?

A. I understand that the purpose of this proceeding is to resolve any issues of terms, conditions, and/or price on which the industry participants in the number portability standards group were unable to reach agreement pertaining to a temporary means of achieving telephone number portability by January 1, 1996.

Q. WHAT DO YOU MEAN BY TELEPHONE NUMBER PORTABILITY?

A. By telephone number portability, I mean service provider portability which, consistent with Section 364.16(4), is the ability of telephone customers to retain their existing telephone number at their existing location when changing local telephone service providers.

Q. WERE THE INDUSTRY PARTICIPANTS IN THE NUMBER PORTABILITY STANDARDS GROUP ABLE TO REACH AGREEMENT ON SOME ISSUES PERTAINING TO A TEMPORARY MEANS OF ACHIEVING TELEPHONE NUMBER PORTABILITY BY JANUARY 1, 1996?

A. Yes. An agreement was reached on a temporary service provider number portability mechanism that the LECs shall offer effective

January 1, 1996 and that ALECs shall offer effective on the date they begin to provide local exchange telephone service. That mechanism is Remote Call Forwarding, and it was agreed that Remote Call Forwarding ("RCF") can be implemented in most LEC central offices at the present time. Also, agreement was reached that Flexible Direct Inward Dialing ("Flex-DID") is an alternative temporary number portability mechanism, but because there are certain technical and administrative issues associated with Flex-DID that have not yet been fully addressed, LECs will continue to negotiate with any ALECs who desire to utilize Flex-DID.

Q. WOULD YOU PLEASE DESCRIBE REMOTE CALL FORWARDING?

A. Yes. Remote Call Forwarding is described in Southern Bell's General Subscriber Service Tariff as:

> a service whereby a call placed from a station (the originating station) to a customer's (the RCF customer) telephone number (the call forwarding location) is automatically forwarded by Company central office equipment to another station designated by the RCF customer (the terminating station). (G.S.S.T. Sect. A13.11, Fourth Revised Page 20, effective March 14, 1994.)

Q. WAS RCF DESIGNED OR CREATED AS A MEANS OF PROVIDING TELEPHONE CUSTOMERS THE ABILITY TO RETAIN THEIR EXISTING TELEPHONE NUMBER AT THEIR EXISTING LOCATION WHEN CHANGING TELEPHONE SERVICE PROVIDERS?

A. No. RCF is a retail service created for end users' use in having

calls forwarded from one premises, location, or exchange to another.

Q. HOW WOULD REMOTE CALL FORWARDING WORK AS A MEANS OF PROVIDING A TEMPORARY SERVICE PROVIDER NUMBER PORTABILITY MECHANISM?

A. I have provided a diagram in Exhibit ___ (DGP-2) which illustrates remote call forwarding via a direct connection between a LEC's end office and an end office of an ALEC. On the left side of the diagram, an originating caller -- who may be in the LEC's network or in some distant network -- dials 333-1234. The customer with this number has changed local service providers from the LEC to an ALEC, but wants to retain her local telephone number, so her number has been "ported" to the ALEC's network. However, RCF requires that the call must still route to the LEC end office which has been assigned the 333 central office code. (The middle of the diagram.) Upon reaching the LEC end office, the LEC switch determines that the number has been ported to the ALEC and the call should be forwarded to the trunk group which terminates at central office code 777. Because the 777 central office code is assigned to the ALEC, the LEC switch directs the call to the ALEC's direct trunk group for completion. The LEC switch signals a new "called number," 777-1234, to the ALEC's central office. (The right side of the diagram.) When the call is received at the ALEC's switch, it is delivered to the 333-1234 end user. This connection uses System Signaling 7 routing identical to that used

today by the LECs' networks to process calls to other end offices within the public switched networks. For those situations where SS7 has not yet been deployed, traditional Multi-Frequency ("MF") in-band signaling can also be used.

Q. PLEASE EXPLAIN WHY THE SCENARIO YOU DESCRIBED IS NOT AN APPROPRIATE PERMANENT SOLUTION TO PROVIDING TELEPHONE CUSTOMERS THE ABILITY TO RETAIN THEIR EXISTING TELEPHONE NUMBER AT THEIR EXISTING LOCATION WHEN CHANGING LOCAL TELEPHONE SERVICE PROVIDERS.

A. RCF only provides an appearance of portability. The use of RCF as a temporary service provider number portability mechanism will introduce numerous and substantial deficiencies in the processing of calls to ported numbers. Most, if not all, of these deficiencies arise because the LEC will remain in the call processing path of every call to the customer -- even a call from one ALEC customer to another. These include the following:

- call blocking;
- call transmission degradation;
- unavailability of CLASS features;
- limitation to 32 simultaneous calls;
- accelerated exhaust of available central office codes;
- additional call setup time;
- negative impact on LECs' switch processor capacity;
- potential 9-1-1 service problems;
- increased customer complaints;

- uneconomic trunking requirements;
- interexchange carrier third party billing problems, including possible subscriber confusion from receiving two bills;
- limitations on operator services; and
- additional automated message accounting ("AMA") recording equipment required.

Q. HOW WOULD YOU SUMMARIZE THE EFFECTS OF THESE DEFICIENCIES?

A. These deficiencies have the effect of causing unnecessary switching and trunking of calls, thereby increasing every local telephone service provider's cost of providing service. These deficiencies also have the effect of "breaking" functions and/or features associated with customers' services, by which I mean that customers will no longer be able to utilize certain functions or features (e.g. Caller ID) to which they have become accustomed. As a result, ALECs will be unable to offer a full range of services to customers who wish to retain their existing telephone numbers using RCF. Additionally, the use of RCF as a temporary number portability mechanism introduces administrative problems in ensuring that the ALEC receives the appropriate terminating access charges for toll calls placed to a "ported" customer.

Q. CAN REMOTE CALL FORWARDING ALSO WORK VIA A TANDEM CONNECTION BETWEEN THE ALEC's SWITCH AND THE LEC END OFFICE?

A. Yes, a tandem approach can be used with RCF. Exhibit ___ (DGP-3) illustrates such an interconnection arrangement. As illustrated beginning on the left side of the diagram in Exhibit ___ (DGP-3), the originating caller would dial the 333-1234 number. In the same manner as with the direct connection shown in Exhibit ___ (DGP-2), the call is transmitted to the LEC end office (in the lower middle of the diagram), which determines that this call is to be "call forwarded" to the ALEC's switch. In the tandem case, the call forwarding uses the Feature Group D protocol by prefacing the called number (i.e., 333-1234) or its ALEC destination number (i.e., 777-1234) with a 10XXX Carrier Access Code. The call is then directed to a "common" trunk group from the LEC end office to the tandem (in the upper middle of the diagram), and the tandem interprets the 10XXX carrier Access Code to determine which outgoing trunk group -- and thereby, which ALEC -- should receive the call. The ALEC on the right side of the diagram then receives the call with the destination number and processes the call to reach the 333-1234 ported number.

Q. WHAT LIMITATIONS OR DEFICIENCIES NOTED ABOVE FOR THE DIRECT CONNECTION CASE ARE ELIMINATED OR REDUCED USING THE TANDEM CONNECTION?

A. Very few of the deficiencies above for the direct connection case are reduced. However, the use of tandem connections does provide the opportunity to take advantage of overflow routing. Other than this increased opportunity to take advantage of

economical trunking arrangements, all other shortcomings noted with the direct connection case remain, or may be worsened, in the tandem configuration.

For example, the amount of delay in processing the call is increased due to the addition of an additional switch and trunk group to the call path. I understand that if SS7 signaling based on LATA Switching Systems Generic Requirements parameters is used, delay could approach a full second. If MF in-band signaling between the ALEC switch and the LEC tandem is used, delay could be increased to approximately 1.8 seconds.

In addition, call blocking potential is increased because of the additional switch and trunk group in the call path. And because the tandem arrangement would utilize a common trunk group between the LEC's end office and the tandem, blocking of RCF calls to the ALEC's customers can be impacted by other carriers' traffic on that trunk group.

Q. WHAT COSTS ARE ASSOCIATED WITH THE USE OF RCF AS A PROVIDING TEMPORARY NUMBER PORTABILITY MECHANISM?

A. There are certainly some limited direct costs to the LECs to equip additional lines with RCF. Because of the inefficient routing and switching associated with the use of RCF to provide a temporary number portability mechanism, additional trunking and processor costs would also be incurred.

Q. ABSENT A STIPULATION AS TO RATE STRUCTURE, HOW SHOULD THE COSTS ASSOCIATED WITH RCF BE RECOVERED?

A. The optimal public policy solution would be for each local service provider to recover from its end users whatever costs they incur in the use of RCF to provide a temporary number portability mechanism. That is, LECs would recover their costs from LEC customers and ALECs would recover their costs from ALEC customers. This is similar to the recovery mechanism that was approved by the New York Commission for Rochester Telephone, where a monthly per number charge is assessed on all working telephone numbers, payable to Rochester by the carrier providing service to that number/customer. (See, Rochester Telephone Corp. Tariff P.S.C. No. 1 - Telephone, General, Section 1, Original Page No. 11, effective January 1, 1995, a copy of which is attached as Exhibit DGP-4.)

Q. WHY DO YOU BELIEVE THAT THIS REPRESENTS THE OPTIMAL PUBLIC POLICY SOLUTION FOR COST RECOVERY?

A. There are several reasons. The first reason is that all customers will derive benefit from the ability to freely choose from among competing service providers; even those customers who choose to remain with their traditional provider.

Second, certain of the shortcomings noted above have the effect of limiting the range of services that an ALEC can offer. In this regard, it would be ironic if the ALEC's customer wishing to exercise her right afforded by Section 364.16(4) to retain her existing telephone number at her existing location when changing local telephone service providers were to be assessed an economic

penalty for the privilege of losing features and functions. Such a result would be contrary to that provision of Section 364.16(4) stating that consumers are to "have access to different local exchange service providers without being disadvantaged, deterred, or inconvenienced by having to give up the consumer's existing local telephone number."

Third, it would be consistent with the statute's theme of encouraging competition if all service providers were required to bear their own costs associated with the use of RCF as a temporary number portability mechanism. It is axiomatic that all costs must, eventually, be recovered from end users. The LECs have every incentive to attempt to shift the recovery of costs from their own end users to the ALECs. If successful, this strategy would provide the LECs with an artificial competitive advantage and would make it more difficult for ALECs to compete profitably in Florida. Furthermore, such a strategy would deprive end users from one of the benefits of competition, because every cost which the LECs are able to shift to the ALECs raises the level down to which competition can drive prices. Stated another way, such a strategy would artificially constrain the ability of competition to drive end user prices down. This is because the successful exercise of such a strategy would contravene the economic incentives that the LECs would otherwise have to control costs.

Q. IS IT YOUR TESTIMONY THAT THE LECS SHOULD NOT CHARGE THE ALECS FOR REMOTE CALL FORWARDING USED TO

PROVIDE A TEMPORARY NUMBER PORTABILITY MECHANISM?

A. It is my testimony that if the Commission for any reason does not accept the parties' stipulation, the ideal public policy for recovery of those costs would be recovery from all telephone users, because all users benefit from the ability to freely choose from among competing service providers; even those customers who choose to remain with their traditional provider.

Q. ASSUMING THE STIPULATION IS ACCEPTED, HOW SHOULD THE COSTS BE RECOVERED?

A. If the Commission accepts the stipulation, then it must establish a per-line, per-month charge for RCF at a price which is not below the costs of the LEC for providing RCF for temporary number portability purposes.

Q. HOW SHOULD THE PRICE BE SET CONSISTENT WITH THIS STIPULATED RATE STRUCTURE?

A. As I noted above, RCF was created as an end user service. Because RCF has been considered a "premium" or "vertical" service, the retail price set by the Commission for RCF is significantly higher than the direct cost of providing the service. While such retail pricing was justifiable under the regulatory framework in effect at that time, the situation facing the Commission in this proceeding is different in several important ways.

It has been agreed by the industry participants in the number portability standards group that RCF is an acceptable temporary

number portability mechanism. Therefore, RCF is, for the time being, and with all its shortcomings, the only means by which an ALEC can seek to attract customers who do not wish to change their telephone numbers. As such, RCF is an essential, monopoly "wholesale" input needed by competitors trying to enter the Florida local exchange marketplace. Therefore the price for RCF when used as a temporary number portability mechanism should be set equal to the incremental direct cost to the LEC of providing the RCF function in the number portability context. The price should include no "contribution" and thus would be substantially below the retail rate. This would reflect the reality that the function is a monopoly input. It would also avoid creating an additional disincentive for the LECs to actively pursue a long term number portability solution, which could be the result if RCF were priced at a level that included a "contribution." This pricing approach should apply both to any monthly recurring charges the Commission might approve, as well as non-recurring charges.

Q. DO YOU HAVE ANY RANGE OR UPPER LIMIT ON A MONTHLY PRICE?

A. Based on information that has been shared by GTE and Sprint/United, it appears that the monthly price per line should in no event exceed $1.25.

Q. ARE THERE OTHER ISSUES PERTAINING TO PRICE OF WHICH THE COMMISSION SHOULD BE AWARE?

A. Yes. One such issue involves the case where a customer with

several telephone numbers wishes to obtain service from an ALEC. If the customer desires to establish RCF to each number with a directory listing, a charge per line would not be unreasonable.

Likewise, in the case where a customer has Call Waiting or has only one directory listing associated with a multi-line hunt group, only one monthly per-line charge should apply. (As above, the charge would be assessed for every directory listing.) Where a customer has Call Waiting or a multi-line hunt group, all calls placed to the "ported" number should be forwarded in the manner described above and shown in the diagrams in Exhibit ___ (DGP-2) and ___ (DGP-3). Whether the call can be completed to the ported customer will be determined in the ALEC's switch, depending on the services and/or features the customer has purchased from the ALEC.

The LEC's processing of these calls, including both switching and trunking (whether directly to the ALEC's switch or indirectly through the tandem), is a cost arising out of the fact that RCF used in the number portability context places the LEC in the call processing path of every call to the "ported" customer -- even a call from one ALEC customer to another. The LEC's costs associated with processing these calls is not an additional cost "caused" by the ALEC. The LEC should only be entitled to charge a monthly fee for each number associated with a directory listing. To permit the LEC to charge for additional paths which are not associated with a directory listing would subject the ALEC's

customers to a disadvantage, deterrence, or inconvenience as a result of seeking to keep their existing local telephone numbers, in contravention of 364.16(4). It would also discourage competition by preventing ALECs from offering the widest possible range of consumer choice in the provision of telecommunications services, and would impose an unnecessary regulatory constraint on the ALECs' provision of services to end users.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

Exhibit ___ (DGP-1)
Don Price
Docket No. 950737-TP

ACADEMIC AND PROFESSIONAL QUALIFICATIONS OF DON PRICE

Academic Background:

My academic background is in the social sciences. I received my Bachelor of Arts degree in Sociology from the University of Texas at Arlington in May of 1977, and was awarded a Master of Arts degree in Sociology by the University of Texas at Arlington in December, 1978.

Professional Qualifications:

From January, 1979 until October, 1983, I was employed by the Southwest telephone operating company of GTE where I held several positions of increasing responsibility in Economic Planning where I became acquainted with such local exchange telephone company functions as the workings and design of the local exchange network, the network planning process, the operation of a business office, and the design and operation of a large billing system.

From November 1983 until November 1986, I was employed by the Public Utility Commission of Texas. I initially provided analysis and expert testimony on a variety of rate design issues including setting of rates for switched and special access services, MTS, WATS, EAS, and local exchange service. In 1986 I was promoted to Manager of Rates and Tariffs, and was directly responsible for staff analyses of rate

design and tariff issues in all telecommunications proceedings before the Texas Commission.

I have been with MCI for nearly nine years, all of which has been in the regulatory arena. In my present position, I have broad responsibilities in monitoring and participating in telephone-related state regulatory and legislative proceedings throughout the Southwestern Bell and BellSouth service areas, primarily focused on the policy issues surrounding local competition.

I have presented testimony before a number of state commissions, including the Public Service Commission of Florida, the Public Service Commission of Arkansas, the Public Service Commission of Tennessee, the Missouri Public Service Commission, the North Carolina Utilities Commission, the Corporation Commission of the State of Oklahoma, the Public Service Commission of South Carolina, the Louisiana Public Service Commission, the Kansas Corporation Commission, and the Public Utility Commission of Texas. A list of those proceedings in which I have furnished testimony is provided on the following pages.

Exhibit ___ (DGP-1)
Don Price
Docket No. 950737-TP

TESTIMONY PRESENTED BEFORE
REGULATORY UTILITY COMMISSIONS

Arkansas

Docket No. 91-051-U: IN RE IMPLEMENTATION OF TITLE IV OF THE AMERICANS WITH DISABILITIES ACT OF 1990

Docket No. 92-079-R: IN THE MATTER OF A PROCEEDING FOR THE DEVELOPMENT OF RULES AND POLICIES CONCERNING OPERATOR SERVICE PROVIDERS

Florida

Docket No. 941272-TL: IN RE: SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY'S PETITION FOR APPROVAL OF NUMBERING PLAN AREA RELIEF FOR 305 AREA CODE

Docket No. 950696-TP: IN RE: DETERMINATION OF FUNDING FOR UNIVERSAL SERVICE AND CARRIER OF LAST RESORT RESPONSIBILITIES

Kansas

Docket No. 190,492-U: IN THE MATTER OF A GENERAL INVESTIGATION INTO COMPETITION WITHIN THE TELECOMMUNICATIONS INDUSTRY IN THE STATE OF KANSAS

Louisiana

Docket No. U-17957: IN RE: INVESTIGATION OF OPERATING PRACTICES OF ALTERNATIVE OPERATOR SERVICES PROVIDERS TO INCLUDE RATES AND CHARGES

Louisiana (continued)

Docket No. U-19806: IN RE: PETITION OF AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, INC., FOR REDUCED REGULATION OF INTRA-STATE OPERATIONS

Docket No. U-20237: IN RE: OBJECTIONS TO THE FILING OF REDUCED WATS SAVER SERVICE RATES, INTRALATA, STATE OF LOUISIANA

Docket No. U-20710: IN RE: GENERIC HEARING TO CLARIFY THE PRICING/IMPUTATION STANDARD SET FORTH IN COMMISSION ORDER NO. U-17949-N ON A PROSPECTIVE BASIS ONLY, AS THE STANDARD RELATES TO LEC COMPETITIVE TOLL OFFERINGS

Docket No. U-20883: IN RE: THE DEVELOPMENT OF RULES AND REGULATIONS APPLICABLE TO THE ENTRY AND OPERATIONS OF, AND THE PROVIDING OF SERVICES BY, COMPETITIVE AND ALTERNATE ACCESS PROVIDERS IN THE LOCAL, INTRASTATE AND/OR INTEREXCHANGE TELECOMMUNICATIONS MARKET IN LOUISIANA. (UNIVERSAL SERVICE)

Missouri

Case No. TO-87-42: IN THE MATTER OF SOUTHWESTERN BELL TELEPHONE COMPANY FILING ACCESS SERVICES TARIFF REVISIONS AND WIDE AREA TELECOMMUNICATIONS SERVICE (WATS) TARIFF, INDEX, 6th REVISED SHEET, ORIGINAL SHEET 16.01

Case No. TO-95-289, et al: IN THE MATTER OF AN INVESTIGATION INTO THE EXHAUSTION OF TELEPHONE NUMBERS IN THE 314 NUMBERING PLAN AREA

North Carolina

Docket No. P-100, SUB 119: IN THE MATTER OF: ASSIGNMENT OF N11 DIALING CODES

Oklahoma

Consolidated Dockets PUD NO. 000237: IN THE MATTER OF THE APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR AN ORDER APPROVING PROPOSED CHANGES AND ADDITIONS IN APPLICANTS' WIDE AREA TELECOMMUNICATIONS SERVICE PLAN TARIFF; and
PUD NO. 000254: IN THE MATTER OF THE APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR AN ORDER APPROVING PROPOSED ADDITIONS AND CHANGES IN APPLICANTS' ACCESS SERVICE TARIFF AND WIDE AREA TELECOMMUNICATIONS SERVICE PLAN TARIFF

Consolidated Dockets PUD NO. 920001335: IN THE MATTER OF THE APPLICATION OF THE OKLAHOMA RURAL TELEPHONE COALITION, GTE SOUTHWEST, INC., ALLTEL OKLAHOMA, INC., AND OKLAHOMA ALLTEL, INC. FOR AN ORDER ADOPTING THE OKLAHOMA ALTERNATIVE SETTLEMENT PLAN; and
PUD NO. 920001213: IN THE MATTER OF THE APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR AN ORDER IMPLEMENTING TERMINATING ACCESS CHARGES IN LIEU OF INTRALATA TOLL AND SURCHARGE POOLS; and
PUD NO. 940000051: IN RE: INQUIRY OF THE OKLAHOMA CORPORATION COMMISSION REGARDING WHETHER THE INTRALATA TOLL POOL AND SURCHARGE POOL SHOULD CONTINUE TO EXIST IN THE STATE OF OKLAHOMA

South Carolina

Docket No. 92-606-C: IN RE: GENERIC PROCEEDING TO REVIEW THE USE OF N11 SERVICE CODES

Tennessee

Docket No. 93-07799: IN RE: SHOW CAUSE PROCEEDING AGAINST CERTIFIED IXCS AND LECS TO PROVIDE TOLL FREE, COUNTY-WIDE CALLING

Docket No. 94-00184: INQUIRY FOR TELECOMMUNICATIONS RULE-MAKING REGARDING COMPETITION IN THE LOCAL EXCHANGE

Tennessee (continued)

Docket No. 93-08793: IN RE: APPLICATION OF MCI METRO ACCESS TRANSMISSION SERVICES, INC. FOR AUTHORITY TO OFFER LOCAL EXCHANGE SERVICES WITHIN TENNESSEE

Texas

Docket 4992: APPLICATION OF GENERAL TELEPHONE COMPANY OF THE SOUTHWEST FOR A RATE/TARIFF REVISION

Docket 5113: PETITION OF PUBLIC UTILITY COMMISSION FOR AN INQUIRY CONCERNING THE EFFECTS OF THE MODIFIED FINAL JUDGMENT AND THE ACCESS CHARGE ORDER UPON SW BELL AND THE INDEPENDENT TELEPHONE COMPANIES OF TEXAS (Phase II)

Docket 5610: APPLICATION OF GENERAL TELEPHONE COMPANY OF THE SOUTHWEST FOR A RATE INCREASE

Docket 5800: APPLICATION OF AT&T COMMUNICATIONS FOR AUTHORITY TO IMPLEMENT "REACH OUT TEXAS"

Docket 5898: APPLICATION OF SAN ANGELO FOR REMOVAL OF THE EXTENDED AREA SERVICE CHARGE FROM GENERAL TELEPHONE COMPANY OF THE SOUTHWEST'S RATES IN SAN ANGELO, TEXAS

Docket 5926: APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY TO ESTABLISH FEATURE GROUP "E" (FGE) ACCESS SERVICE FOR RADIO AND CELLULAR COMMON CARRIERS

Docket 5954: INQUIRY OF THE PUBLIC UTILITY COMMISSION OF TEXAS INTO OFFERING EXTENDED AREA SERVICE IN THE CITY OF ROCKWALL

Docket 6095: APPLICATION OF AT&T COMMUNICATION FOR A RATE INCREASE

Texas (continued)

Docket 6200: PETITION OF SOUTHWESTERN BELL TELEPHONE COMPANY FOR AUTHORITY TO CHANGE RATES

Docket 6264: PETITION OF THE GENERAL COUNSEL FOR INITIATION OF AN EVIDENTIARY PROCEEDING TO ESTABLISH TELECOMMUNICATIONS SUBMARKETS

Docket 6501: APPLICATION OF VALLEY VIEW TELEPHONE COMPANY FOR AN AMENDMENT TO CERTIFICATE OF CONVENIENCE AND NECESSITY

Docket 6635: APPLICATION OF MUSTANG TELEPHONE COMPANY FOR AUTHORITY TO CHANGE RATES

Docket 6740: APPLICATION OF SOUTHWEST TEXAS TELEPHONE COMPANY FOR RATE INCREASE

Docket 6935: APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY TO INTRODUCE MICROLINK II - PACKET SWITCHING DIGITAL SERVICE

Docket 8730: INQUIRY OF THE GENERAL COUNSEL INTO THE MEET-POINT BILLING PRACTICES OF GTE SOUTHWEST, INC.

Docket 8218: INQUIRY OF THE GENERAL COUNSEL INTO THE WATS PRORATE CREDIT

Docket 8585: INQUIRY OF THE GENERAL COUNSEL INTO THE REASONABLENESS OF THE RATES AND SERVICES OF SOUTHWESTERN BELL TELEPHONE COMPANY

Docket 10127: APPLICATION OF SOUTHWESTERN BELL TELEPHONE COMPANY TO REVISE SECTION 2 OF ITS INTRASTATE ACCESS SERVICE TARIFF

Docket 11441: PETITIONS OF INFODIAL, INC., AND OTHERS FOR ASSIGNMENT OF ABBREVIATED N11 DIALING CODES

Texas (continued)

Docket 11840: JOINT PETITION OF SOUTHWESTERN BELL TELEPHONE COMPANY AND GTE SOUTHWEST, INC. TO PROVIDE EXTENDED AREA SERVICE TO CERTAIN COMMUNITIES IN THE LOWER RIO GRANDE VALLEY

Docket 14447: PETITION OF MCI TELECOMMUNICATIONS CORP. FOR AN INVESTIGATION OF THE PRACTICES OF SOUTHWESTERN BELL TELEPHONE COMPANY REGARDING THE 214 NUMBERING PLAN AREA AND FOR A CEASE AND DESIST ORDER AGAINST SOUTHWESTERN BELL

Remote Call Fowarding
Direct Connection

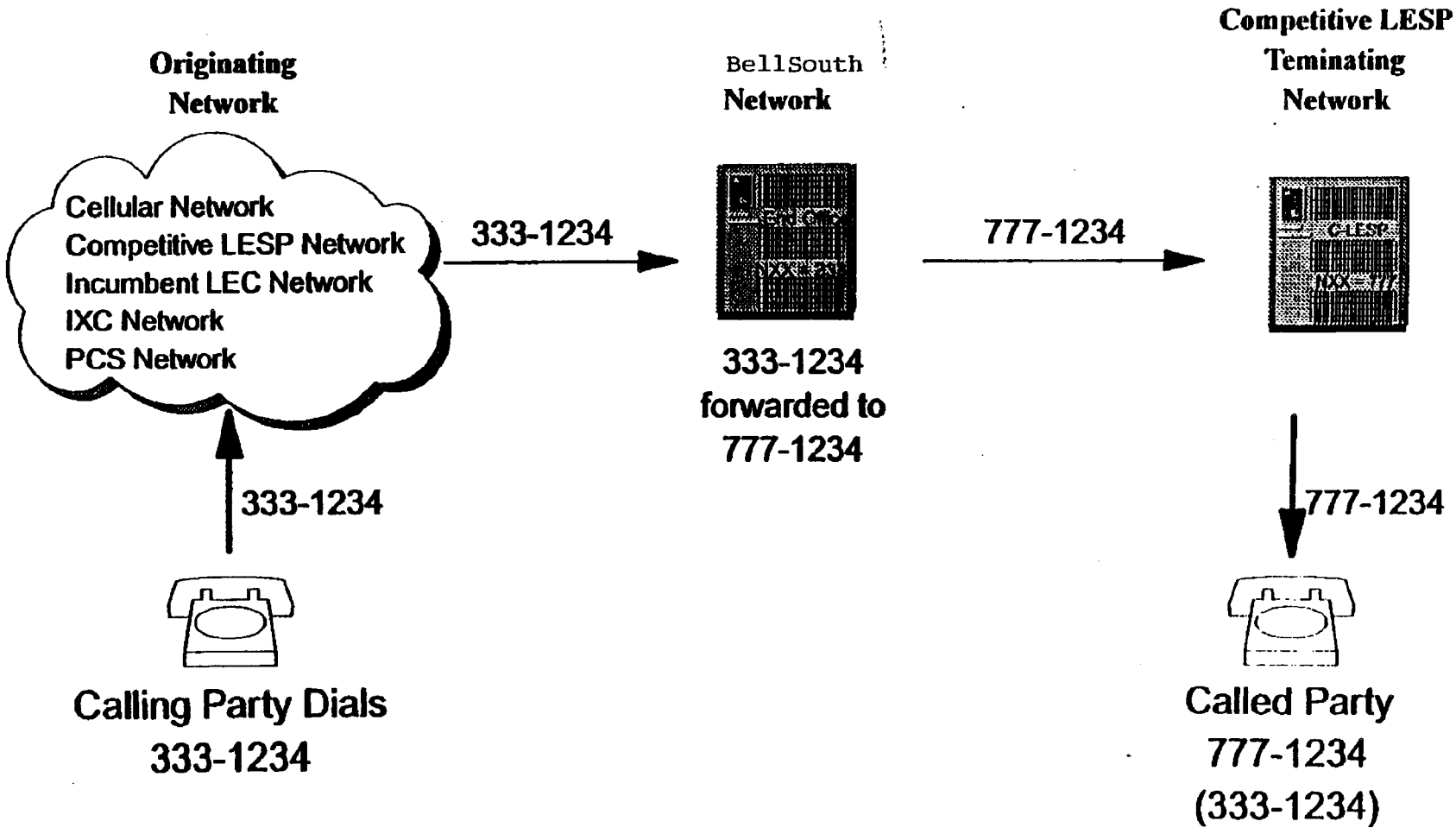

Exhibit ___ (DGP-2)
Don Price
Docket No. 950737-TP

Remote Call Forwarding
Tandem Connection

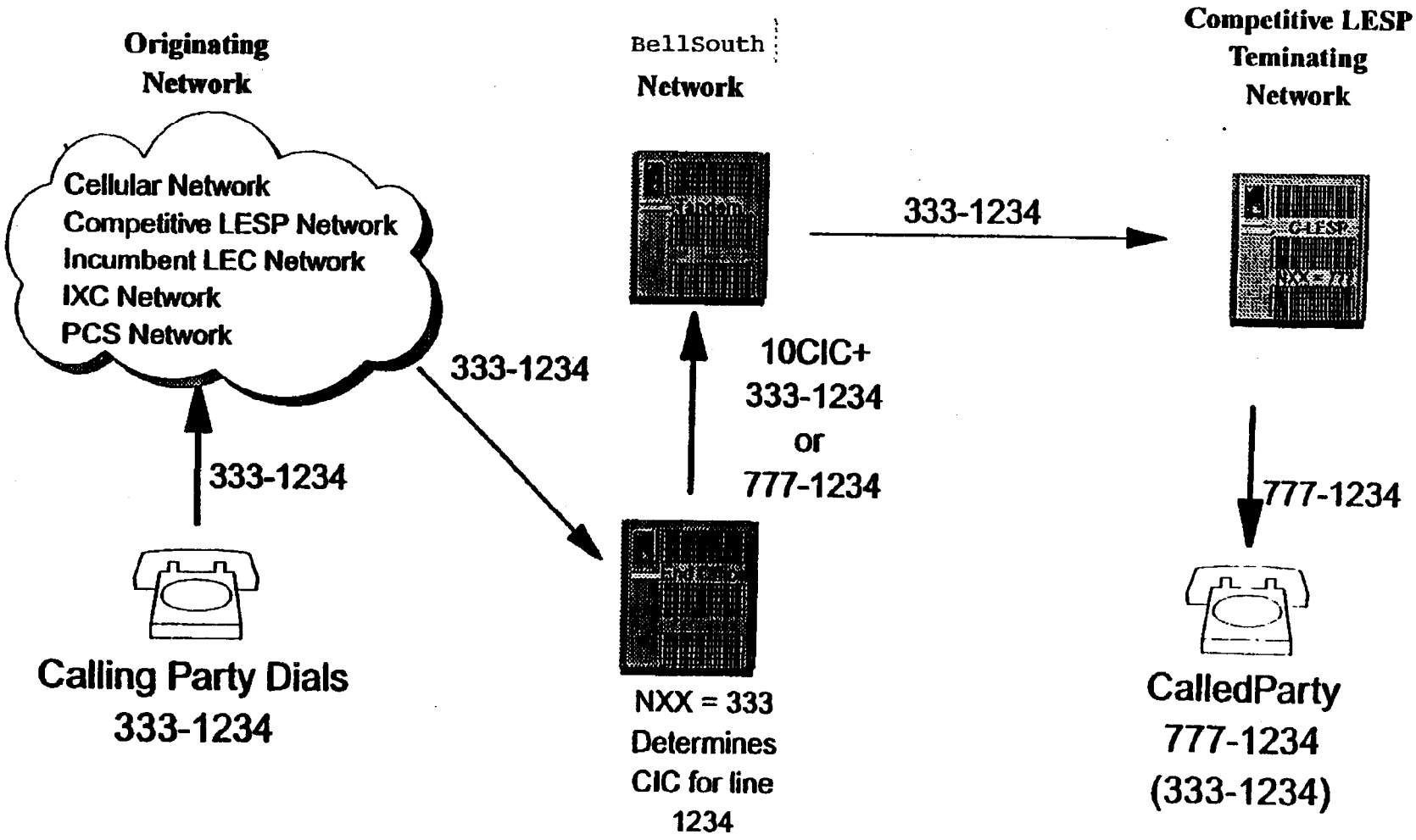

Exhibit ___ (DGP-3)
Don Price
Docket No. 950737-TP

GENERAL RULES AND REGULATIONS

2. Portability

Number portability permits end users to retain their telephone numbers when they change from one local exchange carrier to another while remaining within the same central office boundary. Until such time as a more expanded form of portability becomes economically and technologically feasible, the Company offers the following two forms of number portability:

a) Customers changing resellers without a change of underlying RTC switching facilities will retain their current RTC telephone number; and

b) Customers changing networks may retain their RTC telephone number, at the election of the new network carrier. The new carrier will be responsible for providing adequate trunking from the RTC central office formerly serving the customer in the event that common trunking is insufficient to carry this traffic. RTC will forward calls to the new network carrier by using either call forwarding or Direct Inward Dialing or other suitable arrangements, at RTC's option.

To compensate for additional switching costs, the Company will establish a monthly charge on all working numbers provided by RTC payable by the carrier providing end user service on that number.

I) GENERAL BASIS OF RATE GROUPS

1. Exchanges are classified by rate groups to determine local service charges. The rate group is based on total access lines in the local calling area and calculated as follows:

Rate Group	Access Lines in the Local Calling Area
1	1 - 1,300
2	1,301 - 3,700
3	3,701 - 9,500
4	9,501 - 19,000
5	19,001 - 32,000
6	32,001 - 65,000
7	65,001 - 140,000
8	140,001 - 230,000
9	230,000 and above