



3/15 pm

Florida Cable Telecommunications Association

Steve Wilkerson, President

January 5, 1996

ORIGINAL FILE COPY

VIA HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: DOCKET NO. 950985-TP

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are an original and fifteen copies of Florida Cable Telecommunications Association, Inc.'s ("FCTA") Direct Testimony of Joseph P. Cresse on behalf of FCTA. Copies have been served on the parties of record pursuant to the attached certificate of service.

Please acknowledge receipt and filing of the above by date stamping the duplicate copy of this letter and returning the same to me.

Thank you for your assistance in processing this filing.

Yours very truly,

[Handwritten signature of Laura L. Wilson]

Laura L. Wilson
Vice President, Regulatory Affairs &
Regulatory Counsel

Enclosures

cc: Mr. Steven E. Wilkerson
All Parties of Record

- Handwritten initials and checkmarks next to labels: WILK, BAYO, CHASE, LWC, LIN, OPC, RCH, SEC, WAS, OTH

J D

DOCUMENT NUMBER-DATE

310 North Monroe Street • Tallahassee, Florida 32301 • (904) 681-1990 FAX (904) 681-1967 JAN-5 1996

FPSC-RECORDS/REPORTING

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**DOCKET NO. 950985-TP;
PETITIONS OF CONTINENTAL CABLEVISION INC.,
TIME WARNER AxS OF FLORIDA, L.P. AND DIGITAL MEDIA PARTNERS
AGAINST SPRINT-UNITED AND SPRINT-CENTEL**

**DIRECT TESTIMONY
OF
JOSEPH P. CRESSE
ON BEHALF OF**

FLORIDA CABLE TELECOMMUNICATIONS ASSOCIATION, INC.

**DOCUMENT NUMBER-DATE
00166 JAN-5 88
FPSC-RECORDS/REPORTING**

- 1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**
- 2 A. My name is Joseph P. Cresse and my business address is 215 S. Monroe,
3 Suite 701, Tallahassee, Florida 32302-1876.
- 4 **Q. PLEASE STATE YOUR OCCUPATION.**
- 5 A. I am a non-lawyer consultant working for the law firm of Messer, Caparello,
6 Madsen, Goldman & Metz, P.A.
- 7 **Q. WOULD YOU DESCRIBE YOUR BACKGROUND AND EXPERIENCE?**
- 8 A. Please see Exhibit JPC-1 attached to my testimony.
- 9 **Q. FOR WHOM ARE YOU TESTIFYING IN THIS DOCKET?**
- 10 A. I am testifying on behalf of Florida Cable Telecommunications Association.
- 11 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**
- 12 A. The purpose is to recommend the appropriate policy the Commission
13 should adopt in setting interconnection charges for local traffic between
14 Alternative Local Exchange Companies (ALECs) and incumbent Local
15 Exchange Companies (LECs) and the appropriate compensation LECs and
16 ALECs should pay for terminating local traffic between themselves.
- 17 **Q. WHAT ARE THE APPROPRIATE POLICIES THE COMMISSION SHOULD
18 KEEP IN MIND AS THEY CONSIDER AND DECIDE INTERCONNECTION
19 ISSUES?**
- 20 A. I believe many are outlined in SB 1554 and can be summarized as follows:
- 21 1. The competitive provision of telecommunication services including
22 local service is in the public interest.
- 23 2. Encourage competition in order to ensure the availability of widest
24 possible range of consumer choice.
- 25 3. Promote competition by encouraging new entrants into

1 telecommunication markets.

2 In addition, I believe the Commission should keep in mind the following:

- 3 1. Flat rate pricing for subscribers of local service and usage sensitive
4 pricing for interconnection are not compatible, and could inhibit the
5 provision of competitive local services to all consumers. The goal
6 in this and all other implementation issues before the Commission
7 should be to encourage competition for all consumers, not just
8 those who receive more calls than they originate.
- 9 2. If possible, the interconnection policy approved by the Commission
10 should not impose additional costs on the industry as a whole.
- 11 3. The ALECs and LECs should be treated as co-carriers and not as
12 customers, and the policies governing the exchange of traffic
13 between local exchange companies should also be applicable to
14 ALEC and LEC interconnection.

15 **Q. WHAT IS THE APPROPRIATE COMPENSATION PLAN FOR**
16 **TERMINATING LOCAL CALLS?**

17 A. The plan that would promote and encourage competition for all consumers
18 regardless of that consumer's calling pattern and which imposes the least
19 incremental cost to all local exchange companies. The plan is called Bill
20 and Keep or Payment in Kind. Others may call it something else.

21 **Q. WHAT ARE THE ADVANTAGES OF THAT TYPE OF SYSTEM?**

22 A. There are several advantages, but those that come to mind are:

23 1. Avoidance of the incremental cost of recording, billing,
24 collection, auditing and dispute resolution, none of which
25 contributes to more efficient delivery of services.

- 1 2. Bill and Keep - Payment in Kind encourages LECs and
2 ALECs alike to want to serve all potential customers,
3 without considering whether their usage is predominately
4 originating or terminating traffic. Any charge for terminating
5 calls provides an incentive to serve customers who receive
6 more calls (airline reservation), than those who generally
7 place more calls than they receive (residential).
- 8 3. I believe the Commission is well aware of the LECs' desire
9 to encourage Local Measured Service, and a measured rate
10 for terminating local calls could be the first step in a long
11 journey to local measured rates. Flat rate pricing and usage
12 based terminating charges appear to be incompatible.

13 **Q. ARE THERE OTHER REASONS A BILL AND KEEP-PAYMENT IN KIND**
14 **MECHANISM SHOULD BE ADOPTED?**

15 A. Yes, if competition is successful, over the long term the terminating
16 minutes of use between ALECs and LECs should balance out. Bill and
17 Keep-Payment in Kind provides an incentive for each carrier to minimize
18 their terminating costs, and it also has the advantage of eliminating the
19 need for any additional cost studies and the litigation expenses attendant
20 thereto.

21 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

22 A. Yes. My testimony is brief, but I deliberately kept it that way to save the
23 Commission's time.

JOSEPH P. CRESSE

Presently employed as a non-lawyer Special Consultant with the law firm of Messer, Caparello, Madsen, Goldman & Metz P.A. in Tallahassee, Florida; former Chairman of the Public Service Commission having served seven years on the Commission; former State Budget Director for State of Florida under Governor Reubin Askew, and former Assistant Secretary for the Department of Administration, State of Florida.

Resides in Tallahassee, Florida, with wife, Beverly; has two children; born in Indiana, and attended public schools in Frostproof, Florida; attended University of Florida - graduated in 1950 B. S. B. A. Major in Accounting; served in the U. S. Army as Staff Sergeant; member of Beta Alpha PSI Fraternity.

Career accomplishments include recipient of Florida Senate and House Resolution of Commendation; Administrator of the year in 1975; recipient of University of Florida Distinguished Alumnus Award; served on the Executive Committee of National Assn. of State Budget Officers, National Assn. of Regulatory Utility Commissioners, and President of the Southeastern Assn. of Regulatory Utility Commissioners; assisted in passage and implementation of the Career Service System, State of Florida; assisted in the implementation the Governmental Reorganization Act; implementation of program budgeting and computerizing substantial budgeting information; assisted in development of Education funding program for the State of Florida; assisted in development of financial plan to reduce appropriations to operate within available funds when revenue of the State was approximately 10% less than anticipated; assisted the Governor and Legislature during Special 1978 Legislative Session in drafting and passing legislation protecting title to state sovereign lands; served as member of the Florida Advisory Council on Intergovernmental Relations; appointed by Governor as member of the Deferred Compensation Advisory Committee and elected chairman; chaired a Task Force which developed financial and organizational plans to dismantle the Inter-American Center Authority with real estate assets of the Authority preserved for public use; appointed by Governor to state team which successfully negotiated a major settlement involving oil, gas and mineral rights on state-owned submerged lands; appointed to task force overseeing litigation, State v. Mobil Oil. Sovereign Lands; member Growth Management Committee; appointed by Governor and co-chaired Telecommunications Task Force. In 1985 received the National Governor's Association award for Distinguished Service to State Government. Retired from State Government December 1985 to assume present position with Messer, law firm. Since 1985 he has been engaged in regulatory consulting work with both utilities and non-utilities. He lectures at Indiana University once a year, and has testified before the Georgia, Florida, South Carolina and Virginia Regulatory Commissions.

CERTIFICATE OF SERVICE
DOCKET NO 950985-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing been furnished by Hand Delivery(*) and/or Overnight Mail on this 5th day of January, 1996 to the following parties of record:

Donna Canzano*
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Ken Hoffman, Esq.*
Rutledge, Ecenia, Underwood,
Purnell and Hoffman
215 S. Monroe Street, Suite 420
Tallahassee, FL 32301-1841

Jodie Donovan-May
Eastern Region Counsel
Teleport Communications Group, Inc.
1133 21st Street, N.W., Suite 400
Washington, DC 20036

Paul Kouroupas
Director, Regulatory Affairs
Teleport Communications Group, Inc.
Two Teleport Drive, Suite 300
Staten Island, NY 10311

Philip Carver
Nancy White
c/o Nancy Sims*
Southern Bell Telephone & Telegraph
150 South Monroe Street, Suite 400
Tallahassee, FL 32301

Jill Butler*
Time Warner Communications
2773 Red Maple Ridge
Tallahassee, FL 32301

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

Michael Tye*
101 N. Monroe St., Suite 700
Tallahassee, FL 32301

Richard Melson*
Hopping Green Sams & Smith
123 S. Calhoun Street
P.O. Box 6526
Tallahassee, FL 32314

C. Everett Boyd*
305 S. Gadsen Street
Tallahassee, FL 32301

F. B. Poag
Central/United Telephone Co.
555 Lake Border Drive
Apopka, FL 32703

Patricia Kurlin
Intermedia Communications
9280 Bay Plaza Blvd., #720
Tampa, FL 33619-4453

Beverly Y. Menard
c/o Ken Waters*
106 E. College Ave., #1440
Tallahassee, FL 32301-7704

CERTIFICATE OF SERVICE
DOCKET NO. 950985A-TP

Angela Green*
FPTA
125 S. Gadsden Street, #200
Tallahassee, FL 32301

Richard Rindler/James Falvey
Swidler & Berlin
3000 K St. N.W., #300
Washington, D.C. 20007

Patrick Wiggins*
Wiggins & Villacorta
501 E. Tennessee
Tallahassee, FL 32302

Sue E. Weiske
Senior Counsel
Time Warner
160 Inverness Drive West
Englewood, CO 80112

Anthony P. Gillman
Kimberly Caswell
GTEFL
201 N. Franklin St.
PO Box 110, FLTC0007
Tampa, FL 33601

William H. Higgins
AT&T Wireless Serv.
250 S. Australian Ave., #900
West Palm Beach, FL 33401

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

Michael J. Henry
MCI Telecommunications
780 Johnson Ferry Road, Suite 700
Atlanta, GA 30342

Timothy Devine
MFS Communications Company
Six Concourse Parkway, Suite 2100
Atlanta, GA 30328

Floyd R. Self*
Messer Law Firm
215 S. Monroe St., 701
Tallahassee, FL 32302

Donald L. Crosby
Regulatory Counsel
Continental Cablevision, Inc.
Southeastern Region
7800 Belfort Parkway, #270
Jacksonville, FL 32256-6925

A.R. "Dick" Schleiden
General Manager
AlterNet
4455 Baymeadows Road
Jacksonville, FL 32217

Bill Wiginton
Hyperion Telecommunications
Boyce Plaza III
2570 Boyce Plaza Road
Pittsburg, PA 15241

Marsha E. Rule*
Wiggins & Villacorta
P. O. Drawer 1657
Tallahassee, FL 32302

Richard H. Brashear
206 White Street
Live Oak, FL 32060

Benjamin Fincher
Sprint Communications
3065 Cumberland Circle
Atlanta, GA 30339

Bob Elias*
Florida Public Service Comm.
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

By: 