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**DIRECT TESTIMONY OF**  
**WILLIAM J. CARROLL**  
**ON BEHALF OF AT&T COMMUNICATIONS**  
**OF THE SOUTHERN STATES, INC.**  
**Docket No. 960847 - TP**

**Q. PLEASE IDENTIFY YOURSELF.**

A. My name is William J. (Jim) Carroll and my business address is 1200 Peachtree Street, Atlanta, Georgia, 30309.

**Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND AND EXPERIENCE.**

A. From 1967 to 1971, I attended Georgia State University and received a CG BS degree. I also attended the Massachusetts Institute of Technology in 1985 as part of the Senior Sloan Fellows Program.

I started my work career in June, 1962 in Macon, Georgia, as a communications technician in the Long Lines Division of AT&T. Since that time I have held positions with AT&T including positions in the following functional areas: operations; engineering; human resources; labor relations; and marketing. I was present during the evolution of the long distance telecommunications market from a pure monopoly to what is today an extremely competitive and active industry.

Since divestiture of the long distance business from the telephone monopolies in

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1 1984, I have held positions as Services Vice President - New York and Northeast  
2 where I was responsible for services and products and Vice President - Network  
3 Operations and Engineering where I held nation-wide responsibility for AT&T.  
4 From these positions, I have observed and studied the behavior of customers in both  
5 a competitive and a monopoly telecommunications environment.

6

7 **Q. PLEASE DESCRIBE YOUR CURRENT POSITION AND**  
8 **RESPONSIBILITIES AT AT&T.**

9

10 A. Currently I am Vice President - Local Services for the Southern States. My  
11 responsibilities include developing and implementing local services for AT&T  
12 customers in nine southern states, including Florida. I provide the leadership for the  
13 AT&T product teams to accomplish this objective.

14

15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

16

17 A. My testimony addresses the need for parity in the provision of local exchange  
18 services in order to ensure that consumers receive the full benefits of competition  
19 that Congress intended through passage of the Telecommunications Act of 1996  
20 (the "Act"). Parity is a term I will use to describe a new entrant's capability to  
21 provide its customers the same experience as GTE provides its own customers. It is  
22 my understanding that the Act requires parity.

23

24 GTE has a monopoly over the services and network elements that are necessary to  
25 provide local exchange services. Consequently, new entrants like AT&T must

1 obtain services, network elements and interconnection from GTE in order to offer  
2 Florida consumers local exchange services. Unless GTE provides new entrants with  
3 all of the foregoing on at least an equivalent basis as GTE provides itself in support  
4 of its retail operations, new entrants cannot compete effectively with GTE and offer  
5 Florida consumers a full range of high quality services at competitive prices. Parity,  
6 therefore, is essential to provide consumers with true choices in the provision of  
7 local exchange services.

8

9 **Q. WHAT NEGOTIATION ISSUES REMAIN UNRESOLVED THAT RELATE**  
10 **TO PARITY IN THE DELIVERY OF LOCAL EXCHANGE SERVICES?**

11

12 **A.** Several key parity issues remain unresolved:

13

14 (1) GTE has not agreed to provide AT&T with services, unbundled network  
15 elements, and interconnection that are at least equal in quality to those that GTE  
16 provides itself and its affiliates. GTE also has not agreed to accept liability for  
17 unbillable or uncollectible AT&T revenues resulting from GTE work errors,  
18 software alterations, unauthorized attachments to local loop facilities, or other GTE  
19 actions or inactions. GTE must provide AT&T with high quality services,  
20 unbundled elements, and interconnection so that AT&T can provide high quality  
21 local exchange services to consumers. GTE also must accept liability for lost  
22 revenues caused by GTE's actions or inactions.

23

24 (2) GTE has not agreed to provide AT&T with real-time interactive access via  
25 electronic interfaces to GTE's computerized operations support systems. GTE also

1 has not agreed to provide AT&T with certain operations support services that are at  
2 least equal in quality with the services that GTE provides itself. Electronic  
3 interfaces and the provision of quality operations support services will help enable  
4 AT&T to achieve parity with GTE.

5  
6 (3) GTE has not agreed to provide AT&T with the ability to route calls from AT&T  
7 customers directly to AT&T's service platforms for Operator Services and  
8 Directory Assistance. Direct routing will enable AT&T to achieve parity by  
9 providing AT&T customers the same convenient access to AT&T's platforms as  
10 GTE customers have to GTE's platforms.

11  
12 (4) GTE has not agreed to provide AT&T with the same telephone directory  
13 services that GTE provides itself. GTE has not agreed to provide AT&T the same  
14 amount and type of space in the telephone directory that GTE provides itself. GTE  
15 also has not agreed to provide free secondary delivery of telephone directories like  
16 GTE provides to its customers. Parity is necessary so that AT&T customers can  
17 receive equally convenient telephone directory services as GTE customers.

18  
19 **Q. DOES THE ACT REQUIRE PARITY?**

20  
21 **A. Yes.** The Act prohibits GTE from imposing unreasonable or discriminatory  
22 limitations or conditions on new entrants when providing telecommunications  
23 services for resale and obligates GTE to provide unbundled network elements and  
24 network interconnection at reasonable and nondiscriminatory terms and conditions.  
25 47 U.S.C. § 251(c)(2)-(4). It is unreasonable and discriminatory for GTE to provide

1 new entrants with services, network elements or interconnection that are inferior to  
2 those which GTE provides itself. Parity, moreover, advances the expressed goals of  
3 the Act to promote robust competition so that consumers may secure the benefits of  
4 higher quality services and emerging technologies at competitive prices. S. Rep.  
5 No. 23, 104th Cong., 1st Sess., at 2 (1995). Without parity, new entrants will not be  
6 able to compete effectively against GTE. The end result will be Florida consumers  
7 not realizing the full benefits of robust competition.

8

9 **Q. DO THE FCC REGULATIONS ADDRESS PARITY ISSUES?**

10

11 A. Yes. The FCC firmly embraced the concept of parity in its regulations  
12 implementing the Act. The FCC ordered that incumbent LECs must provide  
13 services, unbundled network elements, and interconnection that is at least equal in  
14 quality to that provided by the incumbent LEC to itself. FCC Order No. 96-325, ¶  
15 969, at 490; 47 C.F.R. §§ 51.305(a), 51.311(b) (to be codified). In addition, the  
16 FCC addressed the following specific parity issues:

17

18 Electronic Interfaces -- The FCC regulations require GTE to provide AT&T  
19 access to GTE's operations support systems that is at least equal in quality to that  
20 which GTE provides itself unless GTE can prove that such access is not  
21 "technically feasible," as defined by the FCC. FCC Order No. 96-325, ¶¶ 521-24, at  
22 268-70.

23

24 Direct Routing -- The FCC regulations require GTE to provide AT&T  
25 customized routing to AT&T's operator services and directory assistance service

1 platforms unless GTE can prove that such routing is not "technically feasible," as  
2 defined by the FCC. FCC Order No. 96-325, ¶¶ 417, 535, at 210, 274.

3

4 **Q. HAVE OTHER STATE COMMISSIONS ADDRESSED PARITY ISSUES?**

5

6 A. Yes. The Illinois Commerce Commission recently emphasized the importance of  
7 parity by its conclusion that "resellers must have the opportunity to provide every  
8 aspect of their retail customer contacts at parity with those provided to retail  
9 customers by the LECs either directly or through a subsidiary." Illinois Commerce  
10 Commission, Case Nos. 95-0458, 95-0531, at 51 (June 26, 1996).

11

12 **Q. HAVE OTHER STATE COMMISSIONS ADDRESSED THE ELECTRONIC**  
13 **INTERFACE ISSUE SPECIFICALLY?**

14

15 A. Yes. The State Commissions in Georgia, Illinois, Ohio, and New York have  
16 adopted policies that require incumbent LECs to provide electronic interfaces:

17

18 **Georgia --** The Georgia Public Service Commission found that "it is  
19 imperative that a reseller have access to the same service ordering provisions,  
20 service trouble reporting and informational databases for their customers as does  
21 BellSouth." Georgia Public Service Commission, Docket No. 6352-U, at 12 (June  
22 12, 1996). In that proceeding, even BellSouth acknowledged that "[n]o one is  
23 happy, believe me, with a system that is not fully electronic." Id. at 11.

24 Accordingly, the Georgia PSC ordered BellSouth to provide the electronic  
25 interfaces requested by AT&T.

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**Illinois** -- The Illinois Commerce Commission concluded that "[t]he importance of equal operational interfaces is essential to the development of resale competition. In order to ensure that the needs of new entrants are satisfied, the Commission will order that all incumbent LECs are required to provide to resellers, as an integral part of their resale service offering, all operational interfaces at parity with those provided their own retail customers, whether directly or through an affiliate." Illinois Commerce Commission, Docket Nos. 95-0458, 95-0531, at 5 (June 26, 1961).

**Ohio** -- The Ohio Public Utilities Commission ordered each LEC that maintains a carrier-to-carrier tariff "to provide nondiscriminatory, automated operational support systems which would enable other LECs reselling its retail telecommunications services to order service, installation, repair, and number assignment; monitor network status; and bill for local service." Ohio Public Utilities Commission, Docket Nos. 95-845-TP-COI, Appendix A, at 5. (June 12, 1996).

**New York** -- The New York Public Service Commission established an operations group to ensure that New York Telephone implement adequate processes and systems to enable resellers to operate on par with New York Telephone. New York Public Service Commission, Case No. 95-C-0657, at 13 (June 25, 1996). The guiding principle for the operations group is that "new entrants should have access to the same New York Telephone information, processes, systems and service quality (e.g., pre-ordering information, service order processes, service provisioning

1 and repair intervals, trouble reporting and monitoring mechanisms) as New York  
2 Telephone employs to serve its own end-use customers." Id. To afford new entrants  
3 the opportunity to compete effectively with the incumbent LEC, New York  
4 Telephone will provide new entrants with real-time, electronic access to New York  
5 Telephone's systems wherever possible thereby improving the new entrant's ability  
6 to transact business with their customers promptly and efficiently.

7

8 **Q. HAVE OTHER STATE COMMISSIONS ADDRESSED THE DIRECT**  
9 **ROUTING ISSUE?**

10

11 **A. Yes. The State Commissions in Georgia, Illinois, Ohio, and New York also have**  
12 **adopted policies that require incumbent LEC's to provide direct routing:**

13

14 **Georgia --** The Georgia Public Service Commission found that the ability  
15 of a competing carrier to utilize their own operators or custom-branded operator  
16 services will enhance the ability of that entity to effectively compete. Georgia  
17 Public Service Commission, Docket No. 6352-U, at 13 (June 12, 1996).

18

19 **Illinois --** The Staff of the Illinois Commerce Commission concluded that  
20 "the potential exists for the wholesale LEC to use its monopoly power in the  
21 provisioning of incumbent local exchange service anticompetitively." Illinois  
22 Commerce Commission, Docket Nos. 95-0458, 95-0531, at 51-52 (June 26, 1996).  
23 The staff recognized that the incumbent local exchange carrier could "advertise its  
24 own services by branding directory assistance, operator services, etc., on calls  
25 provided to end users by the resellers." Id. Accordingly, the Illinois Commerce



1 Commission found that the unbundling of Operator Services and Directory  
2 Assistance is a necessary requirement for effective competition and rejected the  
3 incumbent LEC's claim that direct routing was not technically feasible. Id. at 45.  
4 Illinois also required that the incumbent LEC brand Operator Services and Director  
5 Assistance for resellers where technically feasible. Id. at 45.

6  
7 **Ohio** -- The Ohio Public Utilities Commission similarly ordered incumbent  
8 LECs to unbundle Operator Services, Directory Assistance and other services. Ohio  
9 Public Utilities Commission, Docket No. 95-845-TP-COI, Appendix A, at 49 (June  
10 12, 1996). Ohio also provided for the branding of purchased services. Id. at 52.

11  
12 **New York** -- The New York Public Service Commission directed New  
13 York Telephone to file tariffs providing for both unbundled and branded Operator  
14 Services and Directory Assistance. New York Public Service Commission, Case  
15 No. 95-C-0657, Order No. 5 (June 25, 1996).

16  
17 **PARITY STANDARDS**

18  
19 **Q. DO GTE AND AT&T AGREE ON WHAT THE ACT REQUIRES IN TERMS**  
20 **OF PARITY?**

21  
22 **A.** No. AT&T's position is that the Act requires parity between Incumbent Local  
23 Exchange Carriers like GTE and new entrants like AT&T. GTE, on the other hand,  
24 believes that the Act only requires parity between new entrants and end-users.  
25 Under GTE's interpretation of the Act, GTE could provide all new entrants inferior

1 services, unbundled network elements, and interconnection to those that GTE  
2 provides itself. The FCC Order and regulations make clear that AT&T's  
3 interpretation of the Act is correct. FCC Order No. 96-325, ¶ 969, at 490; 47 C.F.R.  
4 §§ 51.305(a), 51.311(b) (to be codified). Common sense also dictates that GTE's  
5 position is incorrect: GTE's position would ensure that GTE remains dominant in  
6 the local exchange market where GTE is the incumbent.

7

8 **Q. DID GTE AND AT&T REACH AN AGREEMENT ON QUALITY**  
9 **ASSURANCE PROVISIONS THAT WOULD ENSURE PARITY?**

10

11 A. Not exactly. GTE and AT&T have agreed to work together to develop and deploy  
12 standards and procedures that would verify that AT&T is, in fact, receiving  
13 services, unbundled network elements, and interconnection at least at parity with  
14 GTE, but as explained above the parties have not agreed on a definition of parity.  
15 The parity standards and procedures to be developed would include, but are not  
16 limited to, notification of changes in features, services, prices, and technologies.  
17 AT&T has proposed that the standards and procedures be finalized in a joint plan by  
18 September 1, 1996. GTE has not agreed to AT&T's proposal on the process of  
19 developing the standards and procedures, or effective date for implementation.

20

21 **Q. WHAT DOES AT&T REQUEST FROM THE COMMISSION WITH**  
22 **RESPECT TO PARITY STANDARDS?**

23

24 A. AT&T requests that the Commission order GTE to provide AT&T with services,  
25 unbundled network elements and interconnection that are at least equal in quality to

1 those that GTE provides itself. AT&T also requests the Commission to order GTE  
2 to implement reasonable standards and procedures to ensure that GTE is providing  
3 services, unbundled network elements, and interconnection at parity.

4  
5 **Q. WHY SHOULD THE COMMISSION ORDER GTE TO PROVIDE PARITY?**

6  
7 A. There are a number of reasons why the Commission should order GTE to provide  
8 parity. First, the Act and its implementing regulations clearly require GTE to  
9 provide parity. 47 U.S.C. § 251(c)(2)-(4); FCC Order No. 96-325, ¶ 969, at 490; 47  
10 C.F.R. §§ 51.305(a), 51.311(b) (to be codified). Second, parity is good policy.  
11 Initially, new entrants like AT&T must purchase most of the services, network  
12 elements, and interconnection necessary to provide local exchange service and GTE  
13 is the sole source for those items. New entrants, therefore, cannot provide high  
14 quality services to consumers unless GTE first provides high quality services to new  
15 entrants. Without the ability to offer high quality services to consumers, new  
16 entrants cannot compete effectively with GTE and robust competition will not  
17 develop. If robust competition does not develop, consumers will not receive the  
18 benefits that result from competition.

19  
20 **Q. IF GTE DOES NOT PROVIDE QUALITY SERVICE, SHOULD GTE BE**  
21 **LIABLE FOR DAMAGES UNDER ANY CIRCUMSTANCE?**

22  
23 A. Yes. AT&T has requested that GTE accept liability for unbillable or uncollectible  
24 revenue that result from GTE's actions or inactions, such as work errors, alterations  
25 of software, or unauthorized physical attachment to loop facilities. GTE, however,

1 has refused to accept such liability.

2

3 **Q. WHY IS IT REASONABLE FOR GTE TO ACCEPT LIABILITY FOR**  
4 **UNBILLABLE OR UNCOLLECTIBLE REVENUES?**

5

6 A. Between GTE and AT&T, GTE is in the best position to prevent billing fraud and  
7 work errors because GTE is responsible for the personnel provisioning the service  
8 and the equipment providing the service. GTE, therefore, should be liable for its  
9 actions and inactions that result in uncollectible or unbillable revenue.

10

11 **ELECTRONIC OPERATIONAL INTERFACES**

12

13 **Q. WHAT ARE ELECTRONIC INTERFACES?**

14

15 A. Electronic operational interfaces are electronic connections between AT&T's and  
16 GTE's computer systems that allow AT&T personnel immediate access to  
17 information in, and the capabilities of, GTE's computerized operations support  
18 systems. Electronic interfaces could involve direct access between the AT&T and  
19 GTE computer systems, or access through separate "gateway" interfaces. A  
20 gateway is a mechanism that allows the systems of both companies' to communicate  
21 with each other even though they cannot communicate directly because of different  
22 or incompatible software.

23

24 AT&T has requested that GTE provide electronic interfaces that are capable of  
25 providing real-time, interactive access to GTE's operations support systems.

1 AT&T's request is completely consistent with the FCC regulations, which provide  
2 that incumbent LECs must provide nondiscriminatory access to their operations  
3 support systems, including access through any internal gateway systems the  
4 incumbent LEC utilizes for itself. FCC Order No. 96-325, ¶ 515-527, at 265-270.  
5 Real-time access would enable AT&T personnel to transmit and receive  
6 instantaneously the most current data that is available at any particular moment.  
7 Interactive access would enable AT&T personnel to update the databases in GTE's  
8 operations support systems. For example, interactive access would enable AT&T  
9 personnel to assign a "vanity" telephone number to a customer or schedule the  
10 earliest available installation appointment with the customer on-line instead of  
11 through multiple telephone calls. As an interim measure, AT&T requested that  
12 GTE provide real-time automated interfaces until GTE can implement interactive  
13 electronic interfaces.

14  
15 **Q. PLEASE DESCRIBE THE OPERATIONS SUPPORT SYSTEMS FOR**  
16 **WHICH AT&T IS REQUESTING REAL-TIME, INTERACTIVE ACCESS**  
17 **THROUGH ELECTRONIC INTERFACES.**

18  
19 **A. AT&T has requested real-time, interactive access through electronic interfaces to**  
20 **GTE's operations support systems for pre-ordering and ordering, provisioning,**  
21 **maintenance and repair, and billing. The FCC regulations define those systems as**  
22 **follows:**

23  
24 Pre-Ordering and Ordering -- "Pre-ordering" and ordering  
25 includes the exchange of information between

1 telecommunications carriers about current and proposed  
2 customer products and services or unbundled network  
3 elements or some combination thereof.

4  
5 Provisioning -- "Provisioning" involves the exchange of  
6 information between telecommunications carriers where  
7 one executes a request for a set of products and services or  
8 unbundled network elements or combination thereof from  
9 the other with attendant acknowledgments and status  
10 reports.

11  
12 Maintenance and Repair -- "Maintenance and repair"  
13 involves the exchange of information between  
14 telecommunications carriers where one initiates a request  
15 for maintenance or repair of existing products and services  
16 or unbundled network elements or combination thereof  
17 from the other with attendant acknowledgments and status  
18 reports.

19  
20 Billing -- "Billing" involves the provision of appropriate  
21 usage data by one telecommunications carrier to another to  
22 facilitate customer billing with attendant acknowledgments  
23 and status reports. It also involves the exchange of  
24 information between telecommunications carriers to  
25 process claims and adjustments.

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47 C.F.R. § 51.5 (to be codified).

**Q. DO ELECTRONIC INTERFACES PROVIDE ANY BENEFITS TO FLORIDA CONSUMERS?**

A. Yes. Electronic interfaces would enable new entrants like AT&T to provide operations support services to Florida consumers more quickly, conveniently, accurately, and efficiently than otherwise would be possible without electronic interfaces. Electronic interfaces eliminate the manual processes by which GTE personnel receive and transmit data from AT&T systems to GTE systems, or from GTE systems to AT&T systems. By eliminating such manual processes, AT&T customers will not be forced to experience the bottlenecks and inaccuracies that inevitably result when data is received manually from one electronic system and inputted manually into another electronic system.

**Q. ARE ELECTRONIC INTERFACES NECESSARY TO PROMOTE COMPETITION?**

A. Yes. Consumers are less willing to switch local exchange carriers if that switch cannot be completed quickly, conveniently, and accurately. For example, consumers may not switch local service providers if it takes several telephone calls to obtain the necessary pre-ordering information or if they cannot receive a firm confirmation for a particular date and time for installation.

1 Q. CAN YOU PROVIDE A SPECIFIC EXAMPLE OF THE EFFECT ON  
2 COMPETITION WHEN AT&T IS DENIED ELECTRONIC INTERFACES  
3 WITH OPERATIONS SUPPORT SYSTEMS?  
4

5 A. In January 1995, AT&T entered the local services resale market in Rochester, New  
6 York. The Rochester Telephone Company, ("Rochester") like GTE, refused to  
7 provide AT&T with electronic interfaces to its operations support systems and  
8 instead required a manual system. The ordering process with Rochester initially  
9 required manual processing of service orders from AT&T. As a result, AT&T had  
10 to complete and fax to Rochester a multi-page form for every individual customer  
11 who wanted to switch service to AT&T. Rochester insisted that no customers could  
12 be switched until Rochester had faxed multiple documents back to AT&T. AT&T  
13 was signing up between one and two hundred new customers daily and, therefore,  
14 had to fax up to 1400 pages to Rochester each day, causing numerous errors and  
15 delays in implementing customer orders. As a result of this cumbersome process,  
16 AT&T was unable to provide service in a timely manner, and competitive forces  
17 drove AT&T to cease marketing its resale of local services in Rochester. These  
18 problems were intolerable on a limited scale in Rochester, and they obviously would  
19 be magnified in a larger urban area, and certainly on a state-wide basis.  
20

21 Q. WHAT WAS GTE'S RESPONSE TO AT&T'S REQUESTS FOR  
22 ELECTRONIC INTERFACES?  
23

24 A. GTE agreed in principle to provide AT&T with real-time, interactive electronic  
25 interfaces, but GTE has taken the position that the Act only requires GTE to provide



1 parity between new entrants and not between new entrants and GTE. Electronic  
2 interfaces that do not provide for parity between new entrants and GTE are  
3 discriminatory and unreasonable. GTE, moreover, will not agree to a workplan to  
4 implement permanent electronic interfaces until the parties reach agreement on  
5 prices for services offered for resale, unbundled network elements, and  
6 interconnection.

7  
8 GTE also has refused to agree to an interim solution until the parties reach  
9 agreement on pricing issues. In any event, GTE's proposed interim solutions are  
10 inadequate because they produce inferior service for AT&T customers. For  
11 example, GTE's proposed interfaces would require GTE to manually re-enter data  
12 from AT&T's local service request and would result in service delays and increased  
13 error rates. GTE, moreover, is unwilling to provide AT&T with a confirmation of  
14 service order completion so that AT&T can verify that GTE provided the correct  
15 services.

16  
17 **Q. ARE THERE OTHER UNRESOLVED ISSUES THAT RELATE TO**  
18 **OPERATIONS SUPPORT SYSTEMS BUT DO NOT INVOLVE**  
19 **ELECTRONIC INTERFACES DIRECTLY?**

20  
21 **A. Yes, there are several unresolved issues relating to operations support systems:**

- 22  
23 • GTE has not agreed to provide AT&T access to its directory assistance  
24 database;

25

- 1
- GTE has not agreed to accept requests to change Primary Interexchange Carriers (“PIC”) (i. e., long distance carriers) for AT&T customers only from AT&T instead of PICs requesting changes;
- 2
- 3
- 4
- GTE has not agreed to provide AT&T with loop testing information for new or changed services; and
- 5
- 6
- 7
- GTE has not agreed to provide AT&T with requested billing and usage recording services.
- 8
- 9
- 10

11 **Q. WHAT DID AT&T REQUEST FROM GTE WITH RESPECT TO**  
12 **DIRECTORY ASSISTANCE DATA?**

13

14 A. AT&T requested that GTE provide AT&T access to GTE’s directory assistance  
15 database. AT&T needs this data so that it can provide its own directory assistance  
16 service.

17

18 **Q. WHAT WAS GTE’S RESPONSE TO AT&T’S REQUEST?**

19

20 A. GTE has not agreed to provide AT&T the requested data. GTE argues that AT&T  
21 does not need directory assistance data because AT&T customers have access to  
22 GTE’s directory assistance services.

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24 **Q. WHY SHOULD GTE PROVIDE AT&T ACCESS TO DIRECTORY**  
25 **ASSISTANCE DATA?**

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A. The Act and its implementing regulations requires GTE to provide AT&T access to unbundled network elements that is equal in quality to that which GTE provides itself. 47 C.F.R. § 51.311(b) (to be codified). The FCC has determined that operator systems, including directory services, are network elements. FCC Order No. 96-325, ¶ 533, at 273. By its statutory definition, a network element includes databases and information used in the provision of a telecommunications service. 47 U.S.C. § 153(29). Thus, directory assistance data fits squarely in the definition of network elements and, therefore, GTE must provide AT&T access to that data.

It is also good policy to require GTE to provide directory assistance data to new entrants. New entrants can offer consumers their own directory assistance service, which will benefit consumers and promote competition. Certainly, consumers will view carriers that cannot provide directory assistance services as inferior to a carrier that can provide such services.

**Q. WHAT DID AT&T REQUEST WITH RESPECT TO PIC CHANGES?**

A. AT&T requested that it be the contact point for PIC change requests for AT&T's local customers. AT&T requested that GTE reject any PIC change request from another carrier and notify that carrier to submit the request to AT&T. That is the process that the national Order and Billing Forum Committee, which is developing industry standards for billing and ordering, has tentatively adopted. AT&T also has requested that GTE and AT&T utilize a simplified ordering process for PIC changes. In addition, AT&T has requested that GTE identify charges for PIC

1 changes separately so that AT&T can rebill the appropriate party accurately and  
2 efficiently.

3

4 **Q. WHAT WAS GTE'S RESPONSE TO AT&T'S REQUESTS?**

5

6 A. GTE has not agreed to AT&T's requests.

7

8 **Q. WHY ARE AT&T'S REQUESTS REASONABLE?**

9

10 A. AT&T should receive all requests for PIC changes involving AT&T local customers  
11 because AT&T has the most current customer account information, which could  
12 include restrictions on PIC changes. AT&T, moreover, is accountable to its  
13 customers if something goes wrong with their service. Accordingly, it is reasonable  
14 for AT&T to be responsible for submitting requests to GTE to change the PIC for  
15 AT&T local customers.

16

17 It also is reasonable to implement a simplified process for PIC change requests. The  
18 competition created by the Act likely will result in an increase in the volume of PIC  
19 change requests as carriers begin to offer one-stop shopping for telecommunications  
20 services. GTE's present time intervals and service order costs suggest that its  
21 existing system is operationally and economically inefficient. A simplified process,  
22 therefore, is reasonable and necessary.

23

24 It is reasonable for GTE to separate charges for PIC changes. AT&T rebills these  
25 charges to the requesting interexchange carrier or AT&T's local customer as

1 appropriate. Without itemized billing, it is more difficult for AT&T to bill the  
2 appropriate party accurately.

3

4 **Q. WHAT DID AT&T REQUEST WITH RESPECT TO LOOP TESTING?**

5

6 A. AT&T requested that GTE provide the loop testing information that GTE provides  
7 itself so that AT&T can verify that the end-to-end service meets quality standards  
8 before AT&T initiates services with its customers.

9

10 **Q. WHAT WAS GTE'S RESPONSE TO AT&T'S REQUEST?**

11

12 A. GTE has not agreed to provide loop testing information because it believes that state  
13 guidelines do not require GTE to provide such information, and GTE does not  
14 provide such information to its retail customers.

15

16 **Q. WHY IS IT REASONABLE FOR GTE TO PROVIDE LOOP TESTING  
17 INFORMATION TO AT&T?**

18

19 A. The Act and its implementing regulations require GTE to provide AT&T at least the  
20 same quality of service that GTE provides itself. 47 U.S.C. § 251(c)(2)(C). GTE  
21 can obtain loop testing information in support of its retail operations. AT&T should  
22 have the same capability. Access to loop testing information, moreover, will help  
23 ensure that consumers receive quality service from day one.

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25 **Q. WHAT DID AT&T REQUEST WITH RESPECT TO WHOLESALE**

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**BILLING AND USAGE RECORDING?**

A. AT&T requested that GTE agree to provide the billing and usage recording services specified in Attachments 6 and 7 of AT&T's Proposed Interconnection Agreement. See Petition, Attachment 2.

**Q. WHAT WAS GTE'S RESPONSE TO AT&T'S REQUEST?**

A. GTE has agreed in theory to provide the requested wholesale billing and usage recording services. GTE, however, has conditioned its agreement on AT&T's agreement to bear the entire cost of GTE's systems development and operations for billing and recording.

**Q. WHAT DID AT&T PROPOSE IN TERMS OF COST RECOVERY?**

A. AT&T proposed that GTE recover these costs and other costs in a competitively neutral manner through operational efficiencies, service charges, or comparable charges which would allocate the costs across all carriers, including GTE and AT&T, that benefit from systems development and operation. It is unreasonable and discriminatory for GTE to require that AT&T bear all the costs for the development and operation of systems that will benefit GTE and other telecommunications carriers.

**DIRECT ROUTING**

1 Q. **WHAT IS DIRECT ROUTING?**

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3 A. Direct routing provides the capability for all consumers to dial the same telephone  
4 number but to have their calls routed to the service platform of their chosen local  
5 service provider

6

7 Q. **WHAT DID AT&T REQUEST FROM GTE IN TERMS OF DIRECT  
8 ROUTING?**

9

10 A. AT&T requested that GTE provide the capability to route calls directly from AT&T  
11 customers to AT&T service platforms for Operator Services and Directory  
12 Assistance Services (collectively referred to as "OS/DA services"). In other words,  
13 AT&T requested that calls from its customers go directly to AT&T's service  
14 platforms whenever AT&T customers dial the traditional and familiar numbers for  
15 Operator Services (0+, 0-) and Directory Assistance (411, 555-1212). AT&T's  
16 request is completely consistent with the FCC regulations, which provide that  
17 incumbent LECs must provide customized (i. e., direct) routing to operator service  
18 and directory assistance platforms to requesting telecommunications carriers. FCC  
19 Order No. 96-325, ¶ 417, at 210.

20

21 Q. **WHAT WAS GTE'S RESPONSE TO AT&T'S REQUEST FOR DIRECT  
22 ROUTING?**

23

24 A. GTE would not agree to provide direct routing of any kind as a matter of policy.  
25 Instead, GTE proposed to "unbrand" its OS/DA services. While GTE

1 acknowledged that direct routing was technically feasible, GTE argues that the Act  
2 does not require GTE to provide direct routing. The FCC Order, however, makes  
3 clear that GTE must provide direct routing where technically feasible. FCC Order  
4 No. 96-325, ¶¶ 417, 535, at 210, 274.

5

6 **Q. DOES DIRECT ROUTING PROVIDE ANY BENEFITS TO CONSUMERS?**

7

8 A. Yes. AT&T wants to offer services to Florida consumers that are equal to or better  
9 than the services GTE currently provides. Direct routing is necessary to allow  
10 AT&T to offer its customers convenient access to AT&T's world-class service  
11 platforms. From these platforms, AT&T can provide services that may not  
12 otherwise be available to consumers, such as multi-lingual operators, voice  
13 recognition, accurate quotes of AT&T rates, and calling card services.

14

15 **Q. ARE THERE ANY NEGATIVE CONSEQUENCES TO CONSUMERS IF**  
16 **DIRECT ROUTING IS NOT PERMITTED?**

17

18 A. Yes. Without direct routing, consumers who choose AT&T will not have dialing  
19 parity with GTE customers. To reach AT&T's service platforms, AT&T customers  
20 must dial long and unfamiliar telephone numbers instead of the traditional and  
21 familiar numbers for OS/DA services. The Commission cannot allow GTE to  
22 inconvenience consumers solely because GTE wants to secure a competitive  
23 advantage over new entrants in the local exchange market.

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25 **Q. WOULD DIRECT ROUTING FOSTER COMPETITION?**



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A. Yes. The traditional and familiar numbers for operator services (0+, 0-) and directory assistance (411, 555-1212) are a scarce resource. If the Commission allowed GTE to monopolize those convenient numbers, GTE would have an unfair competitive advantage because it would be the only source for convenient access to those important customer services. In addition, GTE would have a unique opportunity to siphon from AT&T the operator services and directory assistance business of AT&T's customers. Plus it provides GTE a "sales opportunity" with AT&T's customers.

In order to convince consumers to switch local service providers, new market entrants like AT&T must be able to distinguish themselves from the competition and strengthen customer relationships. Direct routing facilitates both. OS/DA services represent several of the relatively few instances where a local services provider interfaces directly with the customer. These services, therefore, provide an excellent opportunity for a new market entrant to demonstrate its particular strengths to its customers directly and in an easily recognizable manner. By providing quality service that is uniquely associated with a particular LEC, that carrier can distinguish itself from the competition and strengthen its customer relationships. While unbranded OS/DA ameliorates the problem somewhat, only direct routing will solve the problem.

**TELEPHONE DIRECTORIES**

Q. **WHAT DID AT&T REQUEST THAT GTE PROVIDE WITH RESPECT TO**

1           **TELEPHONE DIRECTORIES?**

2

3   A.    AT&T requested that GTE provide AT&T the same amount and type of space in the  
4           GTE Directory that GTE provides itself. AT&T also requested that GTE provide  
5           secondary delivery of directories (white page listings) at no additional charge to  
6           AT&T or its customers. Secondary delivery is a delivery that does not occur during  
7           the annual delivery period. GTE does not assess an additional charge to its  
8           customers for secondary deliveries.

9

10   **Q.    WHAT WAS GTE'S RESPONSE TO AT&T'S REQUESTS REGARDING**  
11           **TELEPHONE DIRECTORIES?**

12

13   A.    With respect to providing equal space in the GTE directory, GTE proposed to  
14           provide only a single page in the Customer Guide Section to each new entrant. That  
15           single page could include the new entrant's logo and essential customer service  
16           numbers, but could not include any product information. GTE does not impose  
17           such restrictions on itself.

18

19           With respect to delivering telephone directories, GTE proposed to charge AT&T  
20           \$2.49 to delivery a directory, except during its annual delivery period. GTE does  
21           not charge its retail customers for secondary deliveries, presumably because the cost  
22           of delivering directories is included in the price for local service.

23

24   **Q.    WOULD CONSUMERS BENEFIT IF GTE SATISFIED AT&T'S REQUEST?**

25

1 A. Yes. Consumers would have convenient access to AT&T product information if  
2 AT&T could publish that information in the telephone directory. Further, AT&T  
3 would not be subject to an additional cost for delivering telephone directories that  
4 AT&T may have to pass on to its customers.

5  
6 Competition also will benefit because AT&T will be able to provide the same types  
7 of telephone directory services, such as detailed information in the Customer  
8 Service Guide and free directory delivery, that GTE provides its customers. GTE's  
9 refusal to provide AT&T the capability to offer the same telephone directory  
10 services is yet another example of GTE trying to deny new entrants an opportunity  
11 to compete on a level playing field.

12

13 **Q. PLEASE SUMMARIZE YOUR TESTIMONY.**

14

15 A. The competitiveness of a new entrant carrier ideally should rise and fall on its  
16 ability to utilize the services, network elements and interconnection obtained from  
17 GTE to provide high quality services at competitive prices. The Commission  
18 cannot permit GTE to "stack the deck" against new entrants by refusing to provide  
19 such carriers the capability to provide Florida consumers at least an equivalent  
20 service experience as GTE provides its customers. Florida consumers will not  
21 experience the benefits of robust competition if GTE is able to discriminate against  
22 new entrants by providing itself with superior local services, network elements, and  
23 interconnection. Accordingly, the Commission should order that GTE: (1) provide  
24 standards and processes to ensure that GTE's services, unbundled network  
25 elements, and interconnection purchased by AT&T are at least equal in quality to

1 those that GTE provides itself; (2) accept liability for unbillable or uncollectible  
2 revenues that result from GTE's actions or inactions; (3) provide the requested  
3 electronic interfaces as soon as possible, but no later than January 1, 1997 as  
4 required by FCC regulations; (4) provide operations support services at parity with  
5 those that GTE provides itself; (5) provide direct routing to AT&T's operator  
6 services and directory assistance platforms; and (6) provide telephone directory  
7 services equal to that which GTE provides itself.

8

9 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

10

11 **A. Yes.**