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**REBUTTAL TESTIMONY OF
RONALD H. SHURTER
ON BEHALF OF AT&T COMMUNICATIONS
OF THE SOUTHERN STATES, INC.
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

**Docket No. [REDACTED]
Filed: August 30, 1996**

Q. PLEASE IDENTIFY YOURSELF AND STATE YOUR BUSINESS ADDRESS.

A. I am Ronald H. Shurter and my business address is 1 Oak Way, Berkeley Heights, New Jersey, 07922-2724.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS PROCEEDING?

A. Yes, I filed direct testimony under Docket No. 960833-TP on behalf of AT&T on July 31, 1996, and supplemental testimony on August 23, 1996. In both my direct and supplemental testimonies, I addressed issues relating to the mandate under the Telecommunications Act of 1996 (the "Act") and the Federal Communications Commission's First Report and Order (the "FCC Order") implementing the Act that BellSouth must provide AT&T with at least the same capabilities BellSouth provides itself (i. e., parity).

Q. WHAT IS THE PURPOSE OF YOUR PRESENT TESTIMONY?

A. The purpose of my present testimony is to rebut the portions of the testimony of two

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FPSC-RECORDS/REPORTING

1 BellSouth witnesses (Ms. Calhoun and Mr. Scheye) regarding several of the parity
2 issues that are before the Florida Commission.

3
4 ***ISSUES: WHAT ARE THE APPROPRIATE STANDARDS, IF ANY, FOR***
5 ***PERFORMANCE METRICS, SERVICE RESTORATION, AND QUALITY***
6 ***ASSURANCE RELATED TO SERVICES PROVIDED BY BELLSOUTH FOR***
7 ***RESALE AND FOR NETWORK ELEMENTS PROVIDED TO AT&T BY***
8 ***BELLSOUTH?***
9 ***SHOULD BELLSOUTH BE REQUIRED TO PROVIDE PROCESS***
10 ***AND DATA QUALITY CERTIFICATION FOR CARRIER BILLING, DATA***
11 ***TRANSFER, AND ACCOUNT MAINTENANCE, SIMILARLY WITH ACCESS***
12 ***BILLING AND TOLL BILLING?***

13
14 **Q. AT PAGE 65 OF HIS DIRECT TESTIMONY, MR. SCHEYE STATES THAT**
15 **IT IS PREMATURE TO SPECIFY DMOQS UNTIL ADEQUATE**
16 **EXPERIENCE IS AVAILABLE. DO YOU AGREE WITH THAT**
17 **STATEMENT?**

18 **A. No. The FCC Order requires BellSouth to provide interconnection, unbundled**
19 **network elements, and telecommunications services for resale that are at least equal in**
20 **quality to what BellSouth provides itself. 47 C.F.R. §§ 51.305(a), 51.311(b) (to be**
21 **codified); FCC Order No. 96-325, ¶¶ 224, 313, 970, at 114, 157, 479. BellSouth has**
22 **adequate experience with the standards of quality that BellSouth currently provides**
23 **itself. BellSouth can use that experience to develop Direct Measures of Quality**
24 **(DMOQs) with AT&T and provide process and data quality certifications to ensure**
25 **that BellSouth satisfies its obligations under the Act.**

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ISSUE: SHOULD BELLSOUTH BE REQUIRED TO PROVIDE REAL-TIME AND INTERACTIVE ACCESS VIA ELECTRONIC INTERFACES, AS REQUESTED, TO PERFORM THE FOLLOWING:

PRE-SERVICE ORDERING

SERVICE TROUBLE REPORTING

SERVICE ORDER PROCESSING AND PROVISIONING

CUSTOMER USAGE DATA TRANSFER

LOCAL ACCOUNT MAINTENANCE

IF THIS PROCESS REQUIRES THE DEVELOPMENT OF ADDITIONAL CAPABILITIES, IN WHAT TIMEFRAME SHOULD THEY BE DEPLOYED? WHAT ARE THE COSTS INVOLVED AND HOW SHOULD THESE COSTS BE RECOVERED?

Q. ON PAGE 16 OF HER TESTIMONY, MS. CALHOUN STATES THAT “AS LONG AS [NECESSARY] INFORMATION IS EXCHANGED, HOW INFORMATION IS EXCHANGED IS SECONDARY.” ON PAGE 18 OF HER TESTIMONY, MS. CALHOUN STATES THAT “ROCHESTER’S ARRANGEMENTS MAY HAVE HAD A DIRECT IMPACT ON THE END USER; BUT BELLSOUTH’S ARRANGEMENTS WERE DESIGNED TO BE TRANSPARENT TO THE END USER AND EASY FOR THE RESELLER.” DO YOU AGREE WITH THOSE STATEMENTS?

A. No, I do not. AT&T’s experience in Rochester proves that the method of exchanging information has a direct impact on AT&T’s ability to service its customers efficiently and effectively. The method of exchanging information, therefore, is not a secondary

1 issue to AT&T.

2

3 BellSouth's arrangements to exchange information with AT&T will not always be
4 transparent to the end user and easy for AT&T. During negotiations, AT&T sent to
5 BellSouth a matrix that identified some of the differences that AT&T customers
6 would experience as compared to BellSouth customers if BellSouth did not provide
7 electronic interfaces. See JC-1, Tab 289. For example, if AT&T sends a service
8 order to BellSouth between 6:00 p. m. and 8:00 a. m., the earliest BellSouth will
9 process that order is 8:00 a. m. because no one will be present during the night to
10 accept AT&T's service order. BellSouth, on the other hand, can input service orders
11 directly into its system 24 hours a day. Service orders received between 6:00 p. m.
12 and 8:00 a.m. for a BellSouth customer, therefore, will be processed before an order
13 for an AT&T customer, even though BellSouth may have received AT&T's service
14 order first. In effect, the BellSouth customer jumps ahead of the AT&T customer.

15

16 **Q. HAS BELLSOUTH PROPOSED TO PROVIDE AT&T WITH**
17 **ELECTRONIC INTERFACES FOR ANY OPERATIONS SUPPORT**
18 **SYSTEMS FUNCTIONS THAT WOULD SATISFY AT&T'S**
19 **REQUIREMENTS?**

20 **A.** In her testimony, Ms. Calhoun describes the capabilities of BellSouth's proposed
21 electronic interfaces for pre-ordering (phase two capabilities), maintenance and repair
22 (additional capabilities), customer usage data transfer, and local account
23 maintenance. BellSouth's proposed electronic interfaces might satisfy AT&T's
24 requirements if they were implemented as described. Ms. Calhoun's description of
25 capabilities of BellSouth's proposed electronic interfaces, however, are conceptual

1 and not very detailed. AT&T, therefore, cannot determine with certainty whether
2 BellSouth's proposed electronic interfaces will fully satisfy AT&T's requirements
3 until AT&T receives more details on these proposed electronic interfaces.

4

5 The electronic interfaces that BellSouth proposes for ordering functions, however, are
6 inadequate. In addition, BellSouth refuses to provide any electronic interfaces for the
7 provisioning functions.

8

9 **Q. HOW ARE THE PROPOSED ELECTRONIC INTERFACES FOR THE**
10 **ORDERING FUNCTIONS INADEQUATE?**

11 A. They are not fully automated. BellSouth's proposed electronic interface will allow
12 AT&T to transmit orders electronically to a BellSouth computer. That BellSouth
13 computer, however, does not have an electronic interface with BellSouth's operations
14 support systems for the ordering function. Consequently, a BellSouth representative
15 must read the data from one computer system and manually re-enter that data into
16 another computer system. See Calhoun at 29-30, Exhibit GC-3 at 1. That
17 unnecessary manual process will cause delays and increase error rates in the ordering
18 process.

19

20 **Q. MS. CALHOUN CLAIMS THAT BELL SOUTH IS PROVIDING AT&T**
21 **WITH AN ELECTRONIC DATA INTERCHANGE (EDI) ORDERING**
22 **INTERFACE. IS THAT STATEMENT ENTIRELY ACCURATE?**

23 A. No, it is not accurate according to BellSouth's definition of EDI. In a marketing
24 brochure (Exhibit RHS-1) that BellSouth provided to AT&T during negotiations,
25 BellSouth states that "EDI is more than just replacing paper documents with

1 electronic documents. It is more than replacing traditional methods of information
2 movement such as mail, phone or in-person delivery with electronic transmission. It
3 is actually a way of replacing manual data entry with electronic and eliminating
4 processing delays.” Exhibit RHS-1 (4th page). BellSouth’s proposed “EDI”
5 ordering interface does not replace manual data entry or eliminate processing delays.
6 Accordingly, BellSouth’s proposal does not even meet its own definition of “EDI.”
7

8 **Q. MS. CALHOUN ALSO CLAIMS THAT BELLSOUTH’S PROPOSED “EDI”**
9 **ORDERING INTERFACE SHOULD SATISFY AT&T’S REQUIREMENTS.**
10 **IS MS. CALHOUN’S STATEMENT TRUE?**

11 A. No, it is not true. BellSouth’s own EDI brochure acknowledges that proper EDI
12 technology can provide many benefits to businesses, including reduction in order
13 processing time, reduction in transaction costs, increased efficiency, improved
14 customer service, more accurate and timely information, improved customer
15 relationships, and increased sales opportunities and profitability. Exhibit RHS-1 (4th
16 page). BellSouth’s brochure then states that “[a]t BellSouth, we consider EDI to be a
17 critical new component of the telecommunications business and a key enhancement to
18 customer and supplier relationships. We believe that by entering EDI partnerships,
19 businesses will have a better chance to thrive in today’s highly competitive
20 environment.” Exhibit RHS-1 (4th page). AT&T agrees with BellSouth that EDI
21 will provide AT&T with a “key enhancement to customer and supplier relationships”
22 and “a better chance to thrive in today’s highly competitive environment. That is why
23 AT&T requires the benefits of EDI.
24

25 **Q. AT PAGE NINE IN HER TESTIMONY, MS. CALHOUN STATES THAT**

1 **BELLSOUTH HAS DEMONSTRATED THAT ITS EXISTING ORDERING**
2 **SYSTEM CAN SUPPORT THE INITIAL MARKET ENTRY OF**
3 **TELECOMMUNICATIONS CARRIERS. DO YOU AGREE WITH THAT**
4 **STATEMENT?**

5 A. No, I do not. Ms. Calhoun bases her conclusion on the assertion that BellSouth has
6 successfully processed more than 1,500 service orders associated with local
7 competition in the BellSouth region since July 1, 1995. Calhoun at 8-9. On average,
8 then, BellSouth has processed approximately five orders per day over the past year.
9 AT&T estimates that AT&T alone will generate over a thousand service orders per
10 day. In addition, other telecommunications carriers most likely will generate a similar
11 volume. Clearly, processing five orders per day does not establish that a system is
12 capable of processing over a thousand service orders per day. AT&T expects that the
13 flood of service orders will overwhelm BellSouth's capability to input manually those
14 service orders into BellSouth's system.

15
16 Q. **AT PAGE 35 OF HER TESTIMONY, MS. CALHOUN ARGUES THAT**
17 **ELECTRONIC INTERFACES ARE NOT REQUIRED FOR THE**
18 **PROVISIONING FUNCTION BECAUSE PROVISIONING IS**
19 **BELLSOUTH'S RESPONSIBILITY. DO YOU AGREE WITH THAT**
20 **STATEMENT?**

21 A. No, I do not agree and, more importantly, the FCC does not agree. The FCC Order
22 concludes that BellSouth must provide AT&T with non-discriminatory access to
23 BellSouth's operations support systems for the provisioning function. FCC Order 96-
24 325, ¶ 523, at 262. That access must be equivalent to the access that BellSouth
25 provides itself and necessarily includes access to the provisioning function through

1 any internal gateway system. Id.

2

3 AT&T requires access to BellSouth's operations support systems for the provisioning
4 functions so that AT&T can monitor the provisioning process. Among other things,
5 AT&T must know the status of service orders, whether a particular service order is in
6 jeopardy, when BellSouth completes a particular service order, and if there were any
7 additional charges associated with completing a particular service order. AT&T
8 needs that knowledge so that AT&T can keep itself and its customers informed with
9 the most current information regarding BellSouth's provisioning of an ordered
10 service. BellSouth provides that data to itself and, therefore, must provide that data
11 to AT&T.

12

13 **ISSUE: SHOULD BELLSOUTH BE REQUIRED TO UTILIZE CMDS**
14 **PROCESS FOR LOCAL AND INTRALATA CALLS AS USED TODAY FOR**
15 **INTERLATA CALLS?**

16

17 **Q. AT PAGE 70 OF HIS TESTIMONY, MR. SCHEYE STATES THAT A**
18 **UNIFORM SYSTEM MAY SIMPLIFY THE PROCESSING OF CALLS,**
19 **BUT THAT SUCH A SYSTEM DOES NOT EXIST TODAY. DO YOU**
20 **AGREE WITH THAT STATEMENT?**

21 **A. In part. I agree with Mr. Scheye's statement that a uniform system simplifies the**
22 **billing process. AT&T has requested that BellSouth utilize the Centralized Message**
23 **Distribution System ("CMDS") process for the billing of local and IntraLATA**
24 **collect, third party, and calling card calls. Today, the telecommunications industry**
25 **uses the CMDS process to determine the applicable rate and appropriate**

1 compensation for collect, third party, and calling card InterLATA calls. Under the
2 CMDS process, the “originating” local service provider’s rates apply to such calls. If
3 there were not a uniform system, the “originating” carrier and the “terminating”
4 carrier for a collect, third party, or calling card call may disagree about which
5 carriers’ rates apply and the compensation that is due each carrier. The CMDS
6 process prevents these kinds of disputes and simplifies the billing procedure for
7 InterLATA calls. If CMDS were applied to IntraLATA calls, it would simplify that
8 billing procedure as well.

9
10 The telecommunications industry, as a whole, has not yet adopted the CMDS process
11 for IntraLATA calls. That, however, does not lessen the need for a uniform system.
12 The industry approves of the use of the CMDS process for InterLATA calls. I cannot
13 think of one good reason why the industry would not eventually adopt the CMDS
14 process for IntraLATA calls. It does not make sense for BellSouth to impose a
15 process different from CMDS when that process has achieved universal acceptance
16 under similar circumstances.

17

18 **ISSUE: WHAT BILLING SYSTEM AND WHAT FORMAT SHOULD**
19 **BE USED TO RENDER BILLS TO AT&T FOR SERVICES AND ELEMENTS**
20 **PURCHASED BY AT&T?**

21

22 **Q. AT PAGE 49 OF HER TESTIMONY, MS. CALHOUN STATES THAT THE**
23 **CUSTOMER RECORD INFORMATION SYSTEM (“CRIS”) HAS THE**
24 **CAPABILITY TO MEET ALL OF AT&T’S REQUIREMENTS. DO YOU**
25 **AGREE WITH THAT STATEMENT?**

1 A. No. From AT&T's perspective, the CABS billing system is the most effective and
2 efficient method of conducting business in the Local and IntraLATA environment.
3 BellSouth and most, if not all, new market entrants have the facilities, systems, and
4 quality certification processes for CABS already in place for access billing and the
5 parties can readily adapt CABS for billing Local and IntraLATA services. On the
6 other hand, new market entrants do not have the facilities, systems, and quality
7 certification processes in place for CRIS. It makes sense that BellSouth should adapt
8 its system to accommodate the multitude of new entrants rather than have the
9 multitude of new entrants each adapt their systems to accommodate BellSouth. That
10 is particularly true because Ms. Calhoun suggests that BellSouth may change to
11 CABS in the future. Calhoun at 49.

12
13 **Q. IN SEVERAL PLACES IN HIS TESTIMONY, MR. SCHEYE PURPORTS**
14 **TO COMPARE WHAT AT&T OFFERS TO RESELLERS IN THE LONG**
15 **DISTANCE MARKET AND WHAT AT&T IS REQUESTING OF**
16 **BELLSOUTH IN THE LOCAL EXCHANGE MARKET. IS THIS A**
17 **MEANINGFUL COMPARISON?**

18 A. No, a comparison of AT&T's requests of BellSouth under the Act and AT&T's
19 practices in the long distance market is not meaningful because each currently
20 operates in entirely different environments.

21
22 BellSouth currently has a monopoly in the local exchange market. New entrants,
23 therefore, must look to BellSouth, and only to BellSouth, to obtain the services,
24 network elements, and interconnection necessary to offer local exchange service.
25 Allowing BellSouth to impose unreasonable and discriminatory conditions would so

1 inhibit the development of competition that BellSouth effectively would remain the
2 sole supplier of local exchange services. Consequently, in the local exchange market,
3 there can be no unreasonable or discriminatory restrictions on the offering of
4 interconnection, unbundled network elements, or services for resale.

5
6 In the long distance market, on the other hand, competition already exists among
7 multiple sources of supply. Competitive forces determine the conditions under which
8 products are sold for resale. Any conditions imposed by AT&T on resellers in the
9 long distance market is a response to competitive forces and is in no way instructive
10 of what is necessary to open BellSouth's monopoly in the local exchange market. In a
11 competitive market, if a reseller does not like the rates, terms and conditions proposed
12 by one carrier, that reseller (unlike new entrants in the local exchange market) simply
13 may look to another carrier. No one is locked out of the long distance market by the
14 terms and conditions imposed by a single supplier.

15

16 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

17 **A. Yes.**