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*Benjamin W. Fincher*  
Attorney, State Regulatory

October 31, 1996

**VIA AIRBORNE**

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

In Re: Docket No. 961150-TP Petition of Sprint Communications Company Limited Partnership for Arbitration of Proposed Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996.

Dear Ms. Bayó:

Enclosed for filing, are the original and fifteen (15) copies of the prefiled rebuttal testimonies of Michael R. Hunsucker and David E. Stahly, on behalf of Sprint Communications Company Limited Partnership in the above proceeding. We are also including a 3 1/2" diskette, in microsoft word format.

We are enclosing an extra copy of this transmittal letter. We ask that you please acknowledge receipt thereon and return to the undersigned in the enclosed self addressed stamped envelope.

All parties of record have been served in accordance with the attached Certificate of Service.

Thank you for your cooperation.

Sincerely,

  
Benjamin W. Fincher

BWF:lk

cc: Everett Boyd  
Parties of Record

cmu - 3  
legal - 3  
Matilda - 2 + orig  
Sec - 1

Hunsucker 11743-96  
Stahly 11744-96

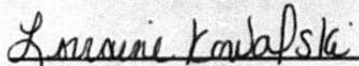
**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a true and exact copy of the within and foregoing Rebuttal Testimony of David E. Stahly and Michael R. Hunsucker, Docket No. 961150-TP, on behalf of Sprint Communications Company Limited Partnership via overnight express mail (Airborne) properly addressed to the following:

Monica Barone  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Nancy B. White  
General Attorney  
BellSouth Telecommunications, Inc.  
150 S. Monroe Street  
Room 400  
Tallahassee, FL 32301

This 31st day of October, 1996

  
Lorraine Kowalski

**BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION**

**In the matter of :**

<b>Petition of Sprint Cmmunications Company Limited</b>	)	
<b>Partnership for Arbitration of Proposed Interconnection</b>	)	<b>Docket No. 961150-TP</b>
<b>Agreement wiht BellSouth</b>	)	
<b>Telecommunications Inc. Pursuant</b>	)	<b>Filed November 1, 1996</b>
<b>to the Telecommunications Act of 1996</b>	)	

**REBUTTAL TESTIMONY**

**OF**

**DAVID E. STAHLY**

**ON BEHALF OF**

**SPRINT COMMUNICATIONS COMPANY  
LIMITED PARTNERSHIP**

**November 1, 1996**

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE  
**11744 NOV-1 96**  
 FPSC-RECORDS/REPORTING

1 **Q. Please state your full name, position, and business address.**

2 **A. My name is David E. Stahly. I am employed by Sprint Communications Company**  
3 **Limited Partnership (Sprint) as a Manager of Regulatory Policy. My business**  
4 **address is 8140 Ward Parkway, Kansas City, Missouri 64114.**

5  
6 **Q. Are you the same David Stahly that previously filed testimony in this**  
7 **proceeding?**

8 **A. Yes.**

9  
10 **Q. What is the purpose of your testimony?**

11 **A. The purpose of my testimony is to outline Sprint's proposal for interim and**  
12 **permanent rates for interconnection in rebuttal to BellSouth's response to Sprint's**  
13 **Petition for Arbitration.**

14  
15 **I. SPRINT'S POSITION**

16 **Q. What is Sprint's position regarding BellSouth's cost studies?**

17 **A. BellSouth has filed an extensive cost study which determines the prices**  
18 **for unbundled network elements which are critical the Sprint's success as**  
19 **a CLEC in Florida. Given the importance of discerning the right interim**  
20 **prices for these elements, it is imperative that Sprint and other parties**  
21 **have adequate time to review BellSouth's cost studies. Of particular**  
22 **concern are the exorbitant nonrecurring charges BellSouth proposes for**  
23 **unbundled loops: \$296.26 for the first loop and \$148.38 for each**  
24 **additional. These rates place CLECs at an extreme competitive**

1           disadvantage when competing for new customers and will harm the  
2           development of facilities-based competition in Florida because many  
3           CLECs will rely heavily on purchasing unbundled loops for several years  
4           to come. Clearly, such high NRC charges are a barrier to competition  
5           and need to be examined thoroughly.

6  
7   **Q.    What does Sprint propose for interim interconnection rates?**

8   **A.    Sprint is willing to accept, on an interim basis, all rates, terms, and**  
9           **conditions that result from the outcome of the arbitration between AT&T**  
10           **and BellSouth. This includes prices for unbundled network elements,**  
11           **transport and termination under reciprocal compensation arrangements,**  
12           **wholesale discounts, and all other services offered under such**  
13           **interconnection agreements and as will be identified in the Florida Pricing**  
14           **Schedule. In the event that the AT&T agreement is revised by the**  
15           **Commission or a court on appeal, Sprint will abide by any terms or**  
16           **conditions resulting from such appeal. However, in the event such an**  
17           **appeal leads to the award of rates that are higher or discounts that are**  
18           **lower than those awarded to AT&T in its arbitration, Sprint is willing to**  
19           **give the new rates retroactive affect only if the Commission or Court**  
20           **issuing the appeal order requires AT&T also to apply the new rates**  
21           **retroactively.**

22  
23   **Q.    Does the Federal Telecommunications Act support Sprint's**  
24           **proposal to use the rates established in the AT&T arbitration?**



1 A. Yes. Section 252(i) of the Act states that:

2

3 "A local exchange carrier shall make available any  
4 interconnection, service, or network element provided under an  
5 agreement approved under this section to which it is a party to  
6 any other requesting telecommunications carrier upon the same  
7 terms and conditions as those provided in the agreement."

8

9 The Act clearly states that BellSouth is required to offer Sprint or any  
10 other telecommunications provider the same terms and conditions for any  
11 interconnection, service or network element that it offers AT&T. Sprint is  
12 willing to accept all of the prices arbitrated in that agreement on an  
13 interim basis.

14

15 Q. What does Sprint propose for permanent interconnection rates?

16 A. Sprint fully supports the Commission's initiation of Docket No. 961088-TP  
17 to review BellSouth's TELRIC, shared, and common cost studies in order  
18 to establish permanent rates. This docket will make the most efficient  
19 use of the Commission's time and resources, as well as that of the  
20 participating parties and will ensure a full and thorough investigation of  
21 BellSouth's costs and prices. By setting permanent rates for  
22 interconnection at the right level, the Commission will have made the best  
23 effort possible to foster the development of facilities-based local  
24 competition.

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**Q. How does Sprint's proposal to adopt the AT&T agreement for interim rates promote competition?**

A. Adoption of AT&T's rate places Sprint and AT&T in the same competitive position at the same time. By allowing Sprint to operate under the same pricing structure as AT&T, Sprint is placed on a level playing field with one of its larger competitors. While BellSouth, Sprint's largest competitor for local service, still would retain an enormous cost advantage over Sprint, at least Sprint would not be disadvantaged relative to other new entrants.

**Q. What are the benefits to the Commission and the citizens of Florida of adopting Sprint's proposal?**

A. Sprint's proposal quickly resolves the plethora of issues surrounding the costing and pricing of all services that Sprint would seek to purchase from BellSouth in order to operate as a CLEC in Florida. This saves the Commission's resources allowing them to focus on other issues and opens the door to promoting local competition in Florida and providing the citizens of Florida with the benefits of competition for all telecommunications services. The brief history of competition in the long distance toll market clearly shows the benefits that accrue to customers. Today, long distance customers enjoy dramatically lower toll rates, discount calling plans that don't require customers to call at midnight, a plethora of calling card and voice mail products, multilingual operators,

1           and other services too numerous to mention. I believe that competition  
2           will bring the same product innovation and benefits to the local  
3           telecommunications market.

4

5   **Q.    Does this conclude your testimony?**

6   **A.    Yes, it does.**